

**TO
THE MEMBERS OF ISSL CPG BPO PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **ISSL CPG BPO PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the

Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit, report under the provisions of the Act and the Rules made thereunder.

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



Kolkata Office

1-B, Old Post office Street, Kolkata - 700 001

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position
 - ii. *the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.*
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For S.N. Mukherji & Co

Chartered Accountants

(Registration No.301079E)



Partner

(Membership No.056779)

Place: Bangalore,

Date: 11.5.2016

Annexure to The Independent Auditor's Report

(Referred to in paragraph 3 of our report of even date to the members of **ISSL CPG BPO PRIVATE LIMITED** on the financial statements ended on 31st March, 2016)

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification;
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) The Company is into service business, primarily of outsourcing and therefore the clause (ii) of para 3 is not applicable.
- (iii) The company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. However, there is an outstanding debit balance of Rs.21,70,746/- as on 31st March 2016 from Core Progression Grid BPO (India) Pvt Ltd, a party covered in the aforementioned register. This balance has accrued by virtue of business transfer agreements between Core Progression Grid BPO (India) Pvt Ltd and the Company. Hence, paragraph 3(iii) (a), (b) of this report are not applicable.
- (iv) In our Opinion and further to the explanation given to us, the company has not provided any loans, investments, guarantees and security therefore clause (iv) of para 3 is not applicable.
- (v) the company has not accepted any deposits from public.
- (vi) the Central Government has not prescribed maintenance of records u/s 148(1) of the Act for any of the services rendered by the company;
- (vii) (a) According to the information and explanations provided to us and on the basis of verification of records of the company, amounts deducted or accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, professional Tax and all other statutory dues are deposited during the year with respective authorities.
According to the information and explanations provided to us and on the basis of verification of records of the company, no statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, professional Tax and any other material statutory dues were in arrears for than 6 months from the date on which it was payable.



- (b) According to the information and explanations provided to us, no sales tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute.

According to the information and explanations provided to us, the following amount of income tax were not deposited due to dispute.

Nature of Statute	Amount Involved	Period which it relates	Forum it is pending
Income Tax Act, 1961	13,35,450	AY 2011-12	ITO, Bangalore
Income Tax Act, 1961	5,01,473	AY 2012-13	CIT – (Appeals), Bangalore
Income Tax Act, 1961	36,060.00	AY 2011-12	Matter is still pending with TDS CPC
Income Tax Act, 1961	5,610.00	AY 2012-13	Matter is still pending with TDS CPC

- (viii) The company has not, borrowed any loans from financial institutions, banks, government or issued any debenture.
- (ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan, therefore clause (ix) of Para 3 is not applicable;
- (x) According to the information and explanations provided to us, there was no fraud by the company or fraud on the company by its officers or employees during the year;
- (xi) The company has paid managerial remuneration according to the requisite as mandated by the provisions of section 197 read with schedule V to the Companies Act
- (xii) The company is not Nidhi company therefore rules specified in the Nidhi Rules, 2014 are not applicable;



- (xiii) According to the information and explanations provided to us and on the basis of verification of records of the company, we are of the opinion that all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards;
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- (xv) According to the information and explanations provided to us and on the basis of verification of records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him;
- (xvi) the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



Annexure A to The Independent Auditor's Report

(Referred to our report of even date to the members of **ISSL CPG BPO PRIVATE LIMITED** on the financial statements ended on 31st March, 2016)

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 ISSL CPG BPO PRIVATE LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our



audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial Control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For S.N. Mukherji & Co

Chartered Accountants

(Registration No.301079E)



Partner

(Membership No.056779)

Place: Bangalore,

Date: 11.5.2016

ISSL CPG BPO PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Refer Note No.	As at March 31, 2016 ₹	As at March 31, 2015 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share capital	3	110,000	110,000
Reserves and surplus	4	23,999,072	17,014,996
		24,109,072	17,124,996
2 Non-current liabilities			
Other Long term liabilities	5	1,282,259	893,187
Long-term provisions	6	4,495,818	3,669,197
3 Current liabilities			
Short-term borrowings	7	15,247,000	15,247,000
Trade payables	8	28,053,888	22,790,575
Other current liabilities	9	7,337,780	5,450,931
Short-term Provisions	10	543,870	1,586,043
TOTAL		81,069,687	66,761,929
II. ASSETS			
1 Non-current assets			
Fixed assets (Net)	11		
Tangible Assets		7,593,954	6,855,473
Intangible Assets		465,575	-
		8,059,529	6,855,473
Deferred tax assets (Net)	12	1,075,133	503,163
Long-term loans and advances	13	8,687,782	7,837,117
Other non-current assets	14	1,644,882	1,523,014
2 Current assets			
Trade receivables	15	21,458,688	18,580,444
Cash and cash equivalents	16	7,574,755	9,955,770
Short-term loans and advances	17	5,592,890	3,973,617
Other current assets	18	26,976,028	17,533,331
TOTAL		81,069,687	66,761,929

See accompanying notes forming part of financial statements
In terms of our report attached

(1 to 33)

For and on behalf of the Board of Directors

For S.N. Mukherji & Co
Chartered Accountants
Firm Reg No. 301079E

Lalita Banerjee
Partner
Membership No: 056779


Latha Srinivasan
Director
(DIN:02548440)


