ANNUAL REPORT | 2016 - 17

NIIT technologies
New Ideas, More Value.™

Delivering Exceptional Experience

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OUR VISION

VALUES, MOTIVES AND BELIEFS

WE, NIIT, BELIEVE THAT OUR GROWTH IS THE DERIVATIVE OF THE GROWTH OF EACH ONE OF US. IT IS THE DUTY OF EACH ONE OF US TO ESPOUSE AND GIVE ACTIVE EFFECT TO THE VALUES, MOTIVES AND BELIEFS WE STATE HERE

•

NIIT IS PEOPLE

WE HAVE POSITIVE REGARD FOR EACH ONE OF US

•

WE WILL FOSTER CAREER-BUILDING BY CREATING OPPORTUNITIES THAT DEMAND LEARNING, THINKING AND INNOVATION FROM EACH ONE OF US.

•

WE EXPECT EACH OF US TO CONTRIBUTE TO THE PROCESS OF ORGANISATION BUILDING AND THUS DERIVE PRIDE, LOYALTY AND EMOTIONAL OWNERSHIP.

•

WE RECOGNISE THE NECESSITY OF MAKING MISTAKES AND RISK-TAKING WHEN IT CONTRIBUTES TO THE LEARNING, INNOVATION AND GROWTH OF EACH ONE OF US.

•

NIIT IS QUALITY AND VALUE

EACH OF US WILL ENSURE THAT IN ANY ASSOCIATION WITH SOCIETY, SOCIETY BENEFITS SUBSTANTIALLY MORE THAN:
(A) WHAT SOCIETY GIVES TO US.
(B) WHAT SOCIETY WOULD GAIN FROM ANY OTHER SIMILAR ASSOCIATION

•

WE WILL MEET ANY AND EVERY COMMITMENT MADE TO SOCIETY IRRESPECTIVE OF ANY COST THAT MAY HAVE TO BE INCURRED.

•

WE WILL ENSURE OUR PROFITABILITY, LONG-TERM GROWTH AND FINANCIAL STABILITY, THROUGH THE PROCESS OF DELIVERING THE BEST, BEING SEEN AS THE BEST AND BEING THE BEST.

•

WE WILL BE FAIR IN ALL OUR DEALINGS AND PROMOTE HIGH STANDARDS OF BUSINESS ETHICS.

•

NIIT IS A MISSION

WE WILL GROW IN THE RECOGNITION AND RESPECT WE COMMAND, THROUGH PIONEERING AND LEADING IN THE EFFECTIVE DEPLOYMENT OF TECHNOLOGY AND KNOW-HOW.

•

WE WILL SEEK TO PLAY A KEY-ROLE IN THE DIRECTIONS AND DEPLOYMENT OF TECHNOLOGY AND KNOW-HOW FOR THE BENEFIT OF MANKIND.

NIIT
technologies
New Ideas, More Value.™

Corporate Information

Board of Directors

Rajendra S Pawar
Chairman & Managing Director

Arvind Thakur
Chief Executive Officer
& Joint Managing Director

Vijay K Thadani
Non-Executive Promoter Director

Surendra Singh
Independent Director

Amit Sharma
Independent Director

Ashwani Puri
Independent Director

Holly Jane Morris
Independent Director

Chief Financial Officer
Amit Kumar Garg

Company Secretary & Legal Counsel
Lalit Kumar Sharma

Auditors
Price Waterhouse

Financial Institutions/Bankers
Indian Overseas Bank
ICICI Bank Limited
Standard Chartered Bank
Citibank NA
Wells Fargo Bank
Lloyds TSB Bank Plc
NatWest

Registered Office
NIIT Technologies Ltd.
8, Balaji Estate, First Floor
Guru Ravi Das Marg, Kalkaji,
New Delhi - 110 019, India
Email: investors@niit-tech.com
Tel : +91-11-41675000
Fax : +91-11-41407120

Corporate Office
NIIT Technologies Limited
Corporate Office
Tapasya Corp Heights
Plot No. - 5, Sector - 126,
Noida Express Highway,
Noida, UP, INDIA
Ph: +91 120 711 8400
Fax: +91 120 711 9150

Registrar & Share Transfer Agent
Alankit Assignments Ltd.
Unit - NIIT Technologies Ltd.
1E/13
Jhandewalan Extn.,
New Delhi - 110 055
Tel : +91-11-23541234, 42541234
Fax : +91-11-41543474
Email: rta@alankit.com

