Infibeam on the Web

THE RIGHT CLICK!

INFIBEAM INCORPORATION LIMITED

ANNUAL REPORT 2016-17

The annual report
can be viewed online at:

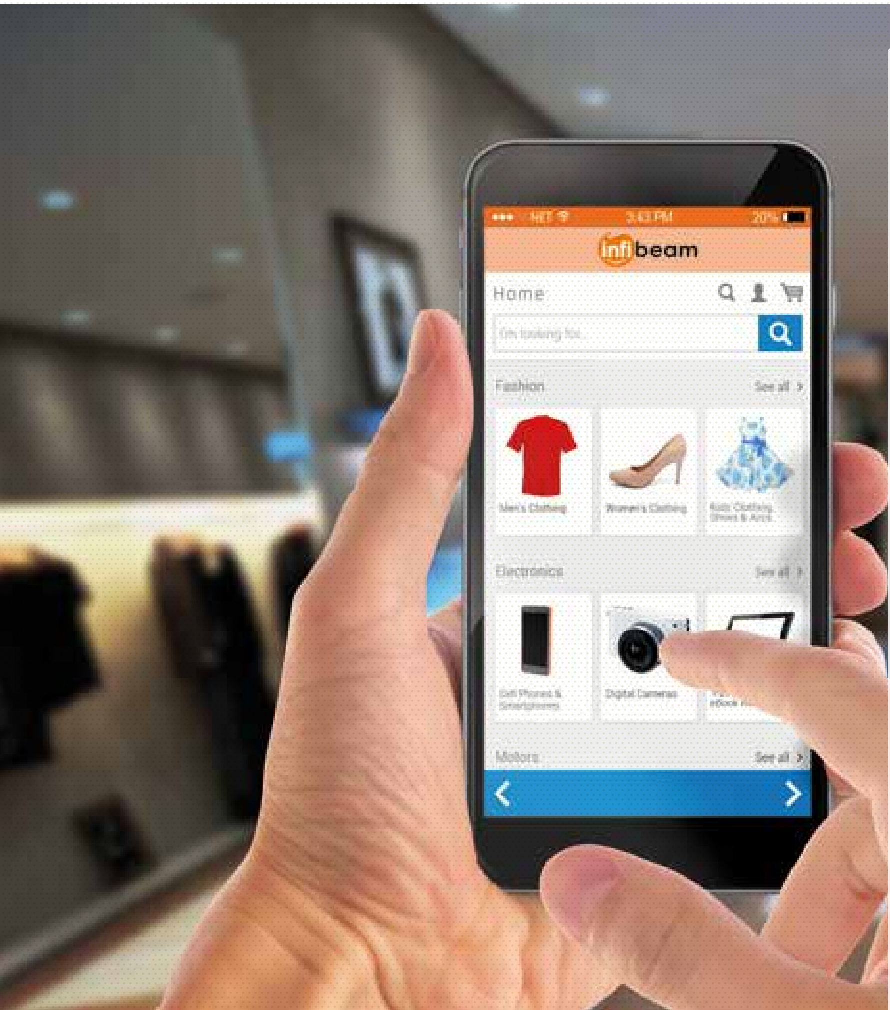
http://www.infibeam.ooo/financial-results/fy-2016-17

How do I read this document?

The diagram below maps the communication objective and structural flow of this report. Every section demonstrates unique information with a focus on our strategic direction, and a review of the businesses underpinning our strategy. We have ensured minimum repetition of facts to respect the reader's time.

Infibeam has a strong business model in e-commerce that is Profitable

We have a unique model that strongly differentiates us from other business models that are loosing money



We have developed our niche web-services on a cloud-based infrastructure to cater to both B2B and B2C needs.

We have built e-commerce solutions for every merchant who aspires to set up online storefronts for customers.

We have developed and implemented online service framework for small and large corporate across India and abroad.

We have built a robust business model generating revenues with profitable earnings.

Our strategies clicked! We made profits and created value for our shareholders.

US$1 billion+

Market Capitalisation (in US$) as on July 31, 2017

₹ 7,500 Crore+

Market Capitalisation (in INR) as on July 31, 2017

Get the right understanding

Before proceeding ahead, it is essential for the readers to get accustomed with certain terminologies related to the e-commerce industry.

E-Tail: An online webstore for sale of goods and services; abbreviated as electronic retail

E-Commerce: Any transaction related to selling of goods or services that happens online via website or mobile app; abbreviated as electronic-commerce

Marketplace: An e-commerce platform that enables merchants to list their goods and services offered by them for generating demand and sale

Merchant: A person or an individual who wants to sell his/her product and services either through physical store or by setting up own e-tail store/ storefront or by registering in a marketplace

Pure marketplace: An online marketplace where merchants can only list their products as well as manage the logistics and delivery solutions.

Managed marketplace: An e-commerce marketplace offering end-to-end support to merchants including logistic & fulfilment, digital marketing integration, warehousing and other value-added services.

Software as a service (SaaS): A software distribution model in which a third-party provider hosts application and makes them available to customers over the Internet

Storefront: Website that offers goods and/ or services for sale, and which the customers or 'window shoppers' can visit at any time and from anywhere

User-interface: Merchants online storefront where product and services are showcased for customers to browse and select

Cloud-based server: A cloud server is a logical server that is built, hosted and delivered through a cloud computing platform over the Internet

Security: E-commerce security is the protection of e-commerce assets from unauthorised access, use, alteration, or destruction

Payment gateway: A merchant service provided by an e-commerce platform that authorises credit card or direct payments processing for e-businesses

Fulfilment service: The process of receiving, packaging and shipping orders for goods through online platform

Logistics: The activity of transporting goods from one destination to other

Set-up fee: An initial fee that is charged by merchants to set up online storefront

Customisation: Developing/modifying a webstore according to individual or merchant's specifications or preference

Subscription-based services: Monthly/ Quarterly/Yearly payment for services provided

Drop ship: A fulfilment model that allows you to buy products individually from a wholesaler and ship them directly to your customer; instead of purchasing a large amount of inventory, you simply partner with a drop shipping supplier and list their merchandise for sale

Aggregators: A website or program that collects related items of content and displays them or links to them

Own inventory: Purchase of good/products and stores/stacked for further commercial activity Outright purchase Outright purchase is the transaction whereby the products are entirely purchased from the vendor at once with complete rights against payment of full consideration and without any reservations or qualification

Inventory-led model: Outright purchases stock from the vendor and sells it directly to the consumer

Consignment/SOR Consignment: The act of giving goods/products over to another person or agent's charge, custody but retaining legal ownership until the material or goods are sold; SOR is abbreviated as Sale or Return (SOR); it is referred to the sold goods returned to supplier if not accepted by the buyer

Merchandise: Refers to range of products available for sale on the online platform

Horizontal merchandise: Width of the merchandise categories spread across multiple categories

Vertical merchandise: Depth and variety in the merchandise collection with exhaustive range under each product categories

An e-commerce company with differentiated Business Model

Our business mix positions us, apart from a destination to shop online, to provide solutions where every retailer or a service provider or a merchant, can build their own online presence and reach consumers beyond a limited geography.

We have developed our marketplace business (infibeam.com) and distributed marketplace business (BuildaBazaar) on a software-as-a-service (SaaS) model, supported by numerous Value Added Service (VAS) offerings for an end-to-end e-commerce technology infrastructure management.

This has created a profitable mix of product and service-based revenues.

Product-based revenues

Marketplace infibeam

We own and operate infibeam.com, an online marketplace, selling fast moving products across multiple categories like mobiles, tablets, computers & accessories, electronics & cameras, housing and kitchen essentials among others.

Service-based revenues

Distributed Marketplace BuildaBazaar

We own and operate **buildabazaar.com** (BaB), a cloud-based enterprise platform, that provides small, medium and large merchants a ready-to-use e-commerce platform at cost-effective monthly subscription to help them create online stores under their own brand names.

Value-added services

We provide a wide range of value creating and much needed value-added services to support the e-commerce infrastructure of our merchants. These include mobile applications, digital product catalogue, content management, promotions handling, payment gateway solutions, logistics, accounting, customer relationship management as well as search engine optimisation, digital marketing, and integration with social media among others. These modular and customisable services are offered to our merchants registered on our infibeam.com and BuildaBazaar marketplace as well as the captive merchant base registered on e-commerce marketplaces of our strategic partners and customers in international markets.

Domain registry

.OOO GTLD

Infibeam is the first Indian Internet Registry to launch a generic top-level domain labelled, 'Dot triple O'. We have received necessary clearances and license from The Internet Corporation for Assigned Names and Numbers (ICANN). We have also entered into Registry Registrar Agreement (RRA) with leading global domain Registrars for making available our '.OOO' domain to the customers globally. The domain service allows merchants to create a unique brand name for their business and allows the Company to earn recurring revenue.

With a combination of both B2B software services and B2C product offerings, coupled with value-added services (VAS) and payment gateway solutions, Infibeam is a one-stop end-to-end e-commerce solutions provider in a highly fragmented e-commerce Services industry.

8.2 million
Active users on infibeam.com

42
Product categories

5000+
Merchant seller on infibeam.com

15 million+
SKUs offered on infibeam.com

71,341
Merchants using e-commerce Services

6
Warehouses

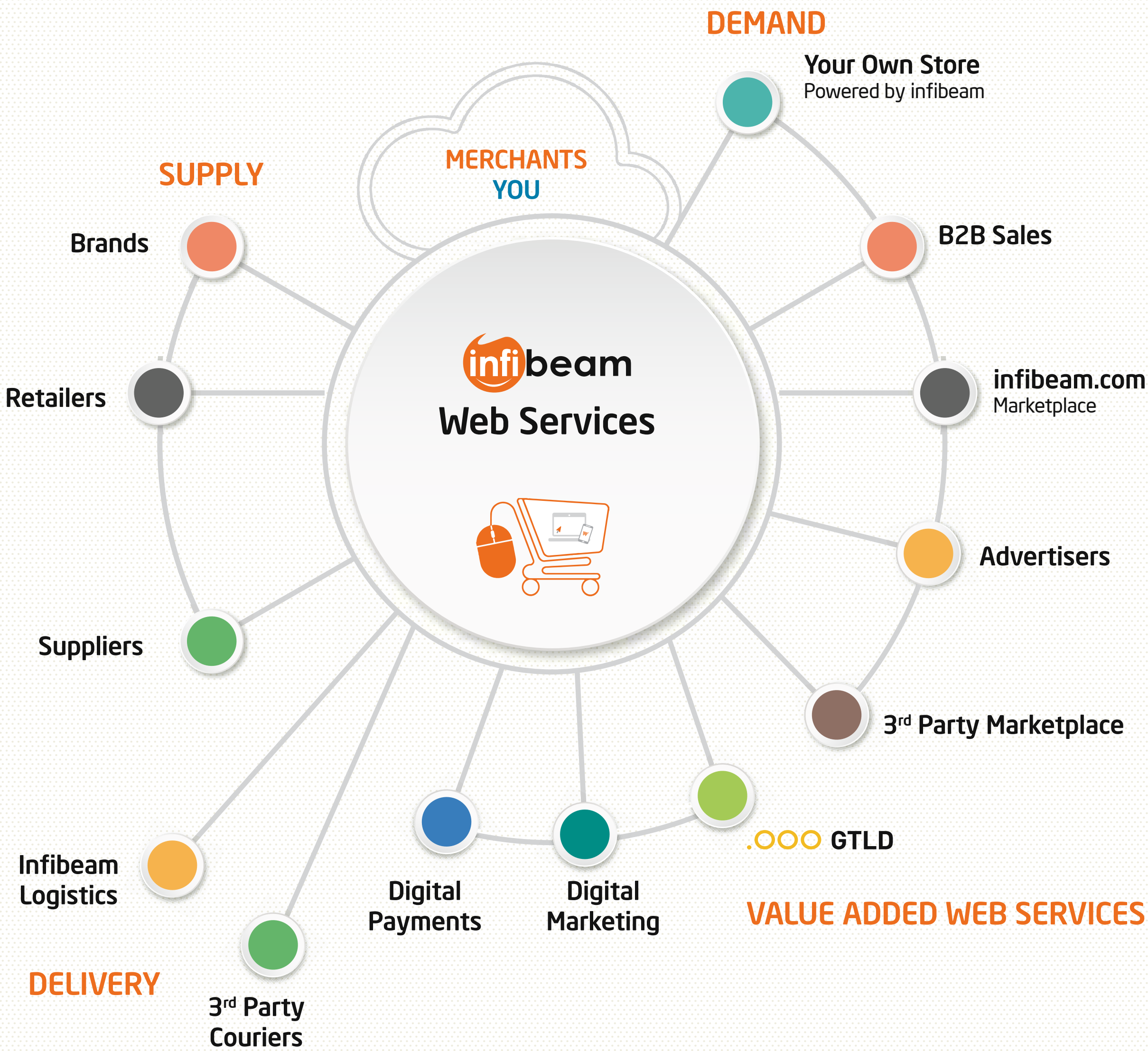
12
Logistics centres

75
Planned logistics centres

16,000
Pin codes covered

56%
Increase in revenues from the service segment

In e-commerce, we solve demand, supply and capacity challenges. The three pillars of our growth.



We have built the right technology ecosystem to integrate both demand-side and supply-side merchants.

We have created a demand-side solution through our BaB platform. Our system allows the merchants to sell directly to the customers. They can build their brand's presence by targeting consumers through their own website, mobile application and also across multiple other online marketplaces including infibeam.com. This model helps merchants to build a distributed marketplace and potentially incur higher sales. They can also use our digital medium of advertising to get consumers to their online store.

We have provided solutions to leading Indian and International brands. While they invest in the URL, the rest of the infrastructure comprising, the software, movement of material and money, and other operational processes run directly through our technology support.

We have also created supply-side solutions for brands, retailers and suppliers who do not have the appetite to directly sell to the customer. They usually prefer a distribution channel to sell the products. There are instances where few selected products contribute to larger proportion of revenues while a large part of tail products contribute lower to the overall revenues. We realised the opportunity here and offered our platform along with ERP integration to such suppliers. This allowed them to enhance the online visibility of their brand to B2C and B2B customer base.

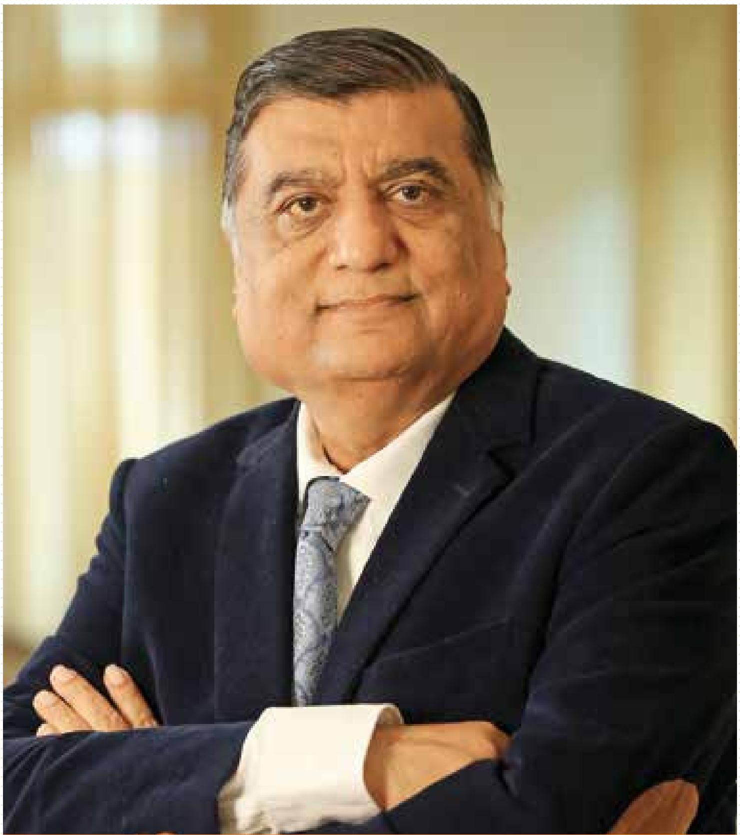
Our BaB platform, thus drives our services revenue by providing infrastructure to enable merchants to create their online presence as well as give value-added services to such merchants. Our strong delivery mechanism, defined as capacities, compliments this model.

We are in the process of increasing our logistic centres for last-mile logistics delivery mechanism to reach customers across the country. This will largely benefit our merchants and suppliers and allow us to monetise the services going ahead.

Data-centre framework

Infibeam has been proactively investing into the data centre framework to manage the growing scales and volumes. The Company is keeping no stone unturned to secure the primary databases. It has taken measures for data-backup and disaster recovery mechanism.

Chairman's Letter to Shareholders



In the fast-growing e-commerce industry, your Company operates a unique business model and earns revenue and profits, from twin platforms; viz. the e-commerce infrastructure services to merchants and digital market place for consumers.

Dear Shareholders

I extend a warm Greetings to all of you and your family members as I present the annual report and accounts for the Financial Year 2016-17. This is the second annual report of your Company, post listing of your Company's shares on Indian stock exchanges.

It is indeed a great satisfaction to find that your Company has made a significant progress and grown larger in revenues and profits. I congratulate the management of the Company for quadrupling the profits since last year, enabling us to generate accruals.

In the fast-growing e-commerce industry, your Company operates a unique business model and earns revenue and profits, from twin platforms; viz. the e-commerce infrastructure services to merchants and digital market place for consumers.

1. The Service platform is called as Infibeam Web Services [IWS], where your Company provides cloud based e-commerce platform, related ancillary services, digital payment solutions, along with complete delivery fulfilment infrastructure to the merchants and brands for their e-commerce business requirements
2. The Product platform is called as infibeam.com, a multi-category online shopping store for the consumers to buy merchandise through multi-channel online platforms

It is a matter of great satisfaction to find that Infibeam is the only e-commerce company in India providing global e-commerce trade experience to some of the large Indian and International companies. The improvement in digital infrastructure combined with growing consumer confidence towards online transactions, augurs well for the e-commerce sector.

Let me review some of the key achievements with you.

Financial Performance

- Our consolidated revenues and profits for the Financial Year 2016-17 (FY17) grew by 31% and 396% to ₹ 4,413 million and ₹ 435 million respectively over the previous year, despite the temporary disruption caused by the demonetisation, reflected poorly on the cash-on-delivery (CoD) business model

- Our revenue has grown at a CAGR of 28% over the last five years beginning FY12
- Our profits after tax has increased to ₹ 435 million in FY17 as against ₹ 88 million in FY 16
- Our revenue and profits have significantly increased due to our increasing focus on the Services (IWS) segment that generates nearly above 50% EBITDA margins and has grown at a CAGR of 100%, in the last five years, and currently contributes 36% to total revenues in FY17 from 4% in FY12
- Our operating cash flows in FY17 grew over 150% year on year to ₹ 593.2 million

During the year your Company significantly strengthened its presence in the local as well as global markets.

- I am happy to find your Company making successful inroads into the international market through our prestigious associations with companies like Saudi Telecom Company (MENA region) and Sears (USA) who have signed up our platform to grow their business
- We entered into an MoU with IL&FS Township & Urban Assets Limited for undertaking and implementing projects in digital space and e-commerce for Central Government, various State Governments and Private Partners
- The Company has also been awarded a prestigious contract by Government of India to design, develop and implement Government e-marketplace (GeM)
- We have also received confirmation from the Government of Gujarat, Delhi, Sikkim, and Maharashtra to provide a "Unique & Verified Digital Identity Platform" ("Digital Services") on the ".OOO" global top level domain (gTLD) with authorised and secured digital wallets for citizens residing in those states
- We signed an MoU with Gujarat Co-operative Milk Marketing Federation Ltd. (GCMMF) for developing 'online and mobile' framework. We are operational at multiple locations in Gujarat since 2nd half of the year and the progress has been extremely encouraging

I would now like to draw your attention to key corporate actions in FY17 showcasing our long-term growth and sustainability.

- We have acquired stake and filed to merge Avenues (India) Pvt Ltd (CCAvenue) that operates payment gateway services. CCAvenue enjoys 85% of the payments so aggregated in the country for over 100,000 merchants
  - In FinTech stream of digital commerce, CCAvenue is the largest transaction processing company with volume exceeding ₹ 120 billion and growing above 70% CAGR since FY2015
  - Like Infibeam, CCAvenue is also a profitable company in the FinTech segment
  - Combined with IWS, CCAvenue payment platform will result in an integrated services platform to merchants, enabling your Company to tap the immense potential in digital payments both in India and globally
  - This is a strategic investment by us to gain an access to the growing digital payments industry. This will also allow us to offer a complete e-commerce solution to the merchants globally
  - I am thankful to you for your consent and approval of merger of CCAvenue with Infibeam, which you gave to the board of your Company
- During the year, we have also acquired DRC Systems specialising in customised system integrations and developing ERP-related solutions for merchants, used in e-commerce business. DRC System is a profit-making entity and will strengthen our abilities to deliver digital solutions to our customers

Following are some of the major milestones achieved by your Company in FY17

- Mr. Vishal Mehta, Managing Director, Infibeam Incorporation Limited was conferred with B. H. Jajoo AMA Outstanding I.T. Entrepreneur of the Year Award
- On May 26, 2017, Infibeam was included in NIFTY Alpha 50 Index. NIFTY Alpha 50 Index aims to measure the performance of securities listed on NSE with high alphas;it is a well-diversified 50 stock index
- On March 31, 2017 Infibeam was included in Futures and Options segment of National Stock Exchange of India Ltd. (NSE)
- Morgan Stanley India Domestic Index (MSCI) a leading provider of benchmark indices globally have added Infibeam in their recent-companies listing; Infibeam, one among 6 companies, has been included in the list, which has been effective from November 30, 2016
- From August 26, 2016 Infibeam has been a part of S&P BSE 500 Index

IPO Proceeds Update

- **Setting up of cloud data centre and purchase of property for setting up registered and corporate office of our Company:** The Company has executed the Transfer Deed and taken possession of GIFT Two building in GIFT City as per the agreed payment terms in prospectus. We are planning to move to GIFT City anytime during the third quarter of the current financial year.

- **Setting up of Logistics Centre:** The Company has plans to expand across additional 75 centres within the next 3 years at an estimated capital cost of ₹ 375 million. The investment is expected to result into cost efficiencies and incremental revenue from services. The Company has started the investment by identifying locations with more clarity coming under the GST.

  The Company will report further progress on Capex incurred on quarterly basis under the terms stated in prospectus.

- **Purchase of Software:** The Company has initiated work towards Mobile Ad framework and the software is expected to be purchased and put to use in a phase wise manner over a period of next 12 months. The Company will be reporting the progress in successive quarters.

- **General Corporate Purpose:** As stated in prospectus, the IPO & Advertisement expenses have been incurred and accounted for in the full year Financial statement of March 31, 2016. The Company, through its fully owned subsidiary, made an investment in CCAvenues as a part of long term strategy.

A combined cash balance in books, duly increased under the contributions coming from earned profits during the FY March 2017 stands at ₹ 3,067 million.

I would like to acknowledge the efforts made by the Management Team of your Company and producing profitable financial performance, achieving landmarks beyond targets. I would also like to thank all our investors and bankers for believing in our potential. I would also like to thank all our customers, merchants, suppliers, service providers, and each employees of your Company for their continued support.

We will continue exploring newer opportunities to offer our unique web-based services and technology infrastructure and power digital enterprise of our customers and add value to each of our stakeholders associated with us. And more importantly, I thank you, our shareholders, for trusting us with your investments.

Best Wishes,

Ajit Mehta
Chairman, Infibeam Incorporation Limited

Managing Director's Letter to Shareholders

We are among very few companies in the world who are profit making from operations in e-commerce business

Dear fellow shareholder,

Season's Greetings to you and members of your family.

I am delighted to review the operations and financial performance for the year ended March 31, 2017 with you. As I look into the rear view mirror, I reflect upon the strong business model of the Company, well represented under the twin platform offerings, as under:

1. **Infibeam Web Services (IWS)** – An e-commerce service platform along with various value added services, serving more than 71,000 merchants powering their e-commerce business.
   - From managing payments to delivery of goods to the customers, IWS manages a complete digital infrastructure for merchants and provides them with ERP software on SaaS basis while ensuring fulfilment of purchase and sales transaction for the buyer and the seller.
2. **infibeam.com** – An online marketplace platform, serving nearly8.2 million users, offering them thousands of products, across 86product categories, covering mobile and tablets, computers and accessories, electronics and cameras, housing and kitchen, books and magazines, fashion and accessories, fitness, baby care and toys, movies and music, beauty and health, auto and auto accessories, travel and tickets, grocery and gifts.

It is the strength of technology-enabled services and marketplace platform, that our Company has achieved a unique position in the global e-commerce business while delivering, a trend-setting financial performance in the very first year of its listing.

Supported by young and dynamic team, I am very pleased to share the performance of the Company with you for the financial year 2017.

- The combined revenue grew by 31% to ₹ 4,413 million due to strong business performance
- The strong EBIDTA performance was primarily driven by Infibeam Web Services or IWS; IWS revenue grew by 56% to ₹ 1,590 million
- infibeam.com, the market place platform stayed contribution positive and registered 20% growth to ₹ 2,815 million
- The Profit After Tax grew by nearly 400% to ₹ 435 million resulting in Earning Per Share (EPS) of ₹ 8.47
- Cash from operations grew by 150% of ₹ 593.2 million, leaving a cash balance of ₹ 1,388 million in books at the end of FY

It has been the philosophy of Infibeam to generate profit for growing the business. We are committed to bring profitable growth for shareholders. We can proudly claim that we are among very few companies in the world who are profit making from operations in e-commerce business.

During the year we met several challenges and we find them well met as we look back and review them in light of the performance we achieved. We also seized some of the well planned and conceived opportunities under organic and inorganic growth initiatives.

1. Demonetisation (DeMo) had a very short-lived impact on the business of the Company as customers adopting to digital payments in lieu of Cash on Delivery (CoD) method of making payments. The technology platform of the Company could deliver necessary changes in software in shortest possible time, thereby overcoming the challenges under the DeMo.
2. A much awaited GST role out took place on July 1, 2017. We were ready with the required changes in the software that could deliver the solution to merchants operating under IWS and also under infibeam.com
3. We successfully commenced (amulonline.com), the largest dairy products company in the country, managing their online fulfilment of products.
4. **Government's e-Marketplace (GeM):** Infibeam along with consortium partner was selected by the GoI to run the GeM from where they purchase goods and services. This is going to be a

five-year contract. The GeM portal will fulfil the procurement needs of central and state governments, ranging from laptops and air conditioners to furniture and daily use items such as stationery, as well as services like taxis and florists. As per government estimates, the Central and the State Governments procure goods and services worth over ₹ 5 Lakh Crore every year.

5. **Infibeam domain service, ".OOO":** Infibeam provides the citizens of Gujarat, Delhi, Maharashtra and Sikkim through their respective Governments a "Unique & Verified Digital Identity Platform" on ".OOO"along with authorised and secured digital wallets. As a part of this program, Infibeam will provide a free platform for creation of digital web identity for citizens residing in these States to enable access and digitally store their own citizen centric records.
6. **Education Vertical:** We have recently forayed into the education sector and introduced e-learning platform (www.buildabazaar.ooo/els). Many educational institutions that are digitising their operations, approach multiple merchants in the absence of a single vendor to cater to all their requirements making digitising expensive for them. By addressing this gap, Infibeam will be able to tap into the ever-growing needs of parents, students and companies. India's e-learning market is estimated to be increasing at an annual growth rate of about 20%, according to media sources.
7. **Saudi Telecom Company (STC):** STC has chosen Infibeam for Jawwy to use the Company's end-to-end e-commerce solution. STC has already launched the service using our framework.
8. **Sears Holdings:** Infibeam has signed to provide Sears Holdings, an American Company owning retail store brands like Sears and Kmart etc., with online e-commerce platform services including advanced machine learning algorithms for enabling automated Products Classification at Sears Marketplace. We intend to grow in US and other international markets because the revenue per merchant in international markets, having similar business as ours, is significantly higher than what we earn in India.
9. **CCAvenue:** To take the advantage of the growing digital payments industry, Infibeam will merge Avenues India (CCAvenue) a leader in payment gateway services in South Asia serving 100,000 merchants. CCAvenue merger with us will significantly strengthen our B2B service platform allowing the Company to offer an end-to-end e-commerce service portfolio. The acquisition also provides us with cross-border e-commerce opportunity as they collect payments in 27 major currencies of the world. Infibeam has paid ₹ 2.1 billion as cash consideration to acquire 11.35% stake and the rest will be a stock deal. The Board has already approved the merger.
10. **DRC Systems:** Infibeam acquired DRC systems through its wholly owned Subsidiary, NSI Infinium Global Private Limited. DRC (www.drcsystems.com) is engaged in the business of providing customised software solutions for enterprise e-commerce, Enterprise Resource Planning (ERP) and related solutions. They have also been providing customised solutions using our proprietary BuildaBazaar platform to the merchants of Infibeam in India and globally. It was an all-cash deal amounting to ₹ 60 million. DRC Systems is a profitable company.

Dear shareholders, the above initiatives are detailed in the MD&A.

The Financial Year2017 was a dynamic year for the digital companies. Few big events revolutionised the traditional Indian digital industry and gave a much needed boost to the growth of e-commerce industry.

1. Launch of 'Digital India' and 'Broadband for all' program by the GoI to connect 250,000 gram panchayats.
2. Pan India launch of 4G services by top telecom operators with affordable internet plans.
3. Availability of affordable 4G smartphones; below US$50. Affordable smartphones and cheap data tariffs will significantly aide the penetration of internet in the rural areas, and increase the use of online channels for doing business, shopping and transacting payments digitally.
4. India became the second biggest nation in the world by number of internet users ahead of the United States providing a large opportunity for internet companies to help businesses shift from offline to online (O2O).
5. The Government of India (GoI) demonetised currency notes of ₹ 500 and ₹ 1,000, discouraging unaccounted cash transactions in the economy and promoting a 'less-cash' economy. This move led the industries to deepen the technology roots to adapt and innovate on digital payments solutions. Demonetisation acted as a catalyst in the growth of e-commerce industry largely

IPO proceeds usage

(in ₹ million)

Particulars	Objects of the issue as per prospectus	Amount utilised upto March 31, 2017	Un-utilised amount as of March 31, 2017
Setting up of cloud data centre and purchase of property for shifting of the registered and corporate offices of our Company	2,352	1,446	906
Setting up of 75 logistics centres	375	27	348
Purchase of software	670	300	370
General corporate purposes	765	758	7
Total	**4,162**	**2,531**	**1,631**

benefiting digital payments' growth. This can be validated by the fact that, digital payments rose 55% in 2016-17, against a 28% growth during the five-year period ending 2016.

To take an advantage of the growth in digital payments, we have successfully acquired a stake in CCAvenue, the largest aggregator of payments during the year under review. CCAvenue is now proposed to be merged into Infibeam, also to grow the web service business larger with greater degree of sustainability and make an integrated payment to delivery fulfilment solution and framework provider to the merchants registered with both companies.

CCAvenue is the leading online payment gateway service providers in India serving over 100,000 merchants. The Company's transaction value in FY17 was ₹ 120 billion and it is growing at a CAGR of 73% over the last 3 years. It has the ability to process transactions in 27 currencies and with the existing suite of web services will help us in our international expansion strategy.

CCAvenue is in the process of starting the Bharat Bill Pay, which will be the largest utility bill payments by volume and value of transactions. The expected volume could be significant on yearly basis due to most government services payments coming under this ambit, and could easily grow with the growth in digital payments in the country.

In the digital payment value chain, aggregator of payments is the most important or key player who collects payments from multiple payment sources including bank accounts, credit cards, digital wallets, UPI applications etc. CCAvenue offers the widest range of payment options, which includes 7 Credit Cards, 53+ Net Banking, 98+ Debit Cards, 7 ATM Cards, 48 Bank's IMPS, 16 Prepaid Instruments and 12 Bank EMI, a bouquet that enables customer choice.

Integration of payment will result in sustainable growth for your Company; both in form of volume of merchants and customers and the value of transactions executed.

Infibeam family happily welcomes CCAvenue family into it to make the beginning of a fully integrated web service provider for a large and sustainable growth in future. Investors will benefit as CCAvenue is a zero-debt company and generates positive cash flows which will enhance the value of Infibeam.

Some of the industry estimates about the growth of the e-commerce industry and Digital Payments industry in India are extremely encouraging which will help us to sustainably grow our IWS segment.

- The e-commerce industry is projected to rise to US$ 125 billion by 2020, growing at the rate of 31%, as per FICCI-PwC report 'Shaping Consumer Trends'
- About 600 million people are expected to be online by 2020 (as per ASSOCHAM-Deloitte joint study), out of which 250 million will be shopping online and spending more than US$ 50 billion
- As per a report by Boston Consulting Group (BCG) and Google, the Digital payments industry in India is expected to reach US$ 500 billion with 50% of all internet users accessing it by 2020. Merchant payments will constitute 40% of the digital payments according to them

This phenomenal growth potential provides Infibeam a very lucrative opportunity in offering its Infibeam Web Services (B2B) and Infibeam e-Retail platform (B2C) for the growth of online business.

Our expertise in offering end-to-end e-commerce technology solutions will help us in acquiring many big brands and make them our customers. We will offer these brands various value-added-services like online payment solution (through CCAvenue acquisition), digital marketing services (through ODIGMA), cloud computing and data analytics (through our own data centre capabilities), warehouse and logistics solution (through ShipDroid) and domain services (through our '.OOO' domain), among many other web based solutions. Our experience and customisable portfolio offering will make us a preferred partner for the e-commerce merchants.

The Future is to, Go Digital

Infibeam is an e-commerce technology company enabling the entire e-commerce ecosystem and also provides a digital marketplace platform to help small and large merchants take the advantage of the internet in this digital age in setting-up an online store to target a larger consumer base and increase their sales.

We have deeply rooted the 'Digitalisation' concept into our DNA and we wish to be a key catalyst (and a beneficiary in turn) in India's transformation and growth story, the world is talking about. I am very optimistic of the growth of the e-commerce industry in India and believe that all the efforts made by the Government and by all industry players will go a long way in brightly shaping the future of e-commerce industry and the Indian economy with technological advancements at the heart of this transformation.

We have developed integrated and synergistic business model for Infibeam Web Services and Infibeam e-Retail Platform for our customers on a cloud-based infrastructure that will enable online sale of products and services for merchants both locally and globally. Being at the core of the e-commerce technology development, our strategic initiatives (detailed in MD&A section) gives us enough headroom to offer customised and full suite of value-added online solutions to our merchants across the world. This will allow our merchants to build a strong and robust online customer base and significantly enhance their revenues. Having said that, we will continue to add merchants onto our platform, and will continue to explore opportunities across newer geographies.

I am thankful to the board of Directors and shareholders for their continued support and guidance to us.

I must say, the organic and inorganic growth so carried out by us wouldn't have been possible without an active support of each and every member of board, my colleagues in the Company, you shareholders and all other stakeholders.

We are grateful for the trust you have placed in us. Going forward we will keep building and indulging into areas that will immensely increase returns for our shareholders. We have begun well in this journey of wealth creation for all our stakeholders. We will grow stronger and will aspire to reach global leadership in every aspect of the business we operate.

We would be happy to receive your suggestions before the AGM. It will help us answer your query and meet your expectation when we interact during the AGM.

Best Wishes,

Vishal Mehta
Managing Director, Infibeam Incorporation Limited

Share Price Performance since Listing

1600
1400
1200
1000
800
600
400
200

4th April 2016
₹ **445.7**

Listing on bourses: Listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) and opened with 6% premium at a price band of ₹ 360 - ₹ 432 per share

Integration of CCAvenue: Invested ₹ 60 crores and acquired 3.85% stake in payment solution company, Avenues (India) Private Limited that operates payment gateway services - CCAvenue

Potential: Enhance service revenues by integrating the payment gateway system on BaB and on infibeam.com

30th May 2016
₹ **537.05**

E-Commerce Platform for Amul Products: Entered into an agreement with the Gujarat Cooperative Milk Marketing Federation (GCMMF) to provide online e-commerce and mobile platform with integrated logistics framework for selling Amul products.

Potential: Millions of customers of Amul; a perfect example of setting up a B2B and B2C platform for higher visibility and higher sales

Saudi Telecom Company (STC) opts for Infibeam's technology platform 'Buildabazaar': STC is one of the largest modern mobile network operator in the Middle East and North Africa launched 'Jawwy from STC', using BuildaBazaar technology platform of Infibeam. It will utilise the online, digital-first service model featuring its own SIM, app and freshly designed digital channels for sales and customer care. STC has chosen Infibeam for Jawwy to use the Company's end to end e-commerce solution.

Potential: Entry into the Middle Eastern zone; huge positive for the Company in terms of merchant acquisition.

4th July 2016
₹ **696.85**

18th July 2016
₹ **672.45**

Unique and Verified Digital Identity Platform for Sikkim: Established Unique and Verified Digital Identity Platform on the .OOO (gTLD) Domain for Indian residents in Sikkim State with authorised and secured digital wallets.

Potential: Enhanced visibility by undertaking a unique initiative for Sikkim Government. The Company will also develop a tourist portal to assist the tourists visiting the state from world-over.

22nd November 2016
₹ **1136.1**

3rd October 2016
₹ **911.6**

27th October 2016
₹ **922.6**

Fully-owned Subsidiary in Dubai: Formed fully owned Subsidiary, i.e. Infibeam Global EMEA FZ-LLC, Dubai, for offering e-commerce solutions of marketplace and distributed marketplace, along with digital marketing under its global platform.

Potential: The entity would cater to about 40 countries in MEA (Middle East & Africa) region for offering e-commerce solutions to merchants and consumers.

MoU with IL&FS Township & Urban Assets Limited (ITUAL): Entered into an MoU with ITUAL for undertaking and implementing projects in digital space and e-commerce for Central Government, various State Governments and Private Partners.

Potential: Huge Revenue opportunity over a long period.

April 2016
May 2016
June 2016
July 2016
August 2016
September 2016
October 2016
November 2016

Developing A Distributed Marketplace Using Infibeam's e-commerce Services Portfolio For Gujarat SMEs
(n) Code Solutions, the IT division of GNFC and Infibeam partnered to provide a technology enabled distributed-marketplace and value added services to SMEs registered within Gujarat on '.OOO' domain. The platform will enable the SMEs to market their products and services to online customers. Furthermore, every merchant will get their own branded store and email on ".OOO" domain. The platform comes integrated with digital payment solutions and wallets for merchants to collect payments, logistics companies for delivery as well as third party marketplace integrations to generate additional sales.
Potential: Gives Infibeam a breakthrough to access a large market for promoting its B2B e-commerce services.

Investment in RemitGuru
Infibeam along with CCAvenues to invest in Preference Shares of RemitGuru. Infibeam and CCAvenue will invest ₹ 30 million in RemitGuru; Infibeam will invest ₹ 20 million. RemitGuru's customers from more than 25 countries send money to India through this platform in 8 currencies. The Company seamlessly integrates to multiple payment systems and compliance networks across the world. Furthermore, the Company also offers its state of the art platform to banks across the globe to enable them to launch their own cross border transaction services. This investment will be helpful in increasing the cross-border e-commerce business transactions and making the remittance business cash free through FinTech solutions.
Potential: With this investment Infibeam will be able to offer its e-commerce services platform in the international market expanding its footprint into the fast growing global e-commerce market.

Issue of warrants to Bennett Coleman and Company
The board approved issue of warrants to Bennett Coleman and Company on preferential issue-basis at a conversion price of ₹ 1,375 per equity share.
Potential: Gives us access to promote our business with the largest print media house in India at lower rates

9th December 2016
₹ 1129.05

Agreement with American Holding Company, Sears Holding Management Corporation (SEARS):
Signed an agreement with SEARS, an American Holding Company and the owner of retail store brands like Sears and Kmart, among others to provide online e-commerce platform services including advanced machine learning algorithms for enabling automated Products Classification at Sears Marketplace.
Potential: The Company has started working on the platform and believes that it will contribute substantially to the overall revenue going forward.

3rd May 2017
₹ 963.1

10th May 2017
₹ 963.1

30th May 2017
₹ 963.1

3rd March 2017
₹ 1385.15

31st March 2017
₹ 949.85

Acquisition of DRC Systems India Private Limited (DRC): Signed an MoU for acquisition of DRC by NSI Infinium Global Pvt. Ltd., Wholly Owned Subsidiary of Infibeam Incorporation Ltd with full management control. DRC is engaged in the business of providing software solutions for enterprise e-commerce, ERP and related solutions. They have also been providing customised solutions using BuildaBazaar platform to the merchants of Infibeam in India and globally
Potential: DRC being a profitable company, it's cash and earning accretive for Infibeam.

Acquisition of 7.50% Equity stake in Avenues (India) Private Limited ('CCAvenue'): Made payment of ₹ 150.00 Crores to acquire 7.50% Equity stake with control of CCAvenue. The Board also approved further investment of ₹ 60.00 Crores for acquiring 3.85% of stake of CCAvenue already held by NSI Infinium Global Pvt. Limited, the Wholly Owned Subsidiary Company (NSI) of Infibeam Incorporation Limited. With this, the total investment made by Infibeam into CCAvenue increases to ₹ 210.00 Crores representing 11.35% stake in the CCAvenue. With this, investment made by NSI in CCAvenue would be entirely liquidated.

13th July 2017
₹ 1415.4

26th July 2017
₹ 1415.4

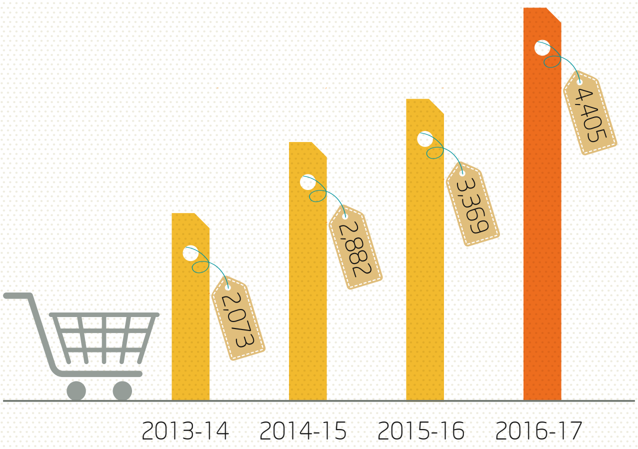
Announced merger of CCAvenue with Infibeam

Infibeam awarded a contract for Government's e-Marketplace (GeM
Infibeam along with consortium partner was selected by the GoI to run the GeM from where they purchase goods and services. The portal will fulfil the procurement needs of central and state governments, ranging from laptops and air conditioners to furniture and daily use items such as stationery, as well as services like taxis and florists.
Potential: The central and state governments procure goods and services worth over ₹ 5 Lakh Crore every year.

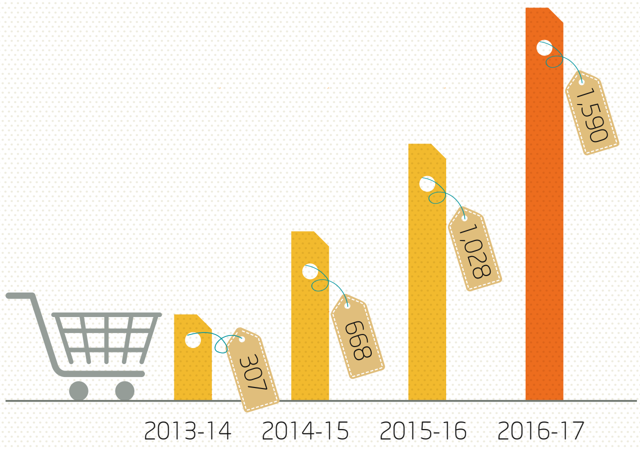
December 2016 | January 2017 | February 2017 | March 2017 | April 2017 | May 2017 | June 2017 | July 2017

Financial Performance

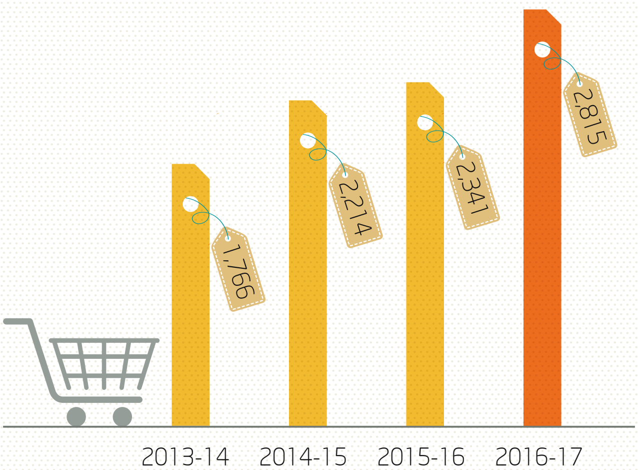
Revenues (₹ million)



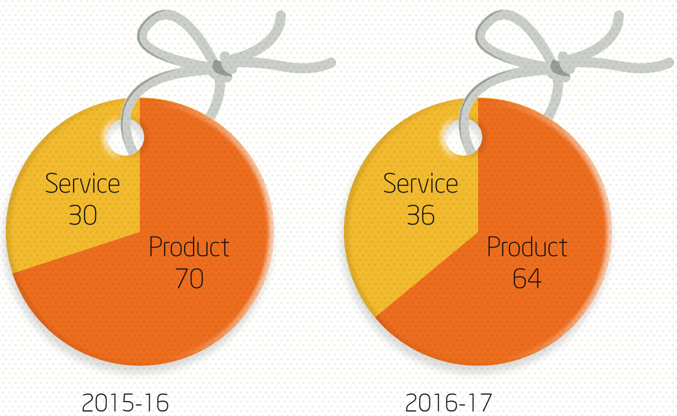
Revenues – Service Segment (₹ million)



Revenues – Product Segment (₹ million)

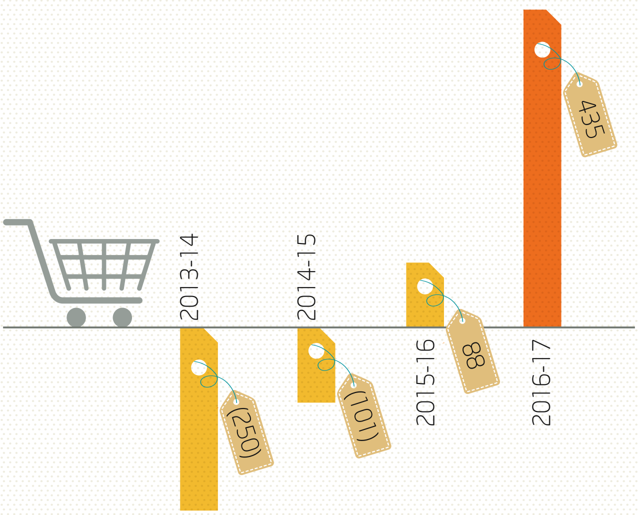


Revenues by Segment (%)

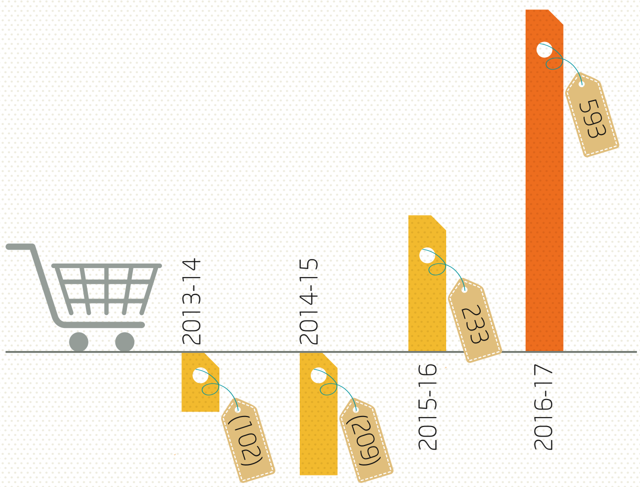


Net Profit – after adjustments* (₹ million)

*Adjustments for minority taxes and share of profit/loss of associates



Operating Cash Flows (₹ million)



Operational Performance

Service segment - BuildaBazaar & VAS

Number of registered merchants using BaB platform	71,341	33% ↑
Revenues	₹ 1,590 million	56% ↑
EBIDTA	₹ 964 million	52% ↑

Product segment - infibeam

Number of registered merchants on the marketplace	>5,000	
Number of categories	42	
Registered product SKUs	>15 million	
No of active customers	8.17 million	
Revenues	₹ 2,815 million	20% ↑
EBIDTA	₹ 67 million	59% ↑

Note: All the figures are as on March 31, 2017
Percentage growth as compared with previous year

Awards, achievements and training

Mr. Vishal Mehta, Managing Director, Infibeam Incorporation Limited was conferred with B. H. Jajoo AMA Outstanding I.T. Entrepreneur of the Year Award

Indian ICT Awards by Frost & Sullivan for e-commerce platform provider of the year (2016 for BaB)

E-commerce training and development for students

The Economic Times 'Business Knight of Gujarat' award

ET Retail Awards for game changing idea of the year 2014

Ms Neeru Sharma, receiving National Award for Excellence in E-Commerce and Online Retailing, March 2016

Management Discussion and Analysis

Infibeam Incorporation Limited ("Infibeam" or "The Company") is in the business of providing e-commerce services to retailers or merchants to build and operate an online store. It operates two revenue streams:

1. **Services Segment, called Infibeam Web Services(IWS),** provides cloud-based e-commerce services to the retailer or the merchant. This is our B2B vertical. IWS provides an end-to-end solution including:
   - Providing online marketplace and ERP software
   - Fulfil the order placed by customers on the online marketplace of the merchant
   - Collect and manage the payments between the customer and the retailer through any mode of payment like CoD (Cash on Delivery), Debit Card, Credit Card, e-wallets, UPI facility, etc. on the sale of merchandise
   - Deliver goods & services using the ShipDroid framework (one stop for all logistics services right from automatic allocation of courier to dispatch to last mile delivery of packages)
   - Provide digital marketing services to merchants to improve visibility across digital platforms including social media to generate higher sales
   - Developing an Ad Framework
   - Offering our own domain ".OOO" for lead generation to our suite of e-commerce services, and
2. **Products segment, also called infibeam.com,** is an online marketplace platform where our 8.2 million customers buy goods & services, sold by over 5,000 retailers. This is our B2C vertical.


infibeam
Search...
UP TO 70 % OFF
Featured Collections

Indian Economy

India's macro fundamentals remained stable during the year, due to reforms laid by the Government. Measures to control food prices and judicious use of monetary policy levers by the RBI kept inflation low throughout FY 2016-17. India is one of the most attractive investment destinations in the world. India also remains one of the fastest growing economies in the world registering a growth rate of 7.1% for FY2017. As per RBI data, India has received nearly US$60 billion in foreign investments in the financial year 2016-17. Low levels of inflation and expected fall in the interest rates are expected to boost consumption and positively drive the economic growth.