M.R. Srinivasan
Director
(DIN:02548454)


A.R. Venkata Subramanyam
Chief Financial Officer

Bangalore
May 11, 2016

Bangalore
May 11, 2016



ISSL CPG BPO PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Refer Note No.	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
CONTINUING OPERATIONS			
I. Revenue from operations	19	209,597,554	173,779,878
II. Other income	20	1,764,535	2,984,534
III. Total Revenue (I + II)		211,362,089	176,764,412
IV. Expenses:			
Employee benefits expense	21	107,723,740	84,208,408
Finance costs	22	1,936,187	2,520,765
Depreciation and amortization expense	11	1,868,939	654,984
Other expenses	23	89,321,611	70,573,965
Total expenses		200,850,477	157,958,122
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		10,511,612	18,806,290
VI. Exceptional items		-	-
VII. Profit/(Loss) before extraordinary items and tax (V - VI)		10,511,612	18,806,290
VIII. Extraordinary items		-	-
IX. Profit/(Loss) before tax (VII- VIII)		10,511,612	18,806,290
X. Tax expense:			
Current tax		4,099,346	4,786,606
Current tax expense relating to prior years		160	501,473
Net Current Tax Expenses		4,099,506	5,288,079
Deferred tax		(571,970)	(503,163)
Net Tax expenses		3,527,536	4,784,916
XI. Profit/(Loss) for the period (IX - X)		6,984,076	14,021,374
XII. Earnings per equity share (of ₹ 10/-each.)	28		
(1) Basic		634.92	1,274.67
(2) Diluted		634.92	1,274.67

See accompanying notes forming part of the financial statements

(1 to 33)

For and on behalf of the Board of Directors

In terms of our report attached

 For S.N Mukherji & Co
Chartered Accountants
Firm Reg No 301079E



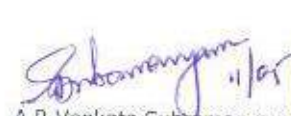
S.N Mukherji & Co
Bangalore
Chartered Accountants
Firm Reg No 301079E
Membership No 056779

 Bangalore
May 11, 2016

 Latha Srinivasan
Director
(DIN:02548440)



H R Srinivasan
Director
(DIN:02548454)



A R Venkata Subramanyam
Chief Financial Officer

 Bangalore
May 11, 2016



ISSL CPG BPO Private Limited

ISSL CPG BPO PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
(A) CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	10,511,612	18,806,290
Adjustments for:		
Depreciation and amortizations	1,868,939	654,984
(Profit)/Loss on sale of Fixed Assets (Net)	-	170,072
Interest income from Inter Corporate Deposits/Deposits with Bank	(438,840)	(59,675)
Interest on bank and other borrowings	1,829,640	2,013,979
Provision for doubtful trade receivables & deposits(Net)	(40,126)	(2,828,859)
Bad debts and doubtful deposits written off	-	3,019,526
Provision for gratuity	896,541	1,636,337
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	14,627,766	23,412,654
Adjustments for changes in Working Capital		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	(2,838,118)	(6,943,372)
Short-term loans and advances	(1,619,273)	(231,849)
Other current assets	(9,442,637)	(6,252,809)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Other Long term liabilities	389,072	561,862
Long-term provisions	(69,920)	-
Trade payables	5,263,313	8,866,299
Short-term provisions	126,174	19,791
Other current liabilities	1,893,189	(3,626,059)
Cash generated from Operations	8,329,506	15,806,517
Taxes refund/(paid) (net)	(6,118,518)	1,162,870
NET CASH GENERATED FROM OPERATING ACTIVITIES	2,210,988	16,969,387
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(3,072,995)	(1,590,879)
Proceeds from sale of Fixed assets	-	2,400
Investment in Inter Corporate Deposits	(41,852,319)	(5,000,000)
Redemption of Inter Corporate Deposits	41,852,319	5,000,000
Bank Deposits placed having original maturity exceeding three months (including lien marked deposits)	-	(1,500,000)
Interest income from Inter Corporate Deposits/Deposits with Banks	316,572	36,661
NET CASH USED IN INVESTING ACTIVITIES	(2,756,023)	(3,051,818)



ISSL CPG BPO PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016 (Contd.)

	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid on bank and other borrowings	(1,835,980)	(3,890,058)
Increase / (Decrease) in bank and other borrowings	-	(2,130,000)
NET CASH USED IN FINANCING ACTIVITIES	(1,835,980)	(6,020,058)
(D) Net Increase / (Decrease) in cash and cash equivalents	(2,381,015)	7,897,511
Cash and Cash equivalents at the beginning of the year	9,955,770	2,058,259
Cash and Cash equivalents at the end of the year	7,574,755	9,955,770

See accompanying notes forming part of the financial statements (1 to 33)

In terms of our report attached

For S.N Mukherji & Co
Chartered Accountants

Firm Reg No: 301079E



Lalita Banerjee
Partner
Membership No: 056779

Bangalore
May 11, 2016

For and on behalf of the Board of Directors

Latha Srinivasan

Latha Srinivasan
Director
(DIN:02548440)

M R Srinivasan

M R Srinivasan
Director
(DIN:02548454)