NIIT Technologies Website
Corporate Website : www.niit-tech.com

NIIT Technologies Limited

Regd. Office : 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi - 110 019
Email: investors@niit-tech.com , Website: www.niit-tech.com
Ph. No. +91 11 41675000 Fax : +91 11 41407120
CIN:L65993DL1992PLC048753

NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of NIIT Technologies Limited will be held on Friday, September 22, 2017, at 09:00 A.M. at Ocean Pearl Retreat, Satbari, Chattarpur Mandir Road, New Delhi – 110 074 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:
   (a) the Audited Financial Statement of the Company for the Financial Year ended March 31, 2017, together with the Reports of the Board of Directors and Auditors thereon; and
   (b) the Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2017 together with Report of the Auditors thereon;
2. To declare dividend on Equity Shares of the Company for the Financial Year ended March 31, 2017.
3. To reappoint Mr. Arvind Thakur (DIN 00042534), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company.

   To pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification or re-enactment thereof for the time being in force), and pursuant to the recommendations of the Audit Committee and the Board, S R Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), be and are hereby appointed as Statutory Auditors of the Company in place of the retiring Auditors Price Waterhouse Chartered Accountants (Firm Registration No. 301112E), to hold office from the conclusion of this Annual General Meeting until the conclusion of the 30th Annual General Meeting of the Company, at such remuneration as may be fixed by the Board of Directors of the Company."

   SPECIAL BUSINESS:

5. To appoint Ms. Holly Jane Morris (DIN 06968557) as Independent Director of the Company

   To pass, with or without modifications, the following resolution as an **SPECIAL RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Section 149 and 152 of Companies Act, 2013 (as amended or re-enacted from time to time) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Holly Jane Morris (DIN 06968557), be and is hereby appointed as an Independent Director, not liable to retire by rotation, for a second term not exceeding 5 (five) years, w.e.f. April 1, 2017 on the terms and conditions in the Letter of appointment to be issued by the Company."

By the Order of the Board
For NIIT Technologies Limited
Sd/-
Lalit Kumar Sharma
Company Secretary & Legal Counsel

Place: Noida
Date: May 05, 2017

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') setting out the material facts concerning the business under Item No. 5 of the Notice is annexed herewith. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/re-appointment as Directors under Item Nos. 3 & 5 of the Notice are also annexed.
2. **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.** A person shall not act as a proxy for more than 50 members and holding in the aggregate not more than 10% of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the company provided that such person shall not act as a proxy for any other person or shareholder.
3. Proxy shall not be entitled to speak at the Meeting. Proxies, in order to be effective should be duly completed, stamped and signed and must be received at the Registered Office of the Company at 8, Balaji Estate, Guru Ravi Das Marg, Kalkaji, New Delhi -110019, either in person or through post not later than 48 hours before the commencement of the meeting. A blank proxy form is enclosed. The Members may please note that:
   - All un-named, undated, unstamped or inadequately stamped proxy forms shall not be considered as valid.
   - Proxy-holder shall carry his/her identity proof (Driving License/Aadhaar Card/Voter ID Card/Passport/PAN Card) in order to prove his/her identity at the Annual General Meeting.
   - In case the meeting gets adjourned, the proxy given for the adjourned meeting shall revoke the proxy for the

original meeting.

- A proxy later in date shall revoke any proxy/proxies dated prior to such proxy.
- Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company in the business hours during the period beginning twenty-four hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than 3 (three) days in writing of the intentions to inspect the proxies lodged is required to be provided to the Company at its Registered Office situated at 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi-110019 or Email: investors@niit-tech.com, Ph. No. +91 11 41675000 Fax: +91 11 41407120 Website: www.niit-tech.com

4. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
5. Members/proxies/authorized representatives are requested to bring to the Meeting, duly completed and signed Attendance Slips mentioning therein the details of their DP ID & Client ID/Folio No. to attend the Meeting.
6. Final dividend of Rs.12.50 per equity share has been recommended by the Board of Directors for the Year ended March 31, 2017 pursuant to the provisions of the Companies Act, 2013, and if declared at the ensuing Annual General Meeting, it will be paid within 30 days of the declaration, to those Members whose names appear in the Register of Members/in the records of the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners of the shares as at the close of business hours on September 15, 2017.
7. The Register of Members and Share Transfer Books of the Company shall remain closed on the Book Closure Dates, i.e., September 16, 2017 to September 22, 2017 (both days inclusive).
8. While Members holding shares in physical form may write to the Company's Registrar and Share Transfer Agent i.e. Alankit Assignments Limited, Alankit Heights, RTA Division, Unit: NIIT Technologies Limited 1E/13, Jhandewalan Extension, New Delhi – 110055, for changes, if any, in their address and bank mandates and members having shares in electronic form may inform such changes directly to their Depository Participant immediately so as to enable the Company to dispatch dividend warrant(s) at their correct address(es).
9. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send share certificates to the Company for consolidation into a single folio.
10. The Company is using Electronic Clearing System (ECS) facility for distributing dividends or other cash benefits to investors wherever applicable. Currently ECS facility is available at locations specified by RBI.

    In view of the above, the shareholders holding shares in physical form are requested to provide to Registrar and Share Transfer Agent i.e. Alankit Assignments Limited, Alankit Heights, RTA Division, Unit: NIIT Technologies Limited 1E/13, Jhandewalan Extension, New Delhi – 110055, for changes, if any, in their address and bank mandates, so that all future dividends can be remitted through ECS. In case of shareholders staying at locations not covered by ECS, the bank details shall be printed on the Dividend Warrants so as to protect against any fraudulent encashment of the same. The Shareholders can obtain a copy of the ECS Mandate Form from the Registered Office of the Company or can download from the website of the Company at www.niit-tech.com. In respect of members who hold shares in dematerialized form, their Bank Account details, as furnished by their Depositories to the Company, will be printed on their Dividend Warrant as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of or change in Bank Account details. Members who wish to change their Bank Account details are therefore requested to advise their Depository Participants about such change. We encourage members to utilize Electronic Clearing System (ECS) for receiving Dividends.
11. In terms of provisions of Companies Act, 2013, members desirous of appointing their Nominees for the shares held by them may apply in the Nomination Form (Form - SH 13). The said form can be downloaded from the Company's website www.niit-tech.com (under 'Investors' section). Members holding shares in physical form may submit the same to the Company at the Registered Office. Members holding shares in electronic form may submit the same to their respective Depository Participant.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. The following Registers will be available for inspection of Members of the Company at the Annual General Meeting:
    - Register of Directors & KMP u/s 170 of the Companies Act, 2013

Regd. Office : 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi - 110 019
Email: investors@niit-tech.com , Website: www.niit-tech.com
Ph. No. +91 11 41675000 Fax : +91 11 41407120
CIN:L65993DL1992PLC048753

NOTICE

- Register of Contracts or Arrangements in which Directors are interested u/s 189 of the Companies Act, 2013

14. The certificate from the Auditors of the Company certifying that the Company's Employee Stock Option Plan has been implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014, and in accordance with the resolutions passed by the members in the General Meeting will be available at the venue for inspection by the Members.

15. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting.

16. Members may please note that no gifts/ gift coupons shall be distributed at the venue of the Annual General Meeting.

17. Pursuant to Section 124 of the Companies Act, 2013, read with Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unclaimed/unpaid dividend for the Financial Year ended on March 31, 2009, has been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government during the year. No claim shall be entertained against IEPF or the Company for the amount already transferred. Members who have not so far encashed Dividend Warrant(s) for the financial year ended March 31, 2010 are requested to approach the Company by writing a letter to the Company at its Registered Office address immediately. As on March 31, 2017, the amount outstanding in unclaimed dividend account for the Financial Year ended March 31, 2010 is Rs.18,76,245.

    The Company has uploaded the information in respect of the Unclaimed Dividends on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the website of the Company viz. www.niit-tech.com.

    Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more. In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2009-10 or earlier financial years has not been paid or claimed by the members for 7 (seven) consecutive years or more.

    The Company has issued two newspaper advertisements on November 27, 2016 & April 13, 2017. Also, the Company had sent letters individually to the concerned shareholders whose shares are liable to be transferred to the demat account of the IEPF Authority, at their latest address registered with the Company so that they can apply to the Company with requisite details and documents and claim their shares, if any. The Company has also uploaded full details of such shareholders and shares due for transfer to the demat account of the IEPF Authority on its website at link http://www.niit-tech.com/Investors/Disclosures.

18. 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 Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company.