The Government of India implemented demonetisation to reduce the cash intensity in the economy to drive digitisation across all sectors. Despite temporary hardships (marginally impacting growth), this move has potential for benefits in the long-term. It can pave the way towards a larger and a cleaner GDP, driven by digital channels.

Moreover, other reforms undertaken by the Government of India like 'Digital India', 'Make in India', 'Goods and Services tax' and 'Start-Up India', among others, will fast-track India's development path and can potentially attract large foreign investments into the country, largely backed by strong fundamentals and positive spill-over effects from the previous reforms. We wish to be a catalyst in India's growth.

Infibeam tracks consumer and e-commerce industry

Infibeam, through its Web Services Platform-operating in B2B vertical- offers various software based solutions for enabling merchants to setup an online marketplace / online store like website development and maintenance, customer service solutions, consumer analytics, digital marketing, digital payments, logistics solutions, among others. Infibeam also operates an online marketplace for merchants to sell goods on its e-commerce platform called infibeam.com operating in B2C vertical. Hence the Company tracks growth in the consumer industry and the e-commerce industry.

Infibeam's Business Strategy

Asset Light Inventory Model

We follow an asset light low inventory model in our B2C segment which operates the online marketplace infibeam.com. The asset light inventory model significantly saves our operational cost and helps us to conservatively use cash rather than burn cash, as is the case with most other online marketplace companies.

Distributed Marketplace Model

We offer a distributed marketplace model to merchants building their own online storefront using IWS, as mentioned above, who can also list their products on infibeam.com as well as on other third party online marketplace. This allows better opportunity and greater flexibility to the merchants to sell their products from multiple sales channels. It helps Infibeam in better engaging the customer with us due to such integration flexibility.

Modular Services based on merchant's financial strength

Our services provided to merchants is provided on a modular and customisable basis depending on the various standard subscription packages and additional value added services that is chosen by the merchants based on the financial strength. This helps us to engage the merchant for a long time to whom we can later provide more services.

One stop end-to-end service for brand merchants

Brands can leverage our ability to offer them a powerful, robust, scalable and stable all in one online e-commerce suite. We offer services that include, among others, website development and maintenance, customer and data analytics, customer service solutions, digital marketing, digital payment gateway, logistics, digital product catalogue, content management and promotions handling. This makes it easy for the brands to quickly setup an online store within a single platform without having to integrate different components from different vendors. This allows merchants with a hassle-free cost-effective service.

Industry Overview

B2C

India's Consumer and e-commerce Industry

E-commerce in India has just begun and assumes a significant growth, growing at a compounded growth rate of 30% between 2011 and 2015, as per IAMAI. In the financial year 2016-17, the online market had grown by 19 per and is expected to touch ₹ 2.1 trillion (US$ 33 billion) by end of FY2018 presenting an excellent opportunity for growth.

India's economic growth and rising household incomes are expected to increase consumer spending to US$ 3.6 trillion by 2020, as per FICCI-PwC report 'Shaping Consumer Trends'.

India's retail market is expected to reach US$ one trillion over the next five years, fuelled by a significant growth in organised brick-and-mortar retail and e-commerce. Yet, this is far lower than the current retail market in China ($4.89tn) and the USA ($4.82tn) as per Research firm e-Marketer. This offers a great opportunity for growth in the long term.

The Government's 7th Pay Commission and the 'One rank one pension' (OROP) scheme are expected to boost disposable incomes of middle class Indian consumers resulting in a significant increase in consumption for consumer goods and services.

The advent of online channels and e-commerce players have bridged the gap between supply and demand that was once a challenge in the physical marketplace model. This has led consumers increasingly using online channels for services like shopping, travel, banking, cab services, movie tickets, bill and utility payments and groceries, and even government promoting the use of digital channels.

In 2016, about 69 million consumers purchased online. This is expected to cross 100 million by 2017 due to rise of affordable smartphones, better infrastructure in terms of mobile & telecom penetration, broadband connectivity at cheaper prices, logistics support, etc., according to an ASSOCHAM-Resurgent India study.

According to some media articles online consumer goods companies are expected to now focus on online and social media channels as about 600 million people are expected to be online by 2020 (as per ASSOCHAM-Deloitte joint study), out of which 250 million will be shopping online and spending more than US$ 50 billion.

These developments across the consumer and e-commerce industry offers great opportunity for the long-term growth of e-commerce industry and e-commerce service providers particularly online marketplace companies, digital payment providers, digital marketing companies, warehousing and logistics solution companies, and customer service and customer analytics companies, among others. Infibeam takes pride that it provides all these solutions and many more under one roof so making it easier for merchant to setup an online store quickly and easily.

The growth of the e-commerce industry has been and will be triggered by the following key factors;

- **Affordable Smartphones:** 4G smartphones are available at a price below ₹ 3,000 and feature phones in the price range of ₹ 1,500-2,000 are expected to launch soon in India. Affordability will trigger deeper penetration and increase internet usage.

- **Higher 4G Smartphone Shipments to India:** As per IDC, smartphone shipments into India has already overtaken feature phone shipments and majority of them are 4G enabled. Smartphones improve user experience.

- **Affordable mobile internet connection:** As per Telecom Regulatory Authority of India (TRAI), consumers (GSM users) pay as low as ₹ 6 per GB as data tariffs for a month. Low cost and high speed internet coupled with affordable smartphone will increase mobile penetration and customers' usage of online content.

- **Increasing data usage per customer:** TRAI's telecom performance indicator report also shows that Data usage per subscriber per month (GSM users) has increased from c.137 MB in March 2016 to 1,006 MB in March 2017. Higher data consumption provides a large opportunity for merchants to shift their business model from offline to online.

- **Growing Internet Penetration:** As per TRAI's March 2017 report, Internet users in India are c.390 million of which only c.275 million have broadband connection. The IAMAI-IMRB report said that urban India has close to 60% Internet penetration, but the penetration in rural India is 17%. Mobile tele-density in rural areas is c.50% vs. c.150% in urban areas.

- **Government's Digital Initiatives:** While internet and mobile penetration growth in rural segment is slow, initiatives like 'Digital India', 'Broadband for All', Wi-Fi and Hot Spots to be installed

across the country will likely increase internet penetration in rural India as well providing a good potential for growth.

- **Ease and Convenience:** Hand held devices makes it easier for the consumer to be able to easily browse through numerous product range, with comparison options and quick, easy and safe payment solutions at the click of a button. Moreover, the advantage of home delivery, cash on delivery and shipment tracking features gives ample convenience to the consumers to manage receipt of the goods ordered. Any damage or misfit can be easily returned with home pickup service and easy money refund policy without any charges.

B2B

B2B e-commerce Industry Overview

Digital adoption is playing the role of a key enabler for e-retail's growth in India. India's online retail will grow from currently about 1% of the total retail market to 3-4% of total retail by 2020 with approximately 60% of the orders placed through smartphones. Digital adoption will be a key enabler for this growth.

The e-commerce B2B industry is showing signs of rapid digital adoption. This will help small and large merchants and entrepreneurs to accomplish higher sales and offer better customer experience.

The skewed retail presence is fuelling the growing demand through online channel owing to wide reach and delivery to even smaller cities and towns where brick and retail stores are either not viable or will take a very long time to reach.

The online marketplace model has brought in efficiency, convenience, choice, reach and lower transactional cost for buyers. It helps merchants to scale up faster and help them with affordable marketing and advertising on the digital platform which is otherwise a substantial cost for them. The online platform offers access to larger and newer markets.

The e-commerce growth factors discussed above will provide huge opportunity for merchants to create an online presence and expand their business. We believe this is clearly the next big opportunity for both the merchants and the e-commerce enablers, like Infibeam, to grow in India.

We are the only company in India offering an end-to-end B2B solution, including domain service, website development and maintenance, customer analytics, payment gateway, digital marketing, warehousing and logistics solutions, among others, to aid the merchants to grow their business through online channels. Infibeam has realised that a large part of the growth going forward will be driven by these B2B solutions.

There are two game changer moves which have taken place in last 7-8 months. One, the demonetisation and the other GST. Both these moves are likely to have very favourable results for e-commerce business. The demonetisation will grow Digital Payments and GST will help in delivering goods and services to customers with savings in costs.

We discuss them in detail, hereunder.

Digital Payments

A transaction between the buyer and the seller is incomplete without the payment.

The rise in the e-commerce industry has also led to rise in Financial Technology (FinTech) companies to innovate in digital banking. Offering fintech solutions is extremely critical for the e-commerce industry to seamlessly and securely make and receive payments through the online channel.

"Digital payments especially through mobile net banking and mobile wallets are gaining traction. The growing usage of mobile internet and the implementation of the UPI are expected to give further impetus to the growth of digital payments." Consider the statistics below;

- Digital payments rose 55% in FY17, against a 28% growth during the five-year period ending 2016 (NITI Aayog).
- Mobile wallet based transaction value has increased from ₹ 82 billion in FY15 to ₹ 532 billion in FY17; an increase by 5.5 times (Reserve Bank of India (RBI)).
- Mobile banking transaction value has increased from ₹ 1,035 billion in FY15 to ₹ 13,105 billion in FY17; an increase by 11.7 times. (RBI)
- Nearly 1 billion payment transaction happen in India every day. Total payments through digital payments instruments can reach US$ 500 billion by 2020, up from about US$ 40-50 billion around mid-2016 (BCG-Google Digital Payments 2020; data released before demonetisation).

To take advantage of the growth in digital payments Infibeam acquired CCAvenue, offering payment gateway services (Refer Strategic Initiatives 'Acquisition of Avenues India Pvt Ltd' for more details).

Warehousing and Logistics Opportunity, especially post GST:

The e-commerce industry is expected to significantly benefit with the introduction of Goods and Services Tax (GST) implemented from 1st July 2017. GST will transform India into a single national market with single tax rate. Warehouses which were located near major distribution centres of key clients irrespective of its geographic disadvantage mainly to avoid interstate taxes can now centralise operations and save time and costs. It will largely improve efficiency in supply chain.

Logistics is an extremely important part in the entire e-commerce value chain and a crucial distinguisher for the success of the e-commerce player. It forms 7% of e-commerce retail sector in India and is projected to grow at a CAGR of ~48% in the next five years, as per KPMG.

E-commerce and third-party logistics service providers (3PL) are partnering in a way to offer customised last-mile deliveries by improving the time of delivery and bringing down the costs. Infibeam offers logistics solutions to merchants to help them with their last mile deliveries and save on cost.

To take an advantage of the growing e-commerce logistics industry, we are planning to invest into expanding our logistics centres and capabilities to 75 from the current 12 centres. It will also enable us to increase our cost efficiencies, and better plan future expansion of our integrated e-commerce ecosystem and merchant & customer network.

Infibeam is fully geared to take maximum advantage of e-commerce growth in India through our business segments;

1) Online e-Retail Platform called infibeam.com (B2C) and

2) Infibeam Web Services (B2B)

Given the potential and the presence we have created in e-commerce business as an enabler, we take you through some of the strategic growth initiatives; be it organic and inorganic, we share with you the strategic thinking behind them and the potential they carry for us and our customers.

DIALOGUE: CONVERSATION WITH MR. VISHAL MEHTA

1. The importance of B2B marketplace is increasing and there seems to be a need to bring the MSMEs onto the e-commerce platform. What are your thoughts?

The MSMEs forms the backbone of the Indian economy by contributing over 6% to the GDP and employs nearly 20% of workforce (CII-Deloitte report 'e-commerce in India, A Game Changer for the Economy). Thus, e-commerce platforms will play a crucial role in connecting MSMEs with buyers in India and globally.

The e-commerce industry,due to its digital nature, is not limited by geographic reach and can help connect small merchants with customers across India who may have some basic digital connectivity. The e-commerce growth factors discussed initially are a few ways that are expected to provide unprecedented opportunity for growth to online sellers. This can be increasingly attractive to the investors.

The entire e-commerce industry is powered by the technology enablers at the back-end. We are technology enablers for the e-commerce industry offering end-to-end e-commerce solutions.

2. How do you plan to build upon the segments that you currently operate in? What is your focus mainly upon, building Services segment or Products segment?

Our focus is to offer best in class end-to-end online solution to the merchants and be a preferred partner during the entire lifecycle. Our offerings include online marketplace (infibeam.com) and e-commerce services (Infibeam Web Services) that complement each other. But eventually our IWS segment will contribute more to our revenues and profitability as we build and strengthen our profitable Web Services portfolio.

Online Marketplace: We will continue to offer and build upon infibeam.com as it is the primary platform which the merchants, small and large, can use to sell online. Our e-Retail platform shows stable

performance far better than our competitors who are burning a lot of cash. This is mainly due to our asset light inventory model and significant focus on cost control measures and undertaking only profitable initiatives. We thus remain attractive for our shareholders and investors compared to other B2C players.

E-commerce Web Services: We will aggressively focus on building our highly profitable web services business and extend the entire portfolio including payment gateway services to serve merchants in the international markets.

- We have acquired stake and filed to merge CCAvenue to complete our full suite of e-commerce service offerings to merchants globally. Our merchant base has grown to over 71,000 in FY17 from over 53,000 in FY16 which was only at 350 in FY12.
- We are investing in expanding our logistics centres to take advantage of growth in the e-commerce industry
- We are in the process of buying software for expanding digital marketing services.
- We are setting up our own Data Centre for offering better services to customers through customer and data analytics.
- We are increasingly popularising our 'dot triple o' (".OOO") domain service for cost effective and unique domain names to enable merchants to quickly setup an online store with a desired business/brand identity.

Our various other value added services for e-commerce industry helps us to be a preferred partner for our existing and potential merchants aspiring to go online in the quickest timeframe.

In FY 2017, we made a good business progress by establishing our footprint in the international markets. We have extended our Web Services offering to grow in international geographies to acquire merchants and power digital enterprises. (Refer Strategic Initiatives Section, 'Foray into the International Market' on page 33) These wins underscores the acceptability of our all-in-one e-commerce Services and its scalability which is helping the Company to create its mark in international market. International markets offer higher growth and better margins. We are seeing good traction in international markets and are focused to grow our Web Services segment there.

3. Could you explain Infibeam Web Service [IWS] and the key strategic initiatives you have taken to build and strengthen this vertical?

Infibeam Web Services (IWS) is a portfolio of software based services that allows a merchant to create own brand presence, online. Our service offerings under IWS include building an online storefront, mobile applications, digital product catalogue, digital marketing, content management, promotions handling, access to digital payment gateway, domain services as well as fulfilment services, among others.

Over the last year; we have acquired DRC systems to strengthen our ERP offering to merchants, will fully acquire CCAvenue to take the advantage of phenomenal growth and the issue of timely and cost-effective delivery to customers, planning to enter into e-education to take the advantage of growing importance of online education in India, we are building our own data centre to provide merchants with better customer analytics and data analytics for an improved customer experience.

KEY STRATEGIC INITIATIVES IN FY 2017

1. Merger of Avenues India Pvt Ltd (CCAvenue)

a. Why we acquired CCAvenue? Let me explain.

The acquisition of CCAvenue provides us with cross-border e-commerce opportunity which will result in significant growth for Infibeam. CCAvenue has served more than 100,000 merchants with 85% market share and are the largest and most profitable payment aggregators in the FinTech space in India. While, Infibeam has more than 70,000 merchants is among the only few integrated e-commerce service providers in the world. The availability of increased resources and assets, after merger, can be utilised for strengthening the customer base and servicing existing as well as new customers efficiently and innovatively.

The combined company will have a powerful synergy in the form of providing a complete e-commerce platform fully integrated with payment gateways, supply chain logistics, data analytics, social media marketing and advertising platforms, making it a unique one-stop-shop e-commerce service provider in the world.

CCAvenue offers an integrated technology platform and is present across the Payments' value chain. It is one of the most popular payment gateway in India and in South Asia. Established in 2001, Avenues has got more than 15 years of rich experience in the digital payments platform and is hence an established brand. CCAvenue will soon have Bharat Bill Payment System payment option, which will facilitate all bill payments of utilities and services. CCAvenue has already received In-principle RBI approval. They are a zero-debt company.

The Company's transaction value in FY17 was approximately ₹ 120 billion and it has grown at a CAGR of 73% starting FY15.

Avenues is a profitable company and the deal is cash and earning accretive for Infibeam. CCAvenue will add significantly to the existing revenue in FY 2018. The Company is tax paying entity and is positive on cash flows, unlike its competitors who are burning cash.

b. Price and valuation for acquiring CCAvenue.

Infibeam has paid ₹ 2.1 billion as cash consideration to acquire 11.35% stake in Avenues. To preserve cash for other stated strategic initiatives, Infibeam will buy the remaining stake by issuing 260 fully paid-up shares for every 100 shares of Avenues, subject to approval from shareholders. The Board has already approved the merger with Avenues. The entire deal values Avenues approximately at ₹ 20 billion.

c. The role of Avenues in the online Payments ecosystem? Is it an e-wallet service provider, a payments bank, or something else?

Similar to any aggregator service provider, there are payment aggregators (PA), also called payment processors. CCAvenue is one such payment aggregator. Hence, it's neither a e-wallet or a payments bank. PAs provide integrated payment processing across multiple banks for net banking, card holders, wallets, etc., and some, like CCAvenue, have the capability of handling multiple currencies.

The role of the payments processor is very critical for any merchant to be able to close an online transaction. All the risks, the fraud frameworks as well as being able to collect card and process card transactions lie with the processor. Avenues is PCI Data Security Standards 3.2 compliant that does not store and customer data and has a solid fraud and risk management framework in place.

On top of a payments processor, there are various payment options like wallets, banks and cards among others. Each of these payment options would require either integration with the bank or with the payment processor directly. Hence the role of the payment processor is very critical in ensuring that the technology is deeply integrated, and the transaction is correctly and securely processed right from a buyer's account and into the seller's account.

d. When will we complete the transaction?

We expect to receive all the approvals and close the transaction in this financial year, pending regulatory approval.

e. What kind of opportunities do we see in the payments market?

The synergistic opportunities from the merger will amplify our online platform framework allowing us to provide a one-stop payment solution to the online shoppers and merchants. We are observing that the online transactions are growing rapidly. RBI's data on digital payments, Niti Aayog's digital payments growth statistics and BCG-Google digital payments 2020 estimates are extremely encouraging (Refer 'Digital Payments' on page 28 for more details).

Moreover, the e-commerce growth factors mentioned earlier are all slated to significantly boost the usage of online payment gateways which is where we want to leverage and deliver through CCAvenue reach and expertise in processing online payments.

2. Acquisition of DRC Systems

a. The deal we have made in acquiring DRC Systems.

Infibeam through its Wholly Owned Subsidiary Company i.e. NSI Infinium Global Private Limited signed a binding Memorandum of Understanding ("MoU") with DRC Systems India Private Limited ("DRC") for acquisition of DRC with full management control. It was an all-cash deal with a payment consideration amounting to approximately ₹ 60 million.

DRC (www.drcsystems.com) is engaged in the business of providing customised software solutions for enterprise e-commerce, Enterprise Resource Planning (ERP) and related solutions. They have also been providing customised solutions using our proprietary BuildaBazaar (BaB) platform to the merchants of Infibeam in India and globally. The Company employs about 200 software engineers to build and customise solutions on proprietary and open source software frameworks to deliver world class experience to the merchants.

DRC is a profitable company and the deal is cash and earning accretive for Infibeam. DRC will add about ₹ 100 million to the existing revenue in FY 2018. The Company also generates positive EBITDA.

b. Rationale behind acquiring DRC Systems.

Through this acquisition, Infibeam and DRC Systems will be able to jointly serve an ever-growing need of merchants in customising their e-commerce platforms. Such needs are growing further with our foray into global markets (Foray into the International Market on page 33 for more details).

Second, Infibeam has also tied up with IL&FS Infrastructure, and as a part of this project, we are implementing digital registry, giving identity to the citizens of the state. These services are already extended to the State Governments of Gujarat, Delhi, Maharashtra and Sikkim (www.guj.ooo, www.delhi.ooo, www.maha.ooo, www.sikkim.ooo) (Refer Government Projects below).

Many of the government projects that Infibeam is planning to take up in the coming quarters will be supported through DRC framework. We are also planning to provide a wide range of services, including customised facilities, to educational institutions as well under this venture.

c. Role of DRC Systems in implementing e-Learning platform for the education sector.

We have recently forayed into the education sector and introduced e-learning platform to leverage the technology from our acquisition of DRC Systems. Many educational institutions that are digitising their operations, approach multiple merchants in the absence of a single vendor to cater to all their requirements making digitising expensive for them. By addressing this gap, Infibeam will be able to tap into the ever-growing needs of parents, students and companies. In fact, online education helps people get access to a world-class learning experience when traditional higher education is simply not possible due to financial or personal constraints.

The Company's strategy for education venture is to focus on potential repeat customers, or need-based customers; students, parents and corporates. The global e-learning or education-technology market is over US$ 100 billion, according to some media articles. In comparison, India's e-learning market is a fraction of that, presumably at US$ 1 billion, but is estimated to be increasing at an annual growth rate of about 20%. India is also among the top three countries in the world for online education.

3. Government Projects

a. The Indian Government has launched various programmes to promote digital transactions in the economy. The space looks interesting. How are we leveraging it?

The Government of India has taken several initiatives for modernisation and for improving sustainability of the e-commerce sector. There is a lot of visibility in this business in terms of all the digital initiatives government has launched and started working upon. Our role is to give our infrastructure platform and be the enablers in this business. As and when it rolls out, we believe we will be able to see good traction, starting this year itself. We are slowly establishing and building our relationship with the Government to help them in their digital push. In this regard, I would like to share with you two key projects that we are honoured to work for.

b. We are awarded a contract from GoI for development of Government e-Marketplace (GeM)

The government of India floated a request for proposal ("RFP") for the selection of a managed service provider for design, development, implementation, operation and maintenance of GeM. Infibeam has been awarded along with other consortium members to accomplish the scope of work as mentioned in the RFP.

c. Infibeam signed MoU with IL&FS for implementing digital projects

Infibeam has entered into an MoU with IL&FS Township & Urban Assets Limited ("ITUAL") for undertaking and implementing projects in digital space and e-commerce for Central Government, various State Governments and Private Partners. Infibeam shall set up a Special Purpose Vehicle ("SPV") which will be located at GIFT Two Building, GIFT City, Gandhinagar wherein Infibeam will provide its state-of-the-art technology and office premises for expanding and implementing digital projects that would be implemented by the SPV. The said SPV will target indicative achievable revenue opportunity of INR 1,250 Crores over a period of 5 (Five) years starting from F.Y.2017-18.

d. Infibeam to establish Unique & Verified Digital Identity Platform on the '.OOO' Domain for Gujarat, Delhi, Maharashtra and Sikkim States

Infibeam Incorporation Limited has received confirmation from the Governments of Gujarat, Delhi, Maharashtra and Sikkim to provide a "Unique & Verified Digital Identity Platform" ("Digital Services") on '.OOO' global top-level domain (gTLD) with authorised and secured digital wallets for Indians residing in these States. As a part of this program, Infibeam will provide a platform for creation of digital web identity for citizens residing in these States ("Users") to enable access and digital storage of their own citizen centric records. Furthermore, Users will also get benefited by way of getting a free email address for their primary use, free personal webstore for commerce and revenue generation opportunity, free 10 GB cloud storage, as well as integrated Digital wallet. Infibeam will also develop dedicated tourism portal for tourists visiting the State of Sikkim from all over the world.

We are very confident that going forward we will be able to win more contracts and increase our footprint in the Government segment.

4. Foray into the International Market

International markets have a developed e-commerce industry. Let me explain our plans of tapping the growth and gaining footprint in the International market.

Developed International markets, like USA, UK, Western Europe, developed regions of Asia and even China have a significant e-commerce market and their growth largely comes from the high penetration of mobile and broadband services as well as a developed infrastructure in their economies. Together they are all trillions-of-dollar market in the digital space including digital payments, as we all know.

The Company is optimistic about its focus on an off-shore centric model and believe it to be margin accretive in the longer term primarily due ease of replicating the IWS technology and Value Added Services infrastructure without significant costs and investment.

Overview of our journey into the international market

We began our journey into the international market starting from MENA region. We offered our services to merchants as well as channels. In certain geographies, we find channels to be very attractive. An example of Channels for us are banks and Telecommunication companies; those who have got verified customers/clients. We offer our services to these channels in the B2B format. Our focus is large and branded international companies that can use our Web Service Portfolio which, is scalable.

Our technology is used by some of the largest clients in the Middle East region, and we have also entered into agreement with Sears Holdings in the Unites States of America (USA). The framework and the platforms that we have given them are the ones that we give to merchants along with an expanded framework to manage a lot of machine learning for them given that the scale of data and the transactions in international markets are larger compared to India.

We have setup a fully owned subsidiary in the Middle East that allows us to do some amount of management locally as well as grow the client base in that region. As and when we identify the scale of opportunities, we will invest into the right places that allows us to scale our international business.

International ventures and our web services offerings.

We have won some major clients in the international market. Let me discuss the key ones with you.

1. Entry into US market

Infibeam will provide Sears Holdings, an American Holding Company owning retail store brands like Sears and Kmart etc., with online e-commerce platform services including advanced machine learning algorithms for enabling automated Products Classification at Sears Marketplace.

Sears is a leading integrated retailer focussed on seamlessly connecting digital and physical shopping experience. As of F.Y. 2016, Sears reported revenues of more than USD 251 billion, operating with more than 1500 stores. It operates through its subsidiaries including Sears, Roebuck & Co. and Kmart Corporation with full line and specialty retail stores across the United States and Canada.

2. Entry in Middle East and North Africa (MENA) region

We believe that an entry into the MENA zone is positive for the Company and can result in a 'snow-balling effect' for the Company in terms of merchant acquisition. Infibeam, in line with its target of international presence, has opened a subsidiary in Dubai under the name of Infibeam Global EMEA FZ LLC (IGE). It's a 100% subsidiary of Infibeam. We have already entered into agreement with some major clients in that region and have started employing and recruiting people in the subsidiary to get additional business.

3. Deal With Saudi Telecom

Saudi Telecom Company (STC), the largest modern mobile network operator in the Middle East, launched "Jawwy", using Infibeam Web Services technology. STC has chosen Infibeam for Jawwy to use the Company's end-to-end e-commerce solution. The integration of Infibeam's platform with social media allows aggregation of users from all social media networks, enabling Jawwy to integrate digital and physical retail channels to deliver a new buying experience and serve its target market more nimbly than other mobile service brands. STC has already launched the service using our framework and the impact of that has been accounted for in FY17.

Let me elaborate on the growth and prospects we see in the international market.

Offering our web services, IWS, in International market is a very important and lucrative opportunity for us. We believe this market will potentially allow us to scale-up our platform and help us establish a meaningful global presence. We have noticed that global merchants have very sophisticated framework and platform requirements. To name a few of their requirements; they would require more about machine learning, deep analytics, data learning etc. that we already offer as services. Such requirements and challenges allows us to provide world-class web services opening up an entire global market as opportunity to offer our web services. Our platform services are scaling up to that format allowing us to give our frameworks to well-known brands; of the level and scale of Sears.com.

Currently, International markets contribute in mid- to high- teens to our revenue. We believe that international revenue contribution will keep growing as we continue to look for international growth opportunities aggressively going forward.

Profitability and margins we are expecting from the International markets..

The revenue per merchant in international markets, having similar business as ours, is significantly higher than what we earn in India.

Margins in the international markets are also better. So even if we go through channels and partners who would potentially charge us for their services, it would still be very lucrative for us and margins should continue to be in similar range.

5. Special Projects

Projects that are of significant importance to us.

There are certain projects we are working on, and I would like to highlight two special projects, among many others.

1. Agreement With World's Largest Milk Producer, Amul

Infibeam signed an agreement with Gujarat Cooperative Milk Marketing Federation (GCMMF) for developing an 'online and mobile' framework to enable selling Amul products "direct to home". Infibeam has successfully implemented the platform and managed the supply chain as pilot in Ahmedabad and Gandhinagar in Gujarat. Amul has started operationalising and providing services to thousands of customers daily on Amul online platform that is built by IWS. The online services will be expanded to target B2B selling and other cities shortly at future date.

Opportunity from Amul's business.

Amul currently does business to the tune of ₹ 300 billion in India. As a pilot we have only picked up two cities in Gujarat, and believe that as we build this business for Amul in other cities, there lies tremendous opportunity for us to grow. Amul is a branded and a common household name. They have got an assortment of dairy, frozen, and non-frozen product categories, which allows them to actually offer huge variety of products and there is a huge consumption of such products. For any Amul product, there is a high amount of stickiness, which means that consumers are very sticky to that product and that will keep on allowing them to regularly come back onto our framework. It is not unreasonable to may be imagine that for a particular city, on a daily basis, they can do thousands of orders.

Replicating this model for any such large merchant operating in multiple geographies will bring in tremendous amounts of efficiency in doing business for the merchant, build merchant's business with larger customer base to target, and can optimise the cost of operations.

This agreement is a primary example of Infibeam's presence across the B2B and B2C value chain. This project by us for Amul establishes us an end-to-end e-commerce solution provider that can handle building online presence to taking care of warehousing and logistics, and provide a payment solution. Infibeam's e-commerce Services Portfolio can fully build and support such a framework and offer scalability at any point of time. This project proves our capability to handle large project, be a preferred e-commerce end-to-end solution provider partner, and gives us a stronghold position to deliver in the international markets.

2. Developing A Distributed Marketplace Using Infibeam's e-commerce Services Portfolio For Gujarat SMEs

Infibeam has partnered with Code Solutions, the IT division of Gujarat Narmada Valley Fertilizers and Chemicals Limited ("GNFC") to provide a technology enabled distributed-marketplace i.e. a unique platform to Small and Medium Enterprises ("SMEs") registered within Gujarat on '.OOO' domain. Under the agreement, (n) code solutions will market the platform to SMEs and offer required platform training and support. The unique marketplace platform and value added services from Infibeam will be provided to SMEs in Gujarat to market their products and services to online customers. Furthermore, every merchant will get their own branded store and email on ".OOO" domain. The platform comes integrated with digital payment solutions and wallets for merchants to collect payments, logistics companies for delivery as well as third party marketplace integrations to generate additional sales.

6. Captive Investments

Establish advanced data centers, upgrade technology infrastructure and strengthen software development capabilities

The Company, as a part of long term strategy to focus on strengthening its technology capabilities to pursue new business opportunities, improve operational efficiencies and manage competition, has decided to set up a Tier III data centre which will enable increased efficiency and adaptability in our research process, ensure faster and more user-friendly interfaces and deliver effective, customised, personalised and more relevant search results for our customers. It also has specific strategic and other advantages including such as underlying control over hardware and increased availability and mitigation of geo specific risk. It will also ensure the disaster recovery support infrastructure.

In order to process increasingly sophisticated software applications targeted at enhancing user experience and handling increased user traffic, we continue to upgrade our technology infrastructure hardware and introduce new operating software. We intend to purchase new software, strengthen our software development capabilities to introduce additional value added service offerings, and enable our customers and third party service providers access to our application program interfaces to build out their own customised mobile applications that seamlessly integrate transaction management to the online storefront of our customers. We believe that providing such access will enable us to strengthen our merchant acquisition strategy for our Infibeam Web Services segment.

Purchase of property at GIFT City for setting up of registered and corporate office of Infibeam

We want to consolidate our operations in Ahmedabad which will provide us the necessary operational efficiency and other benefits. Over and above, other advantages for setting up offices and data centre in GIFT City are as follows:

1. Strong locational advantage
2. Robust urban planning
3. High quality infrastructure
4. Availability of talent pool
5. Business friendly regulations and policies and
6. Firm implementation plan

We have considered a very detailed financial model prior to making the decision on buying the property. With our staggered payment terms in purchasing the property, when we look at the impact on ROIC from renting vs. purchase, there is a very marginal difference and based on our internal assessment, management is of the view that the investment in this location and data centre will allow us to scale this business for the next 3 years without requirement for additional capacity. Company has started investment to acquire 0.457 million square feet in GIFT City. The advance made so far is ₹ 400 million and the balance amount is payable as mentioned in the prospectus. The equipment for data center is expected to be purchased within this financial year that is in financial year 2018.

The Company has executed property transfer agreement with Sabarmati Capital Two Limited (SCTL) and taken possession of the Gift City, Tower 2 building for setting up of Corporate Office and Cloud based Data Centre. The work is in progress and the Company will be reporting on the detailed progress in subsequent Quarterly Reporting of FY18.

We present to you the operating results and performance under each area of business.

FINANCIAL PERFORMANCE

Revenue from operations

Revenue from operations include product and service sales. Product sales represent revenue from the sale of products and service sales represents a combination of our commission on revenue of items sold by merchants followed by setup and monthly fee along with other services such as advertising and domain registry for our global top level domain (".OOO").

Net sales information (segment-wise) is as follows:

(in ₹ millions)

	Year ended March 31		
Operating Revenue	**2016**	**2017**	**Change**
Sale of products traded	2,341	2,815	20%
Sale of service	1,020	1,590	56%
Other operating revenue	8	9	12%
Consolidated Revenue	**3,370**	**4,413**	**31%**

We are pleased to deliver substantial growth in revenue resulting to ₹ 4,413 million in FY 2016-17 (₹ 3,370 million in FY 2015-16), registering growth of 31%. What is particularly pleasing, is that, contribution of service revenue to total revenue has tripled over a period of 4 years.

Service segment revenue has increased by 56% to ₹ 1,590 million in 2016-17 largely due to higher merchant acquisition, and

expansion into international markets. Service segment contribution increased to 36% in FY17 compared to 31% in FY16. Infact, for the quarter ending March 2017, IWS contributed 45% to total revenues. Our Products segment grew by over 20% year on year to ₹ 2,815 million, despite the demonetisation impact which was short-lived.

Our focus is to grow Services business by extending the service portfolio to international markets. Services contribution to total revenue has increased to 45% as of quarter ending March 2017. We are aggressively expanding our Services portfolio footprint as we expect that a significant amount of growth will come from this segment going forward. Moreover, the Services segment is highly profitable and can be offered in the international markets as well where the earning potential is far higher. "Our strategy for growth of Services Segment is to offer the merchants all e-commerce solutions under one roof and be their lifecycle partner."

Operating Expenses

Information about operating expenses is as follows:

(in ₹ millions)

	Year ended March 31	
Operating Expenses	**2016**	**2017**
Cost of sales	2,322	2,729
Employees Benefits Expenses	277	291
Finance Costs	11	43
Depreciation / Amortisation	**175**	**225**
Other Expenses	552	727
Total Expenses	**3,338**	**4,014**

Cost of Sales

There is an increase of gross margin by 2.23% compared to previous year though in absolute value there is an increase of 18% in cost of sales in FY 2017 as compared to FY 2016. The positive impact on gross margin is primarily due to better negotiations, procurement and optimum margin in various products.

Employee benefits

Employee benefit costs primarily consist of cost of salary and other terminal benefits like, gratuity, provident fund contribution etc along with cost of compensation of stock options issued to various employees. Our primary cost comprises of Technology costs to carry out research and development activities. Our prime requirement of employees is in various technological segments like application, production, maintenance, operation, and platform development for new and existing products and services and other technology infrastructure.

We seek to invest efficiently in several areas of technology development so we may continue to enhance the customer experience and improve our process efficiency through rapid technology developments while operating at an ever-increasing scale. We expect spending in technology cost to increase over time as we continue to add employees and technology infrastructure.

We have reported employee cost of ₹ 291 million in FY 2017 as against ₹ 276 million in FY 2016 which is increased by 5% as against previous year. The increase in cost is in view of new recruitment, increment, grant of stock options and other benefits.

Finance Costs

Finance cost primarily consist of Interest on short term borrowing and other operational finance / bank charges.. There is an increase in finance cost in FY2017 to ₹ 43 million as compared to ₹ 11 million in FY2016 primarily due to increase in short term borrowing, interest and other statutory dues.

Depreciation and Amortisation (D&A)

There is a marginal decrease in D&A as a percentage of total revenue as compared to previous year. Addition of intangible assets consists of software development as well as outright software purchases occurred during the year. Depending upon the nature of software, useful life and economic benefit out of them, the same are being amortised over a period ranging from 12 months to 60 months.

Other expenses

Sales promotion expenses

We direct our customers to our websites primarily through a number of targeted online marketing channels, such as our sponsored search, email marketing campaigns, direct sales, and other initiatives. Our sales promotion expenses are largely variable, based on growth in sales and changes in rates. To the extent there is increased or decreased competition for these traffic sources, or to the extent our mix of these channels shifts, we would expect to see a corresponding change in our sales promotion expense.

There is an increase of around 2% in sales promotion & advertisement expenses as a percentage of total revenue as compared to previous year primarily due to spends in television and newspaper advertisement and other promotional activities.

Web hosting and server support expenses

Web hosting and server support costs are technology infrastructure cost which consist principally of cost of servers, networking equipment, data storage, web space and web hosting cost. This cost is indirect cost involved in application, production, maintenance, operation, and platform development for new and existing products and services, and other technology infrastructure expenses.

We seek to invest efficiently in several areas of technology infrastructure so as to improve our process efficiency through rapid technology developments while operating at an ever increasing scale. Additionally, the costs associated with operating and maintaining our expanded infrastructure have decreased over time. We expect these trends to continue over time as we invest in technology infrastructure to support increased usage.

Profits

Our profits have quadrupled to ₹ 435 million in FY 2017 from ₹ 88 million in FY 2016. We were making a loss of ₹ 250 million in FY 2014. This proves that our strategies were right where most of the Indian players in e-commerce segment burnt cash and reported losses.

EBITDA from service segment in terms of absolute value has shown excellent growth over the years, for current fiscal it has grown by over 50%. In view of unique features of this segment viz. the affordability of cloud based platform, very high scalability of our business model to acquire merchants without losing money and growing the revenues from services domestically and globally, we are doing everything that is right for a profitable growth. This will help us to remain profitable and cash positive. We have managed to increase our product revenue and also improve product EBITDA. Products segment EBITDA has improved by 59% over the previous year. It is a conscious and strategic effort of the management to be positive with contribution in this crowded e-commerce space where online retailers are losing money. The combine efforts of operational and logistic efficiency have assisted Company in improving the margins.

Liquidity and Capital Resources

Cash flow from operations is as follows (in ₹ millions):

	Year ended March 31	
Cash provided by (used in):	**2017**	**2016**
Operating activities	593	239

Our principal sources of liquidity are cash flows generated from operations and our cash and cash equivalents were ₹ 1,388 million and ₹ 4,763 million as of 31 March, 2017 and 2016.

Cash provided by operating activities was ₹ 593 million for the year ended 31 March, 2016.

Cash used in the investing activities is ₹ (5,584) million for the year ended 31 March, 2017.

Financing activities was ₹ 1,615 million for the year ended 31 March, 2017.

Our operating cash flows result primarily from cash received from our consumer and merchants, offset by cash payments we make for products and services, employee compensation (less amounts capitalised related to software that are reflected as cash used in investing activities), payment processing and related transaction costs, operating leases, etc. Cash received from our customers and other activities generally corresponds to our net sales.

The increase in operating cash flow in 31 March 2017, compared to the comparable prior year period, was primarily due to the increase in net income, excluding non-cash charges to net income such as depreciation, amortisation, and stock-based compensation, and changes in working capital.

Cash utilised in investing activities corresponds with cash utilised in capital expenditures, software and website development costs. Cash utilised in investing activities was ₹ (5,584) million in FY 2017.

The cash out flow is primarily due to investment towards capital expenditure. The cash utilised for capital expenditure was ₹ 2,299 million FY 2017. This primarily reflects acquisition of stake in CCAvenue, additional investments in support of continued business growth due to investments in technology infrastructure, and additional capacity to support our operations.

Cash utilised for financing activities was positive ₹ 1,615 million, in FY 2017. Cash outflows from financing activities is primarily result from payment made towards stake purchased in CCAvenue and DRC Systems for cash in FY 2017.

We believe that cash flows generated from operations and our cash and cash equivalents will be sufficient to meet our anticipated operating cash needs for at least the next 12 months. However, any projections of future cash need and cash flows are subject to substantial uncertainty.

In product segment, infibeam.com is profitable at gross margin level, though it is not contributing significantly to operating profits at this time. We have an asset light inventory model that allows us to optimally use cash rather than burn cash unlike other e-commerce players. We continue to forward invest in customer engagement and building out our logistics capabilities to make new service revenue stream in coming years.

SCOT ANALYSIS

STRENGTHS

Distributed Marketplace model: Merchants get to create their own brand store as well as be able to sell in third party marketplace including inifibeam.com.

End-to-end offering: Complete suite of software based e-commerce infrastructure services for merchants to build online presence with one-stop-shop solution.

Payment Gateway: Leading payment gateway solutions provider with an ability to collect payments in multiple currency and ability to manage cross border transactions.

OPPORTUNITIES

Data Usage Growth: Data explosion due to cheaper tariffs and proliferation of affordable smartphones along with Government of India's digital drive will increase smartphone usage and enable and increase online payment transactions.

Digital Payments: Total payments conducted via digital payments instruments to be in the range of USD 500 billion by 2020 (Source: BCG-Google Digital Payments 2020).

Logistics Solutions: The importance of logistics has significantly increased in the e-commerce industry to ensure timely delivery to the customer. Logistics has taken a center stage in the country to enable companies to improve efficiency, delivery time and save on cost.

Vast SME base: India has a large SME base and a vast under served population that can be bridged with the help of technology to penetrate into rural areas. Merchants and consumers can connect online for basic needs like grocery, travel, utility payments, shopping during festivals, etc. with home delivery facility.

CHALLENGES

Wide spread presence: We serve customers across India through our infibeam.com platform service. Integrating operations across India and leveraging common platform.

Diverse Customer Needs: Fast changing customer preferences and understanding evolving customer perceptions in a diverse cultural Indian environment.

Technological and knowledge upgradation: Rapid changes in technology, ability to integrate with new technologies and upgradation of knowledge about new technology.

THREATS

Competition: Increased competition from small and fragmented players leading to leading to falling average revenue per merchant, as well as deeply funded cash burning players attracting traffic to their website by spending heavily on promotions

Foreign Currency Exposure: Some of our revenues are generated outside India. Volatility in currencies due to global macroeconomic uncertainties may affect our revenues

Payment Banks: Ability of the payment banks to offer interest and deep penetration due to association with telecom players

RISK FACTORS

1. Reliance on information technology systems, networks and infrastructure, and internet penetration

Our business is technology driven, and we rely on information technology and networks and related infrastructure. As such, our business operations and quality of our service depend significantly on the efficient and uninterrupted operation and reliability of our information technology systems and networks and related infrastructure, both internal and external. We cannot guarantee an uninterrupted operation and reliability of these systems.

Internet penetration in India is limited and, though it has been increasing over the past few years, there can be no assurance that internet penetration in India will increase in the future as slowdowns or disruptions in upgrading efforts for infrastructure in India could reduce the rate of increase in the use of the internet. Further, any slowdown or negative deviation in the anticipated increase in internet penetration in India will affect our ability to attract and add new merchants and customers.

2. We depend on certain third party service providers

We rely on various third party service providers in our business operations including logistics services and payment gateways. Third parties either drop-ship or otherwise fulfil an increasing portion of customers' orders, and we are increasingly reliant on the reliability, quality and future procurement of their services. In addition, we lease all of our logistics centres and warehousing facilities. In addition, our ability to receive inbound inventory efficiently and transport completed orders to customers also may be negatively affected by inclement weather, fire, flood, power loss, earthquakes, labour disputes, acts of war or terrorism, acts of God and similar factors.

In particular, our logistics and fulfilment operations are integral to the success of our infibeam.com e-retail business as well as the success of our BaB Marketplace service offerings. We intend to significantly expand our logistics capabilities and logistic centres and warehouse network to provide superior coverage of target markets and ensure operational control over delivery schedules. There can be no assurance that we will be able to enter into leases for suitable facilities at commercially acceptable terms in accordance with our proposed expansion plans. Further, the cost estimated to be incurred on each of our proposed logistics centres may not be comparable to the cost incurred on the existing logistics centres in the past primarily due to difference in quantity of equipments, outright purchase of certain items which are maintained on leasehold basis for existing centres and nature of equipments proposed to be used for each of the proposed logistics centres. We cannot assure you that incurring higher expenditure for the proposed logistics centres will provide expected or adequate returns to our Company.

3. We have not entered into any binding arrangements to for the purposes of utilisation of certain portion of the Net Proceeds.

The Net Proceeds are proposed to be utilised towards (i) setting up of cloud data centre and for acquisition of property for shifting of the registered and corporate offices of our Company; (ii) setting up of 75 logistics centres; (iii) purchase of software (the "Software Purchase") and (iv) general corporate purposes.

We have not entered into any definitive arrangements in relation to the Objects of the Issue (except in relation to the acquisition of Property for setting up of cloud data centre and shifting of the registered and corporate offices) and the actual procurement of equipments, software and vehicles could entail significant outlay of cash in addition to the timeframe involved in procuring and implementing them. Moreover, some of these quotations and estimates may expire in due course and we may be required to obtain fresh quotations and estimates which we may be unable to obtain in a timely manner or at the same rates which may impact our estimates or assumptions for the proposed objects.

Any delays or failure in the purchase of the Property and equipment, software and vehicles and cost overruns may mean that we may not achieve the economic benefits expected from such investment which could impact our business, financial condition and results of operations.

4. An inability to manage the rapid growth

We have in recent periods experienced significant and rapid growth in our business operations, which has placed, and will continue to place, significant demands on our managerial, operational, and financial infrastructure. Our integrated e-commerce business model involves the BaB Marketplace, the infibeam.com e-retail site, the ".ooo" top level domain and includes a wide range of modular, customisable e-commerce solutions developed on an advanced technology platform. We continue to rapidly grow our business operations, targeting rapid merchant and customer acquisition in India as well as internationally, particularly in the Middle East and Europe. We also intend to significantly grow our logistics and fulfilment operations. As our operations grow in scale and complexity, whether through offering of new services or expansion into new markets in India and internationally, we must continuously improve, upgrade, adapt and expand our technology systems and infrastructure to offer our merchants and customers enhanced services, features and functionality ahead of rapidly evolving consumer demands, while maintaining the reliability and integrity of our systems and infrastructure in a cost-efficient and competitive manner.