A R Venkata Subramanyam
A R Venkata Subramanyam
Chief Financial Officer



Bangalore
May 11, 2016

Note 1: Corporate Information

ISSL CPG BPO Private Limited ("ISSL CPG"/the "Company") was incorporated in August, 2010 and its name was changed from Critical Paradigm Gestalt BPO Private Limited w.e.f. 9th September, 2014. It is a subsidiary of IL&FS Securities Services Limited. The Company is engaged in Data processing activities predominantly for telecom and banking and financial services industry. It has its business operations at Karnataka, Kerala and Gujarat

Note 2: Significant Accounting Policies

2.1. Basis for Preparation of Financial Statements:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year

Assets and liabilities have been classified as "Current" or "Non-Current" on the basis of the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Current Assets do not include assets which are not expected to be realized within 1 year and Current Liabilities do not include liabilities which are due after 1 year

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous years

2.2. Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognised in the periods in which the results are known/materialise

2.3. Tangible Assets:

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements



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Gains or losses arising from disposal or retirement of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement

- 2.3.1 Depreciation on the tangible fixed assets has been provided on a Straight Line basis over the estimated useful life of assets specified there against:

Nature of asset	Estimated Useful life
Data Processing Equipment – Servers & Networking items	4 years
Data Processing Equipment – Others	3 years (As per Schedule II to Companies Act, 2013)
Electrical Equipment	10 years (As per Schedule II to Companies Act, 2013)
Furniture & Fixtures	10 years (As per Schedule II to Companies Act, 2013)
Office Equipment	5 years (As per Schedule II to Companies Act, 2013)
Specialized Office Equipment	3 years
Lease Hold Improvements	Over expected lease period or benefit period as estimated by the Management
Mobile phones	In the year of capitalization

- 2.3.2 Tangible Fixed assets, the acquisition value of which is less than or equal to ₹ 5,000 individually are fully depreciated in the year of acquisition.

2.4. Intangible asset and amortisation:

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits from the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

All intangible assets costing less than ₹ 5,000 individually are fully amortised in the year of acquisition.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.



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2.5. Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired: (a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.6. Investments:

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually

2.7. Revenue Recognition:

The operations of the Company comprises of rendering of varied services including that of providing back office support for various telecom companies and banking and financial services companies. Provided the amount recoverable can be reasonably measured and collectability reasonably assured, revenue is recognised based on the number of transactions processed

2.8. Employee benefits:**2.8.1 Short term:**

Short term employee benefits include salaries and performance incentives. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or informal obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company



2.8.2 Long term:

The Company offers its employees long term benefits by way of defined-contribution and defined-benefit plans. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees

2.8.3 Defined-contribution plans:

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers

2.8.4 Defined-benefit plans:

Expenses for defined-benefit gratuity plan are calculated as at the balance sheet date by an independent actuary in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. The fair values of the plan assets are deducted in determining the net liability. When the fair value of plan assets exceeds the commitments computed as aforesaid, the recognised asset is limited to the net total of any cumulative past service costs and the present value of any economic benefits available in the form of reductions in future contributions to the plan

Actuarial losses or gains are recognised in the Statement of Profit and Loss in the year in which they arise

2.8.5 Other employee benefits:

Compensated absences which accrue to employees and which can be carried to future years but are expected to be availed in twelve months immediately following the year in which the employee has rendered service are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits

Where there are restrictions on availment of such accrued benefit or where the availment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method

2.9. Service Tax Input Credit:

Service tax input credit is recognised in the period in which the underlying service rendered is accounted and when there is no uncertainty in availing / utilising the credit

2.10. Borrowing Cost:

Borrowing costs are recognised in the year to which they relate, regardless of how the funds have been utilised, except where it relates to financing of construction or development of an asset requiring a substantial period of time (generally exceeding 12 months) to prepare for their intended future use. Interest is capitalized upto the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to



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appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period

2.11. Foreign Currency Transactions:

A foreign currency transaction is recorded at the rate prevailing on the date of transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are restated at the closing rate. Foreign exchange rate differences arising on settlement/conversion are recognised in the Statement of Profit and Loss

2.12. Leases:

A lease of assets where the risk and rewards of ownership are transferred by the owner by the end of the lease term is capitalised as finance lease. Assets taken on finance lease are capitalised at fair value or net present value of the minimum lease payments, whichever is lower. Depreciation on the assets taken on lease is charged over the period of the lease. Lease payments made are apportioned between the finance charges and reduction of the outstanding liability in respect of assets taken on lease, based on the interest rate implicit in the lease

Other leases are operating leases and the leased assets are not recognised in the Company's Balance Sheet. Lease expenses on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred

2.13. Taxation:

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year

Current tax is the amount of tax payable on taxable income for the year as determined with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable laws

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability



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Current and deferred taxes relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss

2.14. Provisions and Contingencies:

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability

2.15. Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares (other than the conversion of potential equity shares) that have changed the number of equity shares outstanding, without a corresponding change in resources

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed dilutive only if their conversion into equity shares would decrease the net per share from continuing ordinary operations. Potential equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares)

2.16. Cash Flow Statement:

The Cash Flow Statement is prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Cash Flow Statements (AS - 3)

2.17. Cash and Cash Equivalents:

In the Cash Flow Statement, cash and cash equivalents include cash in hand, demand deposits and short term with banks with original maturities of three months or less from the date of acquisition and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value



