

NIIT Technologies Pty Ltd
Statement of financial position
As at 31 March 2017

	Note	2017 AUD	2017 INR	2016 AUD	2016 INR
Assets					
Current assets					
Cash and cash equivalents	6	1,028,344	50,944,162	1,431,909	72,746,705
Trade and other receivables	7	2,603,417	128,973,278	2,445,439	124,238,083
Other	8	3,051,737	151,183,051	3,802,294	193,171,744
Total current assets		6,683,498	331,100,491	7,679,642	390,156,532
Non-current assets					
Property, plant and equipment	9	2,726	135,046	2,009	102,065
Deferred tax	10	596,389	29,545,111	596,255	30,292,139
Total non-current assets		599,115	29,680,157	598,264	30,394,204
Total assets		7,282,613	360,780,648	8,277,906	420,550,736
Liabilities					
Current liabilities					
Trade and other payables	11	1,888,672	93,564,811	3,325,834	168,965,671
Borrowings	12	-	-	533,404	27,099,057
Provisions	13	588,110	29,134,969	510,950	25,958,304
Total current liabilities		2,476,782	122,699,780	4,370,188	222,023,031
Total liabilities		2,476,782	122,699,780	4,370,188	222,023,031
Net assets		4,805,831	238,080,868	3,907,718	198,527,705
Equity					
Issued capital	15	16,301,002	807,551,639	16,301,002	828,156,106
Accumulated losses	16	(11,495,171)	(569,470,771)	(12,393,284)	(629,628,400)
Total equity		4,805,831	238,080,868	3,907,718	198,527,705

NIIT Technologies Pty Ltd

Statement of profit or loss and other comprehensive income

For the year ended 31 March 2017

	Note	2017	2017	2016	2016
		AUD	INR	AUD	INR
Revenue	3	12,290,386	619,681,262	11,860,886	569,559,746
Expenses					
Production, development and execution	4	(5,150,989)	(259,712,865)	(4,142,694)	(198,932,166)
Depreciation expense		(2,289)	(115,411)	(2,349)	(112,799)
Employee benefits expenses		(4,816,552)	(242,850,552)	(5,434,717)	(260,975,110)
Employee related expenses		(891,006)	(44,924,523)	(1,126,168)	(54,078,587)
Occupancy expenses		(64,429)	(3,248,510)	(110,894)	(5,325,130)
Loss on foreign currency translation		(51,312)	(2,587,151)	(387,249)	(18,595,697)
Other expenses		(413,371)	(20,842,166)	(317,834)	(15,262,389)
Finance costs		(2,458)	(123,932)	(186,951)	(8,977,387)
Profit before income tax benefit		897,980	45,276,152	152,030	7,300,481
Income tax benefit	5	132	6,655	2,012	96,616
Profit after income tax benefit for the year attributable to the owners of NIIT Technologies	16	898,112	45,282,807	154,042	7,397,097
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year attributable to the owners of NIIT Technologies Pty Ltd		898,112	45,282,807	154,042	7,397,097

NIT Technologies Pty Ltd
Statement of cash flows
For the year ended 31 March 2017

	Note	2017 AUD	2017 INR	2016 AUD	2016 INR
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		12,036,351.00	606,872,817.42	19,355,948.00	929,472,622.96
Payments to suppliers and employees (inclusive of GST)		(11,905,621.00)	(600,281,410.82)	(18,486,923.00)	(887,742,042.46)
		130,730.00	6,591,405.60	869,025.00	41,730,580.50
Interest received		1,384.00	69,781.28	2,595.00	124,611.90
Other revenue		184.00	9,277.28	200.00	9,604.00
Interest and other finance costs paid		(2,458.00)	(123,932.36)	(186,951.00)	(8,977,387.02)
Income taxes paid		(2.00)	(100.84)	-	-
Currency Translation Reserve		-	(114,257.44)	-	1,906,675.30
Net cash from operating activities	22	129,838.00	6,432,174.52	684,869.00	34,794,084.68
Cash flows from investing activities					
Loans from/(to) related and other parties		(533,404.00)	(26,894,229.68)	(5,560,172.00)	(266,999,459.44)
Proceeds from release of security deposits			469,395.52	5,580.00	267,951.60
Currency Translation Reserve		(533,404.00)	(26,424,834.16)	(5,554,592.00)	(282,195,491.97)
Net cash used in investing activities					
Cash flows from financing activities					
Proceeds from issue of shares	15			3,300,000.00	158,466,000.00
Currency Translation Reserve				3,300,000.00	167,653,200.00
Net cash from financing activities					
Net decrease in cash and cash equivalents		(403,566.00)	(19,992,659.64)	(1,569,723.00)	(79,748,207.29)
Cash and cash equivalents at the beginning of the financial year		1,431,909.00	72,746,704.84	3,001,632.00	142,667,568.96
Foreign Exchange Translation Diff.		-	(1,809,932.98)	-	9,827,343.17
Cash and cash equivalents at the end of the financial year	6	1,028,343.00	50,944,112.22	1,431,909.00	72,746,704.84