In addition, to effectively manage our growth, we will also need to continue to improve our operational, financial and management controls, and our reporting systems and procedures. In particular, continued growth increases the challenges involved in, amongst others, continuous training and development of skilled and competent personnel and employees and developing and improving internal administrative infrastructure. These systems, enhancements and improvements will require significant capital expenditures and management resources. Our capital expenditure in the past may not reflect our future capital expenditure needs. Failure to implement these improvements could hurt our ability to manage our growth.

If we do not effectively manage our growth or appropriately expand and upgrade our systems and platforms in a timely manner or at a reasonable cost, or both, we may lose market opportunities or damage our attractiveness and reputation with our merchants and customers, which may adversely affect our business, financial condition and results of operations.

5. Intellectual property rights are important to our business and operations

All our trademarks, domain names, copyrights and other intellectual property rights are material assets and are integral to our business operations. We depend on a combination of copyright, trademark laws, non-competition and confidentiality agreements with our employees, contractors, merchants and third party service providers to protect our logo, brand name, domain names, merchant and customer database and technology infrastructure including customised APIs that are integral to our advanced technology e-commerce platform. Some of our trademark applications such as in respect of Infibeam and BaB are currently pending and there can be no assurance that these applications will be successful and these trademarks would be registered in our name. Confidentiality agreements with our employees require them to keep confidential and waive any rights to any of our trade secrets, works of authorship, software developed and other technology infrastructure upgrades made by them during their employment with us. However, there can be no assurance that our data or proprietary technology will not be copied or otherwise misappropriated or abused by third parties. There may be irreparable damage to our business in the event that our intellectual property are infringed by competitors, in which case an award of damages may not be an adequate remedy.

6. We face intense competition

The e-commerce industry is intensely competitive and we expect competition in the industry to continue to increase. Our present and future competitors may range from large and established companies to emerging start-ups, Indian as well as large e-commerce multinational companies operating in India. Since the barriers to entry for e-commerce companies are relatively low, we may also face increased competition from new entrants in our industry. Pricing is a significant driver in consumer decisions in our industry, and our competitors may engage in price competition. We may respond by increasing advertising and promotions, which may increase our costs and may not reflect past trends. As we continue to develop our Infibeam Marketplace, we will face increasing challenges to compete for and retain reputed merchants. Our competitors may have one or more of the following advantages compared to us - greater financial and other resources, advanced technology, larger sales and marketing networks, greater knowledge of the target markets, more extensive research and development and technical capabilities, logistics support, greater pricing flexibility, longer operating histories and/or strong branding and reputation. These advantages may assist them in attracting our merchants and customers. The management of some of these competitors may have more experience in implementing their business plan and strategy. Our present and future competitors with requisite financial and other resources may be able to innovate and provide superior products and services more efficiently than we can. If our competitors leverage on these qualities to provide comparable or superior services and products, and we are unable to respond successfully to such competitive pressures, our user traffic could significantly decline, which would have a material adverse effect on our business, financial condition and results of operations.

There can be no assurance that we will have sufficient resources to respond to competitors' investments in pricing and other promotional programs or technological developments. We may be required to reduce our operating margins in order to compete effectively and maintain or gain market share. In the event that we are unable to provide superior services than our competitors, including value added and user friendly search services, we may not be able to attract users to us, which could have material adverse effect on our business, results of operations and financial condition.

7. The proper functioning of our websites is essential

The satisfactory performance, reliability and availability of our websites, our transaction-processing systems and our network infrastructure are critical to our success and our ability to attract and retain customers and maintain adequate customer service levels. Our net revenues depend on the number of visitors who shop on our e-retail website and the volume of orders we fulfil as well as the number of stores on our BaB marketplace. Any system interruptions caused by computer viruses, hacking or other attempts to harm our systems that result in the unavailability or slowdown of our website or reduced order fulfilment performance would reduce the volume

of products sold and the attractiveness of product offerings at our website. Our servers may also be vulnerable to computer viruses, physical or electronic break-ins and similar disruptions, which could lead to interruptions, delays, loss of data or the inability to accept and fulfil customer orders. We may also experience interruptions caused by reasons beyond our control. There can be no assurance that such unexpected interruptions will not happen, and any such future occurrences could damage our reputation and result in a material decrease in our revenues.

8. Revenue from sales of traded products, infibeam.com e-retail site, may fluctuate significantly, and we face inventory risk in relation to our e-retail business

We have incurred losses in the past primarily due to retail sales on our infibeam.com e-retail website. There can be no assurance that we will be able to generate profits from our retail business. Further, revenues from our infibeam.com e-retail business may fluctuate from period to period resulting typically from variations in internet usage as well as traditional retail spending patterns. We tend to experience higher sales volume and revenue from our business during periods which coincides with festivals, holidays, end of season sale, and festive sales in India as well as other jurisdictions in which we operate. During such periods of higher demand and sales, if we do not stock or restock popular products in sufficient amounts to meet customer demand, it could significantly affect our reputation, customer goodwill and business prospects. We may experience an increase in our net shipping cost due to complimentary upgrades, split-shipments, and additional long-zone shipments necessary to ensure timely delivery for the holiday season. If too many customers access our websites within a short period of time due to increased holiday demand, we may experience system interruptions that make our websites unavailable or prevent us from efficiently fulfilling orders, which may reduce the volume of goods we sell and the attractiveness of our products and services. In addition, we may be unable to adequately staff our fulfilment and customer service centers during such periods and delivery and other fulfilment companies and customer service may be unable to meet the seasonal demand.

Lower than expected net sales during peak seasons or more pronounced seasonal variations in sales in the future could have a disproportionate impact on our operating results during the fiscal year, or could strain our resources and adversely affect our cash flows. Any slowdown in demand for our products during peak seasons or failure by us to accurately anticipate and prepare for such seasonal fluctuations could have a material adverse effect on our business and results of operations.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal controls in place. It has documented policies and procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorised use or losses, compliances with regulations. The Company has continued its efforts to align all its processes and controls with global best practices.

Some significant features of the internal control of systems are:

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant Audit observations and corrective actions thereon are presented before the Board.

Documentation of major business processes and testing thereof including financial closing, computer controls and entity level controls, as part of compliance programme towards Sarbanes-Oxley Act, as required by the listing requirements at The Company also maintains a comprehensive information security policy and undertakes continuous upgrades to its IT systems;

Detailed business plans for each segment, investment strategies, year-on-year reviews, annual financial and operating plans and monthly monitoring are part of the established practices for all operating and service functions; A well-established, independent, multi-disciplinary Internal Audit team operates in line with governance best practices. It reviews and reports to management and the Audit Committee about compliance with internal controls and the efficiency and effectiveness of operations as well as the key process risks. The scope and authority of the Internal Audit division is derived from the Internal Audit Charter, duly approved by the Audit Committee; and Anti-fraud programmes including whistle blower mechanisms are operative across the Company.

The Board takes responsibility for the overall process of risk management throughout the organisation. Through an Enterprise

Risk Management programme, the Company's business units and corporate functions address risks through an institutionalised approach aligned to the Company's objectives. This is facilitated by internal audit. The Business risk is managed through cross-functional involvement and communication across businesses. The results of the risk assessment are presented to the senior management. The Risk Management Committee reviews business risk areas covering operational, financial, strategic and regulatory risks.

During Fiscal 2017, the Company conducted an assessment of the effectiveness of the Internal Control over Financial Reporting and has determined that the Company's Internal Control over Financial Reporting as at 31 March, 2017 is effective.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Our human capital is our most critical factor for success since we are a service provider offering software as a service. The Company has drawn up a comprehensive human resource strategy, which addresses key aspects of human resource development such as:

- The code of conduct and fair business practices;
- A fair and objective performance management system linked to the performance of the businesses which identifies and differentiates employees by performance level;
- Evolution of performance based compensation packages to attract and retain talent within our Group Companies; and
- Development and delivery of comprehensive training programs to impact and improve industry- and/or function specific skills as well as managerial competence.

The Company has committed to the training development of its employees to strengthen their functional and leadership capabilities. The Company have a focused approach with the objective of addressing all capability gaps and preparing its employees to adopt to fast changing external environment in order to meet its strategic objectives.

The Company employed 753 permanent employees as at 31 March, 2017.

OUTLOOK

India's growth momentum is likely to accelerate in the second half of FY 2018, with continued focus on infrastructure creation and manufacturing. The World Bank estimates India to grow at 7.2% for the financial year FY 2018 and by 7.7% in FY 2019. It also said the economy's fundamentals remain strong and would become stronger after implementation of the goods and services tax (GST). In addition, long-term economic growth will be driven by low interest rates, benign inflation, favourable demographics (half of the population is below the age of 35) and greater focus on digitisation of the economy. India's digital economy is expected to grow from the current USD 270 billion to around USD 1 trillion in the next 5-7 years, driven by exponential growth in e-commerce, electronic manufacturing, IT services, financial technologies (FinTech) and telecom.

The Company expects to take advantage of being an established e-commerce service provider in India and reap benefits from the expected growth of GDP and also form the prospects of growth of e-commerce industry in India. Government's digital initiatives, proposals on building smart cities, increase in internet penetration, customers' and merchants' adoption of internet for buying and selling of goods and services, development in digital payments usage, among others are all key drivers that will drive the growth of Infibeam.

India is fast adapting digital payments especially after the demonetisation move by the Indian government to curb unaccounted cash transactions and promote 'less-cash' economy. Moreover, with the increasing use of e-wallets and use of mobile for banking, our recent acquisition of CCAvenue provides us a great opportunity to the reap the benefits of digital payment growth expected in India. Total payments through digital payments instruments can reach US$ 500 billion by 2020, up from about US$ 40-50 billion around mid-2016 (BCG-Google Digital Payments 2020 (report released before demonetisation)).

Moreover, increasing adoption of digital technologies in the international market coupled with our recent wins in this market in offering advanced e-commerce services provides us with a great opportunity for expansion of our end-to-end e-commerce services. This can significantly boost our revenues and margins.

CAUTIONARY STATEMENT

This document contains statements about expected future events and financial and operating results of Infibeam Incorporation Limited, which are forward-looking. By their nature, forward looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Infibeam Incorporation Limited Annual Report 2016-17.

Corporate Information

BOARD OF DIRECTORS

Mr. Ajit Mehta	Chairman
Mr. Vishal Mehta	Managing Director
Mr. Malav Mehta	Non-Executive Director
Mr. Keyoor Bakshi	Independent Director
Mr. Roopkishan Dave	Independent Director
Ms. Vijaylaxmi Sheth	Independent Director

AUDIT COMMITTEE

Mr. Keyoor Bakshi	Chairman
Mr. Vishal Mehta	Member
Mr. Roopkishan Dave	Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Roopkishan Dave	Chairman
Mr. Malav Mehta	Member
Mr. Keyoor Bakshi	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Ajit Mehta	Chairman
Mr. Malav Mehta	Member
Mr. Roopkishan Dave	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Ms. Vijaylaxmi Sheth	Chairman
Mr. Malav Mehta	Member
Mr. Vishal Mehta	Member

KEY MANAGERIAL PERSONNEL

Mr. Hiren Padhya	Chief Financial Officer
Mr. Shyamal Trivedi	Vice President and Company Secretary

REGISTERED OFFICE

9th Floor, "A" Wing, Gopal Palace
Opp. Ocean Park, Nr. Nehrunagar
Satellite Road, Ahmedabad – 380 015
Gujarat, India.

WEBSITE

www.infibeam.ooo

LISTED ON

BSE Limited

National Stock Exchange of India Limited

STATUTORY AUDITORS

M/s. B S R & Associates LLP

Chartered Accountants

JOINT STATUTORY AUDITORS

M/s. S R B C & Co. LLP

Chartered Accountants

SECRETARIAL AUDITORS

M/s. SPANJ & Associates

Company Secretaries

BANKERS

ICICI Bank Limited

HDFC Bank Limited

REGISTRARS & SHARE TRANSFER AGENTS

Link Intime India Private Limited
506-508, Amarnath Business Centre-1 (ABC-1),
Besides Gala Business Centre,
Near St. Xavier's College Corner,
Off C G Road,Ahmedabad - 380 009
Email: ahmedabad@linkintime.co.in
Website: www.linkintime.co.in

NOTICE

NOTICE is hereby given that the 7th ANNUAL GENERAL MEETING of the members of INFIBEAM INCORPORATION LIMITED will be held on Monday, September 18, 2017 at 3.00 P.M. at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, IIM – A Road, Vastrapur, Ahmedabad – 380 015 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt

a) The audited standalone financial statements of the Company for the Financial Year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon and

b) The audited consolidated financial statements of the Company for the Financial Year ended March 31, 2017 and the report of Auditors thereon.

2. To appoint a Director in place of Mr. Vishal Mehta (DIN: 03093563), who retires by rotation and, being eligible, offers himself for re-appointment.

3. Ratification of Appointment of Statutory Auditors

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

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions , if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and subject to all the applicable laws and regulations, the Company hereby ratifies the appointment of M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116231W) as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 8th Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors of the Company for the Financial Year ending March 31, 2018."

4. Ratification of Appointment of Joint Statutory Auditors

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

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and subject to all the applicable laws and regulations, the Company hereby ratifies the appointment of M/s. S R B C & Co. LLP, Chartered Accountants (Firm Registration Number – 324982E/ E300003) as the Joint Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 8th Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors of the Company for the Financial Year ending March 31, 2018."

Registered Office:
9th Floor, "A" Wing, Gopal Palace,
Opp. Ocean Park, Nr. Nehrunagar,
Satellite Road,
Ahmedabad – 380 015.
Date: August 14, 2017

By the Order of the Board,
For **Infibeam Incorporation Limited**

Shyamal Trivedi
Vice President & Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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 CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER MEMBER(S).

   The instrument of Proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Registered Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

2. During the period beginning 24 hours before the time fixed for the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided that not less than three days of prior notice in writing is given to the Company.

3. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of Board Resolution/ Authorisation document authorising their representative to attend and vote on their behalf at the AGM.
5. The Register of Members and Share Transfer Books will remain closed on September 1, 2017 for the purpose of Annual General Meeting (AGM).
6. For convenience of the Members and for proper conduct of the Meeting, entry to the place of Meeting will be regulated by attendance slip, which is annexed to the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
7. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. The Directors have furnished the requisite declarations for their appointment / re-appointment.
8. Members holding shares in the dematerialised mode are requested to intimate all changes with respect to their nomination, power of attorney, change of address, change in name, etc, to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA).
9. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant. The Nomination Form will be available on the Company's website www.infibeam.ooo.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
11. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
12. Members may address their queries/communications at ir@infibeam.ooo
13. To support the "Green Initiative", Members who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar & Share Transfer Agents of the Company for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. In support of the 'Green Initiative' announced by the Government of India, electronic copies of the Annual Report for FY 2016-17 and this Notice inter alia indicating the process and manner of Remote e-voting along with Attendance Slip and Proxy Form are being sent by email to all the Members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes, unless any Member has requested only for a hard copy of the same. For Members who have not registered their email address, physical copies will be sent to them in the permitted mode. The Notice of AGM will also be available on the Company's website, www.infibeam.ooo and that of Central Depository Services (India) Limited ("CDSL"), www.cdslindia.com.
15. All documents referred to in the Notice, Explanatory Statement and the Annual Accounts of the Subsidiary Companies along with the related detailed information shall be available for inspection by members at the Registered Office of the Company during business hours between 11.00 A.M. to 2.00 P.M. on all working days of the Company up to the date of the Annual General Meeting.
16. A route map showing directions to reach the venue of the AGM is given at the end of the Annual Report.
17. **VOTING THROUGH ELECTRONIC MEANS**
    (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions as amended, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') is provided by Central Depository Services (India) Limited.
    (b) The facility for voting through ballot paper shall be made available at the AGM, and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot. E-voting facility will not be made available at the AGM venue.
    (c) 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.

(d) The remote e-voting period commences at 9.00 a.m. on Friday, September 15, 2017 and ends at 5:00 p.m. on Sunday, September 17, 2017. During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. September 11, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for e-voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.

(e) The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

The instructions for shareholders voting electronically are as under:

i) The shareholders should log on to the e-voting website www.evotingindia.com.

ii) Click on Shareholders.

iii) Now Enter your User ID

a) For CDSL: 16 digits beneficiary ID,

b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

iv) Next enter the Image Verification as displayed and Click on Login.

v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vi) If you are a first-time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ▪ Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. ▪ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

vii) After entering these details appropriately, click on "SUBMIT" tab.

viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x) Click on the EVSN for the relevant INFIBEAM INCORPORATION LIMITED on which you choose to vote.

xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

General Instructions:

- M/s. SPANJ & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of 'Ballot Paper' for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. E-voting facility will not be made available at the AGM venue.
- The Scrutinizer shall, immediately after the conclusion of voting at AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days from the conclusion of meeting, a consolidated Scrutinizers' Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
- The results declared along with the Scrutinizers' Report shall be placed on the Company's website www.infibeam.ooo and on the website of CDSL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.

PURSUANT TO REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 WITH THE STOCK EXCHANGES AND SECRETARIAL STANDARD 2 ISSUED BY ICSI, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE RE-APPOINTED IS FURNISHED BELOW:

<table>
<tr><th>Particulars</th><th colspan="3">Profile of the Director</th></tr>
<tr><td>Name of the Director</td><td colspan="3">Mr. Vishal Mehta</td></tr>
<tr><td>DIN</td><td colspan="3">03093563</td></tr>
<tr><td>Date of Birth</td><td colspan="3">March 1, 1974</td></tr>
<tr><td>Date of first appointment on the Board</td><td colspan="3">September 10, 2010</td></tr>
<tr><td>Qualifications</td><td colspan="3">M.E. (Operation Research and Industrial Engineering) from Cornell University, USA
M.Sc. (Management of Technology) from the Massachusetts Institute of Technology, USA</td></tr>
<tr><td>Expertise</td><td colspan="3">He has more than 11 years of experience in the field of IT.</td></tr>
<tr><td>Number of Meeting of the Board attended during the year</td><td colspan="3">6 (Six)</td></tr>
<tr><td>Names of Companies in which the Director holds Directorship</td><td colspan="3">▪ Public Companies:
1. Infinium (India) Limited
▪ Private Companies:
1. NSI Infinium Global Private Limited
2. Infinium Communication Private Limited
3. Infibeam Logistics Private Limited
4. Infibeam Digital Entertainment Private Limited
5. Odigma Consultancy Solutions Private Limited
6. Avenues Infinite Private Limited
7. DRC Systems India Private Limited
8. Avenues (India) Private Limited</td></tr>
<tr><td>Names of Committees of the Companies in which the Director holds Chairmanship/ Membership</td><td colspan="3">1. Infibeam Incorporation Limited
Audit Committee – Member</td></tr>
<tr><td>Number of Shares held</td><td colspan="3">59,95,940</td></tr>
<tr><td rowspan="3">Relationships between Directors, Key Managerial Personnel and Managers of the Company</td><td>Name of the Director</td><td>Related to</td><td>Nature of Relationship</td></tr>
<tr><td rowspan="2">Mr. Vishal Mehta</td><td>Mr. Ajit Mehta</td><td>Father</td></tr>
<tr><td>Mr. Malav Mehta</td><td>Brother</td></tr>
</table>

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting their 7th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

1. FINANCIAL RESULTS

The financial performance of your Company for the year ended March 31, 2017 is summarised below:

(Rupees in Million)

Particulars	Standalone		Consolidated	
	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
Revenue from Operations (Net)	531.45	431.13	4413.41	3369.50
Other Income	361.15	181.49	163.61	54.95
Operating Profit before Finance Cost, Depreciation and Tax	**557.26**	**268.39**	**830.27**	**274.08**
Less: Finance Cost	32.82	2.07	42.64	11.48
Profit before Depreciation and Tax	**524.44**	**266.32**	**787.63**	**262.6**
Less: Depreciation and amortisation expenses	63.27	42.35	224.78	175.38
Profit before Tax	**461.17**	**223.97**	**562.85**	**87.22**
Less: Tax	459.39	(194.74)	127.51	(0.63)
Profit from ordinary activities	**1.78**	**418.71**	**435.34**	**87.85**
Share of profit / (Loss) of non-controlling interest	-	-	(5.74)	(5.86)
Profit for the period	**1.78**	**418.71**	**441.08**	**93.71**
Other comprehensive income/(Expenses)				
Items that will not be reclassified to Profit or loss, net of tax	2.67	(0.29)	6.82	(0.81)
Total comprehensive income/(Expenses) for the period	**4.45**	**418.42**	**447.90**	**92.90**
Add: Balance brought forward from previous year	(150.09)	(563.51)	(809.07)	(896.97)
Less: Other adjustment	-	-	(3.62)	-
Profit available for appropriation	**(145.64)**	**(145.09)**	**(364.79)**	**(804.07)**
Transfer to General Reserve	-	-	-	-
Transfer to Debenture Redemption Reserve	-	5.00	-	5.00
Excess Losses pertaining to minority	-	-	-	-
Adjustment on account of depreciation	-	-	-	-
Balance carried over to Balance Sheet	**(145.64)**	**(150.09)**	**(364.79)**	**(809.07)**

2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

Vide notification dated February 16, 2015, the Ministry of Corporate Affairs notified the Indian Accounting Standards **("Ind AS")** to be applicable to certain class of companies including listed companies, for the accounting periods beginning on or after April 1, 2016, with comparatives to be provided for the period ending on March 31, 2016. Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013. The standalone and consolidated financial statements for the financial year ended March 31, 2017, forming part of this Annual Report, have been prepared in accordance with Ind AS with a transition date of April 1, 2015. Explanations capturing areas of differences and reconciliations from Indian GAAP to Ind AS have been provided in the notes to accounts to the standalone and consolidated financial statements.

Net revenue from operations on standalone basis increased to ₹ 531.45 million as against ₹ 431.13 million in the previous year – a growth of 23.27%. The Company has earned Profit before Finance Cost and Depreciation of ₹ 557.26 million during the year under review compared to profit of ₹ 268.39 million during FY 2015-16 – grew by 107.63%. The above results have been achieved by service led sales resulted in more comprehensive customer engagement. After providing for Depreciation, Prior period adjustments and Taxation, the Net Profit for the year under review stood at ₹ 1.78 million compared to profit of ₹

418.71 million during FY 2015-16. Current year's net profit remained lesser in view of tax impact under IND AS transition.

Net revenue from operations on consolidated basis increased to ₹ 4,413.41 million as against ₹ 3,369.50 million in the previous year – a growth of 30.98%. The Company has earned Profit before Finance Cost and Depreciation of ₹ 830.27 million during the year under review compared to ₹ 274.08 million during FY 2015-16 – grew by 202.93%. The above results have been achieved by service led sales resulted in more comprehensive customer engagement. After providing for Depreciation, Prior period adjustments and Taxation, the Net profit after minority interest for the group for the current year stood at ₹ 441.08 million as against profit of ₹ 93.71 million in the previous year – a growth of 370.69 %.

3. CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of your Company for the Financial Year 2016-17 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"). The Consolidated Financial Statements have been prepared on the basis of audited financial statements of your Company, its subsidiaries (including step down subsidiaries) and associate companies, as approved by the respective Board of Directors.

4. SUBSIDIARIES

During the year, the Board of directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, the Consolidated Financial Statements include the Financial Statements of its Subsidiaries. Further, a separate statement containing the salient features of the financial statements of subsidiaries of the Company in the prescribed Form AOC-1 has been disclosed in the Consolidated Financial Statements given in this Report as Annexure - A.

Any member desirous of obtaining a copy of the said financial statements may write to the Company at the Registered Office of your Company. The financial statements including the consolidated financial statements, financial statements of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of your Company www.infibeam.ooo. These documents shall also be available for inspection at the registered office of the Company during business hours up to the date of ensuing AGM as required under Section 136 of the Companies Act, 2013.

During the year under review, your Company has formed a Wholly Owned Subsidiary Company with Registration No. 93697 as a Free Zone Limited Liability Company namely **"Infibeam Global EMEA FZ - LLC"** (Incorporation Date – 17.07.2016) at Dubai Internet City, Dubai to develop the business activities of the Company in Asia, Middle East and Africa.

5. MERGER OF AVENUES (INDIA) PRIVATE LIMITED ("CC AVENUE") WITH THE COMPANY

In order to improve operational efficiency, the Board of Directors of the Company in its meeting held on July 13, 2017, after considering the recommendations of the Audit Committee, approved the amalgamation of Avenues (India) Private Limited with the Company through a Scheme of Amalgamation ("Scheme") under Section 230 to 234 of the Companies Act, 2013 subject to necessary approvals of Shareholders, Creditors, the Registrar of Companies, the Stock Exchanges, Hon'ble National Company Law Tribunal, Securities and Exchange Board of India and/or other competent statutory/regulatory authorities and other third party approvals, as may be applicable. The Company has applied for observation letters on July 17, 2017 to BSE Limited and the National Stock Exchange of India Limited, in terms of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

6. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, highlighting the important aspects of the business of the Company and its Subsidiaries is given in this Report, appearing separately on page 24.

7. BUSINESS RESPONSIBILITY REPORT

A Business Responsibility Report as per Regulation 34 of the Listing Regulations, detailing the various initiatives taken by your Company on the environmental, social and governance front is given in this Report as Annexure - B.

8. TRANSFER TO RESERVES

The Company does not propose to transfer any amount to general reserve.

9. DIVIDEND

In order to conserve resources for business expansion, your directors do not recommend any dividend for the Financial Year 2016-17.

The Dividend Distribution policy is available on your Company's website www.infibeam.ooo and annexed with this Annual Report as Annexure - C.

10. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

No material changes and commitments other than disclosed as part of this report, affecting the financial position of the Company have accrued between March 31, 2017 and the date of the report.

11. PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

12. CHANGE IN SHARE CAPITAL

During the Financial Year 2016-17, the Paid up Share Capital of the Company has been increased from ₹ 530.91 million to ₹ 538.94 million pursuant to allotment of 8,02,599 Equity Shares of the face value of ₹ 10/- each.

The paid up Equity Share Capital as on March 31, 2017 was ₹ 53,89,39,200.

13. ALLOTMENT

The Company during the Financial Year 2016-17 after obtaining necessary approvals, has allotted,

1. 2,70,900 Equity Shares of ₹ 10/- each on September 26, 2016, to the Employees under both ESOP Schemes. After the issue, the Equity Share Capital of the Company stood at ₹ 533.62 million.
2. 23,532 Equity Shares of ₹ 10/- each on December 8, 2016, to the Employees under both ESOP Schemes. After the issue, the Equity Share Capital of the Company stood at ₹ 533.86 million.
3. 66,986 Equity Shares of ₹ 10/- each on February 6, 2017, to the Employees under both ESOP Schemes. After the issue, the Equity Share Capital of the Company stood at ₹ 534.53 million.
4. 4,818 Equity Shares of ₹ 10/- each on March 24, 2017, to the Employees under both ESOP Schemes. After the issue, the Equity Share Capital of the Company stood at ₹ 534.58 million.
5. 4,36,363 Equity Shares of ₹ 10/- each and at premium of ₹ 1,365/- on March 24, 2017, to the Bennett Coleman and Company Limited ("BCCL"), Non-promoter Body Corporate on preferential issue basis upon conversion of one Convertible Warrant of ₹ 600 million (Rupees Six Hundred Million Only), after complying provisions and guidelines under the Companies Act, 2013, SEBI (Issue of Capital & Disclosure Requirement) Regulations, 2009 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. After the issue, the Equity Share Capital of the Company stood at ₹ 538.94 million.

14. ALLOTMENT OF ONE CONVERTIBLE WARRANT TO NON-PROMOTER ON PREFERENTIAL BASIS:

The Company, after obtaining necessary approvals, has issued and allotted one convertible warrant of ₹ 600 million on March 6, 2017 to Non-Promoter(s) on Preferential Issue basis after complying relevant provisions and guidelines under the Companies Act, 2013, SEBI & Listing Regulations. The said warrant was converted in to 4,36,363 Equity Shares of Face Value of ₹ 10/- each and Premium of ₹ 1,365/- per Equity Share on March 24, 2017.

There are no material variations between the projections and actual utilisation of the funds raised through Preferential Issue by the Company during the year 2016-17.

15. SPLIT OF EQUITY SHARES

The Board of Directors of the Company at its meeting held on July 13, 2017 has approved the split of Equity Shares of the Company from Face Value of ₹ 10/- each into 10 Equity Shares of Face Value of ₹ 1/- each subject to approval of members of the Company. The said split of Equity Shares was approved by the members in the Extra Ordinary General Meeting held on August 11, 2017 and our Company is in the process of implementing the said decision of split of Equity Shares.

16. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL INCLUDING THOSE WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Vishal Mehta, Managing Director, is due to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. The details of Director being recommended for re-appointment as required under the Listing Regulations are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company.

The Independent Directors of your Company are not liable to retire by rotation.

Mr. Vishal Mehta, Managing Director, Mr. Hiren Padhya, Chief Financial Officer and Mr. Shyamal Trivedi, Vice President & Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

17. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2016-17, 6 (Six) Board meetings were held. For details of the meetings of the board, please refer to the Corporate Governance Report, which forms part of this report.

18. DIRECTOR'S RESPONSIBILITIES STATEMENT

Pursuant to the requirement of Section 134 of the Companies Act, 2013, it is hereby confirmed:

(i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) that the Directors had 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, 2017 being end of the Financial Year 2016-17 and of the profit of the Company for the year;

(iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That the Directors had prepared the annual accounts on a going concern basis.

(v) The Directors, in the case of a Listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. DECLARATION BY INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY

Your Company has received declaration from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued there under as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

20. NOMINATION AND REMUNERATION POLICY OF THE COMPANY

The Company's Policy relating to appointment of Directors, payment of managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is available on the Company's website www.infibeam.ooo.

There has been no change in the policy since last fiscal. We affirm that the remuneration paid to the directors, if any, is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

21. ANNUAL EVALUATION OF BOARD PERFORMANCE

The Board of Directors have carried out an annual evaluation of its own performance, its Committees and individual Directors pursuant to the requirements of the Act and Listing Regulations.

Further, the Independent Directors, at their exclusive meeting held during the year reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing regulations.

22. AUDITORS

I. Statutory Auditors

A. At the Annual General Meeting held on September 30, 2014, M/s. B S R & Associates LLP, Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the Financial Year 2018-19. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. B S R & Associates LLP, Chartered Accountants as Statutory auditors of the Company, is placed for ratification by the shareholders.

B. At the Annual General Meeting held on September 15, 2016, M/s. S R B C & Co. LLP, Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the Financial Year 2020-21. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. S R B C & Co. LLP, Chartered Accountants as Statutory auditors of the Company, is placed for ratification by the shareholders.

Your Company has received written consent(s) and certificate(s) of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rule issued thereunder (including any statutory modification (s) or re-enactment(s) for the time being in force), from both M/s. S R B C & Co. LLP and M/s. B S R & Associates LLP. Further, both have confirmed that they hold a valid certificate issued by the Peer Review Board of The Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

- **STATUTORY AUDITORS' REPORT**

During the period under review, no incident of frauds was reported by the Statutory Auditors pursuant to Section 143 (12) of the Companies Act, 2013.

II. Secretarial Auditor

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of your Company at its meeting held on May 30, 2017 has appointed M/s. SPANJ & Associates, Company Secretaries, as the Secretarial Auditor to conduct an audit of the secretarial records, for the Financial Year 2017-18.

- **SECRETARIAL AUDIT REPORT**

Your Company has obtained Secretarial Audit Report as required under Section 204(1) of the Companies Act, 2013 from M/s. SPANJ & Associates, Company Secretaries. The said Report is attached with this Report as Annexure – D.

There are no remarks / qualification in the Secretarial Audit Report, hence no explanation has been offered.

23. EXTRACT OF ANNUAL RETURN

The extract of Annual return in Form MGT - 9 has been attached herewith as Annexure – E.

24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2017, are set out in Note [26] to the Standalone Financial Statements forming part of this report.

25. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at www.infibeam.ooo. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

26. PARTICULARS OF EMPLOYEES

Disclosures pertaining to 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 is attached as Annexure - F which forms part of this report.

The statement containing particulars of employees as required under Section 197 (12) of the Act read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the Report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company till the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

27. COMMITTEES OF THE BOARD

As on March 31, 2017, the Board had Four (4) Committees: the audit committee, the nomination and remuneration committee, the stakeholder's relationship committee and the corporate social responsibility committee, in term of the requirement of the Act and Listing Regulations. For detailed note on the composition of the Committees is provided in the Corporate Governance Report, which forms part of this report.

28. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has incurred losses in two Financial Years out of three immediately preceding Financial Years. Hence, the Company is not required to spend any amount for CSR activities in Financial Year 2016-17.

The CSR policy is available on your Company's website www.infibeam.ooo.

29. VIGIL MECHANISM

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The employees can raise concerns regarding any discrimination, harassment, victimisation, any other unfair practice being adopted against them or any instances of fraud by or against your Company.

Any incidents that are reported are investigated and suitable action taken in line with the whistle blower policy. The Whistle Blower Policy is also available on your Company's website www.infibeam.ooo.

30. INTERNAL FINANCIAL CONTROLS

The Board of Directors of your Company is satisfied with the Internal Financial Control process. These are reviewed periodically and made part of work instructions or processes in the Company. The Company continuously tries to automate these controls to increase its reliability. The Directors have in the Directors Responsibility Statement under paragraph (e) confirmed the same to this effect.

31. RISK MANAGEMENT

The Company has a Risk Management Policy, which from time to time, is reviewed by the Audit Committee of Directors as well as by the Board of Directors. The Policy is reviewed by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The Policy is designed to provide the categorisation of risk into threat and its cause, impact, treatment and control measures. As part of the Risk Management policy, the relevant parameters for protection of environment, safety of operations and health of people at work and monitored regularly with reference to statutory regulations and guidelines defined by the Company.

32. DETAILS OF EMPLOYEE STOCK OPTION PLANS

During the Financial Year 2016-17, 3,58,223 options were granted to eligible employees of the Company and 3,66,236 options were exercised by the employees after vesting in both the ESOP Schemes. Accordingly, the Company has made the allotment of 2,70,900 equity shares on September 26, 2016, 23,532 equity shares on December 8, 2016, 66,986 equity shares on February 6, 2017 and 4,818 equity shares on March 24, 2017 against the options exercised by the employees.

The applicable disclosures as stipulated under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 with regard to Employees Stock Option Plan of the Company are available on the website of the Company at www.infibeam.ooo and web link for the same is http://www.infibeam.ooo/investordesk/ESOP details.

33. EMPLOYEE SAR SCHEME

The Board of Directors of the Company at its meeting held on July 13, 2017 has approved the Infibeam Stock Appreciation Rights Scheme 2017 ('Scheme') as per SEBI (Share Based Employee Benefits) Regulation, 2014 for employees of the Company as well as for Subsidiary Companies and also to set up Infibeam Employees Welfare Trust ("Trust") for the implementation of Scheme to acquire the Equity Shares from secondary market by the Trust. The said Scheme was approved by the members in the Extra Ordinary General Meeting held on August 11, 2017.

34. CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance, forms an integral part of this report is attached herewith as Annexure – G.

35. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required in respect of conservation of energy and technology absorption has not been furnished considering the nature of activities undertaken by the Company during the year under review.

Further during the year under review, details of foreign exchange earnings and outgo are as given below:

(Rupees in Million)

Particulars	Financial Year 2016-17	Financial Year 2015-16
Earning in Foreign Currencies	249.78	129.34
Expenditure in Foreign Currencies	40.23	17.85

36. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under the policy. No complaint has been received by the Company under this Policy during the year 2016-17.

37. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior Management. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct. The Code of Conduct of Board of Directors is also available on your Company's website www.infibeam.ooo.

38. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

39. ACKNOWLEDGEMENTS

The Board places on record its appreciation for the continued co-operation and support extended to the Company by customers, vendors, regulators, banks, financial institutions, rating agencies, stock exchanges and depositories, auditors, legal advisors, consultants, business associates and all the employees with whose help, cooperation and hard work the Company is able to achieve the results.

The Board deeply acknowledges the trust and confidence placed by the consumers of the Company and all its shareholders.

For and on behalf of Board of Directors of
Infibeam Incorporation Limited

Ajit Mehta
Chairman
[DIN: 01234707]

Place : Ahmedabad
Date : August 14, 2017

ANNEXURE - A

FORM AOC-1

Part – A: Subsidiary Companies

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

(Rupees in Million)

Sr. No.	Particulars	1	2	3	4	5	6	7
1	**Name of Subsidiaries**	**NSI Infinium Global Private Limited**	**Infinium (India) Limited**	**Infibeam Digital Entertainment Private Limited**	**Infibeam Logistics Private Limited**	**Odigma Consultancy Solution Private Limited**	**Sine Qua Non Solution Private Limited ***	**Infibeam Global EMEA FZ-LLC**
2	The date since when subsidiary was acquired	July 31, 2010	September 10, 2010	November 30, 2012	March 31, 2014	February 24, 2014	August 5, 2013	July 17, 2016
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR	INR	INR	INR	INR	UAE Dirham Exchange rate as on March 31, 2017, 1 AED = INR 17.67
5	Paid up share capital	0.14	135.00	42.50	0.10	0.10	0.19	0.88
6	Reserves & surplus	(461.85)	(64.19)	(80.70)	(3.95)	(2.11)	(18.51)	301.99
7	Total assets	1821.05	471.17	24.19	80.49	19.56	1.01	355.36
8	Total liabilities	2282.75	400.36	62.39	84.34	21.57	19.33	52.49
9	Investment	-	-	-	-	-	-	-
10	Turnover	2948.24	531.09	3.42	66.33	69.58	0.92	612.82
11	Profit / (Loss) before taxation	(194.67)	5.81	(22.31)	(0.37)	3.89	(0.73)	305.26
12	Provision for taxation	(332.09)	(1.90)	-	0.27	1.84	-	-
13	Profit (Loss) after Tax	137.42	7.70	(22.31)	(0.64)	2.05	(0.73)	305.26
14	% of Shareholding	100%	100%	74%	100%	100%	100%	100%

* It is a step Subsidiary of your Company as result of it is Wholly Owned Subsidiary Company of NSI Infinium Global Private Limited.

Note:

1. Name of Subsidiaries which are yet to commence operations – None
2. Name of Subsidiaries which have been liquidated or sold during the year – None

Part- B: Associate & Joint Venture

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

(Rupees in Million)

Sr. No.	Particulars	1
1	Name of Associate Company	**Avenues Infinite Private Limited**
2	Latest Audited Balance sheet Date	March 31, 2017
3	Date on which the Associates or Joint ventures was acquired	January 16, 2013
4	Shares of Associates or Joint Ventures held by the Company on the Year end	
	No. of Shares	9,99,800
	Amount of Investment in Associates or Joint Ventures	₹ 10.00 Million
	Extent of Holdings (In Percentage)	49.99%
5	Description of how there is significant influence	N.A.
6	Reason why the associates / Joint Ventures is not Consolidated	Consolidated
7	Net worth attributable to Shareholding as per latest audited balance Sheet	(1.46)
8	Profit or (Loss) for the Year	(0.17)
	i. Considered in Consolidation	(0.17)
	ii. Not Considered in Consolidation	NIL

Note:

1. Name of Associates / Joint Ventures which are yet to commence operations – None
2. Name of Associates / Joint Ventures which have been liquidated or sold during the year – None

ANNEXURE - B

BUSINESS RESPONSIBILITY REPORT

(Pursuant to Regulation 34 (2) (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Introduction

Infibeam Incorporation Limited is an E-Commerce Company, focusing on developing successful e-Commerce platforms and building the entire e-Commerce ecosystem. In addition to 'Infibeam.com', its multi-category B2C e-retail site, the Company through its popular BuildaBazaar ("BaB") e-Commerce web service, provides a cloud-based, modular, customisable and scalable technology platform as well as an e-Commerce infrastructure and logistics support for a diverse universe of merchants, products and services, globally.

The disclosures in this report are aligned to the Principles of Business Responsibility as prescribed under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by Ministry of Corporate Affairs, Government of India. This report provides transparent and relevant information on the Company efforts and its performance against the nine principles of Business Responsibility.

SECTION - A

General information about the Company:

Sr. No.	Particulars	Details			
1.	Corporate Identity Number (CIN) of the Company	L64203GJ2010PLC061366			
2.	Name of the Company	Infibeam Incorporation Limited			
3.	Registered address	9th Floor, "A" Wing, Gopal Palace, Opp. Ocean Park, Near Nehrunagar, Satellite Road, Ahmedabad- 380 015, Gujarat, India.			
4.	Website	www.infibeam.ooo			
5.	Email id	ir@infibeam.ooo			
6.	Financial year reported	April 1, 2016 to March 31, 2017			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	National Industrial Classification 2008 Section J: Information and Communication Code : 62013			
8.	Three key products/services of the Company (as in balance sheet)	E-Commerce Platform, software development services, maintenance, web development and ancillary services.			
9.	Total number of locations where business activity is undertaken by the Company				
(a)	Number of international locations	1 (One)			
(b)	Number of National locations	10 (Ten)			
10.	Markets served by the Company	Local	State	National	International
		✓	✓	✓	✓

SECTION - B

Financial details of the Company:

Sr. No.	Particulars	Details
1.	Paid up capital	₹ 538.94 Million
2.	Total turnover	₹ 531.45 Million (Standalone)
3.	Total profit after taxes	₹ 1.78 Million (Standalone)
4.	Total spending on Corporate Social Responsibility (CSR) as a percentage of Profit After Tax (%)	Nil. Since applicable to the Company from FY 2017-18
5.	List of activities in which expenditure in 4 above has been incurred	Not Applicable

SECTION - C

Other details:

Sr. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company/ Companies?	Yes refer Annexure A in Annual Report
2.	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	No
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION - D

Business responsibility ("BR") in formation:

1. Details of Director(s) responsible for BR

(a) Details of the Director responsible for implementation of the BR policy (ies)

Sr. No.	Particulars	Details
1.	DIN	03093563
2.	Name of Director	Mr. Vishal Mehta
3.	Designation	Managing Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN	03093563
2.	Name of Director	Mr. Vishal Mehta
3.	Designation	Managing Director
4.	Telephone Number	+91 79 4040 3600
5.	Email ID	ir@infibeam.net

2. Principle-wise (as per National Voluntary Guidelines) BR Policy (ies)

Infibeam Incorporation Limited is an E-Commerce Company which is primarily engaged in the business of e-Commerce, software development services, maintenance, web development and other ancillary value-added services. The following sections capture BR compliances at the Group level.

P1. Business should conduct and govern themselves with Ethics, Transparency and Accountability.

P2. Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3. Businesses should promote the well-being of all employees.

P4. Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P5. Businesses should respect and promote human rights.

P6. Businesses should respect, protect, and make efforts to restore the environment.

P7. Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8. Businesses should support inclusive growth and equitable development.

P9. Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of Compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy (ies) for ...	Y This forms part of the Code of Conduct of the Company which is applicable to all employees.	Y The policy is part of the Company's Environment, Health and Safety (EHS) Policy.	Y Certain policies form part of the Code of Conduct for employees	Y The Company does not have a specific policy, however certain aspect of this principle forms part of the CSR Policy.	Y This forms part of the Code of Conduct of the Company which is applicable to all employees	Y This forms part of the Company's EHS Policy.	NA	Y The Company has a CSR Policy.	Y The Company has a Consumer Policy.
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y
		The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by the Company. The policies are based on and are in compliance with the applicable regulatory requirements and International Standards. Please refer the detailed report for more information.								
4.	Have the policies been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
		As a process, all the policies have been considered and noted by the Board. The Board authorised the Senior Officials of the Company to authenticate the policies.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6.	Indicate the link for the policy to be viewed online	All Policies which are statutorily required to be placed on the Company's website can be accessed through the following link: http://www.infibeam.ooo/code-of-conduct-and-policies.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
		The policies have been communicated to many relevant internal and external stakeholders.								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Does the Company have in-house structure to implement the policy (ies)	Y	Y	Y	Y	Y	Y	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy (ies) to address stakeholders' grievances related to the policy (ies)	Y	Y	Y	Y	Y	Y	-	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of these policies by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y
		The Heads of Departments are responsible for effective implementation of the Policies. While the Company has not carried out independent audit of the policies, the Internal Audit Function periodically looks at the implementation of the policies.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 Options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year							✓		
6.	Any other reason (please specify)									

3. Governance related to BR

Sr. No.	Particulars	Details
a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company (Within 3 months, 3-6 months, Annually, More than 1 year).	The formulation of Business Responsibility Report has become applicable to the Company from Financial Year 2016-17. The Management shall regularly monitor the BR initiatives on quarterly basis and BR performance of the Company to be compiled in the BR report, which shall form part of Annual Report and shall be placed before the Board for their approval, every year.
b.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The formulation of Business Responsibility Report has become applicable on the Company from Financial Year 2016-17. Business Responsibility Report is made part of the Annual Report from FY 2016-17 onwards. The same is available on website of the Company www.infibeam.ooo

SECTION - E

Principle -wise performance:

Principle -1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   The Policy covers only the Company. However, the Company shall make its best efforts to impress upon other entities in the value chain and its subsidiaries to follow such policy.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   The Company has in place different mechanisms for receiving and dealing with complaints from different stakeholders' viz. shareholders, customers, employees, vendors etc. There are dedicated resources to respond to the complaints within a time bound manner.

The details of the stakeholder complaints are as below:

Particulars	Complaints received during 2016-17	% of complaints resolved
Stakeholder Complaints	2 (from Shareholder)	100%

Principle -2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   Infibeam offers an e-Commerce Platform, software development services, maintenance, web development and ancillary services including payments solution, data centres, cloud computing, data analytics, digital marketing, among others. Our digital offerings are environmental friendly.

   Infibeam believes that it can contribute positively to the national growth and that its digital services can offer great opportunities for Small and Medium Enterprises (SMEs) that form the backbone of the Indian Economy, to be able to use the power of internet to increase their sales and generate higher income. Infibeam's business model gives an opportunity to the SMEs,from various sections and different parts of the country, by providing them a powerful online platform to sell their products and services. The platform helps the large retails, brands and SMEs to list and sell their products online with ease and convenience,and help them to expand their reach to target a larger customer base enabling them to make more sales, at a reasonable cost. They can also avail customised web services that can further enhance their earning potential.

   Case Study: Providing Free Digital Services to Citizens of Sikkim

   The Company has tied up with the Sikkim Government to offer our digital services and empower the citizens of Sikkim by providing free digital services.

   "Infibeam shall provide a "Unique & Verified Digital Identity Platform" ("Digital Services") on its'.OOO' global top level domain (gTLD) with authorised and secured digital wallets for Indians residing in the State of Sikkim."

   As a part of this program, Infibeam shall provide a platform for creation of digital web identity for citizens residing in the State of Sikkim ("Users") to enable access and digital storage of their own citizen centric records. Furthermore, Users will also get benefited by way of getting a free email address for their primary use, free personal webstore for commerce and revenue generation opportunity, free 10 GB cloud storage, as well as integrated Digital wallet. Infibeam will also develop dedicated tourism portal for tourists visiting the State of Sikkim from all over the world.

2. **For each such product and services, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   Infibeam is a technology company in the e-Commerce industry offering its services over the internet. Our business is fundamentally done online and thus the usage of paper is limited due to the nature of the business. The Customers are encouraged to adopt paper-free practices like use of internet, mobiles, e-Wallet and other such environmentally friendly initiatives. We generate reports for our customers online at the push of a button and encourage paper-less usage. We follow other sustainable practices to reduce our impact on the environment and promote efficient consumption of resources viz. Heating, Ventilation and Air Conditioning (HVAC) run time monitoring, installation of CFL & other low energy consuming office equipment, restricted printer and copier usage. / The reduction has been negligible.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

   a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   Yes, the Company has procedures in place for sustainable sourcing including transportation.

   As a responsible corporate citizen, the Company endeavours to reduce the environmental impact of its operations. The Company has made conscious efforts to reduce the usage of paper through various digital initiatives, some of which have been outlined elsewhere in this document.