ISSL CPG BPO PRIVATE LIMITED

Notes forming part of the financial statements

Note 3: Share capital

The Company has issued Equity Share Capital, the details in respect of which are given below

(i) Number, face value and amount of shares authorised, issued, subscribed and fully paid up

	As at March 31, 2016		As at March 31, 2015	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 10 each with voting rights	50,000	500,000	50,000	500,000
Issued				
Equity Shares of ₹ 10 each with voting rights	11,000	110,000	11,000	110,000
Subscribed and Paid up				
Equity Shares of ₹ 10 each fully paid up	11,000	110,000	11,000	110,000
Total	11,000	110,000	11,000	110,000

(ii) Reconciliation of the number of share outstanding at the beginning and end of the reporting year

Particulars	As at March 31, 2016		As at March 31, 2015	
	Equity Shares Number	₹	Equity Shares Number	₹
Shares outstanding at the beginning and end of the year	11,000	110,000	11,000	100,000

(iii) Rights, preference and restrictions attaching to shares:

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of the preferential amounts in proportion to their share holdings. The equity shares are not repayable except in the case of buy back, reduction of capital or winding up.

(iv) Shares in the Company held by the holding company

Particulars	As at March 31, 2016		As at March 31, 2015	
	Equity Shares Number	₹	Equity Shares Number	₹
Equity shares held by IL&FS Securities Services Limited (ISSL); the holding company (includes 30 (as at March 31, 2015: Nil) equity shares held by ISSL as beneficial owner)	6,510	65,100	6,510	65,100

(v) Details of shares held by other shareholders holding more than 5% the aggregate equity shares in the Company

Name of other Shareholders	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ms. Shruthi Srinivasan	2,000	18.18%	2,000	18.18%
Mr. M S Ramanujam	-	-	1,100	10.00%
Ms. Latha Srinivasan	772	7.02%	772	7.02%
Mr. M R Srinivasan	1,718	15.62%	618	5.62%



ISSL CPG BPO PRIVATE LIMITED
Notes forming part of the financial statements
Note 4: Reserves and surplus

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
a Securities premium account		
Opening and Closing Balance	9,690,000	9,690,000
b Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	7,324,996	(6,591,284)
Add: Net Profit for the current year	6,984,076	14,021,374
Less: Adjustment towards assets whose useful life has expired as determined by Schedule II of Companies Act, 2013	-	105,094
Closing Balance	14,309,072	7,324,996
Total	23,999,072	17,014,996

Note 5: Other Long term liabilities

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Contractual obligations		
Operating Lease liabilities	1,282,259	893,187
Total	1,282,259	893,187

Note 6: Long-term provisions

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Provision for employee benefits		
Provision for gratuity (ref note no.26(b))	4,495,818	3,669,197
Total	4,495,818	3,669,197

Note 7: Short-term borrowings

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
<u>Unsecured</u>		
Loans repayable on demand		
- from directors	15,247,000	15,247,000
Total	15,247,000	17,377,000

Notes:

1. There was no default on the balance sheet date in repayment of loan and interest
2. The Company has taken above loans at Interest rate of 12% p.a.



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ISSL CPG BPO PRIVATE LIMITED**Notes forming part of the financial statements****Note 8: Trade payables**

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Trade Payables for services / goods received		
Due to Micro and Small Enterprises (refer footnote)	-	-
Due to Others		
Accrued Expenses	9,335,947	5,092,954
Payroll Liabilities	8,685,046	6,694,748
Others (ref. note no. 27)	10,032,895	11,002,873
	28,053,888	22,790,575

Footnote :

On the basis of information available with the Company there are no suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006. Hence, information as required by the said Act is not given

Note 9: Other current liabilities

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Other payables		
Dues to entities other than Micro and Small Enterprises (ref. note no. 27)	1,771,764	2,218,670
Advances from customers	2,640,138	-
Due to Directors	194,712	192,696
Interest accrued but not due on borrowings		
- from Directors	123,776	130,116
Statutory Liabilities	2,607,390	2,909,449
Total	7,337,780	5,450,931

Note 10: Short term provision

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Provision for employee benefits		
Compensated absences	543,870	417,696
Other provisions		
Income Tax Payable (net of Advance tax paid as at March 31, 2015 ₹ 3,618,259)	-	1,168,347
Total	543,870	1,586,043



ISSL CPG BPO PRIVATE LIMITED

Notes forming part of the financial statements

Note 11: Fixed assets

(in ₹)

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block	
	Balance as at April 1, 2015	Additions	Disposals	Balance as at March 31, 2016	Balance as at April 1, 2015	Depreciation charge for the year	On disposals	Balance as at March 31, 2016	Balance as at March 31, 2016
Tangible Assets									
Own Use									
Plant and Equipment	2,497,149	19,022	-	2,516,171	1,365,924	162,999	-	1,528,923	987,248
Furniture and Fixture	5,412,268	484,161	-	5,896,429	1,230,472	599,048	-	1,829,520	4,066,909
Office Equipment	2,870,897	2,001,590	-	4,872,487	1,860,479	796,791	-	2,657,270	2,215,217
Others - Data Processing Equipment	1,836,271	8,177	-	1,844,448	1,597,444	200,237	-	1,797,681	46,767
Lease Hold Improvements	310,517	25,345	-	335,862	17,310	40,739	-	58,049	277,813
Total (A)	12,927,102	2,538,295	-	15,465,397	6,071,629	1,799,814	-	7,871,443	7,593,954
Intangible Assets									
Software License	-	534,700	-	534,700	-	69,125	-	69,125	465,575
Total (B)	-	534,700	-	534,700	-	69,125	-	69,125	465,575
Gross Total (A+B)	12,927,102	3,072,995	-	16,000,097	6,071,629	1,868,939	-	7,940,568	8,059,529




ISSL CPG BPO PRIVATE LIMITED

Notes forming part of the financial statements

Note 11: Fixed assets (contd.)