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the company taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Revenue	2017	2017	2016	2016
	AUD	INR	AUD	INR
Sales revenue				
Sales from operations	12,288,818	619,602,204	11,856,091	569,329,490
Other revenue				
Interest	1,384	69,781	2,595	124,612
Other revenue	184	9,277	2,200	105,644
	1,568	79,059	4,795	230,256
Revenue	12,290,386	619,681,262	11,860,886	569,559,746

Note 4. Production, development and execution	2017 AUD	2017 INR	2016 AUD	2016 INR
	AUD	INR	AUD	INR
Professional service expenses for production	5,150,989	259,712,865	4,142,694	198,932,166

Note 5. Income tax benefit	2017 AUD	2017 INR	2016 AUD	2016 INR
Income tax benefit				
Deferred tax - origination and reversal of temporary differences	(132)	(6,655)	(2,012)	(96,616)
Aggregate income tax benefit	(132)	(6,655)	(2,012)	(96,616)
Deferred tax included in income tax benefit comprises:				
Increase in deferred tax assets (note 10)	(132)	(6,655)	(2,012)	(96,616)
Numerical reconciliation of income tax benefit and tax at the statutory rate				
Profit before income tax benefit	897,980	45,276,152	152,030	7,300,481
Tax at the statutory tax rate of 30%	269,394	13,582,845	45,609	2,190,144
Current year temporary differences not recognised	(44,613)	(2,249,387)	(36,212)	(1,738,900)
Prior year tax losses recouped	(224,913)	(11,340,113)	(11,409)	(547,860)
Income tax benefit	(132)	(6,655)	(2,012)	(96,616)

Note 6. Current assets - cash and cash equivalents

	2017 AUD	2017 INR	2016 AUD	2016 INR
Cash at bank	1,028,344	50,944,162	1,431,909	72,746,705

Note 7. Current assets - trade and other receivables

	2017 AUD	2017 INR	2016 AUD	2016 INR
Trade receivables	2,591,456	128,380,730	2,395,065	121,729,685
Trade receivables - Affiliates	11,961	592,548	49,374	2,508,397
	<u>2,603,417</u>	<u>128,973,278</u>	<u>2,444,439</u>	<u>124,238,083</u>

Note 8. Current assets - other

	2017 AUD	2017 INR	2016 AUD	2016 INR
Accrued revenue	702,451	34,799,423	607,962	30,885,901
Prepayments	57,850	2,866,384	53,540	2,720,046
Term Deposits	58,531	2,899,626	57,302	2,911,171
Security Deposits	6,436	318,839	6,436	326,975
Advances - Salary	21,675	1,073,780	47,270	2,401,505
Unamortised sales discounts	2,204,784	109,224,999	3,019,784	153,925,146
	<u>3,051,737</u>	<u>151,183,051</u>	<u>3,802,294</u>	<u>193,171,744</u>

Note 9. Non-current assets - property, plant and equipment

Plant and equipment - at cost	26,589	1,317,219	23,575	1,197,704
Less: Accumulated depreciation	(23,863)	(1,182,173)	(21,566)	(1,095,639)
	<u>2,726</u>	<u>135,046</u>	<u>2,009</u>	<u>102,065</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant & Equipment AUD	Plant & Equipment INR	TOTAL AUD	TOTAL INR
Balance at 1 April 2015	4,208	200,006	4,208	200,006
Additions	150	7,203	150	7,203
Depreciation expense	(2,349)	(112,799)	(2,349)	(112,799)
Currency Translation Reserve	-	7,655	-	7,655
Balance at 31 March 2016	2,009	102,065	2,009	102,065
Additions	3,006	151,563	3,006	151,563
Depreciation expense	(2,289)	(115,411)	(2,289)	(115,411)
Currency Translation Reserve	-	(3,170)	-	(3,170)
Balance at 31 March 2017	<u>2,726</u>	<u>135,046</u>	<u>2,726</u>	<u>135,046</u>

	2017 AUD	2017 INR	2016 AUD	2016 INR
Deferred tax asset comprises temporary differences attributable to				
Amounts recognised in profit or loss:				
Tax losses	600,739	30,289,260	602,635	28,938,533
Employee benefits	153,285	7,728,630	36,211	1,738,852
Others	(157,635)	(7,947,957)	(42,591)	(2,045,220)
Currency Translation reserve		(524,822)		1,659,974
Deferred tax asset	596,389	29,545,111	596,255	30,292,139
Movements:				
Opening balance	596,255	30,292,139	594,243	28,244,370
Credited to profit or loss (note 5)	132	6,655	2,012	95,616
Currency Translation reserve		(753,752)		1,951,153
Closing balance	596,387	29,545,012	596,255	30,292,139

	2017 AUD	2017 INR	2016 AUD	2016 INR
Note 11. Current liabilities - trade and other payables				
Trade Payables	202,078	10,010,944	99,897	5,075,167
Trade Payables - Related Parties	1,032,738	51,161,841	2,528,571	128,461,521
Accrued expenses	340,997	16,892,496	379,499	19,280,067
BAS payable	312,869	15,499,530	317,857	16,148,915
	1,888,672	93,564,811	3,325,834	168,965,671

Refer to note 18 for further information on financial instruments.