   Our supplier analysis also takes into account the sourcing strategy of the supplier and proximity of the supplier to the location where the order request has been raised so as to improve logistics and save time, cost & emissions from unwanted transportation through longer routes.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   The Business of the Company is service oriented and not material resource intensive. The human resources and other services required for our operations are generally sourced from within the local area to the extent feasible. The products and services offered by the Company are aimed at encouraging entrepreneurship, innovation and capacity building among the society as well as to enable them to scale up their business operations.

   During supplier evaluation process, if all other factors are on par between potential suppliers, then the Company will give preference to the local supplier or small producer and thus procure goods locally. For consumable and operational services, the Company prefers to connect with local vendors to supply the necessary manpower and other requirements.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   Yes, The Company has a mechanism to recycle waste but since we do not manufacture products we don't deal with product recycling. Our operational practices are focused to continually reduce consumption of paper and progressive measures are being implemented across different processes to facilitate the same.

   Our initiatives also strive to meet sustainability goals of waste reduction and more efficient resource utilisation.

Principle - 3	**Businesses should promote the well-being of all employees**

The Company strives to create shared value through inclusive growth, bringing about a measurable change in the lives of its employees and communities. Our employees are an integral part of our growth and success strategy. The Company believes that a healthy working environment founded on principles of empathy and symbiosis can unleash the full potential of the employees. Over the years, the Company has steadily built a culture of empowerment and providing appropriate opportunities to support its employees' aspirations. Human Resource (HR) has been about partnering the business through strategic initiatives. It translates into all people processes, from inviting new hires to join or helping its existing employees to design and develop their career.

Sr. No.	Particulars	Details
1.	Total Number of Employees	936
2.	Total number of employees hired on contractual basis	Nil
3.	Number of permanent women employees	186
4.	Number of permanent employees with disabilities	Nil
5.	Is there an employee association that is recognised by management?	No
6.	Percentage of your permanent employees who are members of this recognised employee association.	-

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

The Company's policy prohibits engaging of any child labour or involuntary labour. Thus, there are no complaints relating to child labour, forced labour and involuntary labour.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as at the end of financial year
1.	Child labour/ forced labour/ involuntary labour	Nil	Nil
2.	Sexual Harassment	Nil	Nil
3.	Discriminatory Employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

All employees are given periodical training on precautions and procedures to be followed in cases of emergencies such as fire, earthquake and other natural calamities.

The details of employees who underwent skill up-gradation training during the FY 2016-17 are as follows:

Permanent Employees	100.00 %
Permanent Women Employees	19.87%
Contractual Employees	0.00 %
Employees with Disabilities	0.00 %

Principle - 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders?

The Company engages with multiple stakeholders through formal and informal channels of communication. The key stakeholder groups are identified as follows:

a) Employees

b) Customers, Clients and Partners

c) Investors and shareholders

d) Vendors/ Service Providers

e) Regulators

f) Community

g) Associates

h) Media

The Company constantly strives to keep the channels of communication open and transparent with all its stakeholders, with a view to maximising stakeholders satisfaction and value creation.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

Infibeamis a responsible corporate, and believes in inclusive growth and equitable development for socio-economic betterment of the community. We extend support to the disadvantaged and marginalised stakeholders, through CSR programs and active employee volunteering.

Principle - 5	Businesses should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGO s/others?**

The Company is committed to upholding the dignity of every individual engaged or associated with the Company.

The Fair Practices Code as well as Employee Code of Conduct, lays down the acceptable employee behaviour on various aspects including human rights. All employees, with direct interface to customers, are trained to be polite and courteous to customers under all circumstances. This focus on human rights extends towards all its interactions with stakeholders with utmost importance placed on fairness and transparency.

Policies on Human Rights, including the Code of Conduct of Employee, Prevention of Sexual Harassment and the Whistle blower policies along with Company's other Policies cover all aspects on Human Rights for the Company and also extend to all stakeholders of Infibeam.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

Kindly refer to response to Principle 1 – Question No. 2 of Section E.

Principle - 6	Business should respect, protect and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGO s/others.**

The Policy covers only the Company. However, the Company shall support its value chain to adopt this principle.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

The Company doesn't have any specific program or initiatives to address such issues. The Company has an Environment, Health and Safety Policy ("EHS Policy") which is communicated to all employees. The EHS Policy is available on the Company's website and accessed through the following link www.infibeam.ooo.

Our efficient operational practices, digital business initiatives and environment management practices help us reduce our environmental footprint and help us achieve environmentally sustainable business practices.

3. **Does the Company identify and assess potential environmental risks?**

The Company is aware of the potential environmental risks. We have also integrated environmental and social safeguards into the business process. The Company continuously seeks to improve its environmental performance by promoting use of energy efficient environment friendly technologies and use of renewable energy.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

As detailed under Points 1-3 above, The Company, through its initiatives, is aware of the importance of safeguarding the environment. As on date, the Company did not carry out any project related to the Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc., Y/N. If yes, please give hyperlink for web page etc.

The Company strives to manage its energy demand by improving operational efficiency and adding alternate sources of energy. The Company has defined targets on reducing specific electricity consumption and increasing the energy share of renewable energy as a proportion of total energy consumption. The Company's energy conservation initiatives can be categorised under process optimisation and automation, optimisation of electrical equipment and lighting. At present, it does not have any URL.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The operations of the Company do not result in any significant environmental or pollution related issues.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No notices were received by the Company as on March 31, 2017.

Principle - 7	**Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is not a member of any trade and chamber or association.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes, specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Not Applicable

Principle - 8	**Businesses should support inclusive growth and equitable development**

The Corporate Social Responsibility ("CSR") is applicable to our Company w.e.f. F.Y. 2016-17. The CSR Policy is administered by the CSR Committee in line with the requirements of the Companies Act, 2013 and rules framed there under.

The CSR Policy is available on the Company's website and accessed through the following link http://www.infibeam.ooo/code-of-conduct-and-policies.

Principle - 9	**Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

There are no material consumer cases / customer complaints outstanding as at the end of the Financial Year and all the pending complaints have since been resolved within the prescribed time lines.

2. Does the Company display product and service information on the product label, over and above what is mandated as per local laws?

Not Applicable

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year? If so, provide details thereof, in about 50 words or so

No.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

No.

ANNEXURE - C

DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION:

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Top 500 Listed Companies in India in terms of market capitalisation are mandatorily required to formulate a policy for Dividend Distribution and disclose the same on the website of the Company and the Annual Report.

The Dividend Distribution Policy is intended to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth.

2. DEFINITIONS:

2.1 **"Board"** shall mean Board of Directors of the Company.

2.2 **"Companies Act"** shall mean the Companies Act, 2013 and rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended.

2.3 **"Dividend**" included any interim dividend.

2.4 **"Listed Entity / Company"** shall mean Infibeam Incorporation Limited.

2.5 **"Policy"** means Dividend Distribution Policy.

2.6 **"Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by The Securities and Exchange Board of India, as amended, from time to time.

3. POLICY:

A. PARAMETERS AND FACTORS FOR DECLARATION OF DIVIDEND

The dividend pay-out decision of the Board depends upon the following financial parameters and internal and external factors –

Financial parameters and Internal Factors:

i. Operating cash flow of the Company

ii. Profit earned during the year

iii. Profit available for distribution

iv. Earnings Per Share (EPS)

v. Working capital requirements

vi. Capital expenditure requirement

vii. Business expansion and growth

viii. Likelihood of crystallisation of contingent liabilities, if any

ix. Additional investment in subsidiaries and associates of the Company

x. Up gradation of technology and physical infrastructure

xi. Creation of contingency fund

xii. Acquisition of brands and businesses

xiii. Cost of Borrowing

xiv. Any other factor not explicitly covered above but which is likely to have a significant impact on the Company.

External Factors:

i. Economic environment

ii. Capital markets

iii. Global conditions

iv. Statutory provisions and guidelines

v. Dividend payout ratio of competitors

B. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY NOT EXPECT DIVIDEND

The shareholders of the Company may not expect Dividend under the following circumstances:

i. Proposed expansion plans requiring higher capital allocation

ii. Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow

iii. Requirement of higher working capital for the purpose of business of the Company

iv. Proposal for buy-back of securities

v. In the event of loss or inadequacy of profit

vi. Any of the above referred internal or external factors restraining the Company from considering dividend;

C. UTILISATION OF THE RETAINED EARNING

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilisation of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan
- Modernisation plan
- Diversification of business
- Long term strategic plans
- To take advantage of any business opportunities
- Replacement of capital assets
- Where the cost of debt is expensive
- Meeting funding requirements of the Subsidiaries in accordance with their long-term Business Plans
- Such other criteria's as the Board may deem fit from time to time.

4. POLICY FOR DIFFERENT CLASSES OF SHARES:

The holders of the equity shares of the Company, as on Record Date, are entitled to receive dividends. Since the Company has issued only one class of Equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. In the event the Company issues in future, any shares with preferential rights over equity shares, the same shall be adhered to in accordance with the terms of such issue.

5. DISCLOSURE:

This policy will be displayed on the website of the Company 'www.infibeam.ooo' and also disclosed in the Annual Report of the Company as required by the Regulations in force from time to time.

6. AMENDMENTS TO THE POLICY:

The Board at its discretion may vary this policy, from time to time, including the aforesaid parameters and such changes will be updated on the website of the Company and further disclosed in the Annual Reports of the Company.

ANNEXURE - D

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

[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
INFIBEAM INCORPORATION LIMITED
Regd. Off: 9TH FLOOR, "A" WING,
GOPAL PALACE, OPP- OCEAN PARK,
NR.NEHRUNAGAR, SATELLITE ROAD,
AHMEDABAD - 380015 (Gujarat)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INFIBEAM INCORPORATION LIMITED** (hereinafter called "the Company"). 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2017 has 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 as per Annexure - A for the Financial Year ended on March 31, 2017 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) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

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

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

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

   (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;

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

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

   However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (c), (e), (g) and (h) of para (v) mentioned hereinabove during the period under review.

   We have also examined compliance with the applicable clauses of the following:

   (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

   (ii) The Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

VI. We further report that having regard to the compliance managing system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has compliance management system for the sector specific laws applicable specifically to the Company:

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, mentioned hereinabove and there is adequate compliance management system for the purpose of other sector specific laws. I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other sector specific laws applicable to the Company.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever required.

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 sector specific laws, rules, regulations and guidelines.

We further report that during the audit period of the Company there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except following

1. The Company made allotment of 3,66,236 Equity shares in four trenches under ESOP scheme to the eligible employees during the year and also converted one Convertible Warrant of ₹ 60,00,00,000 into 4,36,363 Equity shares of ₹ 10/- each with premium of ₹ 1,365/-
2. The shareholders of the Company have passed a resolution for increase in borrowing powers and the authority to borrow u/s 180(1)(c) of The Companies Act, 2013 was increased to an amount ₹ 3000 Crores
3. The shareholders have passed a resolution for increase in limit of investments under section 186 of The Companies Act, 2013 to the tune of ₹ 3000 Crores.

Signature :
Ashish C. Doshi, Partner
SPANJ & ASSOCIATES
Company Secretaries
ACS/FCS No. : F3544
C P No : 2356

Place : Ahmedabad
Date : July 21, 2017

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

ANNEXURE - A

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors and Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee along with attendance register held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Act and rules made there under.
5. Agenda papers submitted to all the Directors / Members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Act.
7. Intimations/Disclosure/Declaration received from Directors under & The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Act and attachments thereof during the period under report.
9. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the period under report.
10. Communications/ Letters issued to and acknowledgements received from the Independent Directors for their appointment.
11. Various policies framed by the Company from time to time as required under the Act as well as Listing Agreement and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with circulars issued by the SEBI from time to time as mentioned hereunder:
    - Corporate Social Responsibility Policy
    - Ethical Behavior & Vigil Mechanism
    - Policy on Prevention of Sexual Harassment at the work place
    - Archival Policy
    - Policy For Determination of Materiality of Events / Information
    - Policy on Materiality of Transactions and Dealing with Related Party Transactions.
    - Policy for determining Material Subsidiaries
    - Code of Conduct for Regulating, Monitoring And Reporting of Trading By Insiders
    - Code of Practices And Procedures For Fair Disclosure of Unpublished Price Sensitive Information
    - Policy on Preservation of Documents
    - Nomination and Remuneration Policy
    - Policy on Board Diversity
    - Policy on Familiarisation Programme for Independent Directors
    - Policy for Evaluation of Performance of Directors, Committees & Board
    - Code of Conduct For Board Members And Senior Management

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Annexure - B

To,
The Members
INFIBEAM INCORPORATION LIMITED
Regd. Off: 9TH FLOOR, "A" WING,
GOPAL PALACE, OPP- OCEAN PARK,
NR.NEHRUNAGAR, SATELLITE ROAD,
AHMEDABAD - 380015 (Gujarat)
Sir,

Sub: Secretarial Audit Report for the Financial Year ended on March 31, 2017.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
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.

Signature :
Ashish C. Doshi, Partner
SPANJ & ASSOCIATES
Company Secretaries
ACS/FCS No. : F3544
C P No : 2356

Place : Ahmedabad
Date : July 21, 2017

ANNEXURE - E

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on March 31, 2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	**L64203GJ2010PLC061366**
2.	Registration Date	June 30, 2010
3.	Name of the Company	**INFIBEAM INCORPORATION LIMITED**
4.	Category/Sub-category of the Company	Company limited by Shares Indian Non- Government Company
5.	Address of the Registered office & contact details	9th Floor,"A" Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehrunagar, Satellite Road, Ahmedabad -380 015 Phone: 079- 40403600
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**Link Intime India Private Limited** 5th Floor, 506 to 508, Amarnath Business Centre-1 (ABC -1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ahmedabad - 380 009 Tel: +91 79 2646 5179/86/87 Fax: + 91 79 2646 5179 E-mail: ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Software Development, maintenance and other ancillary services	62013	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	**INFINIUM (INDIA) LIMITED** 9th Floor, Shitiratna Complex, Off C G Road, Nr. Panchwati Circle, Ahmedabad - 380 006	U32109GJ2000PLC037266	Wholly Owned Subsidiary	100.00	2(87)
2.	**ODIGMA CONSULTANCY SOLUTIONS PRIVATE LIMITED** No. 308, 3rd Floor, F Block, Vars Nottinghill Apartment, Hoysala Nagar, Ramamurthy Nagar, Bangalore – 560 016	U72900KA2011PTC057298	Wholly Owned Subsidiary	100.00	2(87)
3.	**NSI INFINIUM GLOBAL PRIVATE LIMITED** 8th Floor, "A" Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehrunagar, Satellite Road, Ahmedabad -380 015	U64203GJ2002PTC040741	Wholly Owned Subsidiary	100.00	2(87)
4.	**INFIBEAM LOGISTICS PRIVATE LIMITED** 909, 9th Floor, Shitiratna Complex, Near Panchawati Circle, Off C.G. Road, Ellisbridge, Ahmedabad -380 006	U63090GJ2013PTC074135	Wholly Owned Subsidiary	100.00	2(87)
5.	**INFIBEAM DIGITAL ENTERTAINMENT PRIVATE LIMITED** 1001,10th Floor, "A" Wing, Gopal Palace, Nehrunagar, Satellite Road, Ahmedabad -380 015	U72200GJ2012PTC070882	Subsidiary	74.00	2(87)
6.	**AVENUES INFINITE PRIVATE LIMITED** Level I, Sai Bazar, Station Road, Opp Santacruz Station, Santacruz (West), Mumbai – 400 054	U74900MH2013PTC239708	Associate	49.99	2(6)
7.	**SINE QUA NON SOLUTIONS PRIVATE LIMITED*** 3rd Floor, Trupthi Complex, No 25, 4th Cross, Amarjyoti Layout, Sanjay Nagar Main Road, Bangalore- 560094	U72200KA2005PTC037433	Step down Subsidiary	100.00	2(87)
8	**INFIBEAM GLOBAL EMEA FZ-LLC** Premises: 52, Floor: Ground, Building: 17, Dubai, United Arab Emirates	93697	Wholly Owned Subsidiary	100.00	2(87)

* It is a Wholly Owned Subsidiary Company of NSI Infinium Global Private Limited, hence, a step Subsidiary Company of your Company.

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2016]				No. of Shares held at the end of the year [As on March 31, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	15553679	-	15553679	29.30	15553679	-	15553679	28.86	(0.44)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	8611844	-	8611844	16.22	8611844	-	8611844	15.98	(0.24)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total [A](1)	**24165523**	**-**	**24165523**	**45.52**	**24165523**	**-**	**24165523**	**44.84**	**(0.68)**
(2) Foreign									
a) NRI-Individual	-	-	-	-	-	-	-	-	-
b) Other-Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total [A] (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A) (1)+(A) (2)	**24165523**	**-**	**24165523**	**45.52**	**24165523**	**-**	**24165523**	**44.84**	**(0.68)**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	2608518	-	2608518	4.91	1278742	-	1278742	2.37	(2.54)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
i) Foreign Portfolio Investor	5203983	-	5203983	9.80	3829883	-	3829883	7.11	(2.69)
Sub-total (B)(1): -	**7812501**	**-**	**7812501**	**14.71**	**5108625**	**-**	**5108625**	**9.48**	**(5.23)**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1833110	784315	2617425	4.93	4069237	-	4069237	7.55	2.62
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2016]				No. of Shares held at the end of the year [As on March 31, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1282785	78708	1361493	2.56	776319	42181	818500	1.52	(1.05)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	9649927	4387544	14037471	26.44	12658971	2258220	14917191	27.68	1.24
c) Others (specify)									
i) NRI (Repat)	1011	-	1011	0.00	1795	-	1795	0.00	-
ii) HUF	3095625	-	3095625	5.83	3083501	-	3083501	5.72	(0.11)
iii) NRI (Non-Repart)	272	-	272	0.00	1236035	-	1236035	2.29	2.29
iv) Clearing Members	-	-	-	-	493513	-	493513	0.92	0.92
Sub-total (B)(2)	**15862730**	**5250567**	**21113297**	**39.77**	**22319371**	**2300401**	**24619772**	**45.68**	**5.91**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**23675231**	**5250567**	**28925798**	**54.48**	**27427996**	**2300401**	**29728397**	**55.16**	**0.68**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**47840754**	**5250567**	**53091321**	**100.00**	**51593519**	**2300401**	**53893920**	**100.00**	**0.00**

ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2016)			Shareholding at the end of the year (As on 31-03-2017)			% change in share-holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
[A]	INDIVIDUAL:							
1.	Mr. Ajit C. Mehta	3011478	5.67	-	3011478	5.59	-	(0.08)
2.	Mr. Vishal A. Mehta	5995940	11.29	-	5995940	11.13	-	(0.16)
3.	Ms. Jayshree A. Mehta	3011478	5.67	-	3011478	5.59	-	(0.08)
4.	Ms. Nirali Mehta	1505920	2.84	-	1505920	2.79	-	(0.05)
5.	Ms. Anoli Mehta	96851	0.18	-	96851	0.18	-	0.00
6.	Mr. Malav A. Mehta	1702420	3.21	-	1702420	3.16	-	(0.05)
7.	Mr. Subhashchandra R. Amin	205879	0.39	-	205879	0.38	-	(0.01)
8.	Ms. Shreya N. Parikh	200	0.00	-	200	0.00	-	0.00
9.	Ms. Pallavi Kumarpal	2334	0.00	-	2334	0.00	-	0.00
10.	Ms. Mokshadaben P. Sheth	2500	0.00	-	2500	0.00	-	0.00
11.	Ms. Bhadrika A. Shah	1034	0.00	-	1034	0.00	-	0.00
12.	Ms. Achalaben S. Amin	17645	0.03	-	17645	0.03	-	0.00
	SUB TOTAL [A]	**15553679**	**29.30**	**-**	**15553679**	**28.86**	**-**	**0.44**
[B]	BODIES CORPORATE:							
1.	Infinity Drive Private Limited	800744	1.51	-	800744	1.49	-	(0.02)
2.	Infinium Auto Mall Private Limited	1455590	2.74	-	1455590	2.70	-	(0.04)
3.	Infinium Communication Private Limited	1050788	1.98	-	1050788	1.95	-	(0.03)
4.	Infinium Motors Private Limited	5304722	9.99	-	5304722	9.84	-	(0.15)
	SUB TOTAL [B]	**8611844**	**16.22**	**-**	**8611844**	**15.98**	**-**	**(0.24)**
	TOTAL [A + B]	**24165523**	**45.52**	**-**	**24165523**	**44.84**	**-**	**(0.68)**

iii) Change in Promoters' Shareholding (please specify, if there is no change) - NO CHANGE

Sr. No.	Shareholder's Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative shareholding during (01-04-2016 to 31-03-2017)	
		No. of shares At the beginning (01-04-2016) / end of the year (31-03-2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
NIL								

iv) **Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	Name & Type of Transactions	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company*	Date of Transactions	No. of Shares	No. of shares	% of total shares of the Company*
1.	Vijayakumar Subramanian	2057970	3.82			2057970	3.82
	At the end of the year					2057970	3.82
2.	Mayur Mukundlal Desai	1900000	3.53			1900000	3.53
	At the end of the year					1900000	3.53
3.	Ilesh Purshottamdas Shah	794812	1.47			794812	1.47
	Transfer			08-04-2016	135954	930766	1.73
	Transfer			15-04-2016	201332	1132098	2.10
	Transfer			22-04-2016	7156	1139254	2.11
	Transfer			29-04-2016	24242	1163496	2.16
	Transfer			13-05-2016	48333	1211829	2.25
	Transfer			20-05-2016	25999	1237828	2.30
	Transfer			27-05-2016	9998	1247826	2.32
	Transfer			17-06-2016	(275000)	972826	1.81
	Transfer			24-06-2016	285178	1258004	2.33
	Transfer			30-06-2016	(601068)	656936	1.22
	Transfer			12-08-2016	100000	756936	1.40
	Transfer			23-09-2016	473381	1230317	2.28
	Transfer			28-10-2016	30343	1260660	2.34
	Transfer			04-11-2016	6652	1267312	2.35
	Transfer			11-11-2016	1774	1269086	2.35
	Transfer			25-11-2016	17058	1286144	2.39
	Transfer			02-12-2016	4058	1290202	2.39
	Transfer			16-12-2016	60276	1350478	2.51
	Transfer			23-12-2016	222748	1573226	2.92
	Transfer			06-01-2017	(15000)	1558226	2.89
	Transfer			13-01-2017	(130151)	1428075	2.65
	Transfer			20-01-2017	(35000)	1393075	2.58
	Transfer			27-01-2017	(20000)	1373075	2.55
	Transfer			24-03-2017	100445	1473520	2.73
	Transfer			31-03-2017	37000	1510520	2.80
	At the end of the year					1510520	2.80
4.	Abhishek Desai	1500000	2.78			1500000	2.78
	At the end of the year					1500000	2.78
5.	Shaival Mayurbhai Desai	1500000	2.78			1500000	2.78
	At the end of the year					1500000	2.78
6.	Sonal Mayurbhai Desai	1500000	2.78			1500000	2.78
	At the end of the year					1500000	2.78
7.	Next Orbit Ventures Fund	2608518	4.84			2608518	4.84
	Transfer			22-04-2016	(304882)	2303636	4.27
	Transfer			29-04-2016	(25553)	2278083	4.23
	Transfer			17-06-2016	(341901)	1936182	3.59
	Transfer			24-06-2016	(213643)	1722539	3.20
	Transfer			30-06-2016	(200000)	1522539	2.83
	Transfer			01-07-2016	(110000)	1412539	2.62
	Transfer			08-07-2016	(84123)	1328416	2.46
	Transfer			15-07-2016	138693	1467109	2.72
	Transfer			21-10-2016	(400000)	1067109	1.98
	Transfer			28-10-2016	151563	1218672	2.26
	At the end of the year					1218672	2.26

Sr. No.	Name & Type of Transactions	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company*	Date of Transactions	No. of Shares	No. of shares	% of total shares of the Company*
8.	Nomura Singapore Limited	3008921	5.58			3008921	5.58
	Transfer			08-04-2016	(1231516)	1777405	3.30
	Transfer			27-05-2016	(112770)	1664635	3.09
	Transfer			03-06-2016	(196973)	1467662	2.72
	Transfer			10-06-2016	(217915)	1249747	2.32
	Transfer			24-06-2016	(10000)	1239747	2.30
	Transfer			30-06-2016	(2131)	1237616	2.30
	Transfer			13-01-2017	(58944)	1178672	2.19
	At the end of the year					1178672	2.19
9.	KIFS Financial Services Limited	1088235	2.02			1088235	2.02
	At the end of the year					1088235	2.02
10.	Kalyanaraman Srinivasan	1053420	1.95			1053420	1.95
	At the end of the year					1053420	1.95

* % of Shares of the Company is based on the paid-up Capital of the Company at the end of the Year.

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholder's Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative shareholding during (01-04-2016 to 31-03-2017)	
		No. of shares at the beginning (01-04-2016) / end of the year (31-03-2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
Directors								
1	Mr. Ajit Mehta	3011478	5.67	01-04-2016	NIL Movement during the year		3011478	5.59
		3011478	5.59	31-03-2017				
2	Mr. Vishal Mehta	5995940	11.29	01-04-2016	NIL Movement during the year		5995940	11.13
		5995940	11.13	31-03-2017				
3	Mr. Malav Mehta	1702420	3.21	01-04-2016	NIL Movement during the year		1702420	3.16
		1702420	3.16	31-03-2017				
Key Managerial Personnel								
4	Mr. Hiren Padhya	1687	0.00	01-04-2016			5544	0.01
				26-09-2016	2350	Allotment		
				23-11-2016	(843)	Sale		
				08-12-2016	2350	Allotment		
		5544	0.01	31-03-2017				
5	Mr. Shyamal Trivedi	34	0.00	01-04-2016	NIL Movement during the year		34	0.00
		34	0.00	31-03-2017				

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Rupees in Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	20.00	-	20.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2.27	-	2.27
Total (i+ii+iii)	**-**	**22.27**	**-**	**22.27**
Change in Indebtedness during the financial year				
* Addition	-	850.00	-	850.00
* Reduction	-	(22.27)	-	(22.27)
Net Change	**-**	**827.73**	**-**	**827.73**
Indebtedness at the end of the financial year				
i) Principal Amount	-	850.00	-	850.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1.00	-	1.00
Total (i+ii+iii)	**-**	**851.00**	**-**	**851.00**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(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	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

B. Remuneration to other Directors

1. Particulars of Remuneration to Independent Directors

(Rupees in Million)

Sr. No.	Particulars of Remuneration	Name of Independent Directors			Total Amount
		Mr. Keyoor Bakshi	Mr. Roopkishan Dave	Ms. Vijaylaxmi Sheth	
1	Fees for attending board and committee meetings	0.29	0.20	0.10	0.59
2	Commission	-	-	-	-
3	Others, please specify (Salary, bonus and contribution to PF)	-	-	-	-
	Total (1)	**0.29**	**0.20**	**0.10**	**0.59**

2. Particulars of Remuneration to Non-Executive Directors

(Rupees in Million)

Sr. No.	Particulars of Remuneration	Name of Non-Executive Directors		Total Amount
		Mr. Ajit Mehta	Mr. Malav Mehta	
1	Fee for attending board and committee meetings	0.16	0.22	0.38
2	Commission	-	-	-
3	Others, please specify	-	-	-
	Total (2)	**0.16**	**0.22**	**0.38**
	Total (B)=(1+2)			**0.97**
	Total Managerial Remuneration (A+B)			**0.97**
	Overall Ceiling as per the Act	1% of Net Profit of the Company		

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

(Rupees in Million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
		Mr. Shyamal Trivedi	Mr. Hiren Padhya	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.78	3.40	5.18
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.02	4.10	4.12
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	**1.80**	**7.50**	**9.30**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no cases for imposing any penalties / punishment / compounding of offences against the Company, Directors and any Officers for the period ending of March 31, 2017.

ANNEXURE - F

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th colspan="2">Status</th></tr>
<tr><td rowspan="4">I</td><td rowspan="4">Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year</td><td colspan="2">Number of times</td></tr>
<tr><td>Chairman</td><td>Nil</td></tr>
<tr><td>Managing Director</td><td>Nil</td></tr>
<tr><td>All other Directors</td><td>Nil</td></tr>
<tr><td rowspan="5">II</td><td rowspan="5">Percentage increase in remuneration of each of the Director, the Chief Financial Officer, the Chief Executive Officer, the Company Secretary or the Manager, if any, in the financial year</td><td>Category</td><td>% increase in remuneration in the Financial Year</td></tr>
<tr><td>Directors</td><td>Nil</td></tr>
<tr><td>Managing Director</td><td>Nil</td></tr>
<tr><td>Chief Financial Officer</td><td>26.67%</td></tr>
<tr><td>Company Secretary</td><td>25.00%</td></tr>
<tr><td>III</td><td>Percentage increase in the median remuneration of employees in the financial year</td><td colspan="2">14.81%</td></tr>
<tr><td>IV</td><td>Number of permanent employees on the rolls of Company</td><td colspan="2">96</td></tr>
<tr><td>V</td><td>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</td><td colspan="2">The average increase in salaries of employees other than the managerial personnel in the last Financial Year was 12.14%.</td></tr>
<tr><td>VI</td><td>Affirmation that the remuneration is as per the Remuneration Policy of the Company</td><td colspan="2">It is affirmed that the remuneration is as per the Remuneration Policy of the Company.</td></tr>
</table>

ANNEXURE - G

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

The philosophy of Infibeam on Corporate Governance envisages adherence to the highest levels of transparency, accountability and fairness, in all areas of its operations and in all interactions with all its stakeholders. Infibeam deals with clients who are by and large, excluded from the mainstream financial markets. Dealing with such 'vulnerable' clients makes it even more important that the Company display high levels of fairness in transacting with them. Right from inception, the Company's policies and processes have been fine tuned to ensure the same.

BOARD OF DIRECTORS

As at March 31, 2017, the Board comprised of 6 (Six) Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013. The Board of Directors is chaired by a Non-Executive / Promoter Chairman and has an optimum combination of Executive, Non- Executive and Independent Directors (including one woman director).

The details of nature of Directorships, number of directorships and committee chairmanships / memberships held by them in other public companies are detailed below:

Name of Directors	Category	No. of Board Meeting held and attend during the year		No. of Directorship in other Public Company	No. of Committee positions held in other Public Companies*		Attendance at the last AGM held on 15-09-2016 Yes / No
		Held	Attend		Chairman	Member	
Mr. Ajit Mehta	Non-Executive Chairman	6	6	2	0	0	Yes
Mr. Vishal Mehta	Managing Director	6	6	1	0	0	Yes
Mr. Malav Mehta	Non-Executive Director	6	6	3	0	1	Yes
Mr. Keyoor Bakshi	Independent Director	6	5	5	3	2	Yes
Mr. Roopkishan Dave	Independent Director	6	4	1	0	0	Yes
Ms. Vijaylaxmi Sheth	Independent Director	6	4	0	0	0	Yes

* For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of Public Companies have been considered.

All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold Memberships/Chairmanships more than the prescribed limits across all companies in which he/she is a Director.

a) Board:

At Infibeam, the Board is at the core of the Corporate Governance practice. Your Company has an optimum mix of eminent personalities on the Board of Directors with members from diverse experience and expertise. Out of 6 members on its Board, 3 (three) (i.e. 50.00%) are Independent Directors, 2 (two) (i.e. 33.33%) are Non- Executive / Promoter Directors and 1 (one) (i.e. 16.67%) is Managing Director. This appropriate composition of the Board of Directors enables in maintaining the independence of the Board and separates its functions of governance and management. Over a period of time, the Board has fostered a culture of leadership to sustain your Company's growth with a long-term vision and ingenious policy to improve the degree of Corporate Governance.

Director's Inter-se Relationship:

Name of Directors	Relation	Name of Related Directors
Mr. Ajit Mehta	Father of	Mr. Malav Mehta
		Mr. Vishal Mehta
Mr. Malav Mehta	Son of	Mr. Ajit Mehta
	Brother of	Mr. Vishal Mehta
Mr. Vishal Mehta	Son of	Mr. Ajit Mehta
	Brother of	Mr. Malav Mehta

b) Number of Board Meetings:

During the Financial Year 2016-17, 6 (Six) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days. The Board meets at least once in each quarter to review the quarterly financial results and other items on the Agenda. Additional meetings are held whenever necessary. The dates of the Board meetings are as under:

Date(s) on which meeting(s) were held		
May 30, 2016	August 12, 2016	November 17, 2016
January 24, 2017	February 13, 2017	March 31, 2017

c) Committees of the Board:

The Board has constituted various Committees with an optimum representation of its members and has assigned them specific terms of reference in accordance with the Companies Act, 2013 and the Listing Regulations. These Committees hold meetings at such frequency as is deemed necessary by them to effectively undertake and deliver upon the responsibilities and tasks assigned to them. Your Company currently has 4 (Four) Committees of the Board viz., Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

d) The shareholding of the Directors of your Company as on March 31, 2017

Sr. No.	Name of Directors	Nature of Directorship	No. of shares held	Percentage to the paid-up share capital
1.	Mr. Ajit Mehta	Non-Executive Chairman/ Promoter	30,11,478	5.59
2.	Mr. Vishal Mehta	Managing Director / Promoter	59,95,940	11.13
3.	Mr. Malav Mehta	Non-Executive / Promoter	17,02,420	3.16
4.	Mr. Keyoor Bakshi	Non-Executive Director/ Independent	Nil	Nil
5.	Mr. Roopkishan Dave	Non-Executive Director/ Independent	Nil	Nil
6.	Ms. Vijaylaxmi Sheth	Non-Executive Director/ Independent	Nil	Nil

The Company has not issued any convertible instruments to any Directors of the Company during the Financial Year 2016-17.

1. EVALUATION OF THE BOARD EFFECTIVENESS:

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed thereunder and Part D of Schedule II of the Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director to be carried out on an annual basis. Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the Financial Year 2016-17.

Structured questionnaires were prepared to evaluate the performance of the Board as a whole, individual performance of each Director and self – assessment carried out by the Directors. These assessment sheets with respect to the evaluation of the performance of the Directors were based on various aspects which, inter alia, included assessment of the level of participation, understanding of the role and responsibilities, understanding of the business and competitive environment, effectiveness of the contributions made during the Board meetings, understanding of the strategic issues and challenges for your Company etc. In assessing the overall performance of the Board, the parameters included the assessment of time devoted by the Board on the Company's long-term goals and strategies, Board effectiveness, quality of discussions at the meetings of the Board, time spent and quality of discussions on key subjects like risk assessment and minimisation, succession planning, discharging fiduciary and governance duties and performance of specific duties. The questionnaires for assessing the performance of the Committees of the Board included aspects like understanding of the terms of reference by the Committee members, adequacy of the composition of the Committees, effectiveness of the discussions at the Committee meetings, information provided to the Committee to discharge its duties, performance of the Committee vis-à-vis its responsibilities, etc.

The Chairman of the Nomination and Remuneration Committee plays a vital role in undertaking the evaluation of performance for the Board and the Directors. The Nomination and Remuneration Committee discussed on the evaluation mechanism, outcome and the feedback received from the Directors. The Independent Directors at their meeting also discussed the performance of the Non-Executive/Promoter Directors including the Chairman of the Board.

The Board of Directors at its meeting held on March 31, 2017, has noted the overall feedback on the performance of the Directors and the Board as a whole and its Committees. The overall outcome of this exercise to evaluate effectiveness of the Board and its Committees was positive and members expressed their satisfaction.

2. INDEPENDENT DIRECTORS:

The Independent Directors of your Company have been appointed for a tenure of 5 (five) years up to March 31, 2019. The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations. Your Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013.

Policy of Code of Conduct and Term & Conditions of Appointment of Independent Director is placed on your Company's website, www.infibeam.ooo

a) Independent Directors' Meeting:

During the year under review, the Independent Directors met on March 30, 2017, without the attendance of Non-Independent Directors and members of the management, inter alia, to discuss on the following:

- To review the performance of the Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of your Company, taking into account views of Executive / Non- Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between your Company's management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

3. FAMILIARISATION PROGRAMME:

Your Company has in place a structured induction and familiarisation programme for all its Directors including the Independent Directors. Your Company through such programmes familiarises not only the Independent Directors but any new appointee on the Board with a brief background of your Company, their roles, rights, responsibilities, nature of the industry in which it operates, business model operations, ongoing events, etc. They are updated on all business related issues and new initiatives. They are also informed of the important policies of your Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading.

Brief details of the familiarisation programme are uploaded on the website of your Company, www.infibeam.ooo

COMMITTEES OF THE BOARD

1. AUDIT COMMITTEE:

The Audit Committee is, inter alia, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors.

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. The Committee invites the Managing Director, Chief Financial Officer, Company Secretary, M/s. B S R & Associates LLP, Statutory Auditors and M/s. S R B C & Co LLP, Joint Statutory Auditors to attend the meetings of the Committee.

The Audit Committee, during the Financial Year 2016-17, has approved related party transactions along with granting omnibus approval in line with the Policy of dealing with Related Party Transactions and the applicable provisions of the Companies Act, 2013 and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the Financial Year ended March 31, 2017 is detailed below:

Sr. No.	Name of Members	Nature of Membership	Meeting (s) Details	
			Held	Attended
1.	Mr. Keyoor Bakshi	Chairman	7	7
2.	Mr. Vishal Mehta	Member	7	7
3.	Mr. Roopkishan Dave	Member	7	4

Date(s) on which meeting(s) were held		
April 2, 2016	May 30, 2016	August 11, 2016
November 17, 2016	January 24, 2017	February 13, 2017
March 31, 2017		

The Chairman of the Audit Committee was present at the last AGM held on September 15, 2016.

A) Scope and functions:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions; and
    g. Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

7. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds 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 making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed Issue by the Company;
8. Approval or any subsequent modifications of transactions of the Company with related parties;
9. Scrutinising of inter-corporate loans and investments;
10. Valuing of undertakings or assets of the Company, wherever it is necessary;
11. Evaluating of internal financial controls and risk management systems;
12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
13. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussing with internal auditors on any significant findings and follow up there on;
16. Reviewing 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;
17. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. Reviewing the functioning of the whistle blower mechanism;
20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or Listing Regulations or by any other regulatory authority.

B) Power of Audit Committee:

The powers of the Audit Committee shall include the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

C) Reviewing Powers:

The Audit Committee shall mandatorily review the following information:

1. Management's discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
6. Statement of deviations:
   a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and
   b) Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the Listing Regulations.

2. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The constitution of the Stakeholders Relationship Committee of the Board of Directors of your Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2016-17 is detailed below:

Sr. No.	Name of Members	Nature of Membership	Meeting (s) Details	
			Held	Attended
1.	Mr. Ajit Mehta	Chairman	4	4
2.	Mr. Keyoor Bakshi*	Member	4	2
3.	Mr. Roopkishan Dave	Member	4	2
4.	Mr. Malav Mehta**	Member	4	2

* Ceased to be a Member of the Committee w.e.f. August 12, 2016 upon Resignation.

** Appointed to be a Member of the Committee w.e.f August 12, 2016.

Date(s) on which meeting(s) were held		
April 7, 2016	August 4, 2016	November 17, 2016
February 13, 2017		

The terms of reference of the Committee includes enquiring into and redressing complaints of shareholders and investors and to resolve the grievance of the security holders of your Company.

Details pertaining to the number of complaints received and responded and the status thereof during the Financial Year 2016-17 are given below:

No. of complaints received during the year	2
No. of complaints resolved during the year	2
No. of complaints pending at the end of the year	0

The Stakeholders' Relationship Committee was constituted by your Board on March 1, 2015.

A) Scope and functions:

1. Consider and resolve grievances of the security holders of the Company, including complaints related to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
2. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal; and
4. Carrying out any other function as may be decided by the Board or specified/provided under the Companies Act, 2013 or Listing Regulations or by any other regulatory authority.

3. NOMINATION AND REMUNERATION COMMITTEE:

The role of the Nomination and Remuneration Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2016-17 is detailed below:

Sr. No.	Name of Members	Nature of Membership	Meeting (s) Details	
			Held	Attended
1.	Mr. Roopkishan Dave	Chairman	7	5
2.	Mr. Keyoor Bakshi	Member	7	7
3.	Mr. Malav Mehta	Member	7	7

Date(s) on which meeting(s) were held		
April 6, 2016	July 4, 2016	September 26, 2016
December 8, 2016	February 6, 2017	March 6, 2017
March 24, 2017		

The Chairman of the Nomination and Remuneration Committee was present at the last AGM of your Company held on September 15, 2016.

The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Remuneration Policy, which is also placed on your Company's, website www.infibeam.ooo

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulating of criteria for evaluation of the performance of the independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
5. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Analysing, monitoring and reviewing various human resource and compensation matters;
7. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
8. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
10. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

    Or

    (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
12. Performing such other activities as may be delegated by the Board of Directors and/or specified/provided under the Companies Act, 2013 or Listing Regulations or by any other regulatory authority.

Details of Remuneration:

1. No remuneration has been paid to the Managing Director during the Financial Year 2016-17.
2. No remuneration offered to the Non-Executive Directors during the Financial Year 2016-17.
3. Details of sitting fees paid to the Non-Executive Directors during the Financial Year 2016-17:

(Rupees in Million)

Name of Directors	Designation	Sitting fees (Amount)
Mr. Ajit Mehta	Non-Executive Chairman	0.16
Mr. Malav Mehta	Non-Executive Director	0.22
Mr. Keyoor Bakshi	Independent Director	0.29
Mr. Roopkishan Dave	Independent Director	0.20
Ms. Vijaylaxmi Sheth	Independent Director	0.10

4. No Commission or Stock Option has been offered to the Directors.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The role of the Corporate Social Responsibility Committee ("CSR") is governed by its Charter and its composition is in compliance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder.

A CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the CSR Expenditure thereon.

The Composition of the Corporate Social Responsibility Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2016-17 is detailed below:

Sr. No.	Name of Members	Nature of Membership	Meeting (s) Details	
			Held	Attended
1.	Ms. Vijaylaxmi Sheth	Chairman	1	1
2.	Mr. Vishal Mehta	Member	1	1
3.	Mr. Malav Mehta	Member	1	1

Date(s) on which meeting(s) were held
March 30, 2017

SUBSIDIARY COMPANIES

Your Company has a material unlisted Indian subsidiary company in terms of Regulation 16 of the Listing Regulations. A synopsis of the minutes of the Board Meetings of the Subsidiary Companies are placed at the Board meeting of your Company on periodical basis. The Audit Committee reviews the Financial Statements including investments by the unlisted subsidiaries of your Company.

The Policy for determining "material" subsidiaries has been placed on the website of your Company and can be accessed through the following link: www.infibeam.ooo

GENERAL BODY MEETINGS

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2013-14	30-09-2014	2.00 p.m.	909, 9th Floor, Shitiratna Complex, off C G Road, Nr. Panchwati Circle, Ahmedabad – 380 006 No Special Resolution was Passed.
2014-15	30-09-2015	11.00 a.m.	9th Floor, 'A' Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehrunagar, Satellite Road, Ahmedabad – 380 015. No Special Resolution was Passed.
2015-16	15-09-2016	2.30 p.m.	H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, IIM – A Road, Vastrapur, Ahmedabad – 380 015 Special Resolution: 1. Ratification of Employee Stock Option Schemes 2. Approval of balance options under Employee Stock Option Scheme 2013-14

Pursuant to the relevant provisions of the Companies Act, 2013, there was no matter required to be dealt by the Company to be passed through Postal Ballot during FY 2016-17.

MEANS OF COMMUNICATION

1. Publication of quarterly results:

Quarterly, half-yearly and annual Financial Results of the Company were published in leading English and vernacular language newspaper, viz., Financial Express – National Daily all editions and Financial Express – Gujarati edition.

2. Website and News Releases:

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors Desk' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, stock quotes, Annual Report, Quarterly/Half yearly/ Nine-months and Annual Financial Results along with the applicable policies of the Company. Your Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website.

3. Stock Exchange:

Your Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI.

4. NEAPS (NSE Electronic Application Processing System), BSE Corporate Compliance & the Listing Centre:

NEAPS is a web-based application designed by NSE for corporates. BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, Shareholding Pattern, Corporate Governance Report, Corporate Announcements, amongst others are in accordance with the Listing Regulations filed electronically.

GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting:

Date : September 18, 2017

Day : Monday

Time : 03.00 p.m.

Place : H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, IIM – A Road, Vastrapur, Ahmedabad – 380 015.

(ii) Financial Calendar:

Financial Year : April 1 to March 31

Tentative Schedule for declaration of results during the Financial Year 2017-18

First Quarter : Mid August, 2017

Second Quarter and Half yearly : Mid November, 2017

Third Quarter and Nine Months : Mid February, 2018

Fourth Quarter and Annual : End May, 2018

(iii) Dividend Payment Date : N.A.

(iv) Record Date : Friday, September 1, 2017

(v) Listing on Stock Exchanges:

Sr. No.	Name of Stock Exchange(s)	Stock Code (s)	ISIN for Depositories
1.	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	539807	INE483S01012
2.	National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	INFIBEAM	

Your Company has paid the listing fees to BSE and NSE for the Financial Year 2016-17.

(vi) Market Price Data:

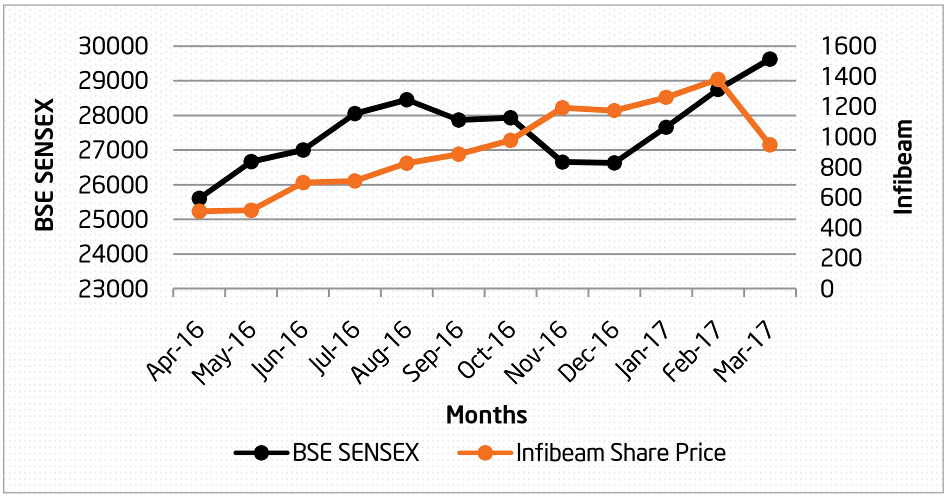
The monthly high and low prices and volumes of your Company's shares at BSE and NSE for the year ended March 31, 2017 are as under:

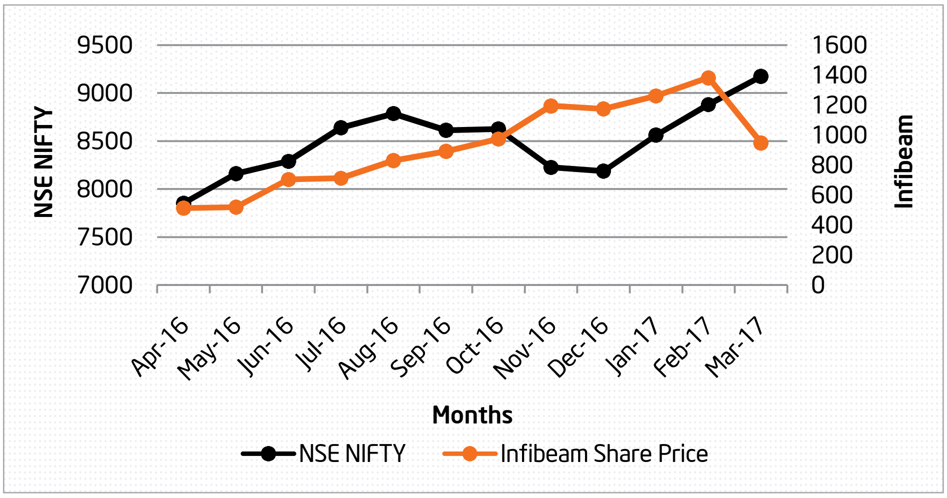
Months	BSE			NSE		
	High (In ₹)	Low (In ₹)	Volume (No. of Shares)	High (In ₹)	Low (In ₹)	Volume (No. of Shares)
2016						
April	525.80	431.35	49,64,247	527.30	432.00	1,65,94,152
May	620.00	480.50	77,17,896	624.15	480.20	1,56,78,401
June	737.10	516.00	75,57,215	737.00	515.00	1,66,77,506
July	721.00	657.50	58,94,011	722.00	660.30	1,29,03,580
August	914.00	691.65	45,44,450	860.00	691.10	1,15,67,559
September	978.00	830.45	40,52,361	1074.00	830.55	1,03,08,352
October	988.00	850.00	29,28,141	990.00	821.00	84,58,191
November	1,240.00	825.10	24,28,774	1239.95	799.80	74,77,554
December	1205.00	1,038.50	24,85,660	1230.40	1037.05	73,07,199
2017						
January	1,338.00	1,139.30	2635026	1338.00	1136.05	77,37,262
February	1,447.55	1172.00	2968049	1448.80	1245.85	89,27,378
March	1,425.00	913.95	3048847	1428.00	901.50	1,39,18,,432

(Source: BSE and NSE website)

Note: High and low are in ₹ per traded share. Volume is the total monthly volume of trade (in numbers) in Infibeam Incorporation Limited's shares on BSE and NSE.