(in ₹)

Fixed Assets	Gross Block					Accumulated Depreciation						Net Block
	Balance as at April 1, 2014	Opening adjustments	Additions	Disposals	Balance as at March 31, 2015	Balance as at April 1, 2014	Opening adjustments	Useful life exhausted as at April 1, 2014	Depreciation charge for the year	On disposals	Balance as at March 31, 2015	Balance as at March 31, 2015
Tangible Assets												
Own Use												
Plant and Equipment	1,791,869	269,903	591,369	155,992	2,497,149	1,288,158	97,591	-	83,313	103,138	1,365,924	1,131,225
Furniture and Fixture	5,187,409	-	378,583	153,724	5,412,268	1,600,817	-	-	(327,989)	42,356	1,230,472	4,181,796
Office Equipment	3,036,136	220,967	310,410	696,616	2,870,897	1,759,577	97,132	-	700,386	696,616	1,860,479	1,010,418
Others - Data Processing Equipment	2,441,591	(490,870)	-	114,450	1,836,271	1,611,309	(194,723)	105,094	181,964	106,200	1,597,444	238,827
Lease Hold Improvements	-	-	310,517	-	310,517	-	-	-	17,310	-	17,310	293,207
Total	12,457,005	-	1,590,879	1,120,782	12,927,102	6,259,861	-	105,094	654,984	948,310	6,071,629	6,855,473

1. Depreciation on Furniture and Fixture and UPS previously charged on WDV basis now changed to SLM basis. Depreciation from date of addition recomputed as at 1st April, 2014 and the difference of depreciation ₹ 980,767/- credited against depreciation for the year.
2. Printers earlier grouped under Data Processing Equipment regrouped to Office Equipment and depreciation from the date of addition recomputed as at 1st April, 2014 and the difference of depreciation ₹ 138,695/- credited against depreciation for the year.




ISSL CPG BPO PRIVATE LIMITED**Notes forming part of the financial statements****Note 12: Deferred Tax**

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Deferred Tax Asset		
Provision for Employee Benefits	826,765	511,743
Provision for Trade Receivables and other Timing difference	292,567	177,195
Deferred Tax Liabilities		
Depreciation and amortisation in tangible assets	(44,199)	(185,775)
Net Deferred Tax Assets	1,075,133	503,163

Note 13: Long-term loans and advances

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
a. Loans and advances to related parties (refer note no. 27)		
Unsecured, considered good	2,170,746	2,170,746
	2,170,746	2,170,746
b. Other Advances		
Unsecured, considered good		
Advance Payment of Income Tax (net of provision for Tax of ₹16,599,490; as at March 31, 2015 ₹ 7,738,531)	6,517,036	5,666,371
	6,517,036	5,666,371
Total	8,687,782	7,837,117

Note 14: Other Non-Current Assets

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Fixed Deposit with Scheduled Bank (under lien towards Bank Guarantee provided)	1,500,000	1,500,000
Interest accrued but not due on Fixed Deposit	144,882	23,014
Total	1,644,882	1,523,014



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ISSL CPG BPO PRIVATE LIMITED**Notes forming part of the financial statements****Note 15: Trade receivables**

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	20,345,922	18,580,444
	20,345,922	18,580,444
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,112,766	-
Unsecured, considered doubtful	124,457	164,583
Less: Provision for doubtful trade receivables	(124,457)	(164,583)
	1,112,766	-
Total	21,458,688	18,580,444

Note 16: Cash and bank balances

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Cash and Cash Equivalents		
Balances with banks in Current accounts	7,574,755	9,955,770
Total	7,574,755	9,955,770

Note 17: Short-term loans and advances

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Others		
Unsecured, considered good unless otherwise stated		
Deposits with public bodies and others (refer note no. 27)	2,476,053	2,698,971
Prepaid Expenses	789,173	1,152,968
Other advances / receivables	2,327,664	121,678
	5,592,890	3,973,617

Note 18: Other current assets

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Unbilled Revenue	26,976,028	17,533,331
Total	26,976,028	17,533,331



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ISSL CPG BPO PRIVATE LIMITED

Notes forming part of the financial statements

Note 19: Revenue from operations

Particulars	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
Sale of services		
Transaction processing services	209,597,554	173,779,025
Other operating revenues	-	853
Total	209,597,554	173,779,878

Note 20: Other income

Particulars	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
Interest Income	438,840	59,675
Excess provision of doubtful trade receivables and deposits reversed	40,126	2,828,859
Other non-operating Income (net of expenses directly attributable to such income)	1,285,559	96,000
Total	1,764,535	2,984,534

Note 21: Employee benefits expense

Particulars	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
Salaries and Wages	96,154,350	74,267,051
Contributions to		
(i) Provident fund (refer note no.26(a))	8,723,804	6,668,860
(ii) Gratuity (refer note no.26(b))	896,541	1,636,337
Staff welfare expenses	1,949,045	1,636,160
Total	107,723,740	84,208,408