	2017 AUD	2017 INR	2016 AUD	2016 INR
Note 12. Current liabilities - borrowings				
Loan from Related Parties	-	-	533,404	27,099,057

Refer to note 18 for further information on financial instruments.

	2017 AUD	2017 INR	2016 AUD	2016 INR
Note 13. Current liabilities - provisions				
Employee benefits	589,110	29,134,969	510,950	25,958,304

Note 13. Current liabilities - provisions (continued)

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

2017	AUD	INR
Carrying amount at the start of the year	510,950	25,958,304
Additional provisions recognised	183,550	9,254,591
Payments	(106,390)	(5,364,184)
Currency Translation Reserve	-	(713,742)
Carrying amount at the end of the year	588,110	29,134,969

Note 14. Non-current liabilities - borrowings

Total unsecured liabilities
The total secured liabilities (current and non-current) are as follows.

2017	2017	2016	2016
AUD	INR	AUD	INR
-	-	533,404	27,099,057

Loans from Related Parties

Note 15. Equity - issued capital

Ordinary shares - fully paid

2017	2016	2017	2016
Shares	Shares	AUD	INR
16,301,002	16,301,002	16,301,002	807,551,639

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged.

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Note 16. Equity - accumulated losses

	2017 AUD	2017 INR	2016 AUD	2016 INR
Accumulated losses at the beginning of the financial year	(12,393,283)	(629,628,400)	(12,547,326)	(595,374,405)
Profit after income tax benefit for the year	698,112	45,282,607	154,042	7,397,097
Foreign Exchange Translation Diff.	-	14,874,822	-	(40,651,092)
Accumulated losses at the end of the financial year	(11,495,171)	(569,470,771)	(12,393,284)	(629,628,400)

NIT Technologies Pty Ltd
Notes to the financial statements
31-Mar-17

Note 19. Commitments

	2017	2017	2016	2016
	\$	INR	\$	INR

Lease commitments - operating
Committed at the reporting date but not recognised as liabilities, payable:
Within one year

	18,945	938,535	3,649	185,383,796
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Note 20. Related party transactions

Parent entity

The immediate parent entity is NIT Technologies Pte Limited, incorporated in Singapore. The ultimate parent entity in NIT Technologies Limited, which is incorporated in India.

	2017	2017	2016	2016
	\$	INR	\$	INR

Transactions with related parties

The following transactions occurred with related parties:

Sale of goods and services:

Sale of goods to other related party

	193,046	9,733,379	221,825	10,652,037
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Other income:

Other income from other related party

	6,643	334,940	8,413	403,992
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Payment for goods and services:

Production costs from other related party

	4,949,346	249,546,025	4,080,631	195,951,901
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Payment for other expenses:

Interest paid to other related party

Other expenses paid to other related party

	2,458	123,932	186,951	8,977,387
	186,696	9,413,212	246,103	11,817,866

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2017	2016
	\$	\$

Current receivables:

Trade receivables from controlling entity

	11,961	49,374	2,508,397
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Current payables:

Trade payables to controlling entity

	1,032,738	51,161,841	2,528,571	128,461,521
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Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	2017	2016
	\$	\$
Current borrowings:		
Loan from controlling entity	-	533,404
		27,099,057

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 21. Events after the reporting period
 No matter or circumstance has arisen since 31 March 2017 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years

Note 22. Reconciliation of profit after income tax to net cash from operating activities
 Profit after income tax benefit for the year

Change in operating assets and liabilities:
 Decrease/(increase) in trade and other receivables
 Increase in deferred tax assets
 Increase in accrued revenue
 Decrease/(increase) in prepayments
 Decrease in other operating assets
 Decrease in trade and other payables
 Increase in employee benefits
 Currency Translation Reserve
 Net cash from operating activities

	2017		2016	
	\$	2017 INR	\$	2016 INR
Profit after income tax benefit for the year	836,112	45,282,807	154,042	7,357,057
Change in operating assets and liabilities:				
Decrease/(increase) in trade and other receivables	(157,578)	(7,825,230)	8,017,943	407,343,575
Increase in deferred tax assets	(134)	(6,638)	(2,317)	(132,218)
Increase in accrued revenue	(54,485)	(4,680,695)	(518,036)	(26,320,841)
Decrease/(increase) in prepayments	(4,320)	(214,013)	253,143	12,840,531
Decrease in other operating assets	648,643	42,042,371	755,547	43,437,292
Decrease in trade and other payables	(1,437,162)	(71,197,005)	(8,035,311)	(408,251,342)
Increase in employee benefits	77,160	3,822,506	13,638	1,000,737
Currency Translation Reserve	-	(750,325)	-	428,853
Net cash from operating activities	129,831	6,432,175	624,869	34,754,085