(vii) Performance of the Share price of the Company in comparison to the BSE SENSEX and NSE NIFTY:





(viii) Registrars & Transfer Agent

Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company:

Link Intime India Private Limited	
C-101, 247 Park L.B.S. Marg, Vikroli (West), Mumbai- 400 083 Tel: +91 22 4918 6270 E-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in	5th Floor, 506 to 508, Amarnath Business Centre-1 (ABC -1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C.G. Road, Ahmedabad - 380 009 Tel: +91 79 2646 5179/86; Fax: + 91 79 2646 5179 E-mail: ahmedabad@linkintime.co.in Website: www.linkintime.co.in

(ix) Share Transfer System:

The transfer of shares in physical form is processed and completed by Link Intime India Private Limited within a period of 15 days from the date of receipt thereof.

In case of Shares in electronic form, the transfers are processed by NSDL/ CDSL through the respective Depository Participants.

(x) Distribution of Shareholding as on March 31, 2017:

Shareholding (No. of Shares)	No. of Share Holders		No. of Shares	
	Number	% of Total	Shares	% of Total
Upto – 500	3,838	89.03	1,83,837	0.34
501 – 1000	83	1.93	68,207	0.13
1001 - 2000	83	1.93	1,25,798	0.23
2001 – 3000	43	1.00	1,11,254	0.21
3001 - 4000	27	0.62	97,938	0.18
4001 - 5000	16	0.37	75,915	0.14
5001 - 10000	64	1.48	4,76,487	0.88
10001 and above	157	3.64	5,27,54,484	97.89
Total	**4,311**	**100.00**	**5,38,93,920**	**100.00**

(xi) Category of Shareholders as on March 31, 2017:

Category	No. of Shares held	% of Shareholding
Promoters & Promoter's group	2,41,65,523	44.84
Financial Institution & Banks	12,78,742	2.38
Foreign Institutions Investor	16,50,653	3.06
Other Bodies Corporate	36,32,874	6.74
Individual	1,61,72,054	30.01
NRI (Repatriable)	1,795	0.00
NRI (Non Repatriable)	12,36,035	2.29
Hindu Undivided Family	30,83,501	5.72
Foreign Portfolio Investors (Corporate)	21,79,230	4.04
Clearing Member	4,93,513	0.92
Total	5,38,93,920	100.00

(xii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:

Your Company does not have any outstanding GDRs/ADRs/ Warrants/Convertible Instruments as on March 31, 2017.

(xiii) Dematerialisation of Shares:

Equity shares of the Company can be traded only in electronic mode by all the investors. The Company has entered into an agreement and established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Approximately 94.92% of the Equity Shares have been dematerialised as on March 31, 2017.

(xiv) Address for Correspondence:

For any queries relating to the shares of your Company, correspondence may please be addressed to Link Intime India Private Limited at:

5th Floor, 506 to 508, Amarnath Business Centre-1 (ABC -1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ahmedabad - 380 009
Tel No.: +91 79 2646 5179/86; Email: ahmedabad@linkintime.co.in; Website: www.linkintime.co.in

For the benefit of shareholders, documents will continue to be accepted at the following Registered Office of the Company:

Infibeam Incorporation Limited
CIN: L64203GJ2010PLC061366
9th Floor, "A" Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehrunagar, Satellite Road, Ahmedabad -380 015
Tel. No.: +91 79 4040 3600, Fax No.: +91 79 4040 3636, E-mail: ir@infibeam.ooo, Website: www.infibeam.ooo

Compliance Officer: Mr. Shyamal Trivedi, Vice President & Company Secretary

OTHER DISCLOSURES

(i) Related Party Transactions:

There were no materially Related Party Transactions having potential conflict with the interests of the Company at large during the Financial Year 2016-17. All transaction entered into by your Company with related parties, during the Financial Year 2016 – 17, were in ordinary course of business and on arm's length basis. The details of the related party transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

Also, the Related Party Transactions undertaken by our Company were in compliance with the provisions set out in the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

The policy on related party transactions has been placed on the Company's website and can be accessed through the following link: www.infibeam.ooo.

(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years:

Not applicable.

(iii) Whistle Blower Policy:

The Company has adopted a Whistle Blower Policy and Prevention of Sexual Harassment Policy, has established the necessary vigil mechanism and procedures and it affirms that no personnel has been denied access to the Audit Committee. The said policies have been also put on the website of the Company at www.infibeam.ooo.

(iv) The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents.

The said policies have been also put on the website of the Company at www.infibeam.ooo.

(v) Discretionary Requirements:

a. The Chairman of the Company is a Non-Executive Director.

b. Internal Auditors make directly presentation to the Audit Committee on their Reports.

c. The Auditor's Report on Statutory Financial Statements of the Company are unqualified.

(vi) Prevention of Insider Trading Code:

The Board has adopted a code for the Prevention of Insider Trading in the securities of the Company. The Code inter alia requires pre-clearance from Designated Persons for dealing in the securities of the Company as per the criteria specified therein and prohibits the purchase or sale of securities of the Company by Designated Persons while in possession of Unpublished Price Sensitive Information in relation to the Company besides during the period when the trading window is closed.

(vii) Code of Conduct:

The Company has laid down a Code of Conduct for the Members of Board of Directors and Senior Management Personnel. The Code of Conduct have been also put on the website of the Company at www.infibeam.ooo.

(viii) CEO/CFO Certification:

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the Financial Year 2016 – 17 signed by Mr. Vishal Mehta, Managing Director and Mr. Hiren Padhya, Chief Financial Officer was placed before the Board of Directors of your Company at their meeting held on May 30, 2017.

(vii) Equity Shares in the Suspense Account:

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, there are no equity shares lying in the demat suspense account.

(ix) The Company has complied with corporate governance requirements specified in Regulation 17 to 27 of Listing Regulations, 2015, regarding Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, etc. and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, 2015 pertaining to certain data on the Company's website.

DECLARATION

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct for the year ended on March 31, 2017.

For and on behalf of Board of Directors of
Infibeam Incorporation Limited

Ajit Mehta
Chairman
[DIN: 01234707]

Place : Ahmedabad
Date : August 14, 2017

COMPLIANCE CERTIFICATE

To,
The Board of Directors
Infibeam Incorporation Limited
Ahmedabad.

We, Vishal Mehta, Managing Director and Hiren Padhya, Chief Financial Officer of Infibeam Incorporation Limited hereby certify that:

A. We have reviewed financial statements and the cash flow statement for the Financial Year ended on March 31, 2017 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. To the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year 2016-17, which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit committee that:

1. There has not been any significant change in internal control over financial reporting during the year;

2. There has not been any significant change in accounting policies during the year; and

We are not aware of any instances of significant fraud with involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Ahmedabad
Date : May 30, 2017

Vishal Mehta
Managing Director

Hiren Padhya
Chief Financial Officer

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The Members of

INFIBEAM INCORPORATION LIMITED

Ahmedabad

We have examined the compliance of conditions of Corporate Governance by INFIBEAM INCORPORATION LIMITED (the "Company") for the year ended March 31, 2017, as stipulated in Regulations 17, 18, 19, 20, 22, 23, 24, 25, 26, 27 and Clause (b) to (i) of sub-regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as 'SEBI Listing Regulations, 2015'.

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

In our opinion and to the best of our information and according to the explanations given to us and representation made by the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further 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.

Signature :
Ashish C. Doshi, Partner
SPANJ & ASSOCIATES
Company Secretaries
ACS/FCS No. : F3544
C P No : 2356

Place : Ahmedabad
Date : July 21, 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INFIBEAM INCORPORATION LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Infibeam Incorporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS 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 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by one of the joint auditor (B S R & Associates LLP) whose report for the year ended March 31, 2016 and March 31, 2015 dated May 30, 2016 and September 5, 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by joint auditors.

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 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement 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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 21 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

iv. The Company has provided requisite disclosures in Note 36 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Jeyur Shah
Partner
Membership No: 045754
Ahmedabad
Date : May 30, 2017

For S R B C & Co LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Sukrut Mehta
Partner
Membership No: 101974
Ahmedabad
Date : May 30, 2017

ANNEXURE 1
REFERRED TO IN PARAGRAPH 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified on annual basis. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified the fixed assets during the year and we are informed that no material discrepancies were noticed upon such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company is a service company, primarily rendering software development and software services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order are not applicable to the Company.

(iii) (a) The Company has granted loans to two companies covered in the register maintained under Section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of loans are not prejudicial to the Company's interest.

(b) The loans granted to companies listed in the register maintained under Section 189 of the Act, the borrowers have been regular in the payment of the principle and interest as stipulated.

(c) There are no amounts of loans granted to companies listed in the register maintained under Section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of Section 185 of the Companies Act 2013 in respect to loans to directors including entities in which they are interested and in respect of loans and advances given and guarantees, and securities given have been complied with by the Company. Further, based on the information and explanations given to us and based on legal opinion obtained by the Company, the Company being a technology related infrastructure company, provision of Section 186 (except sub-section (1) of Section 186) of the Companies Act, 2013 is not applicable to the Company and hence not commented upon. In our opinion, and according to the information and explanations given to us, the Company has made investment referred in Section 186 of the Act and have complied with the provisions of Section 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company. Accordingly, paragraph 3(v) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including service tax, income-tax, provident fund, employee state insurance and professional tax are generally regularly deposited during the year. As explained to us, the Company did not have any dues on account of sales tax, value added tax, duty of customs, duty of excise and cess during the year.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of service tax, income-tax, provident fund, employee state insurance, professional tax and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, no undisputed amounts payable in respect of service tax and income-tax dues which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to debenture holder or financial institutions. The Company does not have any outstanding dues to government and banks during the year.

(ix) In our opinion and according to information and explanations given by the management, monies raised by the Company by way of initial public offer were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilisation have been invested in fixed deposits and liquid funds. The maximum amount of idle/surplus funds invested during the year was ₹ 3,050 million of which ₹ 1630.9 million was outstanding at the end of the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the Company has complied with provisions of Section 42 of the Act in respect of the preferential allotment of share warrant which was converted into equity shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.

(xvi) According to the information and explanations given to us, 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 B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Jeyur Shah
Partner
Membership No: 045754
Ahmedabad
Date : May 30, 2017

For S R B C & Co LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Sukrut Mehta
Partner
Membership No: 101974
Ahmedabad
Date : May 30, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF INFIBEAM INCORPORATION LIMITED

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

We have audited the internal financial controls over financial reporting of Infibeam Incorporation Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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, 2017, 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 B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Jeyur Shah
Partner
Membership No: 045754
Ahmedabad
Date : May 30, 2017

For S R B C & Co LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Sukrut Mehta
Partner
Membership No: 101974
Ahmedabad
Date : May 30, 2017

BALANCE SHEET as at March 31, 2017

(Rupees in million)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
I. Non-current assets				
Capital work-in-progress	5	988.85	-	-
Intangible assets	6	223.82	170.07	114.85
Intangible assets under development	6	67.03	47.06	34.13
Financial assets				
Investments	7	753.55	896.19	152.59
Loans	7	-	1,118.92	1,712.67
Other financial assets	7	3.12	0.12	0.11
Deferred tax assets (net)	24	110.65	435.64	137.26
Income tax assets (net)	9	14.76	53.97	30.09
Other non-current assets	8	1,014.98	-	214.14
Total non-current assets		**3,176.76**	**2,721.97**	**2,395.84**
II. Current assets				
Financial assets				
Trade receivables	7	114.80	68.64	62.38
Cash and cash equivalents	7	756.87	4,584.73	32.94
Other bank balances	7	1,670.20	22.50	-
Loans	7	1,456.28	118.10	82.50
Others financial assets	7	1,606.99	67.01	12.97
Other current assets	8	874.40	79.19	11.53
Total current assets		**6,479.54**	**4,940.17**	**202.32**
Total Assets		**9,656.30**	**7,662.14**	**2,598.16**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	538.94	530.91	425.60
Other equity	11	7,510.64	6,758.18	2,034.22
Total equity		**8,049.58**	**7,289.09**	**2,459.82**
LIABILITIES				
I. Non-current liabilities				
Financial liabilities				
Borrowings	12	-	-	20.00
Provisions	13	4.47	6.53	3.47
Total non-current liabilities		**4.47**	**6.53**	**23.47**
II. Current liabilities				
Financial liabilities				
Borrowings	12	850.00	-	-
Trade payables	12	5.82	6.96	5.26
Other financial liabilities	12	51.40	324.27	8.40
Provisions	13	0.87	0.80	0.30
Income tax liabilities (net)	24	62.10	-	-
Other current liabilities	14	632.06	34.49	100.91
Total current liabilities		**1,602.25**	**366.52**	**114.87**
Total equity and liabilities		**9,656.30**	**7,662.14**	**2,598.16**
Summary of significant accounting policies	1-4			
The accompanying notes are an integral part of the standalone financial statements.				

As per our report of even date

For S R B C & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta
Partner
Membership No.: 101974

Place : Ahmedabad
Date : May 30, 2017

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Jeyur Shah
Partner
Membership No.: 045754

Place : Ahmedabad
Date : May 30, 2017

For and on behalf of the board of directors of
Infibeam Incorporation Limited
CIN: L64203GJ2010PLC061366

Vishal Mehta
Managing Director
DIN: 03093563
Place : Ahmedabad
Date : May 30, 2017

Ajit Mehta
Director
DIN: 01234707
Place : Ahmedabad
Date : May 30, 2017

Hiren Padhya
Chief Financial Officer
Place : Ahmedabad
Date : May 30, 2017

Shyamal Trivedi
Company Secretary
Place : Ahmedabad
Date : May 30, 2017

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2017

(Rupees in million)

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
INCOME			
Revenue from operations	15	531.45	431.13
Other income	16	361.15	181.49
TOTAL INCOME (I)		**892.60**	**612.62**
EXPENSES			
Employee benefits expense	17	95.52	77.33
Finance costs	18	32.82	2.07
Amortisation expense	19	63.27	42.35
Other expenses	20	239.82	266.90
Total expenses (II)		**431.43**	**388.65**
Profit before tax (III) = (I-II)		**461.17**	**223.97**
TAX EXPENSE			
Current tax			
- for current year	24	95.95	0.09
- for previous year		39.86	-
Deferred tax (net)	24	323.58	(194.83)
Total tax expense (IV)		**459.39**	**(194.74)**
Profit for the year (V) = (III-IV)		**1.78**	**418.71**
OTHER COMPREHENSIVE INCOME			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans		4.09	(0.43)
Income tax effect	24	(1.42)	0.14
Total other comprehensive income for the year, net of tax (VI)		2.67	(0.29)
Total comprehensive income for the year, net of tax (V+VI)		**4.45**	**418.42**
Earning per equity share [nominal value per share Rs.10/- (March 31, 2016: Rs.10/-)]			
Basic	27	0.03	9.83
Diluted	27	0.03	9.66
Summary of significant accounting policies	1-4		
The accompanying notes are an integral part of the standalone financial statements.			

As per our report of even date

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per Sukrut Mehta
Partner
Membership No.: 101974

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STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2017

A. EQUITY SHARE CAPITAL

Balance	(Rupees in million) Note 10
As at April 1, 2015	**425.60**
Issue of Equity Share capital	105.31
As at March 31, 2016	**530.91**
Issue of Equity Share capital	8.03
As at March 31, 2017	**538.94**

B. OTHER EQUITY

(Rupees in million)

Particulars	Attributable to the equity holders of the parent					Total equity
	Employee stock option outstanding account	Debenture Redemption Reserve	Securities premium	General Reserve	Retained Earnings	
	Note 11	Note 11	Note 11	Note 11	Note 11	
Balance as at April 1, 2015	313.13	-	2,280.97	3.63	(563.51)	2,034.22
Profit for the year	-	-	-	-	418.71	418.71
Other comprehensive income for the year	-	-		-	(0.29)	(0.29)
Total Comprehensive income for the year	-	-	-	-	418.42	418.42
On issue of equity shares at premium of Rs 422 per share (previous year Rs 415)	-	-	4,395.83	-	-	4,395.83
IPO expenses adjusted to securities premium, net of tax	-	-	(312.78)	-	-	(312.78)
Tax on IPO expenses adjusted to securities premium, Ind AS adjustment	-	-	103.41	-	-	103.41
Transfer to debenture redemption reserve from surplus	-	5.00	-	-	(5.00)	-
On lapse of stock options - cost reimbursed to subsidiary company	(84.33)	-	-	84.33	-	-
Exercise of ESOPs	(47.38)	-	47.38	-	-	-
Employee compensation expense for the year	119.08	-	-	-	-	119.08
Balance as at March 31, 2016	**300.50**	**5.00**	**6,514.81**	**87.96**	**(150.09)**	**6,758.18**
Balance as at April 1, 2016	300.50	5.00	6,514.81	87.96	(150.09)	6,758.18
Profit for the year		-	-	-	1.78	1.78
Other comprehensive income for the year		-		-	2.67	2.67
Total Comprehensive income for the year	-	-	-	-	4.45	4.45
Employee compensation expense for the year	152.35	-	-	-		152.35
Transfer to securities premium on exercise of options	(151.99)	-	-	-	-	(151.99)
Adjustment during the year	-	-	-	-	-	-
Amount transferred to General Reserve	-	(5.00)	-	5.00	-	-
On conversion of share warrant into equity share	-	-	595.66	-	-	595.66
On exercising of options	-	-	151.99	-	-	151.99
On lapse of stock options	(0.68)	-	-	0.68	-	-
Balance as at March 31, 2017	**300.18**	**-**	**7,262.46**	**93.64**	**(145.64)**	**7,510.64**

Summary of significant accounting policies

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S R B C & Co. LLP
Chartered Accountants
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per Sukrut Mehta
Partner
Membership No.: 101974

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Company Secretary
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Date : May 30, 2017

CASH FLOW STATEMENT for the year ended March 31, 2017

(Rupees in million)

		March 31, 2017	March 31, 2016
A	OPERATING ACTIVITIES		
	Profit before tax	461.17	223.97
	Adjustments to reconcile profit before tax to net cash flows:		
	Amortisation expense	63.27	42.35
	ESOP expense(net)	36.89	24.45
	Finance costs	32.82	2.07
	Interest income	(359.82)	(181.49)
	Initial Public Offering (IPO) expense	5.52	25.55
	Unrealised foreign currency loss / (gain)	3.07	(0.15)
	Provision for doubtful debts	7.79	-
	Bad debts written off	6.22	-
		(204.24)	**(87.22)**
	Operating Profit before Working Capital Changes	**256.94**	**136.75**
	Working Capital Changes:		
	Increase / (decrease) in trade and other payables	586.98	(14.69)
	Increase in provisions	2.10	3.13
	(Increase) in trade receivables	(63.56)	(6.11)
	(Increase) / decrease in other assets	(795.28)	119.69
		(269.76)	**102.02**
	Net Changes in Working Capital	**(12.83)**	**238.77**
	Income tax paid (Net of income tax refund)	(34.50)	(23.96)
	Net cash (used in) / generated from operating activities	**(47.33)**	**214.81**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Payments for acquisition of intangible assets (including intangible assets under development)	(2,040.81)	(42.76)
	Loans and advances given to subsidiaries	(1,079.03)	(1,289.45)
	Repayment of loans and advances by subsidiaries	1,819.38	1,284.64
	Interest received	119.35	0.75
	Investments in fixed deposits with bank (net)	(1,648.30)	(22.78)
	Investments and advance given for acquisition of shares	(2,100.95)	-
	Net cash (used in) investment activities	**(4,930.36)**	**(69.60)**
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from issue of equity share capital	600.00	4,500.00
	Proceeds from exercise of ESOP	3.66	1.14
	Payment of Initial Public Offering (IPO) expenses including charged to securities premium	(249.74)	(94.11)
	Interest paid	(34.09)	(0.45)
	Repayment of debentures	(20.00)	-
	Proceeds from short term borrowings	850.00	-
	Net cash flow generated from financing activities	**1,149.83**	**4,406.58**
	Net (decrease) / increase in cash and cash equivalents	**(3,827.86)**	**4,551.79**
	Cash and cash equivalents at the beginning of the year	4,584.73	32.94
	Cash and cash equivalents at the end of the year	756.87	4,584.73

Notes:

1. The above cash flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS)- 7 "Statement of Cash Flows".

(Rupees in million)

		As at March 31, 2017	As at March 31, 2016
2.	Cash and cash equivalents comprise of: (note 7)		
	Cash on hand	0.27	0.53
	Balances with banks	756.60	4,584.20
		756.87	**4,584.73**

As per our report of even date

For S R B C & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta
Partner
Membership No.: 101974

Place : Ahmedabad
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Partner
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Place : Ahmedabad
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For and on behalf of the board of directors of
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Managing Director
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Place : Ahmedabad
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Chief Financial Officer
Place : Ahmedabad
Date : May 30, 2017

Shyamal Trivedi
Company Secretary
Place : Ahmedabad
Date : May 30, 2017

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017

1. CORPORATE INFORMATION

Infibeam Incorporation Limited ('the Company') was incorporated on June 30, 2010 under the Company Act, 1956. The Company is primarily engaged in business software development services, maintenance, web development, e-commerce and other ancillary services.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at 9th Floor, "A" Wing, Gopal Palace, Nehru Nagar, Satellite Road, Ahmedabad - 380015

The financial statements were authorised for issue in accordance with a resolution of the directors on May 30, 2017.

2. BASIS OF PREPARATION

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (`Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarised in Note 35.

The financial statements are presented in INR. These financial statements are the separate financial statements of the Company.

3. CRITICAL ACCOUNTING ESTIMATES

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

3.1. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3.2. Defined benefit plans

The cost of the defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. Discount rate has been determined by reference to market yields on the government bonds as at the balance sheet date. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

Further details about defined benefit obligations are provided in Note 25.

3.3. Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made in accordance with SEBI regulation and Ind As 102: Share based payment. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 28.

3.4. Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

3.5. Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed and development work commences. In determining the amounts to be capitalised, management makes assumptions regarding the expected future economic benefits to be generated of the project. The carrying value of intangible assets under development has been disclosed in Note 6.

3.6. Intangible assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated, future economic benefits are probable. The costs which can be capitalised include the salary including ESOP cost of employees that are directly attributable to development of the asset for its intended use. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer Note 4.5 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 6.

3.7. Property, plant and equipment

Refer Note 4.4 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

3.8. Investments

Investment in subsidiaries and associates is carried at cost in the standalone financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Company in preparing its financial statements:

4.1. Current versus 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 the 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 the 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.

4.2. Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange on the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit or loss are also recognised in OCI or profit or loss, respectively).

4.3. Fair value measurement

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

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

  Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as described below, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

4.4. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All repair and maintenance costs are recognised in statement of profit or loss as incurred.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

4.5. Intangible Assets

The Company has elected to continue with the carrying value for all of its intangible assets as recognised in its previous GAAP financial as deemed cost at the transition date, i.e., April 1, 2015.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Cost include acquisition and other incidental cost related to acquiring the intangible asset.

Research costs are expensed as incurred. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated, future economic benefits are probable. The costs which can be capitalised include the salary

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

and including ESOP cost of employees that are directly attributable to development of the asset for its intended use.

The useful life of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Period of amortisation of internally generated intangibles is 5 years and period of acquired intangibles ranges between 5 years to 10 years.

Intangible assets under development

Expenditure incurred on acquisition /construction of intangible assets which are not ready for their intended use at balance sheet date are disclosed under Intangible assets under development.

4.6. Leases

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Initial direct costs incurred, if any, specifically for an operating leases are deferred and charged to the statement of profit and loss over the lease term.

4.7. Impairment of non-financial assets

Non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the 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 generated unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

4.8. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

4.9. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Rendering of services

Revenue from the services rendered is recognised proportionally over the period in which the services are rendered as per the rates and terms agreed between parties and when no significant uncertainty exists regarding the recoverability of amount of the consideration from rendering the service.

Registry Services revenues primarily arise from fixed fees charged to registrars for the initial registration

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or renewal of .ooo domain names. Revenues from the initial registration or renewal of domain names are deferred and recognised rateably over the registration term, generally one year and up to ten years. Fees for renewals and advance extensions. These fees are recognised rateably over the renewal term.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

Export incentives

Export incentives are accounted on accrual basis based on shipment of eligible exports.

4.10. Financial instruments – initial recognition and subsequent measurement

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.

a) Financial assets

(i) Initial recognition and measurement.

All financial assets, except investment in subsidiaries and joint ventures, 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 assets.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Equity instruments measured at fair value through statement of profit and loss (FVTPL)

- **Debt instruments at amortised cost :**

A debt instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 instruments at fair value through other comprehensive income (FVTOCI)**

A debt instrument is measured at fair value through other comprehensive income if both of the following criteria are met:

- The objective of the business model is achieved

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both by collecting contractual cash flows and selling the financial assets, and

- 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 recognised in the other comprehensive income (OCI). However, interest income, impairment losses & reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On de-recognition 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 instruments at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. 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 recognised in the Statement of profit and loss.

- **Equity instruments:**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading 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 recognised in the OCI. There is no recycling of the amounts from OCI to P&L, 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 recognised in the statement of profit and loss.

- **Investment in subsidiaries and associates:**

Investment in subsidiaries and associates is carried at cost in the standalone financial statements.

(iii) De-recognition of financial assets

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

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to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

(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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(iv) Impairment of financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

b) Financial Liabilities

(i) 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, 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.

(ii) Subsequent measurement of financial liabilities

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.

Gains or losses on liabilities held for trading are recognised in the profit or 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 risks are recognised in OCI. These gains/ loss are not subsequently transferred to

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to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

P&L. 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 fair value through profit and loss.

- **Loans and Borrowings**

  After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

  This category generally applies to borrowings.

(iii) De-recognition of financial liabilities

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 de-recognition 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.

c) 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.

4.11. Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

4.12. Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

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.

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income 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.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets 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 utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company does not recognises tax credits in the nature of MAT credit as an asset since there is no convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the future year in which the Company recognises tax credits as an asset, the said asset will be created by way of tax credit to the Statement of profit and loss.

4.13. Retirement and other employee benefits

a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year.

b) Post-Employment Benefits

(i) Defined benefit plan

Gratuity benefit scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet reduced by the fair value of any plan assets. The discount rate used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

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to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Company has not invested in any fund for meeting liability.

4.14. Share-based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made in accordance with SEBI regulation and Ind As 102: Share based payment.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

4.15. Earnings per share

Basic EPS amounts are calculated by dividing the profit or loss for the year attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

4.16. Provisions

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, 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 or 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.

Contingencies

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

Reconciliation of equity as at April 1, 2015 (date of transition to Ind AS)

(Rupees in million)

Particulars	Note	Indian GAAP	Adjustments	Ind AS
ASSETS				
I. Non-current assets				
(a) Other Intangible assets		114.85	-	114.85
(b) Intangible assets under development		34.13	-	34.13
(c) Non-current financial assets		-	-	
(i) Investments		152.59	-	152.59
(ii) Loans	I	2,109.29	(396.62)	1,712.67
(iii) Other financial assets		0.11	-	0.11
(d) Deferred tax assets (net)	III	-	137.26	137.26
(e) Income tax assets (net)		30.09	-	30.09
(f) Other non-current assets		214.14	-	214.14
		2,655.20	**(259.36)**	**2,395.84**
II. Current assets				
(a) Financial assets				
(i) Trade and other receivables		62.38	-	62.38
(ii) Cash and cash equivalents		32.94	-	32.94
(iii) Bank balances other than above		-	-	-
(iv) Loans		82.50	-	82.50
(v) Others financial assets		12.97	-	12.97
(d) Other current assets		11.53	-	11.53
		202.32	**-**	**202.32**
Total Assets		**2,857.52**	**(259.36)**	**2,598.16**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		425.60	-	425.60
(b) Other equity	IV	2,293.58	(259.36)	2,034.22
		2,719.18	**(259.36)**	**2,459.82**
LIABILITIES				
I. Non-current liabilities				
(a) Non-current financial liabilities				
Borrowings		20.00	-	20.00
(b) Provisions		3.47	-	3.47
		23.47	**-**	**23.47**
II. Current liabilities				
(a) Financial liabilities				
(i) Trade and other payables		5.26	-	5.26
(ii) Other financial liabilities		8.40	-	8.40
(b) Provisions		0.30	-	0.30
(c) Other current liabilities		100.91	-	100.91
		114.87	**-**	**114.87**
Total Equity and Liabilities		**2,857.52**	**(259.36)**	**2,598.16**

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

Reconciliation of equity as at April 1, 2016

(Rupees in million)

Particulars	Note	Indian GAAP	Adjustments	Ind AS
ASSETS				
I. Non-current assets				
(a) Other Intangible assets		170.07	-	170.07
(b) Intangible assets under development		47.06	-	47.06
(c) Non-current financial assets		-	-	
(i) Investments	II	152.59	743.59	896.19
(ii) Loans	I	2,078.50	(959.58)	1,118.92
(iii) Other financial assets		0.12	-	0.12
(d) Deferred tax assets (net)	III	-	435.64	435.64
(e) Income tax assets (net)		53.97	-	53.97
		2,502.32	**219.65**	**2,721.97**
II. Current assets				
(a) Financial assets				
(i) Trade and other receivables		68.64	-	68.64
(ii) Cash and cash equivalents		4,584.73	-	4,584.73
(iii) Bank balances other than above		22.50	-	22.50
(iv) Loans		118.10	-	118.10
(v) Others financial assets		67.01	-	67.01
(b) Other current assets		79.19	-	79.19
		4,940.17	**-**	**4,940.17**
Total Assets		**7,442.49**	**219.65**	**7,662.14**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		530.91	-	530.91
(b) Other equity	IV	6,538.53	219.65	6,758.18
		7,069.44	**219.65**	**7,289.09**
LIABILITIES				
I. Non-current liabilities				
(a) Provisions		6.53	-	6.53
		6.53	**-**	**6.53**
II. Current liabilities				
(a) Financial liabilities				
(i) Trade and other payables		6.96	-	6.96
(ii) Other financial liabilities		324.27	-	324.27
(b) Provisions		0.80	-	0.80
(c) Other current liabilities		34.49	-	34.49
		366.52	**-**	**366.52**
Total Equity and Liabilities		**7,442.49**	**219.65**	**7,662.14**

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

Reconciliation of equity as at April 1, 2016

(Rupees in million)

Particulars	Note	Indian GAAP	Adjustments	Ind AS
INCOME				
Revenue from operations		431.13	-	431.13
Other income	V	0.85	180.64	181.49
Total Revenue (I)		**431.98**	**80.64**	**612.62**
Expenses				
Employee benefits expense	VI	77.76	(0.43)	**77.33**
Finance costs		2.07	-	2.07
Depreciation and amortisation expense		42.35	-	42.35
Other Expenses		266.90	-	266.90
Total expenses (II)		**389.08**	**(0.43)**	**388.65**
Profit before exceptional items		**42.90**	**181.07**	**223.97**
Exceptional items		-	-	**-**
Profit before tax		**42.90**	**181.07**	**223.97**
Tax expense				
Current tax		0.09	-	0.09
Deferred tax	III	-	(194.83)	(194.83)
Total tax expense		**0.09**	**(194.83)**	**(194.74)**
Profit for the year		**42.81**	**375.90**	**418.71**
Other comprehensive income				
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains / (losses) on defined benefit plans		-	(0.43)	(0.43)
Income tax effect		-	0.14	0.14
		-	(0.29)	(0.29)
Total other comprehensive income for the year, net of tax [A]		**-**	**(0.29)**	**(0.29)**
Total comprehensive income for the year, net of tax		**42.81**	**375.61**	**418.42**

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

Notes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and total comprehensive income for the year ended March 31, 2016

I. Loans

Adjustment that reflect recognition of Interest free loan given to subsidiary at fair value under Ind AS.

II. Investments

Adjustment that reflect recognition of additional investment in subsidiary as a result of difference between the loan amount and its fair value.

III. Tax impacts on Ind AS adjustments

Adjustment that reflect tax impact on Ind AS adjustments.

IV. Other equity

Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items

In addition, as per Ind-AS 19, actuarial gains and losses are recognised in other comprehensive income as compared to being recognised in the statement of profit and loss under IGAAP.

V. Other income

Adjustment that reflect recognition of interest income on loan given to subsidiary.

VI. EMPLOYEE BENEFITS EXPENSES

As per Ind-AS 19- Employee Benefits, actuarial gains and losses are recognised in other comprehensive income and not reclassified to profit and loss in a subsequent period.

VII. Statement of cash flows

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

NOTES
to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

5	CAPITAL WORK-IN-PROGRESS	
	Cost	
	As at April 1, 2015	-
	As at April 1, 2016	-
	Additions	988.85
	Deductions	-
	As at March 31, 2017	**988.85**
	Impairment	
	As at April 1, 2015	-
	As at April 1, 2016	-
	Depreciation for the year	-
	Deductions	-
	As at March 31, 2017	**-**
	Net Block	
	As at March 31, 2017	**988.85**
	As at April 1, 2016	-
	As at April 1, 2015	-

(Rupees in million)

6	INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT			
	Intangible assets	Computer Software	Intangible assets under development	Total
	Cost			
	As at April 1, 2015	114.85	34.13	148.98
	Additions*	97.57	110.50	208.07
	Assets capitalised during the year	-	(97.57)	(97.57)
	As at March 31, 2016	**212.42**	**47.06**	**259.48**
	Additions*	117.02	136.99	254.01
	Assets capitalised during the year	-	(117.02)	(117.02)
	As at March 31, 2017	**329.44**	**67.03**	**396.47**
	Amortisation and Impairment			
	As at April 1, 2015	-	-	-
	Amortisation for the year	42.35	-	42.35
	As at March 31, 2016	**42.35**	**-**	**42.35**
	Amortisation for the year	63.27	-	63.27
	As at March 31, 2017	**105.62**	**-**	**105.62**
	Net Block			
	As at March 31, 2017	**223.82**	**67.03**	**290.85**
	As at March 31, 2016	**170.07**	**47.06**	**217.13**
	As at April 1, 2015	114.85	34.13	148.98

* Addition to the intangible assets under development includes capitalisation of Salary cost of Rs. 39.37 million (previous year: Rs. 42.73 million) and ESOP cost of Rs. 97.62 million (previous year: Rs. 67.72 million)

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
7	**FINANCIAL ASSETS**			
	Investments			
	Non-current investment			
	Investment in equity shares of subsidiaries (carried at cost)			
	Unquoted			
	Infibeam Logistics Private Limited 10,000 (March 31, 2016 :10,000, April 1, 2015: 10,000) equity shares	0.10	0.10	0.10
	Infibeam Digital Entertainment Private Limited 3,145,000 (March 31, 2016 : 3,145,000, April 1, 2015: 3,145,000) equity shares	31.45	31.45	31.45
	Infinium India Limited 13,499,993 (March 31, 2016 :13,499,993, April 1, 2015: 13,499,993) equity shares	120.80	120.80	120.80
	Odigma Consultancy Solutions Private Limited 10,000 (March 31, 2016 :10,000, April 1, 2015: 10,000) equity shares	0.10	0.10	0.10
	NSI Infinium Global Private Limited 14,375(March 31, 2016 : 14,375, April 1, 2015: 14,375) equity shares	0.14	743.74	0.14
	Infibeam Global EMEA FZ - LLC 50 (March 31, 2016 : NIL, April 1, 2015: NIL) equity shares of AED 1,000 each	0.96	-	-
		153.55	**896.19**	**152.59**
	Investment in equity shares of associate (Carried at cost)			
	Unquoted			
	Avenues Infinite Private Limited 999,800 (March 31, 2016 : 999,800, April 1, 2015: 999,800) equity shares	10.00	10.00	10.00
	Less: Provision for diminution in value of investments in equity shares of Avenues Infinite Private Limited	(10.00)	(10.00)	(10.00)
		-	-	-
	Investment in Compulsory Convertible Preference Shares (carried at cost)			
	Unquoted			
	Avenues (India) Private Limited * 200,000 (March 31, 2016 : NIL, April 1, 2015: NIL) preference shares	600.00	-	-
		600.00	-	-
	Total Investments	**753.55**	**896.19**	**152.59**
	Aggregate amount of unquoted investments	753.55	896.19	152.59
	Aggregate amount of impairment in value of investments	10.00	10.00	10.00

* Company has acquired compulsory Convertible Preference shares of Avenues (India) Private Limited from its wholly owned subsidiary and is in the process of transferring the shares in its name as at March 31, 2017.

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
7	**FINANCIAL ASSETS**			
	Loans			
	Non-current			
	Unsecured considered good			
	Loans to related parties*	-	1,118.92	1,712.67
		-	**1,118.92**	**1,712.67**
	Current			
	Unsecured considered good			
	Loans to related parties**	1,456.28	118.10	82.50
		1,456.28	**118.10**	**82.50**
	Total Loans	**1,456.28**	**1,237.02**	**1,795.17**

*Loan given to NSI Infinium Global Private Limited is unsecured, repayable within 8 years from the date of transaction and is interest free. (Refer note 26)

**The above loans are unsecured, repayable within a period of 12 months from date of transaction, interest free and the same has been obtained for the purpose of business operations. (Refer note 26)

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
7	**FINANCIAL ASSETS**			
	Other financial assets			
	Non-current			
	Bank deposits with original maturity of more than 12 months (including accrued interest)	3.12	0.12	0.11
		3.12	**0.12**	**0.11**
	Current			
	Security deposits	1.28	23.95	-
	Unbilled revenue	76.97	39.10	1.32
	Advance given for acquisition of shares of Avenues India Private Limited pending transfer	1,500.00	-	-
	Bank deposits maturing within 12 months from reporting date (including accrued interest)*	25.71	3.64	3.27
	Receivable from subsidiary company for reimbursement of expenses (net) (Refer note 26)	3.03	0.32	8.38
		1,606.99	**67.01**	**12.97**
	Total other financial assets	**1,610.11**	**67.13**	**13.08**

* Include deposit under lien against bank guarantee issued by the company.

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
7	**FINANCIAL ASSETS**			
	Trade receivables			
	Unsecured, considered good*	122.59	68.64	62.38
	Less : Provision for Bad Debts	(7.79)	-	-
	Total Trade and other receivables	**114.80**	**68.64**	**62.38**
	*includes dues from subsidiary companies and companies where directors are interested (refer note 26)	9.76	19.70	3.08

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
7	**FINANCIAL ASSETS**			
	Cash and cash equivalent			
	Balance with Bank			
	Current accounts	756.60	4,584.20	32.40
	Cash on hand	0.27	0.53	0.54
	Total cash and cash equivalents	**756.87**	**4,584.73**	**32.94**

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
7	**FINANCIAL ASSETS**			
	Other bank balance			
	Deposits with original maturity of more than three months but less than 12 months (Refer notes below)	1,670.20	22.50	-
	Total other bank balances	**1,670.20**	**22.50**	**-**
	(1) Fixed deposit of Rs. 0.20 million (March 31, 2016: Rs. 22.50 million April 1, 2015: Rs. Nil) are under lien against bank guarantee issued by the company.			
	(2) Fixed deposit of Rs. 1,630.00 million (March 31, 2016: Rs. Nil, April 1, 2015: Rs. Nil) represents IPO funds which are temporarily invested with bank.			
	(3) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.			
	For the purpose of the cash flow statement, cash and cash equivalents comprise the following:			
	Balance with Bank			
	Current accounts	756.60	4,584.20	32.40
	Cash on hand	0.27	0.53	0.54
		756.87	**4,584.73**	**32.94**

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	Cost	FVTPL	FVOCI	Amortised cost
7	**FINANCIAL ASSETS**				
	Financial assets by category				
	March 31, 2017				
	Investments				
	- Equity shares	153.55	-	-	-
	- Preference shares	600.00	-	-	-
	Trade receivables	-	-	-	114.80
	Loans	-	-	-	1,456.28
	Cash & cash equivalents and other bank balances	-	-	-	2,427.07
	Other financial assets	-	-	-	1,610.11
	Total	**753.55**	**-**	**-**	**5,608.26**
	March 31, 2016				
	Investments				
	- Equity shares	896.19	-	-	-
	Trade receivables	-	-	-	68.64
	Loans	-	-	-	1,237.02
	Cash & cash equivalents and other bank balances	-	-	-	4,607.23
	Other financial assets	-	-	-	67.13
	Total Financial assets	**896.19**	**-**	**-**	**5,980.02**
	April 1, 2015				
	Investments				
	- Equity shares	152.59	-	-	-
	Trade receivables	-	-	-	62.38
	Loans	-	-	-	1,795.17
	Cash & cash equivalents and other bank balances	-	-	-	32.94
	Other financial assets	-	-	-	13.08
	Total Financial assets	**152.59**	**-**	**-**	**1,903.57**

For Financial instruments risk management objectives and policies, refer Note 32

Fair value disclosures for financial assets and liabilities and fair value hierarchy disclosures for investment are in Note 32.

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
8	**OTHER CURRENT / NON-CURRENT ASSETS**			
	Non-current			
	Capital advances*	1,014.98	-	-
	Advances to suppliers	-	-	214.14
		1,014.98	**-**	**214.14**
	Current			
	Advance to suppliers	841.20	53.57	8.43
	Balance with government authorities - Service tax	19.97	18.13	0.84
	Export incentive receivable	8.03	3.34	-
	Security deposit	2.00	-	-
	Reimbursement of expenses paid in advance	-	0.23	-
	Prepaid expenses	3.20	3.92	2.26
		874.40	**79.19**	**11.53**
	Total	**1,889.38**	**79.19**	**225.67**
	* Refer note 26 for capital advances given to related parties			

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
9	**INCOME TAX ASSETS (NET)**			
	Tax paid in advance (net of provision) (refer note 24)	14.76	53.97	30.09
	TOTAL	**14.76**	**53.97**	**30.09**

	Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		No. of shares	Rupees in Million	No. of shares	Rupees in Million	No. of shares	Rupees in Million
10	**EQUITY SHARE CAPITAL**						
	Authorised share capital						
	Equity shares of Rs.10 each	63,000,000	630.00	63,000,000	630.00	43,000,000	430.00
	Issued and subscribed share capital						
	Equity shares of Rs.10 each	53,893,920	538.94	53,091,321	530.91	42,560,480	425.60
	Subscribed and fully paid up						
	Equity shares of Rs.10 each	53,893,920	538.94	53,091,321	530.91	42,560,480	425.60
	Total	**53,893,920**	**538.94**	**53,091,321**	**530.91**	**42,560,480**	**425.60**

10.2. Terms/Rights attached to the equity shares

The Company has equity shares having a par value of Rs. 10 per share. All equity shares rank equally with regard to dividend and share in the Company's residual assets in proportion of amount paid up. The equity shares are entitled to receive dividend as declared from time to time. Each holder of the equity shares is entitled to one vote per share.

On winding up of Company, the holder of equity shares will be entitled to receive the residual assets of Company, remaining after distribution of all preferential amounts in proportion to number of equity shares held. Terms attached to stock options granted to employees are described in note 28 regarding employee share based payments.

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

10.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of shares	Rupees in Million	No. of shares	Rupees in Million
At the beginning of the year	53,091,321	530.91	42,560,480	425.60
Add :				
Shares allotted pursuant to exercise of Employee Stock Option Plan	366,236	3.66	114,175	1.14
Shares issued on conversion of share warrant	436,363	4.37	-	-
Shares issued on initial public offering	-	-	10,416,666	104.17
Outstanding at the end of the year	53,893,920	538.94	53,091,321	530.91

10.3. Number of Shares held by each shareholder holding more than 5% Shares in the company

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Mr. Ajit C Mehta	3,011,478	5.59	3,011,478	5.67
Mr. Vishal A Mehta	5,995,940	11.13	5,995,940	11.29
Ms. Jayshree Mehta	3,011,478	5.59	3,011,478	5.67
Infinium Motors Private Limited	5,304,722	9.84	5,304,722	9.99
Nomura Singapore Limited	-	-	3,008,921	5.67

10.4. Shares reserved for issue under options

For information relating to Infibeam Incorporation Limited Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period please refer to note 28.

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

Balance	As at March 31, 2017	As at March 31, 2016
11 OTHER EQUITY		
General reserve		
Opening balance	87.96	3.63
Add: transferred debenture redemption reserve	5.00	
Less: Adjustment of depreciation	-	-
Add: transfer from revaluation reserve	-	-
Add: Addition on account of lapse of options	0.68	84.33
Balance at the end of the year	**93.64**	**87.96**
Securities premium account		
Opening balance	6,514.81	2,280.97
Add : on issue of equity shares at premium of Rs 415 per share	-	4,395.83
Add: on conversion of share warrant into equity share	595.66	-
Add: on conversion of debentures into equity share	-	-
Add: on exercising of options	151.99	47.38
Less: IPO expenses adjusted to securities premium, net of tax	-	(312.78)
Add: Tax on IPO expenses adjusted to securities premium, Ind AS adjustment	-	103.41
Balance at the end of the year	**7,262.46**	**6,514.81**
Debenture redemption reserve		
Opening balance	5.00	-
Add: Transfer to debenture redemption reserve from surplus	-	5.00
Less: Amount transferred to General Reserve	(5.00)	-
Balance at the end of the year	**-**	**5.00**
Employees Stock Options Outstanding (Net)- (Refer Note 27)		
Opening balance	300.50	313.13
Add : Employee compensation expense for the year	152.35	119.08
Less: Transfer to securities premium on exercise of options	(151.99)	(47.38)
Less: Reversal due to lapse of options	(0.68)	(84.33)
Balance at the end of the year	**300.18**	**300.50**
Retained earnings		
Opening balance	(150.09)	(563.51)
Add: profit for the year	1.78	418.71
Add / (Less): OCI for the year	2.67	(0.29)
	(145.64)	**(145.09)**
Less: Appropriation		
Transfer to Debenture Redemption reserve	-	(5.00)
Balance at the end of the year	**(145.64)**	**(150.09)**
Total Other equity	**7,510.64**	**6,758.18**

NOTES
to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
12	**FINANCIAL LIABILITIES**			
	Long-term Borrowings			
	Long-term Borrowings (refer note (a) to (c) below)			
	Non-current portion			
	Unsecured			
	Debentures			
	9% Redeemable, Non-Convertible Debentures	-	-	20.00
		-	**-**	**20.00**
	Current maturities			
	Unsecured			
	Debentures			
	9% Redeemable, Non-Convertible Debentures *	-	20.00	-
		-	**20.00**	**-**
	Total long-term borrowings	**-**	**20.00**	**20.00**
	Short-term Borrowings (refer note (d) & (e) below)			
	Unsecured			
	Demand loan - from NBFC	850.00	-	-
	Total short-term borrowings	**850.00**	**-**	**-**
	Total borrowings	**850.00**	**20.00**	**20.00**
	* refer note 12 - Other financial liabilities			

Terms of borrowings:

Debentures:

The Company has issued 9% Non Convertible Redeemable Debentures ("NCRD") to Brand Equity Treaties Limited vide agreement dated October 20, 2014 on conditions that NCRD shall be redeemed at the option of the Company, in one or more tranches, at any time within a period of two years from the date of allotment i.e. November 7, 2014 by way of re-payment, in part or in full, of debenture amount and interest due thereon @ 9% per annum till the date of redemption.

Demand loan:

Demand loan from Barclays Investments and Loans India Ltd is unsecured, repayable on demand and carrying interest @ 8% p.a. The loan does not carry any financial covenants.

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
12	**FINANCIAL LIABILITIES**			
	Trade Payable			
	Current			
	Trade payables	5.82	6.96	5.26
		5.82	6.96	5.26
	Total	**5.82**	**6.96**	**5.26**

Trade payables are not-interest bearing and are normally settled on 30-90 days terms. Refer note 34 for dues to Micro and small enterprise.