Note 22: Finance costs

Particulars	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
Interest expense		
Borrowings	1,829,540	2,013,979
Others (includes interest on delayed payment of tax)	84,917	489,601
Other finance charges	21,630	17,185
Total	1,936,187	2,520,765



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ISSL CPG BPO PRIVATE LIMITED

Notes forming part of the financial statements

Note 23: Other expenses

Particulars	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
Electricity	2,350,001	2,203,759
Travelling and Conveyance	2,955,312	2,363,725
Printing and Stationery	1,593,228	759,154
Rent	10,564,056	9,318,599
Repairs and Maintenance - Others	8,684,057	4,936,582
Rates and Taxes	33,338	42,435
Communication Expenses	5,256,282	4,331,532
Insurance	85,431	88,284
Legal and Professional charges	1,203,970	678,000
Auditors remuneration (refer footnote)	250,000	237,000
Outsource service charges & Deputation Costs	55,040,067	40,693,166
Directors sitting fees	130,150	100,000
Loss on sale of Fixed Assets	-	170,072
Bad debts written off	-	2,503,312
Deposits written off	-	516,214
Miscellaneous Expenses	1,175,719	1,632,131
Total	89,321,611	70,573,965

Footnote:

Auditors Remuneration (net of Service tax Input Credit)	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
a. auditor	250,000	235,000
b. for taxation matters	-	-
c. for company law matters	-	-
d. for management services	-	-
e. for other services	-	2,000
f. for reimbursement of expenses	-	-
Total	250,000	237,000



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24. Contingent liabilities and commitments (to the extent not provided for)

Particular	Amount in ₹	
	As at March 31, 2016	As at March 31, 2015
Claims against the Company not acknowledged as debt	1,878,593	1,377,120
Income Tax and TDS matters in dispute (the Company does not expect any out flow of resources in respect of the above)		

25. Leasing Arrangements:

- (a) **Operating Leases:** The Company has entered into operating lease arrangements for technology equipment. The Company has also taken premises on lease at various locations. The minimum future lease payments during non-cancellable periods under the operating lease arrangements in the aggregate for each of the following periods is as follows:

	Amount in ₹	
	As at March 31, 2016	As at March 31, 2015
Not later than one year	4,405,960	4,295,338
Later than one year and not later than 5 years	2,390,551	2,267,932
Later than 5 years	Nil	Nil

Lease Rentals: The Lease Rentals recognized in the Statement of Profit and Loss for the period on account of operating leases is ₹ 10,564,056 (for the period ended March 31, 2015 ₹ 9,318,599). The lease terms do not contain any exceptional/restrictive covenants.

(b) **Finance Leases:**

The Company has not entered into finance lease agreements.

26. Employee Benefits:(a) Defined-Contribution Plans

The Company offers its employees defined contribution plan in the form of provident fund. Provident fund cover substantially all regular employees. Contributions are paid during the period into separate funds under certain statutory arrangements. Both the employees and the Company pay predetermined contributions into the provident fund. The contributions are normally based on a certain proportion of the employee's salary.

A sum of ₹ 8,723,804 (for the period ended March 31, 2015 ₹ 6,668,860) has been charged to Statement of Profit and Loss during the period with respect to the above.

(b) Defined-Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees



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Notes forming part of the financials statement

Commitments are actuarially determined at reporting date. Actuarial valuation is done based on 'Projected Unit Credit' method. Gains and losses of changed actuarial assumptions are charged to Statement of Profit and Loss.

The Company has valued the cumulative liability for all employees as on March 31, 2016
Gratuity

Amount in ₹

I. Assumption	Unfunded	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Mortality	Indian Assured Lives (2006 - 08) Ultimate	
Discount Rate	7.84%	8.04%
Rate of increase in compensation	6.50%	6.50%
Rate of return on plan assets	N.A.	N.A.
Attrition rate	13%	13%

The estimate of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

Amount in ₹

II. Table Showing Change in Benefit Obligation	Unfunded	
	As at March 31, 2015	As at March 31, 2015
Liability at the beginning of the year	3,669,197	2,032,860
Interest cost	295,003	185,803
Current service cost	1,732,213	1,154,659
Benefits paid	(69,920)	Nil
Actuarial (gain) / loss on obligations	(1,130,675)	295,875
Liability at the end of the year	4,495,818	3,669,197



Amount in ₹

	Unfunded	
III. Amount Recognised in the Balance Sheet	<i>As at March 31, 2016</i>	<i>As at March 31, 2015</i>
Liability at the end of the period/year as per actuarial valuation	4,495,818	3,669,197
Fair value of plan assets at the end of the year	Nil	Nil
Amount recognised in the Balance Sheet Liability	4,495,818	3,669,197

Amount in ₹

	Unfunded	
IV. Expenses Recognised in the Income Statement	<i>For the year ended March 31, 2016</i>	<i>For the year ended March 31, 2015</i>
Current service cost	1,732,213	1,154,659
Interest cost	295,003	185,803
Expected return on plan assets	Nil	Nil
Actuarial (gain) or loss	(1,130,675)	295,875
Expenses recognised in Statement of Profit and Loss	896,541	1,636,337

Amount in ₹

	Unfunded	
V. Experience Adjustment	<i>For the year ended March 31, 2016</i>	<i>For the year ended March 31, 2015</i>
Present Value of the Obligation	(4,495,818)	3,669,197
Fair Value of Plan Assets	Nil	Nil
Deficit	(4,495,818)	(3,669,197)
Experience adjustment on Liability – (gain) / loss	(1,275,737)	44,017
Experience adjustment on Asset - gain / (loss)	N.A.	N.A.