19. Pursuant to the first proviso to the Rule 18 of the Companies (Management and Administration) Rules, 2014, the Company shall provide an advance opportunity at least once in a Financial Year to the Members to register their E-mail address and changes therein either with Depository Participant or with the Company. In view of the same, the Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Notices of all General Meetings, Board Report, Auditors' Report, Audited Financial Statements and other documents through electronic mode, pursuant to the provisions of the Companies Act, 2013 read with the rules framed thereunder.

20. Members desirous of obtaining any information/ clarification concerning the accounts and operations of the Company are requested to address their queries in writing to the Company Secretary at least ten days before the Annual General Meeting, so that the information required may be made available at the Annual General Meeting. Members may also note that the Notice and Annual Report for the financial year 2016-17 will also be available on the Company's website www.niit-tech.com.

21. Electronic copy of the Notice of the 25th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of the aforesaid documents are being sent by the permitted mode.

22. The Route map showing the directions to reach the venue is annexed to the Notice.

23. Under Section 139 of the Companies Act, 2013 and

Rules made thereunder, it is mandatory to rotate the Statutory Auditors on completion of the maximum term permissible under the said section. The term of the current Statutory Auditors - PriceWaterhouse, Chartered Accountants (FRN 301112E) shall expire on the conclusion of the upcoming 25th Annual General Meeting of the Company. The Audit Committee approved and recommended to the Board appointment of S.R. Batliboi & Associates LLP, Chartered Accountants FRN 101049W/E300004 for appointment as Statutory Auditors of the Company for a term of five consecutive years with effect from the conclusion of ensuing 25th Annual General Meeting to be held on September 22, 2017 till the conclusion of 30th Annual General Meeting of the Company. The Board has further recommended their appointment to the Shareholders of the Company at the ensuing Annual General Meeting of the Company to be held on September 22, 2017.

24. Voting through electronic means:

In compliance with provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company has provided a facility to its members to cast their votes on resolutions as set forth in the Notice convening the 25th Annual General Meeting, electronically through the remote e-voting service provided by NSDL. Resolution(s) passed by the Members through e-voting are deemed to have been passed as if they have been passed at the Annual General Meeting. The e-voting facility will commence from 09:00 A.M.(Server Time) on Tuesday, September 19, 2017 and end at 05:00 P.M. (Server Time) on Thursday, September 21, 2017. E-voting shall not be allowed beyond the said period. During this period the members holding shares either in physical form or in dematerialized form, as on the cut-off date of September 15, 2017 may cast their votes electronically.

Further, the facility for voting through ballot paper/ e-voting shall also be made available at the Annual General Meeting and the Members attending the Meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Annual General Meeting. A person who is not a Member as on the cut-off date should treat this notice for information purposes only.

25. Instructions for Remote e-Voting:

NSDL shall be sending the User-ID and Password to those Members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company / Depository Participant(s).

(i) Open email and open PDF file with your Client ID or Folio No. as password. The said PDF file contains your User-ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL:https://www.evoting.nsdl.com/

(iii) Click on “Shareholder – Login”

(iv) Put User-ID and password as initial password/PIN noted in step (i) above. Click on Login. If you are already registered with NSDL for e-voting, then you can use your existing User-ID & Password for casting your vote.

(v) If you are logging on for the first time, Password change menu will appear on your screen. Change the password/ PIN with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) The Home page of Remote e-voting opens. Click on remote e-voting > Active Voting Cycles.

(vii) Select “EVEN” (E-Voting Event Number) of “NIIT Technologies Limited”.

(viii) Now you are ready for e-voting as “Cast Vote” page opens.

(ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.

(x) Upon confirmation, the message “Vote cast successfully” will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPEG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to officenns@gmail.com with a copy marked to evoting@nsdl.co.in

Members are requested to note the following:

1. In case of any queries, you may refer the FAQs and Remote e-voting user manual to the Members available

at the download section of www.evoting.nsdl.com or call on Toll Free No.: 1800-222-990.

You can also update your mobile number and E-mail ID in the user profile details of the Folio which may be used for sending future communication(s).