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
12	**FINANCIAL LIABILITIES**			
	Other financial liabilities			
	Current			
	Current maturity of long term borrowings	-	20.00	-
	Interest accrued but not due on debentures	-	2.27	0.64
	Employee benefits payable	6.30	7.38	-
	Provision for expenses	12.83	77.29	5.40
	Interest accrued and due on term loan	1.00	-	-
	Advances received in cash or kind	-	1.01	-
	Creditor for capital goods	2.40	-	-
	Other payables	28.87	216.32	2.36
		51.40	**324.27**	**8.40**
	Total	**51.40**	**324.27**	**8.40**

Terms and conditions of the above financial liabilities:

- Other payables, advance received in cash or kind and creditors for capital goods are non-interest bearing and are normally settled on regular basis.
- Interest payable and employee benefits payable are normally settled on monthly basis
- Provision for expenses are settled as and when invoices are received by the Company.

(Rupees in million)

	Particulars	FVTPL	FVOCI	Amortised cost
12	**FINANCIAL LIABILITIES**			
	Financial liabilities by category			
	March 31, 2017			
	Borrowings	-	-	850.00
	Trade payable	-	-	5.82
	Other financial liabilities	-	-	51.40
	Total Financial liabilities	**-**	**-**	**907.22**
	March 31, 2016			
	Trade payable	-	-	6.96
	Other financial liabilities	-	-	324.27
	Total Financial liabilities	**-**	**-**	**331.23**
	April 1, 2015			
	Borrowings	-	-	20.00
	Trade payable			5.26
	Other financial liabilities	-	-	8.40
	Total Financial liabilities	**-**	**-**	**33.66**

For Financial instruments risk management objectives and policies, refer Note 32

Fair value disclosures for financial assets and liabilities and fair value hierarchy disclosures for investment are in Note 32.

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
13	**PROVISIONS**			
	Long-term			
	Provision for employee benefits (refer Note 25)			
	Provision for gratuity	4.47	6.53	3.47
		4.47	**6.53**	**3.47**
	Short-term			
	Provision for employee benefits (refer Note 25)			
	Provision for gratuity	0.87	0.80	0.30
		0.87	**0.80**	**0.30**
	Total	**5.34**	**7.33**	**3.77**

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
14	**OTHER LIABILITIES**			
	Current			
	Advance from customers	600.89	0.75	0.62
	Statutory dues including provident fund and tax deducted at source	24.71	17.80	0.51
	Excess billing over revenue	6.46	15.94	99.78
	Total	**632.06**	**34.49**	**100.91**

(Rupees in million)

	Particulars	FY 2016-17	FY 2015-16
15	**REVENUE FROM OPERATIONS**		
	Sale of services	526.77	427.79
	Other operating revenue		
	Export incentive receivable	4.68	3.34
		4.68	**3.34**
	Total	**531.45**	**431.13**

(Rupees in million)

	Particulars	FY 2016-17	FY 2015-16
16	**OTHER INCOME**		
	Interest income on bank deposits	143.82	0.85
	Interest income on loan given to subsidiary*	216.00	180.64
	Miscellaneous income	1.33	-
	TOTAL	**361.15**	**181.49**

* Represents interest income under the effective interest method on interest free loan given to Subsidiary Company (Refer note 26)

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	FY 2016-17	FY 2015-16
17	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, wages and bonus^	56.66	52.59
	Contribution to provident fund and other funds	1.33	0.11
	Share based payments to employees (Refer Note 25)*	36.89	24.45
	Staff welfare expenses	0.64	0.18
	Total	**95.52**	**77.33**
	^Salaries,wages and bonus (net of capitalisation)		
	Salaries,wages and bonus	96.03	95.36
	Less : Cost capitalised	(39.37)	(42.77)
	Salaries,wages and bonus cost for the year	**56.66**	**52.59**
	*** Employee stock option outstanding expenses**		
	Share based payment expense	152.35	119.07
	Less : Cost capitalised	(97.61)	(67.72)
	Less : Expense recovered from the subsidiary company	(17.85)	(26.89)
	ESOP cost for the year	**36.89**	**24.45**

(Rupees in million)

	Particulars	FY 2016-17	FY 2015-16
18	**FINANCE COSTS**		
	Interest expense - Debentures	1.08	1.80
	Interest expense - on statutory dues	0.07	0.27
	Interest expense - Demand loan	1.33	-
	Interest on income tax for previous year	23.54	-
	Other finance cost - Demand loan processing charges	6.80	-
	Total	**32.82**	**2.07**

(Rupees in million)

	Particulars	FY 2016-17	FY 2015-16
19	**AMORTISATION EXPENSE**		
	Amortisation on Intangible assets (Refer Note 6)	63.27	42.35
	Total	**63.27**	**42.35**

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	FY 2016-17	FY 2015-16
20	**OTHER EXPENSES**		
	Bank charges	0.78	0.11
	Communication expenses	0.58	0.58
	Legal and consultancy expenses	18.36	7.92
	Office expenses	2.72	0.28
	Payments to auditors - statutory audit fees (refer note below)	4.39	0.70
	Rent (refer note 30)	1.56	1.49
	Rate and taxes	2.18	1.82
	Web hosting and server support expense	0.07	5.08
	Advertisement expenses	29.55	105.10
	Online digital marketing expenses	34.08	17.55
	Sales promotion expenses	7.83	1.39
	Net foreign exchange loss	2.54	0.10
	Electricity expenses	0.73	0.76
	Payment gateway charges	0.08	0.10
	Initial Public Offering (IPO) expenses [includes expenses such as merchant bankers fees, legal counsel fees, advertising and marketing expenses and other incidental expenses initially incurred by the Company]	5.52	25.55
	Traveling expenses	3.32	4.41
	Mobile application development expenses	-	9.97
	Platform licensing fees	76.00	78.30
	Service charges	7.71	5.56
	Subscription expenses	-	0.11
	Director sitting fees	0.97	-
	Provision for bad debts expenses	7.79	-
	Web services expenses	26.61	-
	Recruitment expenses	0.17	-
	Bad debts written off	6.22	-
	Miscellaneous expenses	0.06	0.02
	Total	**239.82**	**266.90**
	Payment to auditors		
	As auditor:		
	Audit fees	1.40	0.70
	Limited review	2.85	-
	Reimbursement of expense	0.14	-
	Total	**4.39**	**0.70**

(Rupees in million)

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016	As at April 1, 2015
21	**CONTINGENT LIABILITIES**			
	Contingent liabilities not provided for			
	a. Claims against Company not acknowledged as debts	20.00	63.39	39.86
	b. Guarantees given by bank on behalf of the Company	0.20	22.50	-

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

a. Income tax matter: The Company has received order u/s 143(3) for the Assessment Year 2011-12, the Assessing Officer has made an addition of Rs 200 million to the profits of the company and considered the same for the purpose of computing the book profits as per the provisions of section 115JB of the Income Tax Act, 1961 ('the Act'), on the presumption that the issue of bonus shares out of the revaluation reserve only contemplates realised profits which are not routed through profit and loss account. The Company had filled an Appeal with the Commissioner of Income tax and matter was dismissed by the said authority considering which management had filed an appeal with ITAT.

   In the current year, ITAT orderd the case in the favour of department considering which Company recognized tax expense of Rs 39.86 million along with interest of Rs 23.54 million. The Company has further filed appeal with High court - Gujarat against the order of ITAT.

b. The Company had issued bank guarantee to BSE Limited as per the statutory norms of SEBI for initial public offering of its equity shares. The same was release during the year.

c. Oppo mobiles has filed civil suit against Company and NSI Infinium Global Private Limited (Subsidiary Company) for violating trademark of Oppo at civil court of Ahmedabad claiming damages of Rs 20 million. The matter is pending before the commercial court of Ahmedabad. The Company's management in consultation with their legal council does not reasonably expect that these legal action, when ultimately concluded and determined, will have a material and adverse effect on the Company's financial position.

(Rupees in million)

	Year ended March 31, 2017	Year ended March 31, 2016	As at April 1, 2015
22 CAPITAL COMMITMENT AND OTHER COMMITMENTS			
Capital commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	2,643.20	2,750.00	-

NOTE 23 : FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES NOT HEDGED

A. Foreign Exchange Derivatives: The Company does not have any foreign exchange derivatives

B. Exposure Not Hedged

Nature of exposure	Currency	Year ended March 31, 2017 Foreign currency	Year ended March 31, 2017 Local currency (Indian Rupees in Million)	Year ended March 31, 2016 Foreign currency	Year ended March 31, 2016 Local currency (Indian Rupees in Million)	As at April 1, 2015 Foreign currency	As at April 1, 2015 Local currency (Indian Rupees in Million)
Trade receivables	USD	1,354,748	87.84	57,800	3.83	94,591	5.92
	AED	472,536	8.34	736,704	13.40	1,056,350	17.92
	SAR	753,163	13.02	607,648	10.95	-	-
Accrued revenue	USD	592,368	38.39	-	-	399	0.02
	AED	32,371	0.57	105,885	1.91	6,338	0.11
	SAR	436,350	7.54	42,000	0.76	-	-
Provision for expenses	USD	40,448	2.62	86,965	5.77	-	-
Creditors for expenses	USD	117,876	7.64	620	0.04	6,258	0.39
Bank balance	AED	-	-	548,238	9.88	-	-

NOTE 24 : INCOME TAX

The major component of income tax expense for the years ended March 31, 2017 and March 31, 2016 are :

(Rupees in million)

Particulars	2016-17	2015-16
Statement of Profit and Loss		
Current tax		
- for current year	95.95	0.09
- for previous year	39.86	-
Deferred tax		
Deferred tax expense/ (credit) relating to origination and reversal of temporary difference	323.58	(194.83)
Income tax expense reported in the statement of profit and loss	459.39	(194.74)

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

Deferred tax credit for the year ended March 31, 2017 and March 31, 2016 includes temporary differences arising on account of Ind AS adjustments amounting to Rs. 332.09 million and Rs. (194.83 million) respectively.

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2017 and March 31, 2016.

A) Current tax

(Rupees in million)

Particulars	2016-17	2015-16
Accounting profit before tax from continuing operations	461.17	223.97
Enacted tax rate	34.61%	33.06%
Computed expected tax expense	159.60	74.05
Adjustments		
Effect of non-deductable expenses	11.73	7.68
Deferred tax impact on Ind AS adjustment	332.09	(194.83)
Tax effect of Ind AS adjustment income not subject to tax	-	(59.72)
Impact of tax paid under differential tax rate - MAT	9.53	-
Tax expenses for earlier year	(39.86)	-
Tax benefit on brought forward losses	(13.70)	(21.92)
	459.39	**(194.74)**

B) Deferred tax

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(Rupees in million)

Particulars	Balance Sheet			Statement of Profit and Loss	
	March 31, 2017	**March 31, 2016**	**April 1, 2015**	**March 31, 2017**	**March 31, 2016**
Deferred income tax assets					
Impact of fair valuation of interest free loan	-	332.09	137.26	332.09	(194.83)
Provision for employee benefits	0.91	0.14	-	(2.19)	-
IPO Expenses	114.16	103.41	-	(10.75)	-
Provision for diminution in value of investment and doubtful debts	4.75	-	-	(4.75)	-
Total deferred income tax assets	**119.82**	**435.64**	**137.26**		
Deferred income tax liabilities					
Excess of amortisation on fixed assets under income-tax law over amortisation provided in accounts.	9.18	-	-	9.18	-
Total deferred income tax liabilities	**9.18**	**-**	**-**		
Deferred tax expense/(income)				**323.58**	**(194.83)**
Net deferred tax assets/(liabilities)	110.64	435.64	137.26		
Reflected in the balance sheet as follows					
Deferred tax assets	119.82	435.64	137.26		
Deferred tax liabilities	9.18	-	-		
Deferred tax assets (net)	**110.64**	**435.64**	**137.26**		

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

Particulars	March 31, 2017	March 31, 2016
Reconciliation of deferred tax assets / (liabilities), net		
Opening balance as of April 1	435.64	137.26
Ind AS adjustment through opening reserve	-	103.41
Tax income/(expense) during the year recognised in profit or loss	(323.58)	194.83
Tax income/(expense) during the year recognised in OCI	(1.42)	0.14
Closing balance as at March 31	**110.65**	**435.64**

Deferred income tax assets have not been recognised on temporary differences and unabsorbed brought forward loss and depreciation amounting Rs. Nil and Rs. 20.46 million as of March 31, 2017 and March 31, 2016, respectively, as it is probable that the temporary differences and unabsorbed brought forward loss and depreciation will not reverse in the foreseeable future.

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.

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

NOTE 25 : DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contribution is charged to the Statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund and other funds for the year are as follows:

(Rupees in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Provident Fund	1.11	0.05
ESIC	0.22	0.06
	1.33	**0.11**

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Company operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

March 31, 2017 : Changes in defined benefit obligation and plan assets (Rupees in million)

	Gratuity cost charged to statement of profit and loss					Benefit paid	Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2016	Transfer in/(out) obligation	Service cost	Net interest expense	Sub-total included in statement of profit and loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2017
Gratuity													
Defined benefit obligation	7.32	(0.19)	1.76	0.53	2.29	-	-	-	0.20	(4.29)	(4.09)	-	5.33
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	
Benefit liability	7.32	(0.19)	1.76	0.53	2.29	-	-	-	0.20	(4.29)	(4.09)	-	5.33
Total benefit liability	**7.32**	**(0.19)**	**1.76**	**0.53**	**2.29**	**-**	**-**	**-**	**0.20**	**(4.29)**	**(4.09)**	**-**	**5.33**

NOTES
to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

March 31, 2016 : Changes in defined benefit obligation and plan assets (Rupees in million)

	Gratuity cost charged to statement of profit and loss					Benefit paid	Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2015	Transfer in/(out) obligation	Service cost	Net interest expense	Sub-total included in statement of profit and loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2016
Gratuity													
Defined benefit obligation	3.77	1.48	1.30	0.34	1.64	-	-	-	0.09	0.34	0.43	-	7.32
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	
Benefit liability	3.77	1.48	1.30	0.34	1.64	-	-	-	0.09	0.34	0.43	-	7.32
Total benefit liability	**3.77**	**1.48**	**1.30**	**0.34**	**1.64**	**-**	**-**	**-**	**0.09**	**0.34**	**0.43**	**-**	**7.32**

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	As at April 1, 2015
Discount rate	6.95%	7.65%	7.80%
Future salary increase	10.00%	10.00%	10.00%
Attrition rate	25% at younger ages reducing to 5% at older ages	25% at younger ages reducing to 5% at older ages	25% at younger ages reducing to 5% at older ages
Morality rate	Published table of mortality rates	Published table of mortality rates	IALM(2006-08) published table of mortality rates
Retirement age	58 years	58 years	58 years

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

(Rupees in million)

Particulars	Sensitivity level	Year ended March 31, 2017	Year ended March 31, 2016	As at April 1, 2015
Gratuity				
Discount rate	0.5% increase	5.20	7.10	3.65
	0.5% decrease	5.49	7.49	3.90
Future Salary increase	0.5% increase	5.45	7.56	3.87
	0.5% decrease	5.24	7.21	3.67
Withdrawal rates (W.R.)	10% increase	5.31	7.30	3.65
	10% decrease	5.37	7.44	3.89

The followings are the expected future benefit payments for the defined benefit plan :

(Rupees in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	As at April 1, 2015
Gratuity			
Within the next 12 months (next annual reporting period)	0.87	0.80	0.30
Between 2 and 5 years	2.62	4.07	1.92
Beyond 5 years	2.18	3.32	2.01

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

NOTE 26 : RELATED PARTY DISCLOSURES.

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows :

Name of Related Parties and Nature of Relationship :

Sr.No	Relationship	Name of company / person
1	**Subsidiary Company**	Infibeam Digital Entertainment Private Limited
		Infinium India Limited
		NSI Infinium Global Private Limited
		Odigma Consultancy Solutions Private Limited
		Infibeam Logistics Private Limited
		Sine Qua Non Solutions Private Limited
		Infibeam Global EMEA FZ LLC
2	**Associate Company**	Avenues Infinite Private Limited
3	**Key Management Personnel**	
	Executive Directors	Mr. Vishal Ajit Mehta
	Non-executive Directors	Mr. Malav Ajit Mehta
		Mr. Ajit Champaklal Mehta
		Mr. Roopkishan Sohanlal Dave
		Mr. Keyoor Madhusudan Bakshi
		Ms. Vijaylaxmi Tulsidas Sheth
	Chief Financial officer (CFO)	Mr. Hiren Bachubhai Padhya
	Company secretary (CS)	Mr. Shyamal Bhaskerbhai Trivedi

4 Company under the control of Key Managerial Personnel Infinium Motors Private Limited

Related party transactions (Rupees in million)

Particulars	Year ending	Key Management Personnel	Enterprises over which KMP is able to exercise significant influence	Associate Company	Subsidiary Companies	Relative of Key Management Personnel	Total
Issue of equity shares on exercising of ESOP							
CFO	31-Mar-17	0.05	-	-	-	-	0.05
	31-Mar-16	0.02	-	-	-	-	0.02
Purchase of investments							
Infibeam Global EMEA FZ - LLC	31-Mar-17	-	-	-	0.95	-	0.95
	31-Mar-16	-	-	-	-	-	-
Purchase of preference shares of Avenues India Private Limited							
NSI Infinium Global Private Limited	31-Mar-17	-	-	-	600.00	-	600.00
	31-Mar-16	-	-	-	-	-	-
Ind AS adjustment on investments (refer note 3 below)							
NSI Infinium Global Private Limited	31-Mar-17	-	-	-	(743.59)	-	(743.59)
	31-Mar-16	-	-	-	743.59	-	743.59

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

Particulars	Year ending	Key Management Personnel	Enterprises over which KMP is able to exercise significant influence	Associate Company	Subsidiary Companies	Relative of Key Management Personnel	Total
Loans given							
NSI Infinium Global Private Limited	31-Mar-17	-	-	-	1,079.05	-	1,079.05
	31-Mar-16	-	-	-	108.17	-	108.17
Infinium India Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	-	141.70	-	141.70
Infibeam Logistics Private Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	-	80.00	-	80.00
Repayment of loan given							
NSI Infinium Global Private Limited	31-Mar-17	-	-	-	1,701.28	-	1,701.28
	31-Mar-16	-	-	-	138.40	-	138.40
Avenues Infinite Private Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	0.56	-	-	0.56
Infibeam Logistics Private Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	-	80.00	-	80.00
Infinium India Limited	31-Mar-17	-	-	-	118.10	-	118.10
	31-Mar-16	-	-	-	106.10	-	106.10
Ind AS adjustment on loan given (refer note 3 below)							
NSI Infinium Global Private Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	-	2,078.50	-	2,078.50
Advance give towards services							
Infibeam Logistics Private Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	-	1.50	-	1.50
Advance give towards purchase of capital assets							
Infibeam Logistics Private Limited	31-Mar-17	-	-	-	27.00	-	27.00
	31-Mar-16	-	-	-	-	-	-
Infinium India Limited	31-Mar-17	-	-	-	295.00	-	295.00
	31-Mar-16	-	-	-	-	-	-
Repayment of advance give towards services							
Infibeam Logistics Private Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	-	1.50	-	1.50
Deposit received to nominate director							
Malav A. Mehta	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	0.10	-	-	-	-	0.10
Repayment of deposit received to nominate director							
Malav A. Mehta	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	0.10	-	-	-	-	0.10
Advances received towards services							
Infibeam Logistics Private Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	-	1.50	-	1.50

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

Particulars	Year ending	Key Management Personnel	Enterprises over which KMP is able to exercise significant influence	Associate Company	Subsidiary Companies	Relative of Key Management Personnel	Total
Repayment of advance received towards services							
Infibeam Logistics Private Limited	31-Mar-17	-	-	-	-	-	
	31-Mar-16	-	-	-	1.50	-	1.50
Service taken for development of intangible assets							
NSI Infinium Global Private Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	-	21.73	-	21.73
Service taken for intangible assets under development							
NSI Infinium Global Private Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	-	9.17	-	9.17
Interest income on loan given - Ind AS adjustment (refer note 3 below)							
NSI Infinium Global Private Limited	31-Mar-17	-	-	-	216.00	-	216.00
	31-Mar-16	-	-	-	180.64	-	180.64
Reimbursement of expenses to (amount payable)							
NSI Infinium Global Private Limited	31-Mar-17	-	-	-	0.51	-	0.51
	31-Mar-16	-	-	-	2.20	-	2.20
Reimbursement of expenses from (amount receivable)							
NSI Infinium Global Private Limited	31-Mar-17	-	-	-	32.57	-	32.57
	31-Mar-16	-	-	-	110.42	-	110.42
Infibeam Global EMEA FZ - LLC	31-Mar-17	-	-	-	2.42	-	2.42
	31-Mar-16	-	-	-	-	-	-
Interest received	-	-	-	-	-		
Avenues Infinite Private Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	0.00	-	-	0.00
Services taken							
NSI Infinium Global Private Limited	31-Mar-17	-	-	-	110.15	-	110.15
	31-Mar-16	-	-	-	140.38	-	140.38
Infibeam Digital Entertainment Private Limited	31-Mar-17	-	-	-	3.14	-	3.14
	31-Mar-16	-	-	-	0.70	-	0.70
Services given							
Odigma Consultancy Solutions Private Limited	31-Mar-17	-	-	-	20.09	-	20.09
	31-Mar-16	-	-	-	35.45	-	35.45
NSI Infinium Global Private Limited	31-Mar-17	-	-	-	5.76	-	5.76
	31-Mar-16	-	-	-	24.69	-	24.69
Infinium Motors Private Limited	31-Mar-17	-	0.44	-	-	-	0.44
	31-Mar-16	-	0.55	-	-	-	0.55
Infinium India Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	-	7.00	-	7.00
Infibeam Digital Entertainment Private Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	-	0.01	-	0.01

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to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

Particulars	Year ending	Key Management Personnel	Enterprises over which KMP is able to exercise significant influence	Associate Company	Subsidiary Companies	Relative of Key Management Personnel	Total
Miscellaneous income							
Infinium India Limited	31-Mar-17	-	-	-	0.45	-	0.45
	31-Mar-16	-	-	-	-	-	-
ESOP cost recovered							
NSI Infinium Global Private Limited	31-Mar-17	-	-	-	17.85	-	17.85
	31-Mar-16	-	-	-	26.89	-	26.89
Transaction with key Management personnel							
Salaries and ESOP to executive officers - CFO and CS	31-Mar-17	8.69	-	-	-	-	8.69
	31-Mar-16	3.97	-	-	-	-	3.97
Director sitting fees to non-executive and independent directors	31-Mar-17	0.97	-	-	-	-	0.97
	31-Mar-16	-	-	-	-	-	-
Closing balances							
Investment							
Infibeam Digital Entertainment Private Limited	31-Mar-17	-	-	-	31.45	-	31.45
	31-Mar-16	-	-	-	31.45	-	31.45
	01-Apr-15	-	-	-	31.45	-	31.45
Infinium India Limited	31-Mar-17	-	-	-	120.80	-	120.80
	31-Mar-16	-	-	-	120.80	-	120.80
	01-Apr-15	-	-	-	120.80	-	120.80
Avenues Infinite Private Limited	31-Mar-17	-	-	10.00	-	-	10.00
	31-Mar-16	-	-	10.00	-	-	10.00
	01-Apr-15	-	-	10.00	-	-	10.00
NSI Infinium Global Private Limited	31-Mar-17	-	-	-	0.14	-	0.14
	31-Mar-16	-	-	-	743.74	-	743.74
	01-Apr-15	-	-	-	0.14	-	0.14
Infibeam Logistics Private Limited	31-Mar-17	-	-	-	0.10	-	0.10
	31-Mar-16	-	-	-	0.10	-	0.10
	01-Apr-15	-	-	-	0.10	-	0.10
Odigma Consultancy Solutions Private Limited	31-Mar-17	-	-	-	0.10	-	0.10
	31-Mar-16	-	-	-	0.10	-	0.10
	01-Apr-15	-	-	-	0.10	-	0.10
Infibeam Global EMEA FZ LLC	31-Mar-17	-	-	-	0.96	-	0.96
	31-Mar-16	-	-	-	-	-	-
	01-Apr-15	-	-	-	-	-	-

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

Particulars	Year ending	Key Management Personnel	Enterprises over which KMP is able to exercise significant influence	Associate Company	Subsidiary Companies	Relative of Key Management Personnel	Total
Trade receivable							
Odigma Consultancy Solutions Private Limited	31-Mar-17	-	-	-	9.38	-	9.38
	31-Mar-16	-	-	-	12.37	-	12.37
	01-Apr-15	-	-	-	2.24	-	2.24
Infinium India Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	-	7.32	-	7.32
	01-Apr-15	-	-	-	-	-	-
Infibeam Digital Entertainment Private Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	-	0.01	-	0.01
	01-Apr-15	-	-	-	-	-	-
Infinium Motors Private Limited	31-Mar-17	-	0.37	-	-	-	0.37
	31-Mar-16	-	-	-	-	-	-
	01-Apr-15	-	0.83	-	-	-	0.83
Advance received in cash or in kind							
Infinium Motors Private Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	0.06	-	-	-	0.06
	01-Apr-15	-	-	-	-	-	-
Loans and advances given							
NSI Infinium Global Private Limited[2]	31-Mar-17	-	-	-	1,456.28	-	1,456.28
	31-Mar-16	-	-	-	1,118.92	-	1,118.92
	01-Apr-15	-	-	-	1,712.67	-	1,712.67
Infinium India Limited[3]	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	-	118.10	-	118.10
	01-Apr-15	-	-	-	82.50	-	82.50
Interest receivable on loan given							
Avenue Infinite Private Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	-	-	-	-
	01-Apr-15	-	-	0.56	-	-	0.56
Advance given towards purchase of capital assets							
Infibeam Logistics Private Limited	31-Mar-17	-	-	-	27.00	-	27.00
	31-Mar-16	-	-	-	-	-	-
	01-Apr-15	-	-	-	-	-	-
Infinium India Limited	31-Mar-17	-	-	-	295.00	-	295.00
	31-Mar-16	-	-	-	-	-	-
	01-Apr-15	-	-	-	-	-	-
Receivables for reimbursement							
NSI Infinium Global Private Limited ^	31-Mar-17	-	-	-	0.63	-	0.63
	31-Mar-16	-	-	-	0.33	-	0.33
	01-Apr-15	-	-	-	8.38	-	8.38
Infibeam Global EMEA FZ - LLC	31-Mar-17	-	-	-	2.42	-	2.42
	31-Mar-16	-	-	-	-	-	-
	01-Apr-15	-	-	-	-	-	-

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

Particulars	Year ending	Key Management Personnel	Enterprises over which KMP is able to exercise significant influence	Associate Company	Subsidiary Companies	Relative of Key Management Personnel	Total
Accrued Income							
NSI Infinium Global Private Limited	31-Mar-17	-	-	-	-	-	-
	31-Mar-16	-	-	-	12.67	-	12.67
	01-Apr-15	-	-	-	-	-	-
Provision for expenses							
NSI Infinium Global Private Limited	31-Mar-17	-	-	-	0.05	-	0.05
	31-Mar-16	-	-	-	0.25	-	0.25
	01-Apr-15	-	-	-	-	-	-

Terms and conditions of transactions with related parties

(1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(2) For the year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: INR Nil, 1 April 2015: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(3) Adjustments in balance of investments, loan balance and interest income of NSI Infinium Global Private Limited represents Ind AS adjustment on interest free loan given to subsidiary company.

Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2017 (March 31, 2016: Rs.Nil and April 1, 2015: Rs.Nil)

^ All the transactions pertaining to purchase, sales, expenses etc. entered with NSI Infinium Global Pvt. Ltd are adjusted against reimbursement of expenses. Hence, the net amount of reimbursement has been derived considering the transactions entered into between the parties during the year.

NOTE 27 : EARNING PER SHARE

(Rupees in million)

Particulars	FY 2016-17	FY 2015-16
Earning per share (Basic and Diluted)		
Profit attributable to ordinary equity holders	1.78	418.71
Total no. of equity shares at the end of the year	53,893,920	53,091,321
Weighted average number of equity shares		
For basic EPS	53,257,041	42,612,949
For diluted EPS	53,957,134	43,324,355
Nominal value of equity shares	10	10
Basic earning per share	0.03	9.83
Diluted earning per share	0.03	9.66
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	53,257,041	42,612,949
Effect of dilution: Employee stock options	700,093	711,406
Weighted average number of equity shares adjusted for the effect of dilution	53,957,134	43,324,355

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

NOTE 28: SHARE BASED PAYMENTS

Employee stock option (ESOP) scheme (2013-14):

The scheme has been adopted by the Board of Directors pursuant to resolution passed at its meeting held on 17 February 2013, read with Special Resolution passed by shareholder of the company at the extra ordinary general meeting held on 30 March 2013. The plan entitles senior employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled by physical delivery of shares. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of Rs 10 which is 97.65% below the market price at the date of grant, i.e., 1 April 2013 and 1 April 2014.

Employee stock option (ESOP) scheme (2014-15)

The scheme has been adopted by the Board of Directors pursuant to resolution passed at its meeting held on 27 February 2014, read with Special Resolution passed by shareholder of the company at the extra ordinary general meeting held on 31 March 2014. The plan entitles senior employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled by physical delivery of shares. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of Rs 10 which is 97.65%, 97.68% and 100% respectively below the market price at the date of grant, i.e., 1 April 2014, 1 April 2015, 1 April 2016, 1 October 2014, 1 October 2015 and 1 October 2016.

Scheme	ESOP Scheme 2013-14	ESOP Scheme 2014-15	ESOP Scheme 2014-15	ESOP Scheme 2014-15	ESOP Scheme 2014-15
Date of grant	-	April 1 , 2016	April 1 , 2015	October 1 , 2016	October 1 , 2015
Number of options granted during the year	-	3,52,023	4,04,690	6,200	3,650
Exercise price per option	10	10	10	10	10
Vesting requirements	Vesting period as defined by the board in the letters issuing the options to employees.	Vesting period as defined by the board in the letters issuing the options to employees.	Vesting period as defined by the board in the letters issuing the options to employees.	Vesting period as defined by the board in the letters issuing the options to employees.	Vesting period as defined by the board in the letters issuing the options to employees.
Exercise period	2 years	2 years	2 years	2 years	2 years
Method of settlement	Physical delivery of shares	Physical delivery of shares	Physical delivery of shares	Physical delivery of shares	Physical delivery of shares

The following table sets forth a summary of the activity of options:

Particulars	FY 2016-17		FY 2015-16	
	ESOP Scheme 13-14	ESOP Scheme 14-15	ESOP Scheme 13-14	ESOP Scheme 14-15
Options				
Outstanding at the beginning of the year	163,400	565,148	473,600	284,975
Granted during the year	-	358,223	-	408,340
Exercised during the year	(108,300)	(257,936)	(110,200)	(3,975)
lapse during the year	(1,000)	(2,650)	(200,000)	(124,192)
Outstanding at the end of the year	54,100	662,785	163,400	565,148
Exercisable at the end of the year	54,100	662,785	163,400	565,148

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 :

(Rupees in million)

Particulars	FY 2016-17	FY 2015-16
Employee option plan	36.89	24.45
Total employee share based payment expense	36.89	24.45

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

The fair value of the share based payment options granted on is determined using the black scholes model using the following inputs at the grant date which takes in to account the exercise price, the term of the option, the share price at the grant date, and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Weighted average share price.	990	425	425.00
Exercise price	10	10	10.00
Expected volatility	310%	5%	-
Expected life (years)	1 year	1 year	1 year
Dividend yield	-	-	-
Risk-free interest rate (%)	6.96%	7.79%	7.8%
Fair market value share	984.38	415.75	415.75

NOTE 29: SEGMENT REPORTING

The Company's Chief Operating Decision Maker (CODM) examines the Company's performance from business and geographic perspective. In accordance with Ind AS-108 - Operating Segments, evaluation by the CODM and based on the nature of activities performed by the Company, which primarily relate to Software development, maintenance and other ancillary services, the Company does not operate in more than one business segment.

A. Information about geographical areas

The Company operates in three principal geographical areas of the world, in India, its home country, Middle East and the Other countries. As the Company does not operate in more than one business segment, disclosures for primary segment as required under Ind AS 108 have not been given.

B. Unallocated items:

India, geographical segment includes certain assets which are common to all the geographical segment (i.e. India, Middle East and Others).

Non-current assets exclude financial instruments, deferred tax assets and tax assets.

C. Segment policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

D. Major customer

Revenue from two customers of the Company's India segment is Rs. 200 million and two customer of the Company's Middle East segment is Rs. 192.72 million which is more than 10 percent of the Company's total revenue.

	Period ending	India	Middle East	Others	Total
Revenue from operations and other operating revenue	31-Mar-17	281.67	232.74	17.04	531.45
	31-Mar-16	301.79	93.58	35.76	431.13
Carrying amount of segment non current assets	31-Mar-17	2,297.80	-	-	2,297.80
	31-Mar-16	1,336.17	-	-	1,336.17
	01-Apr-15	2,075.90	-	-	2,075.90

NOTE 30 : OPERATING LEASE

The Company has taken a commercial premises under operating leases. The leases period is of 1 year. These leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually accepted terms including escalation of lease rent. Total expense incurred under the cancellable operating lease agreement recognised as an expense in the Statement of Profit and Loss during the year is Rs 1.56 million (previous year Rs. 1.49 million)

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

NOTE 31 : CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

a. The Company is required to spend Rs. Nil (Previous Year Rs.Nil) on CSR activities.

b. Amount spent during the year on:

(Rupees in million)

		Year ended								
		March 31, 2017			March 31, 2016			April 01, 2015		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-	-	-	-	-	-	-
(ii)	Contribution to various Trusts / NGOs / Societies /	-	-	-	-	-	-	-	-	-
	Agencies and utilisation thereon	-	-	-	-	-	-	-	-	-
(iii)	Expenditure on Administrative Overheads for CSR	-	-	-	-	-	-	-	-	-

NOTE 32 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

The management assessed that trade receivables, cash and cash equivalents, other bank balance, other financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities other than assets and liabilities which approximate their carrying amounts largely due to the short-term maturities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities:

As at 31 March 2017 (Rupees in million)

Particulars	Carrying amount Fair value through				Fair value			
	Amortised Cost	Other comprehensive income	Profit and loss	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets	-	-		-	-	-	-	-
	-	-		-	-	-	-	-
Financial liabilities	-	-		-	-	-	-	-
	-	-		-	-	-	-	-

As at 31 March 2016 **(Rupees in million)**

Particulars	Carrying amount Fair value through				Fair value			
	Amortised Cost	Other comprehensive income	Profit and loss	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets	1,118.92	-	-	1,118.92	-	1,118.92	-	1,118.92
Non- current loans	1,118.92	-	-	1,118.92	-	1,118.92	-	1,118.92
Financial liabilities	-	-		-	-	-	-	-
	-	-		-	-	-	-	-

NOTES

to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

1 April 2015 (Rupees in million)

Particulars	Carrying amount Fair value through				Fair value			
	Amortised Cost	Other comprehensive income	Profit and loss	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets	1,712.67	-	-	1,712.67	-	1,712.67	-	1,712.67
Non- current loans	1,712.67	-	-	1,712.67	-	1,712.67	-	1,712.67
Financial liabilities	20.00	-	-	20.00	-	20.00	-	20.00
Borrowings								
Non current borrowings	20.00	-	-	20.00	-	20.00	-	20.00

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Level 2 - Valuation technique and significant observable inputs for assets and liabilities

Loan represents interest free loans given to subsidiary companies. The fair value of loans is derived based on market observable interest rate.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The treasury team recommends risk management objectives and policies. The activities of this operations include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of following financial assets represents the maximum credit exposure.

Cash and cash equivalents

The company maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Trade receivables

Trade receivables of the company are typically unsecured. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which company grants credit terms in the normal course of business. The company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. The company has no concentration of credit risk as the customer base is geographically distributed.

NOTES
to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

The maximum exposure to credit risk for trade receivables by geographic region was as follows:

(Rupees in million)

Particulars	Carrying amount as at		
	March 31, 2017	March 31, 2016	April 1, 2015
Domestic	13.39	40.46	38.54
Other regions	101.41	28.18	23.84
	114.80	**68.64**	**62.38**

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

(Rupees in million)

Particulars	Carrying amount					
	March 31, 2017		March 31, 2016		April 1, 2015	
	Upto 0-180 days	More than 180 days	Upto 0-180 days	More than 180 days	Upto 0-180 days	More than 180 days
Gross	115.25	7.34	62.35	6.29	62.31	0.07
Less: Provision	(0.82)	(6.97)	-	-	-	-
Net	114.43	0.37	62.35	6.29	62.31	0.07

The above receivables which are past due but not impaired are assessed on individual case to case basis and relate to a number of independent third party customers from whom there is no recent history of default. These financial assets were not impaired as there had not been a significant change in credit quality and the amounts were still considered recoverable based on the nature of the activity of the customer portfolio to which they belong and the type of customers. There are no other classes of financial assets that are past due but not impaired except for Trade receivables as at March 31, 2017; March 31, 2016 and April 1, 2015.

iii. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(Rupees in million)

Particulars	On demand	Less than 1 year	more than 1 year
Year ended March 31, 2017			
Interest bearing borrowings*	850.00	-	-
Trade payables	-	5.82	-
Other financial liabilities#	-	51.40	-
	850.00	57.22	-
Year ended March 31, 2016			
Interest bearing borrowings*	-	-	-
Trade payables	-	6.96	-
Other financial liabilities#	-	324.27	-
	-	331.23	-
Year ended April 1, 2015			
Interest bearing borrowings*	-	-	-
Trade payables	-	5.26	-
Other financial liabilities#	-	8.40	-
	-	13.66	-

* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.

Other financial liabilities includes interest accrued of Rs. 1.0 million (March 31, 2016 : Rs.2.27 million and April 1, 2015 : Rs.0.64 million).

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to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings, deposits.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company has foreign currency trade payables and receivables and is, therefore, exposed to foreign exchange risk. The Company does not use any derivative instruments to hedge its risks associated with foreign currency fluctuations.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, AED and SAR rates to the functional currency of respective entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(Rupees in million)

	Change in USD rate	Effect on profit before tax
March 31, 2017	+5%	5.80
	-5%	(5.80)
March 31, 2016	+5%	(0.10)
	-5%	0.10
	Change in AED rate	Effect on profit before tax
March 31, 2017	+5%	0.45
	-5%	(0.45)
March 31, 2016	+5%	0.77
	-5%	(0.77)
	Change in SAR rate	Effect on profit before tax
March 31, 2017	+5%	1.03
	-5%	(1.03)
March 31, 2016	+5%	0.59
	-5%	(0.59)

NOTE 33 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. 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 net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

(Rupees in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
Interest-bearing loans and borrowings (Note 12)	850.00	20.00	20.00
Less: cash and cash equivalent (including other bank balance) (Note 7)	(2,427.07)	(4,607.23)	(32.94)
Net debt	**(1,577.07)**	**(4,587.23)**	**(12.94)**
Equity share capital (Note 10)	538.94	530.91	425.60
Other equity (Note 11)	7,510.64	6,758.18	2,034.22
Total capital	**8,049.58**	**7,289.09**	**2,459.82**
Capital and net debt	**6,472.51**	**2,701.86**	**2,446.88**
Gearing ratio	-	-	-

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets borrowings that define capital structure requirements. There are no financial convenants attached to borrowings.

No changes were made in the objective, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

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to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

NOTE 34 : DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act') accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2017 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance-sheet date.

(Rupees in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;	-	-	-
The amount of interest paid by the buyer under the MSMED Act along with the amounts of the payment made to the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act not paid);	-	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-	-
The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-

On basis of information and records available with the Company, the above disclosures are made in respect of amount due to the micro, small and medium enterprises, which have been registered with the relevant competent authorities. This has been relied upon by the auditors.

NOTE 35 : FIRST- TIME ADOPTION OF IND AS

These financial statements, for the year ended March 31, 2017, are the first annual Ind AS financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the previously published Indian GAAP financial statements as at and for the year ended March 31, 2016.

Exemptions applied

Ind AS 101 "First-time Adoption of Indian Accounting Standards" allows first-time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

1 Deemed cost

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets including capital work in progress and intangibles under development as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and used it as its deemed cost at the date of transition.

2 Investment in Subsidiaries and Associates

The Company has elected the option provided under Ind AS 101 to measure all its investments in Subsidiaries and Associates at previous GAAP carrying value on the date of transition in its separate financial statement and used that carrying value as the deemed cost of such investments.

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to the Standalone Financials Statement for the year ended March 31, 2017 (Contd.)

36 DISCLOSURE ON SPECIFIED BANK NOTE (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016. The details as per the notification is given below:

(Rupees in million)

Particulars	SBN*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	0.34	0.19	0.53
(+) Permitted receipt	-	-	-
(-) Permitted payment	-	-	-
(-) Amount deposited in bank	0.34	-	0.34
Closing cash in hand as on December 30, 2016	**-**	**0.19**	**0.19**

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

37 During the year ended March 31, 2016, the Company has raised funds pursuant to Initial Public Offering (IPO) for the purpose of setting up of cloud data center, purchase of property for shifting and setting up of registered and corporate office of the company, setting up of 75 logistic centers, purchase of software and general corporate purposes. The Company issued 10,416,666 equity shares of Rs. 10 each at an issue price of Rs 432 per equity share. The proceeds from IPO is Rs. 4,499.99 million. The Company has incurred IPO expenses of Rs. 343.85 million (such as merchant bankers fees, underwriting fees, selling commission, legal counsel fees, registrar to the issue, brokerage and selling commission, printing and stationary expenses, advertising and marketing expenses and other incidental expenses). Of the total IPO expenses, expenses aggregating to Rs. 312.78 million have been adjusted towards the securities premium account. Further IPO expenses aggregating to Rs. 5.52 million (March 2016: 25.55 million) have been charged to the Statement of Profit and Loss. The unutilised amount received through IPO is temporarily deployed as under:

(Rupees in million)

Particulars	As at March 31, 2017	As at March 31, 2016
- In fixed deposits	1,630.00	-
- In current account with bank	0.91	-
Total	**1,630.91**	**-**

38 The Company's transactions with associated enterprises are at arm's length. Management believes that the company's domestic transactions with associated enterprises post March 31, 2016 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end.

39 Previous year figures have been regrouped or recast wherever necessary to make them comparable with those of the current year. The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by one of the joint auditor (B S R & Associates LLP) whose report for the year ended March 31, 2016 and March 31, 2015 dated May 30, 2016 and September 5, 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by joint auditors.

As per our report of even date

For S R B C & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta
Partner
Membership No.: 101974

Place : Ahmedabad
Date : May 30, 2017

For B S R & Associates LLP
Chartered Accountants
ICAI Firm's Registration No. 116231W/W-100024

Jeyur Shah
Partner
Membership No.: 045754

Place : Ahmedabad
Date : May 30, 2017

For and on behalf of the board of directors of
Infibeam Incorporation Limited
CIN: L64203GJ2010PLC061366

Vishal Mehta
Managing Director
DIN: 03093563
Place : Ahmedabad
Date : May 30, 2017

Ajit Mehta
Director
DIN: 01234707
Place : Ahmedabad
Date : May 30, 2017

Hiren Padhya
Chief Financial Officer
Place : Ahmedabad
Date : May 30, 2017

Shyamal Trivedi
Company Secretary
Place : Ahmedabad
Date : May 30, 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INFIBEAM INCORPORATION LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Infibeam Incorporation Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("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 including its associate in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated Ind AS 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 state of affairs of the Group and its associate as at March 31, 2017, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate Ind AS financial statements and the other financial information of subsidiaries and an associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon 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 Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement 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 Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and an associate company incorporated in India, none of the directors of the Group's companies and its associate companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and associate company incorporated in India, refer to our separate report in "Annexure 1" to this report; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate Ind AS financial statements as also the other financial information of the subsidiaries and an associate, as noted in the 'Other matter' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate – Refer Note 25 to the consolidated Ind AS financial statements;

   ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and an associate incorporated in India during the year ended March 31, 2017; and

   iv. The Holding Company, subsidiaries and its associates incorporated in India, have provided requisite disclosures in Note 38 to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group including its associate and as produced to us by the Management of the Holding Company.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of six subsidiaries, and one associate, whose financial statements include total assets of ₹ 951.79 million and net assets of ₹ 311.30 million as at March 31, 2017, and total revenues of ₹1287.13 million and net cash inflows of ₹144.94 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ Nil for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of an associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and an associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and an associate, is based solely on the reports of such other auditors.

    One of the subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in that country and which has been audited by other auditor as for generally accepted auditing standards applicable in that country. The Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India (In AS). We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company audited by us.

(b) The comparative financial information of the Group including its associate for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by one of the joint auditor (B S R & Associates LLP) whose report for the year ended March 31, 2016 and March 31, 2015 dated May 30, 2016 and September 5, 2015 respectively expressed an unmodified opinion on those consolidated Ind AS financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been jointly audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Jeyur Shah
Partner
Membership No: 045754
Ahmedabad
Date : May 30, 2017

For S R B C & Co LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Sukrut Mehta
Partner
Membership No: 101974
Ahmedabad
Date : May 30, 2017

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF INFIBEAM INCORPORATION LIMITED

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

In conjunction with our audit of the consolidated Ind AS financial statements of Infibeam Incorporation Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Infibeam Incorporation Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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'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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate company, which are companies 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, 2017, 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to six subsidiary companies and associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies and its associate company incorporated in India.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Jeyur Shah
Partner
Membership No: 045754
Ahmedabad
Date : May 30, 2017

For S R B C & Co LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Sukrut Mehta
Partner
Membership No: 101974
Ahmedabad
Date : May 30, 2017

Consolidated BALANCE SHEET as at March 31, 2017

(Rupees in million)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
I. Non-current assets				
Property, plant and equipment	5a	35.94	51.44	75.72
Capital work-in-progress	5b	994.67	-	-
Goodwill		58.38	58.38	58.38
Intangible assets	6	809.12	560.53	373.86
Intangible assets under development	6	211.15	192.48	262.08
Financial assets				
Investments	7	600.00	-	-
Loans	7	2.41	-	-
Other financial assets	7	21.70	2.25	130.46
Deferred tax assets (net)	24	113.43	106.52	1.97
Income tax assets (net)	9	86.81	110.23	71.37
Other non-current assets	8	1,130.53	200.65	494.42
Total non-current assets		**4,064.14**	**1,282.38**	**1,468.26**
II. Current assets				
Inventories	10	94.20	237.77	122.82
Financial assets				
Trade receivables	7	554.98	479.73	331.07
Cash and cash equivalents	7	1,387.66	4,763.22	149.24
Other bank balance	7	1,679.38	402.71	452.49
Others financial assets	7	1,717.31	118.99	49.36
Other current assets	8	937.67	215.26	106.92
Total current assets		**6,371.20**	**6,217.68**	**1,211.90**
Total Assets		**10,435.34**	**7,500.06**	**2,680.16**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	538.94	530.91	425.60
Other equity	12	7,288.31	6,099.49	1,701.05
Equity attributable to Equity holders of the Parent		7,827.25	6,630.40	2,126.65
Non-controlling interests		(9.10)	(3.36)	2.50
Total equity		**7,818.15**	**6,627.04**	**2,129.15**
LIABILITIES				
I. Non-current liabilities				
Financial liabilities				
Borrowings	13	-	-	20.00
Provisions	14	12.41	16.88	10.47
Deferred tax liabilities (net)	24	1.24	-	-
Total non-current liabilities		**13.65**	**16.88**	**30.47**
II. Current liabilities				
Financial liabilities				
Borrowings	13	1,362.27	36.94	29.49
Trade payables	13	170.17	257.58	205.38
Other financial liabilities	13	164.48	382.80	47.17
Other current liabilities	15	837.39	172.96	234.09
Provisions	14	7.13	5.96	4.41
Income tax liabilities (net)		62.10	-	-
Total current liabilities		**2,603.54**	**856.24**	**520.54**
Total equity and liabilities		**10,435.34**	**7,500.16**	**2,680.16**
Summary of significant accounting policies	1-4			
The accompanying notes from an integral part of these consolidated financial statements.				