ISSL CPG BPO Private Limited**Notes forming part of the financial statements****27 Related Party Transactions:**

Disclosures relating to related parties and transactions with related parties as required by Accounting Standard (AS) 18 "Related Party Disclosures"

(A) Parent as per ownership of control:

Sr. No.	Name of Company
1	IL&FS Securities Services Limited (ISSL)
2	Infrastructure Leasing & Financial Services Limited (IL&FS) (Ultimate Holding Company)

(B) Fellow subsidiaries with whom the Company had transaction:

Sr. No.	Name of Company
1	Andhra Pradesh Expressway Ltd
2	Avash Logistic Park Pvt Limited
3	Badarpur Tollway Operations Management Limited
4	Baleshwar Kharagpur Expressway Limited
5	Barwa Adda Expressway Limited
6	Charminar Robopark Limited
7	Chenani Nashri Tunnelway Limited
8	Chhattisgarh Highway Development Company Limited
9	East Hyderabad Expressway Limited
10	Futureage Infrastructure India Limited
11	GIFT Parking Facilities Limited
12	Hazaribagh Ranchi Expressway Limited
13	IIDC Limited
14	IIML Asset Advisors Limited
15	IL&FS Airports Limited
16	IL&FS Asian Infrastructure Managers Limited
17	IL&FS Broking Services Pvt Limited
18	IL&FS Capital Advisors Limited
19	IL&FS Cluster Development Initiative Limited
20	IL&FS Education & Technology Services Limited (IETS)
21	IL&FS Environmental Infrastructure & Service Limited
22	IL&FS Financial-Services Limited (IFIN)
23	IL&FS Infra Asset Management Limited
24	IL&FS Investment Managers Limited
25	IL&FS Maritime Infrastructure Company Limited
26	IL&FS Skills Development Corporation Limited
27	IL&FS Technologies Limited
28	IL&FS Township & Urban Assets Limited (ITUAL)
29	IL&FS Transportation Networks Limited
30	IL&FS Trust Company Limited
31	IL&FS Urban Infrastructure Managers Limited
32	IL&FS Wind Power Investment Pte Limited
33	IL&FS Wind Power Management Pte Limited



ISSL CPG BPO Private Limited**Notes forming part of the financial statements****Related Party Transactions (contd.):****(B) Fellow subsidiaries with whom the Company had transaction (contd.):**

Sr. No.	Name of Company
34	IMICL Dighi Maritime Limited
35	India Tourist & Heritage Village Pvt Limited
36	ISSL Market Services Limited
37	ISSL Settlement & Transaction Services Limited
38	ITNL Road Infrastructure Development Company Limited
39	Jharkhand Accelerated Road Development Company Limited
40	Jharkhand Road Projects Implementation Company Limited
41	Kanak Resources Management Limited
42	Karyavattom Sports Facilities Limited
43	Khed Sinnar Expressway Limited
44	Kiratpur Ner Chowk Expressway Limited
45	LIVIA India Limited
46	Moradabad Bareilly Expressway Limited
47	MP Border Checkpost Development Company Limited
48	North Karnataka Expressway Limited
49	Porto Novo Maritime Limited
50	Pune Sholapur Road Development Company Limited
51	Sabarmati Capital One Limited (SCOL)
52	Sabarmati Capital Two Limited (SCTL)
53	Sealand Ports Pvt Limited
54	Sealand Warehousing Pvt Limited
55	Sikar Bikaner Highway Limited
56	Tamil Nadu Water Investment Company Limited
57	Vansh Nimay Infraprojects Limited
58	West Gujarat Expressway Limited

(C) Enterprise over which Key Management Personnel exercise significant influence

Sr. No.	Name of Company
1	Core Progression Grid BPO India Pvt. Ltd

(D) Key Management Personnel ("KMP") & their relatives with whom the Company had transactions

Sr. No.	Name of Person
1	Ms. Latha Srinivasan - Director
2	Mr. M R Srinivasan - Director (was key management personnel till 31-Jul-2012)
3	Mr. A R Venkata Subramanyam - Chief Financial Officer



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ISSL CPG BPO Private Limited
Notes forming part of the financial statements
Related Party Transactions (contd.):

The nature and volume of transactions during the period with the above related parties were as per the table below:

Particulars	ISSL	IL&FS	IFIN	IETS	ITUAL	SCOL	SCTL	Core Progression Grid BPO India Pvt Ltd	Latha Srinivasan	M R Srinivasan	A. R Venkata Subramanyam	Others	Total
Transactions													
Income													
Revenue	17,871,731 17,853,672	-	-	6,274,900 4,994,600	224,679 0	15,000 2,698,035	15,000 2,698,033	-	-	-	-	1,002,064 87,500	25,403,374 28,331,840
Reimbursement of Expenses	22,088 40,814	-	-	1,800	600	600	600	-	-	-	-	27,600	53,288 40,814
Interest income	-	-	300,873	-	-	-	-	-	-	-	-	-	300,873
	-	36,661	-	-	-	-	-	-	-	-	-	-	36,661
Expenses													
Salary/ Remuneration Paid	-	-	-	-	-	-	-	-	4,188,000 3,000,000	-	-	-	4,188,000 3,000,000
Interest paid	-	-	-	-	-	-	-	-	1,483,392 1,483,395	346,248 346,246	-	-	1,829,640 1,829,641
Rent Paid	-	-	-	-	-	-	-	-	-	458,328 474,171	-	-	458,328 474,171
Miscellaneous expenses	10,817,605 7,496,337	-	-	-	-	-	-	-	-	-	2,501,464 2,184,003	- 40,000	13,319,069 9,720,340

Note:

- Deputation costs paid to CFO is part of Deputation costs paid to ISSL and is reported under Miscellaneous Expenses in the above table
- Non material transactions with related party of similar nature are aggregated and disclosed as others



ISSL CPG BPO Private Limited
Notes forming part of the financial statements

Related Party Transactions (contd.):

The nature and volume of transactions during the period with the above related parties were as per the table below:

Particulars	ISSL	IL&FS	IFIN	IETS	ITUAL	SCOL	SCTL	Core Progression Grid BPO India Pvt Ltd	Latha Srinivasan	M R Srinivasan	A. R Venkata Subramanyam	Others	Total
Asset Balances													
Trade Receivables	-	-	-	-	44,110	910,301	997,493	-	-	-	-	349,917	2,301,821
	226,949	-	-	575,266	-	979,720	979,718	-	-	-	-	6,688	2,768,341
Long Term Loans & Advances	-	-	-	-	-	-	-	2,170,746	-	-	-	-	2,170,746
	-	-	-	-	-	-	-	2,170,746	-	-	-	-	2,170,746
Short Term Loans & Advances	-	-	-	-	-	-	-	-	-	75,000	-	-	75,000
	-	-	-	-	-	-	-	-	-	75,000	-	-	75,000
Other Current Assets	3,161,142	-	-	-	-	-	-	-	-	-	-	-	3,161,142
	1,821,938	-	-	-	-	-	-	-	-	-	-	-	1,821,938
Assets/Liabilities													
Inter Corporate Deposits Placed	-	-	45,877,617	-	-	-	-	-	-	-	-	-	45,877,617
	-	5,000,000	-	-	-	-	-	-	-	-	-	-	5,000,000
Inter Corporate Deposits Withdrawn	-	-	45,877,617	-	-	-	-	-	-	-	-	-	45,877,617
	-	5,000,000	-	-	-	-	-	-	-	-	-	-	5,000,000



ISSL CPG BPO Private Limited
Notes forming part of the financial statements

Related Party Transactions (contd.):

The nature and volume of transactions during the period with the above related parties were as per the table below:

Particulars	ISSL	IL&FS	IFIN	IETS	ITUAL	SCOL	SCTL	Core Progress- jon Grid BPO India Pvt Ltd	Latha Srinivasan	M R Sriniva- san	A. R Venkata Subra- manyam	Others	Total
Liabilities													
Balances													
Short Term Borrowings	-	-	-	-	-	-	-	-	12,361,600	2,885,400	-	-	15,247,000
	-	-	-	-	-	-	-	-	12,361,600	2,885,400	-	-	15,247,000
Trade payables	6,627,642	-	-	-	-	-	-	-	-	-	-	-	6,627,642
	7,673,250	-	-	-	-	-	-	-	-	-	-	-	7,673,250
Other Current Liabilities	4,321,543	-	-	-	-	-	-	-	292,874	25,614	-	6,687	4,646,718
	1,681,405	-	-	-	-	-	-	-	296,346	26,466	-	-	2,004,217



28. In accordance with the Accounting Standard (AS) 20 on 'Earnings Per Share', the Basic Earnings Per Share and Diluted Earnings Per Share has been computed by dividing the Profit After Tax by weighted average number of equity shares outstanding for the respective periods as under

	Amount in ₹	
	For the Period ended March 31, 2016	For the Period ended March 31, 2015
Profit/(Loss) after Tax	6,984,076	14,221,374
Net Profit/(Loss) for the year attributable to equity shareholders	6,984,076	14,221,374
Weighted Average Number of Equity Shares	11,000	11,000
Nominal Value per share	10.00	10.00
Basic / Diluted Earnings per share	634.92	1,274.67

29. The Company activities fall under one segment only and hence no separate segment wise reporting is warranted
30. Details of Inter Corporate Deposits: During the year, the Company has placed Inter Corporate Deposits with IL&FS Financial Services Limited for a period ranging from 30 days to 62 days and at interest rate ranging from 7.75% to 8.55 % p.a. (refer note 27).
31. The Company has pending litigations arising out of matters relating to Income tax and TDS. The Management does not expect any outflow of economic benefits and has assessed the likelihood of outflow of resources as remote for these matters
32. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
33. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

For and on behalf of Board of Directors

Latha Srinivasan
Latha Srinivasan
Director
(DIN: 02548440)

M R Srinivasan
M R Srinivasan
Director
(DIN: 02548454)

A R Venkata Subramanyam
A R Venkata Subramanyam
Chief Financial Officer



Bangalore
May 11, 2016