As per our report of even date

For S R B C & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta
Partner
Membership No.: 101974

Place : Ahmedabad
Date : May 30, 2017

For B S R & Associates LLP
Chartered Accountants
ICAI Firm's Registration No. 116231W/W-100024

Jeyur Shah
Partner
Membership No.: 045754

Place : Ahmedabad
Date : May 30, 2017

For and on behalf of the board of directors of
Infibeam Incorporation Limited
CIN: L64203GJ2010PLC061366

Vishal Mehta
Managing Director
DIN: 03093563
Place : Ahmedabad
Date : May 30, 2017

Ajit Mehta
Director
DIN: 01234707
Place : Ahmedabad
Date : May 30, 2017

Hiren Padhya
Chief Financial Officer
Place : Ahmedabad
Date : May 30, 2017

Shyamal Trivedi
Company Secretary
Place : Ahmedabad
Date : May 30, 2017

Consolidated STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2017

(Rupees in million)

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
INCOME			
Revenue from operations	16	4,413.41	3,369.50
Other income	17	163.61	54.95
TOTAL INCOME (I)		**4,577.02**	**3,424.45**
EXPENSES			
Purchases of traded goods		2,585.47	2,436.94
Changes in inventories of traded goods	18	143.57	(114.95)
Employee benefits expense	19	290.75	276.16
Finance costs	20	42.64	11.48
Depreciation and amortisation expense	21	224.78	175.38
Other expenses	22	726.96	552.06
Total expenses (II)		**4,014.17**	**3,337.07**
Profit before share of profit / (loss) of an associate, exceptional item and tax (III) = (I-II)		**562.85**	**87.38**
Share of profit / (loss) of an associate (IV)		-	-
Profit before exceptional item and tax (V) = (III-IV)		**562.85**	**87.38**
Exceptional item (VI)		-	0.16
Profit before tax (VII) = (V-VI)		**562.85**	**87.22**
TAX EXPENSE			
Current tax			
- for current year	24	96.50	0.09
- for previous year		39.86	-
Deferred tax	24	(8.85)	(0.72)
Total tax expense (IV)		**127.51**	**(0.63)**
Profit for the year (V) = (III-IV)		**435.34**	**87.85**
OTHER COMPREHENSIVE INCOME			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans		10.02	(1.24)
Income tax effect	24	(3.20)	0.43
B. Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange difference on translating the financial statements of a foreign operations		(3.46)	-
Total other comprehensive income for the year, net of tax (X)		**3.36**	**(0.81)**
Total comprehensive income for the year, net of tax (XI)=(IX+X)		**438.70**	**87.04**
Profit for the year attributable to:			
Equity holders of the parent		441.08	93.71
Non-controlling interest		(5.74)	(5.86)
		435.34	**87.85**
Total comprehensive income for the year attributable to:			
Equity holders of the parent		444.44	92.90
Non-controlling interest		(5.74)	(5.86)
		438.70	**87.04**
Earning per equity share [nominal value per share Rs.10/- (March 31, 2016: Rs.10/-)]			
Basic, computed on the basis of profit attributable to equity holders of the parent	30	8.28	2.20
Diluted, computed on the basis of profit attributable to equity holders of the parent	30	8.17	2.16
Summary of significant accounting policies	1-4		
The accompanying notes from an integral part of these consolidated financial statements.			

As per our report of even date

For S R B C & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta
Partner
Membership No.: 101974

Place : Ahmedabad
Date : May 30, 2017

For B S R & Associates LLP
Chartered Accountants
ICAI Firm's Registration No. 116231W/W-100024

Jeyur Shah
Partner
Membership No.: 045754

Place : Ahmedabad
Date : May 30, 2017

For and on behalf of the board of directors of
Infibeam Incorporation Limited
CIN: L64203GJ2010PLC061366

Vishal Mehta
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DIN: 03093563
Place : Ahmedabad
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Date : May 30, 2017

Hiren Padhya
Chief Financial Officer
Place : Ahmedabad
Date : May 30, 2017

Shyamal Trivedi
Company Secretary
Place : Ahmedabad
Date : May 30, 2017

Consolidated STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2017

A. EQUITY SHARE CAPITAL

Balance	(Rupees in million)
	Note 11
As at April 1, 2015	**425.60**
Issue of Equity Share capital	105.31
As at March 31, 2016	**530.91**
Issue of Equity Share capital	8.03
As at March 31, 2017	**538.94**

B. OTHER EQUITY

(Rupees in million)

Particulars	Attributable to the equity holders of the parent							Non-Controlling Interest	Total other equity
	Capital reserve	General reserve	Securities premium account	Debenture redemption reserve	Foreign currency monetary item translation reserve	Employees Stock Options Outstanding	Retained Earnings		
	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12		
Balance as at April 1, 2015	0.29	3.63	2,280.97	-	-	313.13	(896.97)	2.50	1,701.05
Profit/ (loss) for the year	-	-	-	-	-	-	93.71	(5.86)	93.71
Other comprehensive income for the period	-	-	-	-	-	-	(0.81)	-	(0.81)
On issue of equity shares at premium of ₹ 422 per share (previous year ₹ 415)	-	-	4,395.83	-	-	-	-	-	4,395.83
IPO expenses adjusted to securities premium, net of tax	-	-	(312.78)	-	-	-	-	-	(312.78)
Tax on IPO expenses adjusted to securities premium, Ind AS adjustment	-	-	103.41	-	-	-	-	-	103.41
Transfer to debenture redemption reserve from surplus	-	-	-	5.00	-	-	(5.00)	-	-
On lapse of stock options - cost reimbursed to subsidiary company	-	84.33	-	-	-	(84.33)	-	-	-
Exercise of ESOPs	-	-	47.38	-	-	(47.38)	-	-	-
Employee compensation expense for the year	-	-	-	-	-	119.08	-	-	119.08
Balance as at March 31, 2016	**0.29**	**87.96**	**6,514.81**	**5.00**	**-**	**300.50**	**(809.07)**	**(3.36)**	**6,099.49**

Consolidated STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2017 (Contd.)

Particulars	Attributable to the equity holders of the parent							Non-Controlling Interest	Total other equity
	Capital reserve	General reserve	Securities premium account	Debenture redemption reserve	Foreign currency monetary item translation reserve	Employees Stock Options Outstanding	Retained Earnings		
	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12		
Balance as at April 1, 2016	0.29	87.96	6,514.81	5.00	-	300.50	(809.07)	(3.36)	6,099.49
Profit/ (loss) for the year	-	-	-	-	-	-	441.08	(5.74)	441.08
Other comprehensive income for the period	-	-	-	-	-	-	6.82	-	6.82
On issue of equity shares at premium of ₹ 422 per share (previous year ₹ 415)	-	-	-	-	-	-	-	-	-
IPO expenses adjusted to securities premium, net of tax	-	-	-	-	-	-	-	-	-
On conversion of share warrant into equity share	-	-	595.65	-	-	-	-	-	595.65
Tax on IPO expenses adjusted to securities premium, Ind AS adjustment	-	-	-	-	-	-	-	-	-
Amount transferred to General Reserve	-	5.00	-	(5.00)	-	-	-	-	-
On lapse of stock options - cost reimbursed to subsidiary company	-	0.68	-	-	-	(0.68)	-	-	-
Exercise of ESOPs	-	-	151.99	-	-	(151.99)	-	-	-
Employee compensation expense for the year	-	-	-	-	-	152.35	-	-	152.35
Other adjustment	-	-	-	-	-	-	(3.62)	-	(3.62)
Foreign currency translation	-	-	-	-	(3.46)	-	-	-	(3.46)
Balance as at March 31, 2017	**0.29**	**93.64**	**7,262.45**	**-**	**(3.46)**	**300.18**	**(364.79)**	**(9.10)**	**7,288.31**
The accompanying notes are an integral part of the financial statements.									

As per our report of even date

For S R B C & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta
Partner
Membership No.: 101974

Place : Ahmedabad
Date : May 30, 2017

For B S R & Associates LLP
Chartered Accountants
ICAI Firm's Registration No. 116231W/W-100024

Jeyur Shah
Partner
Membership No.: 045754

Place : Ahmedabad
Date : May 30, 2017

For and on behalf of the board of directors of
Infibeam Incorporation Limited
CIN: L64203GJ2010PLC061366

Vishal Mehta
Managing Director
DIN: 03093563
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Ajit Mehta
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Date : May 30, 2017

Hiren Padhya
Chief Financial Officer
Place : Ahmedabad
Date : May 30, 2017

Shyamal Trivedi
Company Secretary
Place : Ahmedabad
Date : May 30, 2017

Consolidated CASH FLOW STATEMENT for the year ended March 31, 2017

(Rupees in million)

	March 31, 2017	March 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	562.87	87.22
Adjustments for:		
Depreciation and amortisation expense	224.78	175.38
ESOP expenses	44.40	45.16
Initial Public Offering (IPO) expense	5.52	25.55
Provision for doubtful debts	7.79	2.50
Provision for doubtful loans and advances	0.71	9.69
Bad debts written off	36.22	-
Balances written off	0.48	-
Provision written back	(9.15)	(4.57)
Net unrealised foreign exchange (gain) / loss	(8.82)	0.42
Gain on sale of property, plant and equipment	-	(1.26)
Finance costs	42.64	11.48
Interest income	(152.57)	(44.08)
	754.86	**307.48**
Working capital adjustments :		
Decrease / (increase) in inventories	143.57	(114.95)
(Increase) in trade receivables	(113.87)	(151.58)
(Increase) / decrease in other assets	(731.94)	164.98
(Decrease) / increase in trade payables	(87.45)	51.84
Increase in provisions and other liabilities	678.84	20.37
Cash generated from operating activities	644.02	278.15
Income tax paid (net)	(50.86)	(38.94)
Net cash generated from operating activities (A)	**593.16**	**239.21**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant and equipment and intangible assets (including intangible assets under development)	(2,299.15)	(119.01)
Proceeds from sale of property, plant and equipment and intangible assets	-	4.01
Payments for purchase of non-current investments	(2,130.00)	-
Loans and advances given to related parties	(2.41)	-
Interest received	138.70	50.20
Payments for / (proceeds from) fixed deposits with bank (net)	(1,291.10)	34.99
Net cash (used in) investing activities (B)	**(5,583.97)**	**(29.81)**

Consolidated CASH FLOW STATEMENT for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	March 31, 2017	March 31, 2016
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	600.00	4,500.00
Proceeds from exercise of ESOP	3.66	1.14
Payment of Initial Public Offering (IPO) expenses including charged to securities premium	(249.74)	(94.11)
Interest paid	(43.99)	(9.86)
Repayment of borrowings (net)	1,305.39	6.75
Net cash generated from financing activities (C)	**1,615.25**	**4,404.58**
Net increase in cash and cash equivalents (A+B+C)	**(3,375.56)**	**4,613.98**
Cash and cash equivalents at 1 April	**4,763.22**	**149.24**
Cash and cash equivalents at 31 March	**1,387.66**	**4,763.22**

Notes:

1. **The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 "Statement of Cash Flows".**
2. **Cash and cash equivalents comprises of**

	As at March 31, 2017	As at March 31, 2016
Balances with banks:		
- Current accounts	1,386.82	4,759.76
Cash on hand	0.84	3.46
Bank overdraft facility	(9.01)	(9.08)
Cash and cash equivalents in cash flow statement	**1,378.65**	**4,754.14**

As per our report of even date

For S R B C & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta
Partner
Membership No.: 101974

Place : Ahmedabad
Date : May 30, 2017

For B S R & Associates LLP
Chartered Accountants
ICAI Firm's Registration No. 116231W/W-100024

Jeyur Shah
Partner
Membership No.: 045754

Place : Ahmedabad
Date : May 30, 2017

For and on behalf of the board of directors of
Infibeam Incorporation Limited
CIN: L64203GJ2010PLC061366

Vishal Mehta
Managing Director
DIN: 03093563
Place : Ahmedabad
Date : May 30, 2017

Ajit Mehta
Director
DIN: 01234707
Place : Ahmedabad
Date : May 30, 2017

Hiren Padhya
Chief Financial Officer
Place : Ahmedabad
Date : May 30, 2017

Shyamal Trivedi
Company Secretary
Place : Ahmedabad
Date : May 30, 2017

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017

1. CORPORATE INFORMATION

Infibeam Incorporation Limited ("the Company") along with its subsidiaries and associates, collectively referred to as (the "Group") was incorporated on June 30, 2010 under the Companies Act, 1956. The Group is primarily engaged in business software development services, maintenance, web development, e-commerce and other ancillary services.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at 9th Floor, "A" Wing, Gopal Palace, Nehru Nagar, Satellite Road, Ahmedabad – 380015.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 30, 2017.

2.1 Basis of preparation of consolidated financial statements

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarised in the consolidated financial statement.

The consolidated financial statements are presented in INR and all values are rounded to the nearest million except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and associate as at 31 March 2017.

Subsidiaries: Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Equity accounted investees: The Group's interests in equity accounted investees comprise interests in associate. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associate are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of each of the subsidiaries and associate used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March.

CONSOLIDATION PROCEDURE:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

The consolidated financial statements comprise the financial statements of the Company, and its subsidiaries and associate as disclosed below.

Name of the Company	Country of incorporation	% of shareholding	
		As at March 31, 2017	As at March 31, 2016
Subsidiaries:			
NSI Infinium Global Private Limited	India	100%	100%
Infinium India Limited	India	100%	100%
Infibeam Digital Entertainment Private Limited	India	74%	74%
Odigma Consultancy Private Limited	India	100%	100%
Infibeam Logistics Private Limited	India	100%	100%
Sine Qua Non Solutions Private Limited	India	100%	100%
Infibeam Global EMEA FZ-LLC	U.A.E	100%	100%
Associate:			
Avenues Infinite Private Limited	India	50%	50%

Business combinations (other than common control business combinations) on or after April 1, 2015

As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred on or after the date of transition to Ind AS i.e. April 1, 2015. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment (see Note 4.7). Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity.

Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

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

Business combinations prior to April 1, 2015

In respect of such business combinations, goodwill represents the amount recognised under the Group's previous accounting framework under Previous GAAP adjusted for the reclassification of certain intangibles.

Common control business combinations

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

3. CRITICAL ACCOUNTING ESTIMATES

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

3.1 Estimate and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3.2 Defined benefit plans

The cost of the defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. Discount rate has been determined by reference to market yields on the government bonds as at the balance sheet date. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

Further details about defined benefit obligations are provided in Note 28.

3.3 Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made in accordance with SEBI regulation and Ind As 102: Share based payment. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 32.

3.4 Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

3.5 Intangible asset under development

The Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed and development work commences. In determining the amounts to be capitalised, management makes assumptions regarding the expected future economic benefits to be generated of the project. The carrying value of intangible assets under development has been disclosed in Note 6.

3.6 Intangible assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated, future economic benefits are probable. The costs which can be capitalised include the salary and ESOP cost of employees that are directly attributable to development of the asset for its intended use. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer Note 4.5 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 6.

3.7 Property, plant and equipment

Refer Note 4.4 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

3.8 Investments

Investment in associates is carried at cost in the consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Group in preparing Consolidated financial statement:

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

4.1 Current versus 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 the 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 the 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.

4.2 Foreign currencies

The Group's financial statements are presented in Indian rupees, The functional currency of Infibeam Incorporation Limited, NSI Infinium Global Private Limited, Odigma Consultancy Private Limited, Sine Qua Non Solution Private Limited, Infinium India Limited, Infibeam Logistic Private Limited and Avenues Infinite Private Limited is the Indian Rupee. The functional currency of Infibeam Global EMEA FZ LLC is UAE Dirham.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit or loss are also recognised in OCI or profit or loss, respectively).

The translations of financial statements of the foreign subsidiary to the presentation currency is performed for assets and liabilities using exchange rate in the effect at the balance sheet and for revenue, expense and cash-flow items using average exchange rate for respective periods. The gains or losses resulting from such translations are included in currency translation reserve under other component of equity. When a subsidiary is disposed of, in full, the relevant amount is transferred to net profit in the Statement of Profit and Loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

4.3 Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

  Or

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, as described below, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

4.4 Property, plant and equipment

The Group has elected to continue with the carrying value for all of its property, plant and equipment's intangible assets as recognised in its previous GAAP financial as deemed cost at the transition date, i.e., April 1, 2015.

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All repair and maintenance costs are recognised in statement of profit or loss as incurred.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Depreciation

Depreciation is calculated on written down value based on useful lives as prescribed under Part C of Schedule II to the Companies Act 2013, which represents the estimated useful lives of the assets. Assets individually costing less than ₹ 5,000 are fully written off in the year of acquisition.

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over useful lives as prescribed under Part C of Schedule II to the Companies Act 2013, which represents the estimated useful lives of the assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4.5 Intangible Assets

The Group has elected to continue with the carrying value for all of its intangible assets as recognised in its previous GAAP financial as deemed cost at the transition date, i.e., April 1, 2015.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Cost include acquisition and other incidental cost related to acquiring the intangible asset.

Research costs are expensed as incurred. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated, future economic benefits are probable. The costs which can be capitalised include the salary and ESOP cost of employees that are directly attributable to development of the asset for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Period of amortisation of internally generated intangibles is 5 years and period of acquired intangibles ranges between 5 years to 10 years.

Intangible assets under development

Expenditure incurred on acquisition /construction of intangible assets which are not ready for their intended use at balance sheet date are disclosed under Intangible assets under development.

4.6 Leases

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Initial direct costs incurred specifically for an operating leases are deferred and charged to the statement of profit and loss over the lease term.

4.7 Impairment of non-financial assets

Non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the 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 generated unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

4.8 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

4.9 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of products

Revenue from sale of products is recognised when the risks and rewards of ownership are transferred to customers, which generally coincides with delivery to the customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of services

Revenue from the services rendered is recognised proportionally over the period in which the services are rendered as per the rates and terms agreed between parties and when no significant uncertainty exists regarding the recoverability of amount of the consideration from rendering the service.

Registry Services revenues primarily arise from fixed fees charged to registrars for the initial registration or renewal of .ooo domain names. Revenues from the initial registration or renewal of domain names are deferred and recognised rateably over the registration term, generally one year and up to ten years. Fees for renewals and advance extensions to the existing term are deferred until the new incremental period commences. These fees are then recognised rateably over the renewal term.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

Export incentives

Export incentives are accounted on accrual basis based on shipment.

4.10 Financial instruments – initial recognition and subsequent measurement

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.

a) Financial assets

(i) 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 assets.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Equity instruments measured at fair value through statement of profit and loss (FVTPL)
- Debt instruments at amortised cost :

  A debt instrument is measured at amortised cost if both the following conditions are met:

  - the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

- 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 instruments at fair value through other comprehensive income (FVTOCI)

A debt instrument is measured at fair value through other comprehensive income if both of the following criteria are met:

- the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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 recognised in the other comprehensive income (OCI). However, interest income, impairment losses & reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On de-recognition 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 instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. 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 recognised in the Statement of profit and loss.

▪ Equity instruments:

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading 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 recognised in the OCI. There is no recycling of the amounts from OCI to P&L, 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 recognised in the statement of profit and loss.

▪ Investment in associate:

Investment in associate is carried at cost in the consolidated financial statements.

(iii) De-recognition of financial assets

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 consolidated 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 in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

(iv) Impairment of financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

b) Financial Liabilities

(i) 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, 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.

(ii) Subsequent measurement of financial liabilities

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.

  Gains or losses on liabilities held for trading are recognised in the profit or 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 risks are recognised in OCI. These gains/ loss are not subsequently transferred to P&L. 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 borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

  This category generally applies to borrowings.

(iii) De-recognition of financial liabilities

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 de-

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

recognition 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.

c) 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.

4.11 Inventories

Inventories comprise stock-in-trade, are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs (net of refundable taxes and levies) incurred in bringing the inventories to their present location and condition. In determining the cost, specific identification method is used.

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.

The comparison of cost and net realisable value is made on an item-by-item basis.

4.12 Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

4.13 Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

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.

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income 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.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets 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 utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Group does not recognises tax credits in the nature of MAT credit as an asset since there is no convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the future year in which the Group recognises tax credits as an asset, the said asset will be created by way of tax credit to the Statement of profit and loss.

4.14 Retirement and other employee benefits

a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year.

b) Post-Employment Benefits

(i) Defined benefit plan

Gratuity benefit scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet reduced by the fair value of any plan assets. The discount rate used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

  Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Group has not invested in any fund for meeting liability.

4.15 Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made in accordance with SEBI regulation and Ind As 102: Share based payment.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

4.16 Earnings per share

Basic EPS amounts are calculated by dividing the profit or loss for the year attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

4.17 Dividend distribution

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

4.18 Provisions

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, 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 or 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.

Contingencies

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

Reconciliation of equity as at March 31, 2016

(Rupees in million)

Particulars	Note	Indian GAAP	Adjustments	Ind AS
ASSETS				
I. Non-current assets				
Property, plant and equipment		51.34	-	51.34
Goodwill		58.38	-	58.38
Intangible assets		560.53	-	560.53
Intangible assets under development		192.48	-	192.48
Financial assets				
Investments		-	-	-
Loans		-	-	-
Other financial assets		2.25	-	2.25
Deferred tax assets (net)	II	2.69	103.83	106.52
Income tax assets (net)		110.23	-	110.23
Other non-current assets		200.65	-	200.65
Total non-current assets		**1,178.55**	**103.83**	**1,282.38**
II. CURRENT ASSETS				
Inventories		237.77	-	237.77
Financial assets				
Trade receivables		479.73	-	479.73
Cash and cash equivalents		4,763.22	-	4,763.22
Other bank balance		402.71	-	402.71
Others financial assets		118.99	-	118.99
Other current assets		215.26	-	215.26
Total current assets		**6,217.68**	**-**	**6,217.68**
Total Assets		**7,396.23**	**103.83**	**7,500.06**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		530.91	-	530.91
Other equity	IV	5,992.30	107.19	6,099.49
Non-controlling interests	I	-	(3.36)	(3.36)
		6,523.21	**103.83**	**6,627.04**
LIABILITIES				
I. Non-current liabilities				
Financial liabilities				
Borrowings		-	-	-
Provisions		16.88	-	16.88
Deferred tax liabilities (net)		-	-	-
Total non-current liabilities		**16.88**	**-**	**16.88**
II. Current liabilities				
Financial liabilities				
Borrowings		36.94	-	36.94
Trade payables		257.58	-	257.58
Other financial liabilities		382.80	-	382.80
Other current liabilities		172.96	-	172.96
Provisions		5.96	-	5.96
Total current liabilities		**856.24**	**-**	**856.24**
Total Equity and Liabilities		**7,396.33**	**103.83**	**7,500.16**

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

Reconciliation of equity as at April 1, 2015 (date of transition to Ind AS)

(Rupees in million)

Particulars	Note	Indian GAAP	Adjustments	Ind AS
ASSETS				
I. Non-current assets				
Property, plant and equipment		75.72	-	75.72
Goodwill		58.38	-	58.38
Intangible assets		373.86	-	373.86
Intangible assets under development		262.08		262.08
Financial assets				
Investments		-	-	-
Loans		-	-	-
Other financial assets		130.46	-	130.46
Deferred tax assets (net)		1.97	-	1.97
Income tax assets (net)		71.37	-	71.37
Other non-current assets		494.42	-	494.42
Total non-current assets		**1,468.26**	**-**	**1,468.26**
II. CURRENT ASSETS				
Inventories		122.82	-	122.82
Financial assets				
Trade receivables		331.07	-	331.07
Cash and cash equivalents		149.24	-	149.24
Other bank balance		452.49	-	452.49
Others financial assets		49.36	-	49.36
Other current assets		106.92	-	106.92
Total current assets		**1,211.90**	**-**	**1,211.90**
Total Assets		**2,680.16**	**-**	**2,680.16**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		425.60	-	425.60
Other equity		1,701.25	(0.20)	1,701.05
Non-controlling interests		2.50	-	2.50
		2,129.35	**(0.20)**	**2,129.15**
LIABILITIES				
I. Non-current liabilities				
Financial liabilities				
Borrowings		20.00	-	20.00
Provisions		10.47	-	10.47
Deferred tax liabilities (net)		-	-	-
Total non-current liabilities		**30.47**	**-**	**30.47**
II. Current liabilities				
Financial liabilities				
Borrowings		29.49	-	29.49
Trade payables		205.18	0.20	205.38
Other financial liabilities		47.17	-	47.17
Other current liabilities		234.09	-	234.09
Provisions		4.41	-	4.41
Total current liabilities		**520.34**	**0.20**	**520.54**
Total Equity and Liabilities		**2,680.16**	**0.00**	**2,680.16**

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

Reconciliation of profit for the year ended March 31, 2016

(Rupees in million)

Particulars	Note	Indian GAAP	Adjustments	Ind AS
INCOME				
Revenue from operations		3,370	-	3,370
Other income		55	-	55
Total Revenue (I)		**3,424**	**-**	**3,424**
Expenses				
Purchase of stock-in-trade		2,436.94	-	2,436.94
Changes in inventories of stock-in-trade		(114.95)	-	(114.95)
Employee benefits expense	III	277.40	(1.24)	**276.16**
Finance costs		11.48	-	11.48
Depreciation and amortisation expense		175.38	-	175.38
Other Expenses		552.06	-	552.06
Total expenses (II)		**3,338.31**	**(1.24)**	**3,337.07**
Profit/ (loss) before exceptional items and tax (I-II)		86.14	**1.24**	**87.38**
Exceptional item		(0.16)	-	(0.16)
Profit before tax		**85.98**	**1.24**	**87.22**
Tax expense				
Current tax		0.09	-	0.09
Deferred tax		(0.72)	-	(0.72)
Total tax expense		**(0.63)**	**-**	**(0.63)**
Profit for the year		**86.61**	**1.24**	**87.85**
Other comprehensive income				
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains / (losses) on defined benefit plans	III	-	(1.24)	(1.24)
Income tax effect	II	-	0.43	0.43
		-	(0.81)	(0.81)
Total other comprehensive income for the year, net of tax [A]		**-**	**(0.81)**	**(0.81)**
Total comprehensive income for the year, net of tax		**86.61**	**0.43**	**87.04**

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

Notes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and total comprehensive income for the year ended March 31, 2016

I. Ind AS adjustment on Non Controlling Interest

Ind AS adjustment of loss of subsidiary in excess of equity contribution by Non Controlling share holders allocated to Non Controlling Interest.

II. Tax impacts on Ind AS adjustments

Adjustment that reflect tax impact on Ind AS adjustments.

III. Employee benefits expenses

As per Ind-AS 19- Employee Benefits , actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period.

IV. Other equity

Adjustments to retained earnings, deferred taxes, trade payables, and Non controlling interest and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items

V. Statement of cash flows

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

5a PROPERTY, PLANT AND EQUIPMENT

Particulars	Buildings	Plant and machinery	Furniture and fixtures	Computer equipment	Vehicles	Total
Cost						
As at April 1, 2015	4.65	14.92	10.94	41.20	4.01	75.72
Additions	1.14	0.36	2.45	1.89	-	5.74
Deductions	-	-	-	-	(4.01)	(4.01)
As at March 31, 2016	**5.79**	**15.28**	**13.39**	**43.09**	**-**	**77.45**
Additions	-	1.47	0.04	0.64	-	2.25
Deductions	-	-	-	-	-	-
As at March 31, 2017	**5.79**	**16.75**	**13.43**	**43.73**	**-**	**79.70**
Depreciation:						
Accumulated depreciation as at April 1, 2015	-	-	-	-	-	-
Depreciation	0.64	4.75	3.44	17.28	1.17	27.28
Accumulated depreciation on deductions	-	-	-	-	(1.17)	(1.17)
Accumulated depreciation as at March 31, 2016	0.64	4.75	3.44	17.28	-	26.11
Depreciation	0.71	3.74	2.71	10.49	-	17.65
Accumulated depreciation on deductions	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2017	**1.35**	**8.49**	**6.15**	**27.77**	**-**	**43.76**
Net Block						
Carrying value as at March 31, 2017	**4.44**	**8.26**	**7.28**	**15.96**	**-**	**35.94**
Carrying value as at March 31, 2016	5.15	10.53	9.95	25.71	-	51.34
Carrying value as at April 1, 2015	4.65	14.92	10.94	41.20	4.01	75.72

(Rupees in million)

5b CAPITAL WORK-IN-PROGRESS

Cost	
As at April 1, 2015	-
As at April 1, 2016	-
Additions	994.67
Deductions	-
As at March 31, 2017	**994.67**
Impairment	
As at April 1, 2015	-
As at March 31, 2016	-
Deductions	-
As at March 31, 2017	**-**
Net Block	
As at March 31, 2017	**994.67**
As at March 31, 2016	-
As at April 1, 2017	-

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

6 INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible assets	Computer Software	License for platform infrastructure	Total	Intangible assets under development*
Cost				
As at April 1, 2015	373.86	-	373.86	262.08
Additions	334.77	-	334.77	265.15
Capitalised during the year	-	-	-	334.75
As at March 31, 2016	**708.63**	**-**	**708.63**	**192.48**
Additions	262.75	192.97	455.72	277.78
Capitalised during the year	-	-	-	259.11
As at March 31, 2017	**971.38**	**192.97**	**1,164.35**	**211.15**
Amortisation:				
Accumulated amortisation as at April 1, 2015	-	-	-	
Amortisation	148.10	-	148.10	
Accumulated amortisation as at March 31, 2016	**148.10**	**-**	**148.10**	
Amortisation	195.28	11.85	207.13	
Accumulated amortisation as at March 31, 2017	**343.38**	**11.85**	**355.23**	
Net Block			-	
Carrying value as at March 31, 2017	**628.00**	**181.12**	**809.12**	**211.15**
Carrying value as at March 31, 2016	**560.53**	**-**	**560.53**	**192.48**
Carrying value as at April 1, 2015	373.86	-	373.86	262.08

*Addition to the intangible assets under development includes ESOP cost and salary cost capitalised amounting to ₹ 107.95 million (March 31, 2016: ₹ 73.90 million) and ₹ 169.83 million (March 31, 2016: ₹ 191.25 million) respectively.

Impairment testing of goodwill:

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount is determined based on higher of value in use and fair value less cost to sell. The Group generally uses discounted cash flows method to determine the recoverable amount. These discounted cash flow calculations use five-year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent managements' best estimate about future developments.

(Rupees in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
7 FINANCIAL ASSETS			
Investments			
Non-current investment			
Investment in compulsory convertible preference shares (Carried at cost)			
Unquoted			
Avenues (India) Private Limited* 2,00,000 (March 31, 2016 : NIL, April 1, 2015: NIL) compulsory convertible preference shares.	600.00	-	-
Investment in equity shares of associate (Carried at cost)			
Avenues Infinite Private Limited 9,998,000 (March 31, 2016 : 9,998,000, April 1, 2015: 9,998,000) equity shares	10.00	10.00	10.00
Less: Provision for diminution in value of investments in equity shares of in Avenues Infinite Private Limited	(10.00)	(10.00)	(10.00)
	600.00	-	-
Total Investments	**600.00**	**-**	**-**
Aggregate amount of unquoted investments	610.00	10.00	10.00
Aggregate amount of impairment in value of investments	10.00	10.00	10.00
Aggregate amount of unquoted investments (net of impairment)	600.00	-	-

* Company has acquired compulsory Convertible Preference shares of Avenues (India) Private Limited from its wholly owned subsidiary and is in the process of transferring the shares in its name as at March 31, 2017.

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
7	**FINANCIAL ASSETS**			
	Loans			
	Non-current			
	Unsecured considered good			
	Loans to related parties*	2.41	-	-
	Total Loans	**2.41**	**-**	**-**

*Loans given are long term and interest free.

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
7	**FINANCIAL ASSETS**			
	Other financial assets			
	Non-current			
	Security deposits	5.06	1.16	127.85
	Unsecured, considered good	0.21	0.06	-
	Unsecured, considered doubtful	(0.21)	(0.06)	-
	Provision for doubtful deposits		-	0.06
	Interest accrued on fixed deposits			
	Bank deposits with original maturity of more than 12 months (including accrued interest) "	16.64	1.09	2.55
		21.70	**2.25**	**130.46**
	Current			
	Security deposits, considered good (unless otherwise stated)			
	Considered good	11.11	33.57	3.32
	Considered doubtful	2.35	1.79	-
	Less: Provision for doubtful deposits	(2.35)	(1.79)	-
	Unbilled revenue	134.43	58.26	28.46
	Advance given for acquisition of shares of Avenues (India) Private Limited pending transfer.	1,500.00	-	-
	Advance given for acquisition of share of DRC System India Private Limited, pending transfer.	30.00	-	-
	Other assets	1.86	-	-
	Bank deposits maturing within 12 months from reporting date (including accrued interest)*	39.91	27.16	17.02
	Interest accrued but not due on loan		-	0.56
		1,717.31	**118.99**	**49.36**
	Total other financial assets	**1,739.01**	**121.24**	**179.82**

* Include deposit under lien against bank guarantee issued by the Company.

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
7	**FINANCIAL ASSETS**			
	Trade receivables			
	Unsecured, considered good *	554.98	479.73	331.07
	Unsecured, considered doubtful	10.29	2.50	-
	Provision for doubtful receivables	(10.29)	(2.50)	-
	Total Trade receivables	**554.98**	**479.73**	**331.07**
	*includes dues from directors	-	-	1.15
	*includes dues from companies where directors are interested (refer note no. 29)	10.22	1.44	0.98

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
7	**FINANCIAL ASSETS**			
	Cash and cash equivalent			
	Balance with Bank			
	Current accounts	1,386.82	4,759.76	145.70
	Cash on hand	0.84	3.46	3.54
	Total cash and cash equivalent	**1,387.66**	**4,763.22**	**149.24**

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
7	**FINANCIAL ASSETS**			
	Other bank balance			
	Deposits with original maturity of more than three months but less than 12 months	1,679.38	402.71	452.49
	Total other bank balances	**1,679.38**	**402.71**	**452.49**
	(1) Fixed deposit of ₹ 0.20 million (March 31, 2016: ₹ 22.50 million April 1, 2015: ₹ Nil) are under lien against bank guarantee issued by the Group.			
	(2) Fixed deposit of ₹ 1,630.00 million (March 31, 2016: ₹ Nil, April 1, 2015: ₹ Nil) represents IPO funds which are temporarily invested in bank deposits.			
	(3) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.			
	For the purpose of the cash flow statement, cash and cash equivalents comprise the following:			
	Balance with Bank			
	Current accounts	1,386.82	4,759.76	145.70
	Cash on hand	0.84	3.46	3.54
	Bank overdraft facility	-9.01	-9.08	-8.42
		1,378.65	**4,754.14**	**140.82**

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	Cost	FVTPL	FVOCI	Amortised cost
7	**FINANCIAL ASSETS**				
	Financial assets by category				
	March 31, 2017				
	Investment in compulsory convertible preference shares	600.00	-	-	-
	Trade receivables		-	-	554.98
	Loans		-	-	2.41
	Cash and cash equivalents and other bank balances		-	-	3,067.04
	Other financial assets		-	-	1,739.01
	Total Financial assets		**-**	**-**	**5,363.44**
	March 31, 2016				
	Investment in preference shares	-	-	-	-
	Trade receivables	-	-	-	479.73
	Loans	-	-	-	-
	Cash and cash equivalents and other bank balances	-	-	-	5,165.93
	Other financial assets	-	-	-	121.24
	Total Financial assets	**-**	**-**	**-**	**5,766.90**
	April 1, 2015				
	Investment in preference shares	-	-	-	-
	Trade receivables	-	-	-	331.07
	Loans	-	-	-	-
	Cash and cash equivalents and other bank balances	-	-	-	601.73
	Other financial assets	-	-	-	179.82
	Total Financial assets	**-**	**-**	**-**	**1,112.62**

For Financial instruments risk management objectives and policies, refer Note 35

Fair value disclosures for financial assets and liabilities and fair value hierarchy disclosures for investment are in Note 35.

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
8	**OTHER CURRENT / NON-CURRENT ASSETS**			
	Non-current			
	Capital advances	1,130.53	150.00	228.00
	Advances to related parties	-		0.48
	Advances to suppliers			
	Considered good	-	50.65	265.93
	Considered doubtful			6.06
	Less : Provision for doubtful advances	-		(6.06)
		-	50.65	265.93
		1,130.53	**200.65**	**494.41**
	Current			
	Advance to suppliers			
	Considered good	885.40	167.43	91.35
	Considered doubtful	7.84	7.84	-
	Less : Provision for doubtful advances	(7.84)	(7.84)	-
	Balance with government authorities	-		
	Considered good	23.05	34.01	11.80
	Considered doubtful	-	0.40	4.20
	Less : Provision for doubtful advances	-	(0.40)	(4.20)
	Export incentive receivable	17.11	8.08	-
	Prepaid expenses	3.50	4.14	3.44
	Security deposit	2.00	-	-
	Advances- others	0.31	1.60	0.33
	To related parties			
	Advances to suppliers	6.30	-	-
		937.67	**215.26**	**106.92**
	Total	**2,068.20**	**415.91**	**601.33**

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
9	**INCOME TAX ASSETS (NET)**			
	Tax paid in advance (net of provision) (refer note 24)	86.81	110.23	71.37
	TOTAL	**86.81**	**110.23**	**71.37**

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
10	**INVENTORIES (At lower of cost and net realisable value)**			
	Stock-in-trade*	94.20	237.77	122.82
	TOTAL	**94.20**	**237.77**	**122.82**

* including goods-in-transit ₹ 2157 million (March 31, 2016: ₹ 167.70 million; April 1, 2015: ₹ 45.53 million)

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
11 EQUITY SHARE CAPITAL						
Authorised share capital						
Equity shares of Rs.10 each	6,30,00,000	630.00	6,30,00,000	630.00	4,30,00,000	430.00
Issued and subscribed share capital						
Equity shares of Rs.10 each	5,38,93,920	538.94	5,30,91,321	530.91	4,25,60,480	425.60
Subscribed and fully paid up						
Equity shares of Rs.10 each	5,38,93,920	538.94	5,30,91,321	530.91	4,25,60,480	425.60
Total	**5,38,93,920**	**538.94**	**5,30,91,321**	**530.91**	**4,25,60,480**	**425.60**

11.1. Terms/Rights attached to the equity shares

The Company has equity shares having a par value of ₹ 10 per share. All equity shares rank equally with regard to dividend and share in the Company's residual assets in proportion of amount paid up. The equity shares are entitled to receive dividend as declared from time to time. Each holder of the equity shares is entitled to one vote per share. On winding up of Company, the holder of equity shares will be entitled to receive the residual assets of Company, remaining after distribution of all preferential amounts in proportion to number of equity shares held. Terms attached to stock options granted to employees are described in note 32 regarding employee share based payments.

11.2. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	5,30,91,321	530.91	4,25,60,480	425.60
Add :				
Shares allotted pursuant to exercise of Employee Stock Option Plan	3,66,236	3.66	1,14,175	1.14
Shares issued on conversion of share warrant	4,36,363	4.37	-	-
Shares issued on initial public offering	-	-	1,04,16,666	104.17
Outstanding at the end of the year	5,38,93,920	538.94	5,30,91,321	530.91

11.3. Number of Shares held by each shareholder holding more than 5% Shares in the company

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Mr. Ajit C Mehta	30,11,478	5.59	30,11,478	5.67
Mr. Vishal A Mehta	59,95,940	11.13	59,95,940	11.29
Ms. Jayshree Mehta	30,11,478	5.59	30,11,478	5.67
Infinium Motors Private Limited	53,04,722	9.84	53,04,722	9.99
Nomura Singapore Limited	-	-	30,08,921	5.67

11.4. Shares reserved for issue under options

For information relating to Infibeam Incorporation Limited Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period please refer to note 32.

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

Balance		As at March 31, 2017	As at March 31, 2016
12	**OTHER EQUITY**		
	Capital reserve		
	Balance at the beginning of the year	0.29	0.29
	Balance at the end of the year	**0.29**	**0.29**
	General reserve		
	Balance at the beginning of the year	87.96	3.63
	Add: transferred debenture redemption reserve	5.00	
	Add: Addition on account of lapse of options	0.68	84.33
	Balance at the end of the year	**93.64**	**87.96**
	Securities premium account		
	Balance at the beginning of the year	6,514.81	2,280.98
	Add : on issue of equity shares at premium of Rs 415 per share	-	4,395.83
	Add: on conversion of share warrant into equity share	595.65	-
	Add: on exercising of options	151.99	47.38
	Less: IPO expenses charged	-	(312.78)
	Add: Tax on IPO expenses adjusted to securities premium, Ind AS adjustment	-	103.41
	Balance at the end of the year	**7,262.45**	**6,514.82**
	Debenture redemption reserve		
	Balance at the beginning of the year	5.00	-
	Add: Transfer to debenture redemption reserve from surplus	-	5.00
	Less: Amount transferred to General Reserve	(5.00)	-
	Balance at the end of the year	**-**	**5.00**
	Foreign currency monetary item translation reserve		
	Balance at the beginning of the year	-	-
	Add: adjustment during the year	(3.46)	-
	Balance at the end of the year	**(3.46)**	**-**
	Employees Stock Options Outstanding (Net)- (Refer Note 32)		
	Balance at the beginning of the year	300.50	313.13
	Add : Employee compensation expense for the year	152.35	119.08
	Less: Transfer to securities premium on exercise of options	(151.99)	(47.38)
	Less: Reversal due to lapse of options	(0.68)	(84.33)
	Balance at the end of the year	**300.18**	**300.50**
	Surplus in statement of profit and loss		
	Balance at the beginning of the year	(809.07)	(896.97)
	Less : Other adjustment	(3.62)	-
	Add: profit for the year	435.34	87.85
	Add / (Less): OCI for the year	6.82	(0.81)
	Loss of pertaining to Non controlling interest	5.74	5.86
	Less: Appropriation		
	Transfer to Debenture Redemption reserve	-	(5.00)
	Balance at the end of the year	**(364.79)**	**(809.07)**
	Total Other equity	**7,288.31**	**6,099.49**

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
13 FINANCIAL LIABILITIES			
Long-term Borrowings			
Long-term Borrowings (refer note below)			
Non-current portion			
Unsecured			
9% Redeemable, Non-Convertible Debentures*	-	-	20.00
Less: Transfer to other financial liability under 'current maturity of long term borrowing'	-	20.00	-
	-	**-**	**20.00**
Total long-term borrowings	**-**	**-**	**20.00**
Short-term Borrowings (refer note below)			
Secured			
Cash credit facility^	20.56	17.66	17.34
Bank overdraft facility^	9.01	9.08	8.42
Unsecured			
Demand Loan#	1,300.00	-	-
Intercorporate Deposits			
From Related Parties (refer note 29)	32.70	10.20	3.73
Total short-term borrowings	**1,362.27**	**36.94**	**29.49**
Total borrowings	**1,362.27**	**36.94**	**49.49**

* The Company has issued 9% Non Convertible Redeemable Debentures ("NCRD") to Brand Equity Treaties Limited vide agreement dated October 20 2014 on conditions that NCRD shall be redeemed at the option of the Company, in one or more tranches, at any time within a period of two years from the date of allotment i.e. November 7, 2014 by way of re-payment, in part or in full, of debenture amount and interest due thereon @ 9% per annum till the date of redemption.

^ Cash credit and bank overdraft facilities from banks carry interest ranging between BPLR + 2.5% to 4.75% p.a., computed on a monthly basis on the actual amount utilised, and are repayable on demand. These are secured by hypothecation of inventories of, both present and future.

Bank overdraft facility is secured against fixed deposit with bank.

It has collateral security of:

i. Commercial property and satellite hub station,

ii. Land and Building in the name of Infinium Motors Private Limited,

iii. Personal guarantee of two directors of the Company, namely Mr. Ajit Mehta and Mr. Malav Mehta.

\# Demand loan from Barclays Investments and Loans India Ltd is unsecured, repayable on demand and carrying interest @ 8% p.a. The loan does not carry any financial covenants.

(Rupees in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
13 FINANCIAL LIABILITIES			
Trade Payable			
Current			
Trade payables	170.17	257.58	205.38
	170.17	257.58	205.38
Total	**170.17**	**257.58**	**205.38**

*Trade payables are not-interest bearing and are normally settled on 30-90 days terms. Refer note 31 for dues to Micro, Small and Medium Enterprises.

*Refer note 29 for trade payable to related parties.

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
13	**FINANCIAL LIABILITIES**			
	Other financial liabilities			
	Current			
	Current maturity of long term borrowings	-	20.00	-
	Interest accrued but not due	1.29	0.08	-
	Provision for salary	17.36	19.15	25.92
	Employee benefits payable	10.24	9.93	-
	Advances received in cash or kind	-	1.01	-
	Creditor for capital goods	48.24	-	-
	Interest accrued but not due on debentures	-	2.27	0.64
	Interest accrued and due on loan	-	-	0.08
	Creditor for expenses	2.63	3.60	-
	Other payables	29.42	216.32	2.39
	Bonus payable	3.85	3.08	-
	Deposits	3.27	3.27	3.27
	Provision for expenses	48.01	104.09	14.86
	Payable to Company for reimbursement of expenses (net)	0.17	-	-
	Book overdraft	-	-	0.01
	Total	**164.48**	**382.80**	**47.17**

Terms and conditions of the above financial liabilities:

- Other payables, advance received in cash or kind and creditors for capital goods are non-interest bearing and are normally settled on regular basis.
- Interest payable and employee benefits payable are normally settled on monthly basis
- Provision for expenses are settled as and when invoices are received by the Company.

(Rupees in million)

	Particulars	FVTPL	FVOCI	Amortised cost
13	**FINANCIAL LIABILITIES**			
	Financial liabilities by category			
	March 31, 2017			
	Borrowings	-	-	1,362.27
	Trade payable	-	-	170.17
	Other financial liabilities	-	-	164.48
	Total Financial liabilities	**-**	**-**	**1,696.92**
	March 31, 2016			
	Borrowings	-	-	36.94
	Trade payable	-	-	257.58
	Other financial liabilities	-	-	382.80
	Total Financial liabilities	**-**	**-**	**677.32**
	April 1, 2015			
	Borrowings	-	-	49.49
	Trade payable	-	-	205.38
	Other financial liabilities	-	-	47.17
	Total Financial liabilities	**-**	**-**	**302.04**

For Financial instruments risk management objectives and policies, refer Note 35

Fair value disclosures for financial assets and liabilities are in and fair value hierarchy disclosures for investment are in Note 35.

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
14 PROVISIONS			
Long-term			
Provision for employee benefits (refer Note 28)			
Provision for gratuity	12.41	16.88	10.47
	12.41	**16.88**	**10.47**
Short-term			
Provision for employee benefits (refer Note 28)			
Provision for gratuity	7.13	5.96	4.41
	7.13	5.96	4.41
Total	**19.54**	**22.84**	**14.88**

(Rupees in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
15 OTHER LIABILITIES			
Current			
Advances received from customers	724.28	97.50	83.65
Excess billing over revenue	10.60	15.95	102.28
Employee benefits payable	1.02	-	
Advance to Employees	0.02	-	-
Payable to statutory authorities			
Service tax payable	37.56	14.05	28.23
Others	63.91	45.46	19.92
Total	**837.39**	**172.96**	**234.08**

(Rupees in million)

Particulars	March 31, 2017	March 31, 2016
16 REVENUE FROM OPERATIONS		
Sale of products	2,814.77	2,341.18
Sale of services	1,589.60	1,020.24
Other operating income	-	
Export incentives	9.04	8.08
	9.04	**8.08**
Total	**4,413.41**	**3,369.50**

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	March 31, 2017	March 31, 2016
17	**OTHER INCOME**		
	Interest income on fixed deposits	152.12	33.89
	Interest income on others	0.44	10.19
	Income on expiry of gift certificate	0.35	2.21
	Net foreign exchange gain	-	0.42
	Provision written back	9.15	4.57
	Profit on sale of fixed assets	-	1.26
	Miscellaneous income	1.55	2.41
	Total	**163.61**	**54.95**

(Rupees in million)

	Particulars	March 31, 2017	March 31, 2016
18	**CHANGES IN INVENTORIES OF TRADED GOODS**		
	Opening stock of traded goods	237.77	122.82
	Closing stock of traded goods	(94.20)	(237.77)
	Total	**143.57**	**(114.95)**

(Rupees in million)

	Particulars	March 31, 2017	March 31, 2016
19	**EMPLOYEE BENEFITS EXPENSES**		
	Salaries and wages^	236.62	220.74
	Contribution to Provident and Other Funds	5.98	6.28
	Employee stock option (ESOP) outstanding expenses*	44.40	45.16
	Staff welfare expenses	3.75	3.98
	Total	**290.75**	**276.16**
	^Salaries,wages and bonus (net of capitalisation)		
	Salaries,wages and bonus	406.45	411.99
	Less : Cost capitalised	(169.83)	(191.25)
	Salaries,wages and bonus cost for the year	**236.62**	**220.74**
	*** Employee stock option outstanding expenses**		
	ESOP expenses	152.35	119.07
	Less : Cost capitalised	(107.95)	(73.90)
	ESOP cost for the period	**44.40**	**45.16**

(Rupees in million)

	Particulars	March 31, 2017	March 31, 2016
20	**FINANCE COSTS**		
	Interest expense - Borrowing	5.28	4.43
	Interest expense - statutory dues	2.34	5.25
	Interest on income tax for previous year	23.54	-
	Interest expense - Debentures	1.08	1.80
	Other finance cost- Processing fees on demand loan	10.40	-
	Total	**42.64**	**11.48**

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

Particulars	March 31, 2017	March 31, 2016
21 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on tangible assets (Refer Note 5)	17.65	27.28
Amortisation on intangible assets (Refer Note 6)	207.13	148.10
Total	**224.78**	**175.38**

(Rupees in million)

Particulars	March 31, 2017	March 31, 2016
22 OTHER EXPENSES		
Telephone and other communication expenses	5.94	7.29
Power and fuel	10.30	11.68
Gateway service charges	16.85	16.83
House keeping	1.42	1.32
Legal and professional fees	31.13	19.17
Office expenses	5.96	3.95
Printing and Stationary	1.54	1.63
Rent (refer note 34)	44.91	43.83
Rates and taxes	29.95	21.19
Insurance	0.15	0.48
Packing material	6.28	7.15
Repairs and maintenance	-	-
Other	5.14	4.98
Security service charges	5.21	4.78
Software development expenses	0.40	10.59
Travelling and conveyance	11.12	11.37
Payment to auditors (refer note 23)	6.33	3.33
Vehicle hire charges	0.55	0.08
Web hosting and server support expenses	38.06	41.29
Net loss on account of foreign exchange fluctuations	3.03	-
Initial Public Offering (IPO) expenses [includes expenses such as merchant bankers fees, legal counsel fees, advertising and marketing expenses and other incidental expenses initially incurred by the Company]	5.52	25.55
Service charges	7.71	5.56
Director sitting fees	0.97	-
Provision for doubtful trade receivables	7.79	2.50
Provision for doubtful loans and advances	0.71	9.69
Postage and courier	59.21	60.58
Commission expenses	3.93	8.35
Sales promotion	4.91	0.94
Advertising expenses	371.05	220.44
Bad debts written off	36.22	-
Balances written off	0.48	-
Miscellaneous expenses	4.19	7.51
Total	**726.96**	**552.06**

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

	Particulars	As at March 31, 2017	As at March 31, 2016
23	**PAYMENT TO AUDITORS**		
	As auditor		
	Statutory audit fees	3.28	1.55
	Limited review	2.85	-
	Other services (IPO related services)	-	1.68
	Reimbursement of expenses	0.20	0.10
	Total	**6.33**	**3.33**

NOTE 24 : INCOME TAX

The major component of income tax expense for the years ended March 31, 2017 and March 31, 2016 are :

(Rupees in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Statement of Profit and Loss		
Current tax		
- for the current year	96.50	0.09
- for the previous year	39.86	-
Deferred tax		
Deferred tax expense/ (credit) relating to origination and reversal of temporary difference	(8.85)	(0.72)
Income tax expense reported in the statement of profit and loss	**127.51**	**(0.63)**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2017 and March 31, 2016.

A) Current tax

(Rupees in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Accounting profit before tax from continuing operations	562.85	87.22
Enacted tax rate	34.61%	33.06%
Computed expected tax expense	194.79	28.84
Adjustments		
Deferred tax not recognised considering reasonably uncertain of realisation	70.85	50.26
Effect of non-deductable expenses	11.73	7.68
Tax effect of Ind AS adjustment income not subject to tax	-	(59.78)
Effect of tax paid under differential tax rate - MAT	8.86	-
Tax expenses for earlier year	(39.86)	-
Tax benefit on brought forward losses	(14.33)	(28.81)
Tax exempt income of foreign subsidiary	(105.61)	-
Other adjustments	1.08	1.08
Income tax expenses:	**127.51**	**(0.63)**

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

B) Deferred tax

(Rupees in million)

Particulars	Balance Sheet			Statement of Profit and Loss	
	March 31, 2017	**March 31, 2016**	**April 1, 2015**	**March 31, 2017**	**March 31, 2016**
Deferred income tax assets					
Excess of depreciation/ amortisation on fixed assets provided in accounts over depreciation/ amortisation under Income tax Act, 1961	22.13	18.79	19.70	3.34	(0.91)
Provision for employee benefits	5.65	4.68	2.07	0.97	2.61
Provision for doubtful trade receivables	0.83	0.83	-	-	0.83
Provision for doubtful loans and advances	4.17	6.41	5.79	(2.24)	0.62
Provision for doubtful advances to suppliers	5.43	2.59	-	2.84	2.59
Brought forward losses	110.47	107.49	107.34	2.98	0.15
Unabsorbed depreciation	31.84	31.84	25.75	-	6.09
IPO Expenses	114.16	103.41	-	10.75	103.41
Provision for diminution in value of investment and doubtful debts	4.75	-	-	4.75	-
Total deferred income tax assets	**299.43**	**276.04**	**160.65**		
Deferred income tax liabilities					
Excess of amortisation on fixed assets under income-tax law over amortisation provided in accounts.	(9.89)	(0.04)	(0.03)	(9.18)	(0.01)
Provision for employee benefits	(1.14)	(0.45)	-	(0.69)	(0.45)
Total deferred income tax liabilities	**(11.03)**	**(0.49)**	**(0.03)**		
Deferred tax (expense) / income*				8.85	0.72
Net deferred tax assets/(liabilities)*	**288.40**	**275.55**	**160.62**		
Reflected in the balance sheet as follows					
Deferred tax assets	113.43	106.52	1.97		
Deferred tax liabilities	(1.24)	-	-		
Deferred tax assets (net)	**112.19**	**106.52**	**1.97**		

(Rupees in million)

Particulars	**March 31, 2017**	**March 31, 2016**
Reconciliation of deferred tax assets / (liabilities), net		
Opening balance as of April 1	106.52	1.97
Ind AS adjustment through opening reserve	0.02	103.40
Tax income/(expense) during the period recognised in profit or loss	8.85	0.72
Tax income/(expense) during the period recognised in OCI	(3.20)	0.43
Closing balance as at March 31	**112.19**	**106.52**

*Deferred income tax assets have not been recognised on temporary differences and unabsorbed brought forward loss and depreciation amounting ₹ 176.21 million and ₹ 169.03 million as of March 31, 2017 and March 31, 2016, respectively, as it is probable that the temporary differences and unabsorbed brought forward loss and depreciation will not reverse in the foreseeable future. Accordingly, deferred tax credit amounting to ₹ 7.85 million and ₹ 10.38 million for the year ended March 31, 2017 and March 31, 2016, respectively, is not recognised.

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

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.

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

NOTE 25 : CONTINGENT LIABILITIES

The companies does not have any contingent liability as at balance sheet date

(Rupees in million)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Contingent liabilities not provided for				
a.	Claims against Company not acknowledged as debts	20.00	63.39	39.86
b.	Guarantees given by bank on behalf of the Company	62.79	85.36	38.93

a. Claims against Company not acknowledged as debts:

Income tax matter: The Company has received order u/s 143(3) for the Assessment Year 2011-12, the Assessing Officer has made an addition of Rs 200 million to the profits of the company and considered the same for the purpose of computing the book profits as per the provisions of section 115JB of the Income Tax Act, 1961 ('the Act'), on the presumption that the issue of bonus shares out of the revaluation reserve only contemplates realised profits which are not routed through profit and loss account. The Company had filled an Appeal with the Commissioner of Income tax and matter was dismissed by the said authority considering which management had filed an appeal with ITAT.

Civil suit: A customer has filed civil suit against Company and its wholley owned subsidiary company for violating trademark of in civil court of Ahmedabad claiming damages of Rs 20 million. The matter is pending before the commercial court of Ahmedabad. The Company's management in consultation with their legal council does not reasonably expect that these legal action, when ultimately concluded and determined, will have a material and adverse effect on the Company's financial position.

NOTE 26 : CAPITAL COMMITMENT AND OTHER COMMITMENTS

(Rupees in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	As at April 1, 2015
Capital commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	2,955.70	2,800.00	57.00

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

NOTE 27 : FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES NOT HEDGED

A. Foreign Exchange Derivatives: The Company does not have any foreign exchange derivatives

B. Exposure Not Hedged

Nature of exposure	Currency	Year ended March 31, 2017		Year ended March 31, 2016		As at April 1, 2015	
		Foreign currency	Local currency (INR)	Foreign currency	Local currency (INR)	Foreign currency	Local currency (INR)
Trade payables	USD	2,19,516	14.23	86,022	5.73	1,67,791	10.50
	GBP	2,366	0.19	3,137	0.30	2,041	0.19
Creditors for expenses	USD	1,17,876	7.64	620	0.04	6,258	0.39
Provision for expenses	USD	40,618	2.63	1,23,915	8.22	-	-
			24.69		**14.29**		**11.08**
Trade receivables	USD	25,84,748	167.59	17,57,801	116.60	94,591	5.92
	AED	4,72,536	8.34	7,36,704	13.40	10,56,350	17.92
	SAR	7,53,163	13.02	6,07,648	10.95	-	-
	EURO	1,96,468	13.61	1,54,300	11.59	-	-
Bank balance	AED	-	-	5,48,238	9.88	-	-
Loans and advances	USD	14,723	0.95	8,215	0.78	3,150	0.20
Accrued revenue	USD	5,92,368	38.39	-	-	399	0.02
	AED	32,371	0.57	1,05,885	1.91	6,338	0.11
	SAR	4,36,350	7.54	42,000	0.76	-	-
			250.01		**165.87**		**24.17**

NOTE 28 : DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance.

(Rupees in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Provident Fund	4.27	4.53
ESIC	1.71	1.75
	5.98	**6.28**

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Company operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

March 31, 2017 : Changes in defined benefit obligation and plan assets **(Rupees in Million)**

	Gratuity cost charged to statement of profit and loss					Benefit paid	Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2016	Transfer in/(out) obligation	Service cost	Net interest expense	Sub-total included in statement of profit and loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2017
Gratuity													
Defined benefit obligation	24.23	-	7.09	1.69	2.53	15.06	-	-	0.85	(11.39)	(10.54)	-	20.70
Fair value of plan assets	1.39	-	-	0.23	(1.23)	0.40	(0.52)	-	-	-	(0.52)	1.28	1.16
Benefit liability	22.84	-	7.09	1.46	3.76	14.66	0.52	-	0.85	(11.39)	(10.02)	(1.28)	19.54
Total benefit liability	**22.84**	**-**	**7.09**	**1.46**	**3.76**	**14.66**	**0.52**	**-**	**0.85**	**(11.39)**	**(10.02)**	**(1.28)**	**19.54**

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

March 31, 2016 : Changes in defined benefit obligation and plan assets (Rupees in million)

	Gratuity cost charged to statement of profit and loss					Benefit paid	Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2015	Transfer in/(out) obligation	Service cost	Net interest expense	Sub-total included in statement of profit and loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2016
Gratuity													
Defined benefit obligation	17.82	-	5.29	1.24	1.01	8.70	-	-	(1.32)	2.38	1.06	-	24.23
Fair value of plan assets	3.36	-	-	0.18	(1.97)	1.57	(0.18)	-	-	-	(0.18)	-	**1.39**
Benefit liability	14.46	-	5.29	1.06	2.98	7.13	0.18	-	(1.32)	2.38	1.24	-	22.84
Total benefit liability	**14.46**	**-**	**5.29**	**1.06**	**2.98**	**7.13**	**0.18**	**-**	**(1.32)**	**2.38**	**1.24**	**-**	**22.84**

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	As at April 1, 2015
Discount rate	6.80% to 7.05%	7.65% to 8%	7.8% to 8%
Future salary increase	4% to 10%	4% to 10%	4% to 10%
Attrition rate	25% at younger ages reducing to 5% at older ages	25% at younger ages reducing to 5% at older ages	25% at younger ages reducing to 5% at older ages
Morality rate	IALM(2006-08) published table of mortality rates	IALM(2006-08) published table of mortality rates	IALM(2006-08) published table of mortality rates
Retirement age	58 years to 60 years	58 years to 60 years	58 years to 60 years

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

(Rupees in million)

Particulars	Sensitivity level	Year ended March 31, 2017	Year ended March 31, 2016	As at April 1, 2015
Gratuity				
Discount rate	0.5% increase	19.10	13.47	9.33
	0.5% decrease	20.51	14.31	8.82
Future Salary increase	0.5% increase	20.48	14.20	8.89
	0.5% decrease	19.16	13.37	9.35
Withdrawal rates (W.R.)	10% increase	14.64	10.62	8.60
	10% decrease	14.69	10.62	8.60

The followings are the expected future benefit payments for the defined benefit plan :

(Rupees in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	As at April 1, 2015
Gratuity			
Within the next 12 months (next annual reporting period)	2.03	1.19	0.82
Between 2 and 5 years	7.98	6.28	4.31
Beyond 5 years	6.98	5.80	4.78
Total expected payments	**16.99**	**13.27**	**9.91**

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

NOTE 29 : RELATED PARTY DISCLOSURES.

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows :

Name of Related Parties and Nature of Relationship :

Description of relationship	**Name of the parties**
Parties with whom transactions have been entered into	
Enterprises over which KMP is able to exercise significant influence	Infinium Motors Private Limited
	Infinity Drive Private Limited
	ING Satcom Limited
Key Management Personnel ('KMP')	Ajitbhai C. Mehta- Non Executive Chairman
	Malav A. Mehta- Non Executive Director
	Vishal A. Mehta- Managing Director
	Hiren Padhya- CFO
	Shyamal Trivedi- Company Seceratry
	Keyoor Bakshi- Non Executive Director
	Roopkishan Dave- Non Executive Director
	Vijaylaxmi Sheth- Non Executive Director
Associate Company	Avenues Infinite Private Limited

Related party transactions (Rupees in million)

Particulars	Period ending	KMP	Entities owned by KMP and relatives of KMP	Associate Company	Total
Issue of equity shares on exercising of ESOP					
CFO	31-Mar-17	0.05	-	-	0.05
	31-Mar-16	0.02	-	-	0.02
Salaries and ESOP to executive officers - CFO and CS	31-Mar-17	8.69	-	-	8.69
	31-Mar-16	3.97	-	-	3.97
Director sitting fees to non-executive directors	31-Mar-17	0.97	-	-	0.97
	31-Mar-16	-	-	-	-
Sale of services / goods					
Infinium Motors Private Limited	31-Mar-17	-	3.52	-	3.52
	31-Mar-16	-	2.63	-	2.63
ING Satcom Ltd	31-Mar-17	-	6.00	-	6.00
	31-Mar-16	-	-	-	-
Mr. Vishal Mehta	31-Mar-17	0.33	-	-	0.33
	31-Mar-16	0.29	-	-	0.29
Mr. Malav Mehta	31-Mar-17	0.51	-	-	0.51
	31-Mar-16	0.33	-	-	0.33
Receipt of services / goods					
Infinium Motors Private Limited	31-Mar-17	-	0.22	-	0.22
	31-Mar-16	-	0.08	-	0.08

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

Particulars	Period ending	KMP	Entities owned by KMP and relatives of KMP	Associate Company	Total
Repayment of loan given					
Avenues Infinite Private Limited	31-Mar-17	-	-	-	-
	31-Mar-16	-	-	0.56	0.56
ING Satcom Ltd	31-Mar-17	-	-	-	-
	31-Mar-16	-	0.64	-	0.64
Deposit received to nominate director					
Malav Mehta	31-Mar-17	-	-	-	-
	31-Mar-16	0.10	-	-	0.10
Repayment of deposit received to nominate director					
Malav Mehta	31-Mar-17	-	-	-	-
	31-Mar-16	0.10	-	-	0.10
Loan and advances taken					
Infinium Motors Private Limited	31-Mar-17	-	12.48	-	12.48
	31-Mar-16	-	-	-	-
Malav A. Mehta	31-Mar-17	22.50	-	-	22.50
	31-Mar-16	17.00	-	-	17.00
Repayment of loan and advances taken					
Malav A. Mehta	31-Mar-17	-	-	-	-
	31-Mar-16	9.97	-	-	9.97
Infinity Drive Pvt Ltd	31-Mar-17	-	-	-	-
	31-Mar-16	-	0.48	-	0.48
Infinium Motors Private Limited	31-Mar-17	-	12.27	-	12.27
	31-Mar-16	-	-	-	
Advances to supplier given					
Infinium Motors Private Limited	31-Mar-17	-	-	-	-
	31-Mar-16	-	80.00	-	80.00
ING Satcom	31-Mar-17	-	2.41	-	2.41
	31-Mar-16	-	-	-	-
Repayment of advance given					
Infinium Motors Private Limited	31-Mar-17	-	-	-	-
	31-Mar-16	-	80.00	-	80.00
Interest paid					
Infinity Drive Pvt Ltd	31-Mar-17	-	-	-	-
	31-Mar-16	-	0.04	-	0.04
Interest received					
ING Satcom	31-Mar-17	-	-	-	-
	31-Mar-16	-	0.04	-	0.04

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

Particulars	Period ending	KMP	Entities owned by KMP and relatives of KMP	Associate Company	Total
BALANCE OUTSTANDING					
Trade receivable					
Infinium Motors Private Limited	31-Mar-17	-	3.32	-	3.32
	31-Mar-16	-	1.44	-	1.44
	1-Apr-15	-	0.98	-	0.98
ING Satcom	31-Mar-17	-	6.90	-	6.90
	31-Mar-16	-	-	-	-
	1-Apr-15	-	-	-	-
Mr. Vishal Mehta	31-Mar-17	-	-	-	-
	31-Mar-16	-	-	-	-
	1-Apr-15	1.15	-	-	1.15
Loans and advances taken					
Mr. Vishal Mehta	31-Mar-17	-	-	-	-
	31-Mar-16	-	-	-	-
	1-Apr-15	-	0.11	-	0.11
Loans and advances payable					
Infinium Motors private limited	31-Mar-17	-	0.80	-	0.80
	31-Mar-16	-	0.80	-	0.80
	1-Apr-15	-	0.80	-	0.80
Infinity Drive Pvt Ltd	31-Mar-17	-	-	-	-
	31-Mar-16	-	-	-	-
	1-Apr-15	-	0.45	-	0.45
Mr. Malav Mehta	31-Mar-17	31.90	-	-	31.90
	31-Mar-16	9.40	-	-	9.40
	1-Apr-15	2.38	-	-	2.38
Loans and advances given					
ING Satcom	31-Mar-17	-	2.41	-	2.41
	31-Mar-16	-	-	-	-
	1-Apr-15	-	0.43	-	0.43
Infinium Motors Private Limited	31-Mar-17	-	-	-	-
	31-Mar-16	-	-	-	-
	1-Apr-15	-	0.05	-	0.05
Investment					
Avenues Infinite Private Limited	31-Mar-17	-	-	10.00	10.00
	31-Mar-16	-	-	10.00	10.00
	1-Apr-15	-	-	10.00	10.00
Advances from customer					
Infinium Motors Private Limited	31-Mar-17	-	-	-	-
	31-Mar-16	-	0.06	-	0.06
	1-Apr-15	-	-	-	-
Mr. Vishal Mehta	31-Mar-17	-	-	-	-
	31-Mar-16	0.13	-	-	0.13
	1-Apr-15	-	-	-	-
Interest receivable on loan given					
Avenue Infinite Private Limited	31-Mar-17	-	-	-	-
	31-Mar-16	-	-	-	-
	1-Apr-15	-	-	0.56	0.56

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2017 (March 31, 2016: ₹ Nil and April 1, 2015: ₹ Nil)

NOTE 30 : EARNING PER SHARE

(Rupees in million)

Particulars	FY 2016-17	FY 2015-16
Earning per share (Basic and Diluted)		
Profit attributable to ordinary equity holders	441.08	93.71
Total no. of equity shares at the end of the year	5,38,93,920	5,30,91,321
Weighted average number of equity shares		
For basic EPS	5,32,57,041	4,26,12,949
For diluted EPS	5,39,57,134	4,33,24,355
Nominal value of equity shares	10.00	10.00
Basic earning per share	8.28	2.20
Diluted earning per share	8.17	2.16
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	5,32,57,041	4,26,12,949
Effect of dilution: Employee stock options	7,00,093	7,11,406
Weighted average number of equity shares adjusted for the effect of dilution	5,39,57,134	4,33,24,355

NOTE 31 : DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act') accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2017 has been made in the financial statements based on information received and available with the Company.

(Rupees in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;	-	-	-
The amount of interest paid by the buyer under the MSMED Act along with the amounts of the payment made to the amounts of the payment made to the supplier beyond the appointed day during each accounting period;	-	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act not paid);	-	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-	-
The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-

On basis of information and records available with the Company, the above disclosures are made in respect of amount due to the micro and small enterprises, which have been registered with the relevant competent authorities. This has been relied upon by the auditors.

NOTES

to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

NOTE 32: SHARE BASED PAYMENTS

Employee stock option (ESOP) scheme (2013-14):

The scheme has been adopted by the Board of Directors pursuant to resolution passed at its meeting held on February 17, 2013, read with Special Resolution passed by shareholder of the company at the extra ordinary general meeting held on March 30, 2013. The plan entitles senior employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled by physical delivery of shares. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of ₹ 10 which is 97.65% below the market price at the date of grant, i.e. 1 April 2013 and 1 April 2014.

Employee stock option (ESOP) scheme (2014-15)

The scheme has been adopted by the Board of Directors pursuant to resolution passed at its meeting held on 27 February 2014, read with Special Resolution passed by shareholder of the company at the extra ordinary general meeting held on 31 March 2014. The plan entitles senior employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled by physical delivery of shares. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of ₹ 10 which is 97.65%, 97.68% and 100% respectively below the market price at the date of grant, i.e., April 1, 2014, April 1, 2015, April 1, 2016, October 1, 2014, October 1, 2015 and October 1, 2016.

Scheme	ESOP Scheme 2013-14	ESOP Scheme 2014-15	ESOP Scheme 2014-15	ESOP Scheme 2014-15	ESOP Scheme 2014-15
Date of grant	-	April 1 , 2016	April 1 , 2015	October 1 , 2016	October 1 , 2015
Number of options granted during the year	-	3,52,023	4,04,690	6,200	3,650
Exercise price per option	10	10	10	10	10
Vesting requirements	Vesting period as defined by the board in the letters issuing the options to employees.	Vesting period as defined by the board in the letters issuing the options to employees.	Vesting period as defined by the board in the letters issuing the options to employees.	Vesting period as defined by the board in the letters issuing the options to employees.	Vesting period as defined by the board in the letters issuing the options to employees.
Exercise period	2 years	2 years	2 years	2 years	2 years
Method of settlement	Physical delivery of shares	Physical delivery of shares	Physical delivery of shares	Physical delivery of shares	Physical delivery of shares

The following table sets forth a summary of the activity of options:

Particulars	2016-17		2015-16	
	ESOP Scheme 13-14	ESOP Scheme 14-15	ESOP Scheme 13-14	ESOP Scheme 14-15
Options				
Outstanding at the beginning of the period	1,63,400	5,65,148	4,73,600	2,84,975
Granted during the period	-	3,58,223	-	4,08,340
Exercised during the period	(1,08,300)	(2,57,936)	(1,10,200)	(3,975)
Lapsed during the period	(1,000)	(2,650)	(2,00,000)	(1,24,192)
Outstanding at the end of the period	54,100	6,62,785	1,63,400	5,65,148
Exercisable at the end of the period	**54,100**	**6,62,785**	**1,63,400**	**5,65,148**

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 :

(Rupees in million)

Particulars	2016-17	2015-16
Employee option plan	44.40	45.16
Total employee share based payment expense	**44.40**	**45.16**

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

The fair value of the share based payment options granted on is determined using the black scholes model using the following inputs at the grant date which takes in to account the exercise price, the term of the option, the share price at the grant date, and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Weighted average share price.	990	425	425
Exercise price	10	10	10
Expected volatility	310%	5%	-
Expected life (years)	1 year	1 year	1 year
Dividend yield	-	-	-
Risk-free interest rate (%)	6.96%	7.79%	7.8%
Fair market value share	984.38	415.75	415.75

NOTE 33: SEGMENT REPORTING

Based on the "management approach" as defined in Ind AS 108 - Operating Segments and evaluation by the Chief Operating Decision Marker, primary reportable segments of the Group consists of: E-commerce - sale of products and E-commerce Sale of software and e-commerce related ancillary services. Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

Segment assets include all operating assets used by a segment and principally consists of operating cash, trade receivables, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two segments is allocated to the segments on a reasonable basis.

Segment liabilities include all operating liabilities and consist principally of trade payables and accrued liabilities.

Segment assets and liabilities do not include those relating to income taxes. There are certain assets which are used interchangeably between the segments by the Group's businesses, the same have not been fully identified to any of the reportable segments, and accordingly such assets are disclosed as 'unallocated'.

Segment expense comprises the expense resulting from the operating activities of a segment that is directly attributable to the segment or that can be allocated on a reasonable basis to the segment and expense relating to transactions with other segments. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group therefore believes that it is not practicable to provide segment disclosures relating to such expenses, and accordingly such expenses are separately disclosed as 'unallocated' and directly charged against total income.

Primary Segment:

(Rupees in million)

	March 31, 2017	March 31, 2016
Revenue		
Total Revenue		
E-commerce - sale of products	2,814.76	2,341.18
E-commerce Sale of software and e-commerce related ancillary services	1,598.65	1,028.32
External revenue		
E-commerce - sale of products	2,814.76	2,341.18
E-commerce Sale of software and e-commerce related ancillary services	1,598.65	1,028.32
Total revenue	**4,413.41**	**3,369.50**
Segment result		
E-commerce - sale of products	(101.45)	(195.10)
E-commerce Sale of software and e-commerce related ancillary services	867.87	570.48
Unallocated corporate expenses (net unallocated income)	313.49	320.76
Operating profit	449.93	54.62
Interest expense	42.64	11.48
Interest income	152.56	44.08
Profit / (loss) before tax	**562.85**	**87.22**
Income taxes	127.51	(0.63)
Profit / (loss) after tax	**435.34**	**87.85**

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Other Information:

(Rupees in million)

	March 31, 2017	March 31, 2016	April 1, 2015
Segment assets			
E-commerce - sale of products	488.85	545.44	470.18
E-commerce Sale of software and e-commerce related ancillary services	1,006.27	800.30	625.51
Unallocated corporate assets	8,940.22	6,154.42	1,584.47
Total assets	**10,435.34**	**7,500.16**	**2,680.16**
Segment liabilities			
E-commerce - sale of products	259.61	350.61	171.14
E-commerce Sale of software and e-commerce related ancillary services	207.58	89.44	290.64
Unallocated corporate liabilities	2,150.00	433.07	89.21
Total liabilities	**2,617.19**	**873.12**	**550.99**
Capital expenditure			
E-commerce - sale of products	0.28	2.12	17.32
E-commerce Sale of software and e-commerce related ancillary services	358.02	139.36	93.59
Unallocated	1,112.92	129.42	263.24
Depreciation			
E-commerce - sale of products	34.67	33.11	33.65
E-commerce Sale of software and e-commerce related ancillary services	96.33	62.56	48.61
Unallocated	93.78	79.71	48.69
Non cash expenses other than depreciation			
E-commerce - sale of products	2.05	7.01	-
E-commerce Sale of software and e-commerce related ancillary services	81.85	25.07	-
Unallocated	5.70	25.27	43.72

C. Geographical information:

Geographical segments for the Group are secondary segments. For management purposes, the Group is organised into two major operating geographies, India and Outside India. Since, more than 90% of the Company's business is from India, there is no secondary reportable segment. Thus the segment revenue, segment assets and total cost incurred to acquired segments assets are all as reflected in the financial statements for the year ended 31 March 2017.

D. Major customer

Revenue from one customer of the Group's in service segment of ₹ 230.00 milion and product segment of ₹ 342.17 milion contributes more than ten percent of the Group's total revenue.

NOTE 34: OPERATING LEASE

The Company has taken number of warehouses and offices under operating leases. The warehouse and office leases typically run for a period of 1 to 6 years. These leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually accepted terms including escalation of lease rent. Total expense incurred under the cancellable operating lease agreement recognised as an expense in the Statement of Profit and Loss during the period is ₹ 44.91 million (March 31, 2016: ₹ 43.83 million)

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NOTE 35 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

The management assessed that trade receivables, cash and cash equivalents, other bank balance, other financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities other than assets and liabilities which approximate their carrying amounts largely due to the short-term maturities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities:

As at 31 March 2017 (Rupees in million)

Particulars	Carrying amount Fair value through				Fair value			
	Amortised Cost	Other comprehensive income	Profit and loss	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets- non current								
Investment	600.00	-	-	600.00	-	-	-	-
Loans	2.41	-	-	2.41	-	-	-	-
Other financial assets	21.70	-	-	21.70	-	-	-	-
	624.11	**-**	**-**	**624.11**	**-**	**-**	**-**	**-**
Financial liabilities- non current								
Borrowings								
Non current borrowings	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**

As at 31 March 2016 (Rupees in million)

Particulars	Carrying amount Fair value through				Fair value			
	Amortised Cost	Other comprehensive income	Profit and loss	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets- non current								
Investment	-	-	-	-				-
Loans	-	-	-	-				-
Other financial assets	2.25	-	-	2.25				-
	2.25	**-**	**-**	**2.25**	**-**	**-**	**-**	**-**
Financial liabilities- non current								
Borrowings								
Non current borrowings	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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1 April 2015

(Rupees in million)

Particulars	Carrying amount Fair value through				Fair value			
	Amortised Cost	Other comprehensive income	Profit and loss	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets- non current								
Investment	-	-	-	-				-
Loans	-	-	-	-				-
Other financial assets	130.46	-	-	130.46				-
	130.46	**-**	**-**	**130.46**	**-**	**-**	**-**	**-**
Financial liabilities- non current								
Borrowings								
Non current borrowings	20.00	-	-	20.00	-	20.00	-	20.00
	20.00	**-**	**-**	**20.00**	**-**	**20.00**	**-**	**20.00**

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

B. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group manages market risk through a treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The treasury team recommends risk management objectives and policies. The activities of this operations include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure.

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

Cash and cash equivalents

The Group maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Trade receivables

Trade receivables of the Group are typically unsecured. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which Group grants credit terms in the normal course of business. The Group performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. The Group has no concentration of credit risk as the customer base is geographically distributed in India.

At March 31, 2017, the maximum exposure to credit risk for trade receivables by geographic region was as follows:

(Rupees in million)

Particulars	Carrying amount as at		
	March 31, 2017	March 31, 2016	April 1, 2015
Domestic	253.26	327.19	307.23
Other regions	301.72	152.54	23.84
	554.98	**479.73**	**331.07**

Impairment

At March 31, 2017, the ageing of trade and other receivables that were not impaired was as follows.

(Rupees in million)

Particulars	Carrying amount					
	March 31, 2017		March 31, 2016		April 1, 2015	
	Upto 0-180 days	More than 180 days	Upto 0-180 days	More than 180 days	Upto 0-180 days	More than 180 days
Gross	484.92	80.34	433.78	48.45	279.83	51.23
Less: Provision	(0.82)	(9.47)	-	(2.50)	-	-
Net	484.10	70.87	433.78	45.95	279.83	51.23

The above receivables which are past due but not impaired are assessed on individual case to case basis and relate to a number of independent third party customers from whom there is no recent history of default. These financial assets were not impaired as there had not been a significant change in credit quality and the amounts were still considered recoverable based on the nature of the activity of the customer portfolio to which they belong and the type of customers. There are no other classes of financial assets that are past due but not impaired except for Trade receivables as at March 31, 2017; March 31, 2016 and April 1, 2015.

iii. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

(Rupees in million)

Particulars	On demand	Less than 1 year	More than 1 year
Year ended March 31, 2017			
Interest bearing borrowings*	1,300.00	29.57	-
Trade payables	-	170.17	-
Other financial liabilities	-	164.48	-
	1,300.00	364.22	-
Year ended March 31, 2016			
Interest bearing borrowings*	-	46.74	-
Trade payables	-	257.58	-
Other financial liabilities	-	382.80	-
	-	687.12	-
Year ended April 1, 2015			
Interest bearing borrowings*	-	25.76	20.00
Trade payables	-	205.38	-
Other financial liabilities	-	47.17	-
	-	278.31	20.00

* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings, deposits.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, USD, GBP and Euro. The Group has foreign currency trade payables and receivables and is, therefore, exposed to foreign exchange risk. The Group does not use any derivative instruments to hedge its risks associated with foreign currency fluctuations.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP, SAR and Euro rates to the functional currency of respective entity, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(Rupees in million)

	Change in USD rate	Effect on profit before tax
March 31, 2017	+5%	8.65
	-5%	(8.65)
March 31, 2016	+5%	5.14
	-5%	(5.14)
	Change in AED rate	Effect on profit before tax
March 31, 2017	+5%	0.45
	-5%	(0.45)
March 31, 2016	+5%	1.26
	-5%	(1.26)
	Change in Euro rate	Effect on profit before tax
March 31, 2017	+5%	0.68
	-5%	(0.68)
March 31, 2016	+5%	0.58
	-5%	(0.58)
	Change in SAR rate	Effect on profit before tax
March 31, 2017	+5%	1.03
	-5%	(1.03)
March 31, 2016	+5%	0.59
	-5%	(0.59)

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to the Consolidated Financials Statement for the year ended March 31, 2017 (Contd.)

NOTE 36 : CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. 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 net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

(Rupees in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
Interest-bearing loans and borrowings (Note 13 (i))	1,329.57	46.74	25.76
Less: cash and cash equivalent and other bank balance (Note 7)	(3,067.04)	(5,165.93)	(601.73)
Net debt	**-1,737.47**	**-5,119.19**	**-575.97**
Equity share capital (Note 11)	538.94	530.91	425.60
Other equity (Note 12)	7,288.31	6,099.49	1,701.05
Total capital	**7,827.25**	**6,630.40**	**2,126.65**
Capital and net debt	**6,089.78**	**1,511.21**	**1,550.68**
Gearing ratio	**-**	**-**	**-**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants, if any, attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017, March 31, 2016 and April 1, 2015.

NOTE 37 : FIRST- TIME ADOPTION OF IND AS

These financial statements, for the year ended March 31, 2017, are the first annual Ind AS financial statements, the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of Companies Act, 2013 (Indian GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for year ended on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2015, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the previously published Indian GAAP financial statements as at and for the year ended March 31, 2016.

Exemptions applied

Ind AS 101 "First-time Adoption of Indian Accounting Standards" allows first-time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

1 **Deemed cost**

The Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and used it as its deemed cost at the date of transition. Consequently, the openeing block represents the WDV of the assets as at the transition date.

2 **Investment in Associates**

The Group has elected the option provided under Ind AS 101 to measure all its investments in Associate at previous GAAP carrying value on the date of transition in its separate financial statement and used that carrying value as the deemed cost of such investments.

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NOTE 38 : DISCLOSURE ON SPECIFIED BANK NOTE (SBNs)

During the year, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016. The denomination wise SBNs and other notes as per the notification is given below:

(Rupees in million)

Particulars	SBN*	Other denomination notes	Total
Closing cash in hand as on November 8,2016	3.5	0.89	4.39
(+) Permitted receipt	0	1.34	1.34
(-) Permitted payment	0	0.63	0.63
(-) Amount deposited in bank	3.5	0.54	4.04
Closing cash in hand as on December 30,2016	**0**	**1.06**	**1.06**

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

NOTE 39 : TRANSFER PRICING

The Company's transactions with associated enterprise is at arm's length. Management believes that the company's domestic transactions with associated enterprises post March 31, 2016 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end.

NOTE 40 :

During the year ended March 31, 2016, the Company has raised funds pursuant to Initial Public Offering (IPO) for the purpose of setting up of cloud data center, purchase of property for shifting and setting up of registered and corporate office of the company, setting up of 75 logistic centers, purchase of software and general corporate purposes. The Company issued 10,416,666 equity shares of ₹ 10 each at an issue price of Rs 432 per equity share. The proceeds from IPO is ₹ 4,499.99 million. The Company has incurred IPO expenses of ₹ 343.85 million (such as merchant bankers fees, underwriting fees, selling commission, legal counsel fees, registrar to the issue, brokerage and selling commission, printing and stationary expenses, advertising and marketing expenses and other incidental expenses). Of the total IPO expenses, expenses aggregating to ₹ 312.78 miilion have been adjusted towards the securities premium account. Further IPO expenses aggregating to ₹ 5.52 million (March 2016: 25.55 million) have been charged to the Statement of Profit and Loss. The unutilised amount received through IPO is temporarily deployed as under:

(Rupees in million)

Particulars	As at March 31, 2017	As at March 31, 2016
- In fixed deposits	1,630.00	-
- In current account with bank	0.91	-
Total	**1,630.91**	**-**

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NOTE 41 : ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

(Rupees in million)

Name of the entity in the group	Net assets, i.e. total assets minus total liabilities		Share of profit or loss		Share of Other Comprehensive Income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
1. Infibeam Incoporation Limited	102.8%	8,049.57	0.4%	1.79	80.1%	2.69	1.0%	4.48
Subsidiary								
Indian								
1. NSI Infinium Global Private Limited	(5.7%)	(443.25)	31.4%	138.53	97.3%	3.27	31.9%	141.80
2. Infibeam Digital Entertainment Private Limited	(0.5%)	(41.82)	(5.1%)	(22.31)	6.8%	0.23	(5.0%)	(22.08)
3. Infinium India Limited	0.9%	70.44	1.8%	7.77	2.1%	0.07	1.8%	7.84
4. Odigma Consultancy Pvt Ltd	0.0%	(2.01)	0.5%	2.05	8.6%	0.29	0.5%	2.34
5. Infibeam Logistics Pvt Ltd	0.0%	(3.85)	(0.1%)	(0.64)	8.0%	0.27	(0.1%)	(0.37)
6. Sine Qua Non Solutions Private Limited	(0.2%)	(18.32)	(0.2%)	(0.73)	0.0%	-	(0.2%)	(0.73)
Foreign								
1. Infibeam Global EMEA FZ LLC	3.9%	302.75	69.2%	305.26	(103.0%)	(3.46)	67.9%	301.80
Associates								
(Investment as per equity method)								
1. Avenues Infinite Private Limited	0.0%	-	0.0%	-	0.0%	-	0.0%	0.00
Non-controlling interest in subsidiary	0.1%	9.10	1.3%	5.74	0.0%	-	1.3%	5.74
Consolidation adjustments / eliminations	(1.2%)	(95.36)	0.8%	3.62	0.0%	-	0.8%	3.62
Total	**100%**	**7,827.25**	**100%**	**441.08**	**100%**	**3.36**	**100%**	**444.44**

NOTE 42 : INVESTMENT IN ASSOCIATE

The Group has a 49.99 % interest in Avenues Infinite Private Limited, which is involved in the business of ecommerce related ancillary services. Avenues Infinite Private Limited is a private entity that is not listed on any public exchange. The Group's interest in Avenues Infinite Private Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Avenues Infinite Private Limited:

(Rupees in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Summarised balance sheet		
Current assets	0.3	0.4
Non current assets	-	0.1
Current liabilities	(0.0)	(0.0)
Non current liabilities	(1.8)	(1.8)
Equity	(1.5)	(1.3)
Proportion of the Group's ownership	49.99%	49.99%
Carrying amount of the investment	(0.7)	(0.7)

(Rupees in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Summarised statement of profit and loss		
Revenue	-	0.0
Finance cost	-	0.0
Depreciation	0.1	0.1
Other expenses	0.0	0.0
Loss before tax	**0.1**	**0.1**
Income tax (credit)	(0.0)	(0.0)
Profit for the year	**0.1**	**0.1**
Total comprehensive loss for the year	**0.1**	**0.1**
Group's share of profit for the year	**0.0**	**0.0**

The associate had no contingent liabilities or capital commitments as at 1 April 2015, 31 March 2016 and 31 March 2017.

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NOTE 43 : STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standard issued, but not yet effective up to the date of issuance of the Consolidated financial statements is disclosed below. The Group intends to adopt this standard when it becomes effective.

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

NOTE 44 : IN THE BOARD MEETING HELD ON FEBRUARY 13, 2017, BOARD OF DIRECTORS HAVE APPROVED FOR ENTERING INTO OF A MEMORANDUM OF UNDERSTANDING ("MOU") WITH AVENUES (INDIA) PRIVATE LIMITED ("CC AVENUE") FOR:

(i) Investing ₹ 1,500 milion for acquisition of 7.5% of Equity Shares of CC Avenue over and above 3.85% of Compulsory Convertible Preference Shares held by one of the subsidiary company, NSI Infinium Global Private Limited, as on that date.

(ii) Undertake procedure necessary to merge CC Avenues with the Company.

The management is taking necessary steps in this regards. The equity shares are yet to be transferred in the name of the Company and accordingly amount paid is classified under other current financial assets.

NOTE 45 :

The Company's Wholly Owned Subsidiary NSI Infinium Global Private Limited has signed a binding Memorandum of Understanding ('MoU') with DRC Systems India Private Limited ('DRC') on March 3, 2017 for acquisition of DRC. It is an all cash deal with a payment consideration amounting to approximately ₹ 600 lakhs. The equity shares are yet to be transferred in the name of the Company and accordingly amount paid is classified under other current financial assets.

NOTE 46 :

During the year under review, the Company has formed a Wholly Owned Subsidiary Company with Registration No. 93697 as a Free Zone Limited Liability Company namely "Infibeam Global EMEA FZ - LLC" (Incorporation Date – 17.07.2016) at Dubai Internet City, Dubai to develop the business activities of the Company in Asia, Middle East and Africa (AMEA) which will be also helpful in increasing the services revenue of the Company.

NOTE 47 :

Previous year figures have been regrouped or recast wherever necessary to make them comparable with those of the current year. The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by one of the joint auditor (B S R & Associates LLP) whose report for the year ended March 31, 2016 and March 31, 2015 dated May 30, 2016 and September 5, 2015 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by joint auditors.\

As per our report of even date

For S R B C & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta
Partner
Membership No.: 101974

Place : Ahmedabad
Date : May 30, 2017

For B S R & Associates LLP
Chartered Accountants
ICAI Firm's Registration No. 116231W/W-100024

Jeyur Shah
Partner
Membership No.: 045754

Place : Ahmedabad
Date : May 30, 2017

For and on behalf of the board of directors of
Infibeam Incorporation Limited
CIN: L64203GJ2010PLC061366

Vishal Mehta
Managing Director
DIN: 03093563
Place : Ahmedabad
Date : May 30, 2017

Ajit Mehta
Director
DIN: 01234707
Place : Ahmedabad
Date : May 30, 2017

Hiren Padhya
Chief Financial Officer
Place : Ahmedabad
Date : May 30, 2017

Shyamal Trivedi
Company Secretary
Place : Ahmedabad
Date : May 30, 2017

INFIBEAM INCORPORATION LIMITED
[CIN: L64203GJ2010PLC061366]
Registered Office: 9th Floor, "A" Wing, Gopal Palace, Opp. Ocean Park,
Nr. Nehrunagar, Satellite Road, Ahmedabad – 380 015.
Email: ir@infibeam.ooo Website: www.infibeam.ooo

infibeam

FORM MGT-11

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 :

Email Id :

Folio No./ DPID-Client ID :

I/We, being the member (s) of ______________________ Shares of the above-named Company, hereby appoint:

1. Name:______________________ Address: ______________________

   Email Id: ______________________ Signature: ______________________ or failing him

2. Name:______________________ Address: ______________________

   Email Id: ______________________ Signature: ______________________ or failing him

as my/ our proxy to attend and vote (on a poll) for me as me/us and on my/ our behalf at the 7th Annual General Meeting of the Company, to be held on Monday, September 18, 2017 at 3.00 P.M. at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, IIM – A Road, Vastrapur, Ahmedabad – 380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
	Ordinary Business
1	Adoption of audited Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2	Re-Appointment of Mr. Vishal Mehta (DIN: 03093563), liable to retire by rotation and being eligible, offers himself for re-appointment
3	Ratification of Appointment of Statutory Auditors
4	Ratification of Appointment of Joint Statutory Auditors

Signed this ______________ day of ______________ 2017.

Affix Revenue Stamp of ₹ 1 here

______________________ Signature of Shareholder

______________________ Signature of Proxy holder(s)

Note: 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.

FORM FOR UPDATION OF EMAIL ADDRESS

Date :

To,
INFIBEAM INCORPORATION LIMITED
9th Floor, "A" Wing, Gopal Palace,
Opp. Ocean Park, Nr. Nehrunagar,
Satellite Road,
Ahmedabad – 380 015

Dear Sir,

Sub: Updation of email address

Please register my email address for the purpose of sending Annual Report and other Notices/documents in electronic mode:

Name :
Email Id :
Folio No. / DP ID - Client ID :

Signature of the First named Shareholder

Name :

Address :

INFIBEAM INCORPORATION LIMITED

[CIN: L64203GJ2010PLC061366]

Registered Office: 9th Floor, "A" Wing, Gopal Palace, Opp. Ocean Park,
Nr. Nehrunagar, Satellite Road, Ahmedabad – 380 015.
Email: ir@infibeam.ooo Website: www.infibeam.ooo

ATTENDANCE SLIP

[PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING AND HAND IT OVER AT THE ENTRANCE DULY FILLED IN]

Folio No./ DPID-Client ID:

Name of the member (s):

Registered Address :

I hereby record my presence at the 7th Annual General Meeting of the Company held on Monday, September 18, 2017 at 3.00 P.M. H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, IIM – A Road, Vastrapur, Ahmedabad – 380 015.

Full name of Shareholder/Proxy (in Block Letters)

Signature of Shareholder/Proxy

INFIBEAM INCORPORATION LIMITED
[CIN: L64203GJ2010PLC061366]
Registered Office: 9th Floor, "A" Wing, Gopal Palace, Opp. Ocean Park,
Nr. Nehrunagar, Satellite Road, Ahmedabad – 380 015.
Email: ir@infibeam.ooo Website: www.infibeam.ooo

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FORM MGT-12
BALLOT FORM

(TO BE USED BY SHAREHOLDERS PERSONALLY PRESENT/THROUGH PROXY AT THE MEETING AND HAVE NOT OPTED FOR E-VOTING)

1	Name and Address of the Sole/First named Shareholder	
2	Name(s) of the Joint Holder(s) (if any)	
3	Registered Folio No./ DPID-Client ID	
4	Number of Shares(s) held	
5	I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of 7th Annual General Meeting (AGM) of the Company to be held on Monday, September 18, 2017, by sending my/our assent or dissent to the said Resolutions by placing the tick (√) mark at the appropriate box below:	

Resolution No.	Resolutions	No. of Shares	(FOR) I/We assent to the resolution	(AGAINST) I/We dissent the resolution
	Ordinary Business:			
1	Adoption of audited Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.			
2	Re-Appointment of Mr. Vishal Mehta (DIN: 03093563), liable to retire by rotation and being eligible, offers himself for re-appointment			
3	Ratification of Appointment of Statutory Auditors			
4	Ratification of Appointment of Joint Statutory Auditors			

Place : Ahmedabad
Date :

(Signature of the Shareholder/Proxy)

Note: This Ballot is to be used for exercising voting at the time of 7th Annual General Meeting to be held on Monday, September 18, 2017 by shareholders/proxy. Duly filled in and signed ballot form should be dropped in the Ballot box kept at the venue of AGM.

NOTES

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Route Map

to the Venue of the 7th AGM of Infibeam Incorporation Limited

Venue : H. T. Parekh Convention Centre,
Ahmedabad Management Association,
ATIRA Campus, Dr. Vikram Sarabhai Marg,
IIM – A Road, Vastrapur,
Ahmedabad – 380 015

Landmark : Opposite Indian Institute of Management, Ahmedabad

Venue Distance from

Railway Station 8 km approx.

Geeta Mandir Bus Stop 7 km approx.

INFIBEAM INCORPORATION LIMITED
INDIA Ph: +91 79 40403600 | www.infibeam.ooo