2. The voting rights of the Members shall be in proportion to their Shares of the Paid-up Equity Share Capital of the Company as on the cut-off date of September 15, 2017
3. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. September 15, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Issuer/RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing User-ID and password for casting your vote. Upon 5 unsuccessful attempts to provide the correct password or if you forget your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following Toll Free No.: 1800-222-990.
4. Members who have cast their votes by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes.
5. Mr. Nityanand Singh, Company Secretary (Membership No.FCS-2668) of M/s Nityanand Singh & Co., Company Secretaries has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
6. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only, shall be entitled to avail the facility of Remote e-voting as well as voting at the Annual General Meeting through ballot paper or electronic means. The Chairman shall, at the Annual General Meeting, 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/ Remote e-voting” for all those members who are present at the Annual General Meeting but have not cast their votes by availing the Remote e-voting facility.
7. The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the Annual General Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results forthwith.
8. The Results declared along with the Report of the Scrutinizer shall be displayed on the Notice Board of the Company at its Registered Office and its Corporate office and the same shall also be placed on the website of the Company www.niit-tech.com and on the website of NSDL immediately after the declaration by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange & Bombay Stock Exchange; the Stock Exchanges on which the Company’s Shares are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES Act, 2013

Agenda Item: 5

Ms. Holly Jane Morris was appointed as Independent Director by the members in the Annual General Meeting of the Company held on August 3, 2015 till March 31, 2017. The Board of Directors on the basis of performance evaluation of Ms. Morris and as per the recommendation of Nomination & Remuneration Committee, considering her background, experience and contributions made by her during her tenure The Board in its meeting held on March 24, 2017, on the recommendation of Nomination and Remuneration Committee has appointed Ms. Holly Jane Morris, as Independent Director for second term not exceeding 5 consecutive years w.e.f April 01, 2017 in its meeting held on March 24, 2017 subject to the approval of shareholders at the Annual General Meeting. The Board recommends the same to the shareholders of the Company and the Members to approve the appointment of Ms. Holly Jane Morris to the Board of Directors as Independent Director w.e.f. April 1, 2017 not liable to retire by rotation and for a term not exceeding 5 consecutive years.

The Company has received a declaration from Ms. Morris that she meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015. In the opinion of the Board Ms. Morris fulfills the conditions for her appointment as an Independent Director as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures

Requirement) Regulations, 2015

Except Ms. Holly Jane Morris, none of the Directors and Key Managerial Personnel of the Company are interested in any way in the resolution set out in Item No. 5 of the Notice.

The relatives of Ms. Morris may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Ms. Morris does not hold any directorship in other Indian Public Ltd. company and any shares thereof. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No.5 of the Notice for approval by the shareholders.

By the Order of the Board
For NIIT Technologies Limited
Sd/-
Lalit Kumar Sharma
Company Secretary & Legal Counsel

Place: Noida
Date: May 05, 2017

Details of Director seeking appointment/re-appointment at the Annual General Meeting pursuant to Item No. 3 & 5 of the aforesaid Notice, as required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 & Secretarial Standard on General Meetings is provided herein below:

Particulars	**Mr. Arvind Thakur**	**Ms. Holly Jane Morris**
Age	62 years	64 years
Qualifications	Graduation in engineering from IIT, Kharagpur. Thereafter he pursued post graduation in Industrial Engineering from NITIE, Mumbai.	BA in Classics from Kent State University, an MA and PhD in Ancient Studies from the University of Minnesota.
Experience(including expertise in specific functional area)	Wide experience in Information Technology industry	Wide experience in Information Technology industry
Terms and Conditions of Appointment/ Re-Appointment	As per the resolution at Item no. 7 of the Notice convening Annual General Meeting on July 07, 2014 read with explanatory statement thereto	As per the resolution at Item no. 5 of the Notice convening Annual General Meeting on September 22, 2017 read with explanatory statement thereto
Remuneration last drawn (including sitting fee, if any)	Rs. 38.96 Mn	Rs. 2.40 Mn
Remuneration proposed to be paid	As per the resolution at Item no. 7 of the Notice convening Annual General Meeting on July 07, 2014 read with explanatory statement thereto	As per the resolution at Item no. 5 of the Notice convening Annual General Meeting on September 22, 2017 read with explanatory statement thereto
date of first appointment on the Board	12/12/2003	15/10/2014
Shareholding in the company as on March 31, 2017	6,12,773 Equity shares	NIL
Relationship with other Directors/Key Managerial Personnel	None	None
Number of Meetings of the Board attended during the year	5 (Five)	4 (Four)
Membership/Chairmanship of Committees of other Public Companies (includes only Audit and Stakeholders' Relationship Committee)	NIIT SmartServe Limited (Member – Audit Committee)	None
Directorships held in other Public Companies (excluding foreign companies and Section 8 Companies)	1) ESRI India Technologies Limited (erstwile NIIT GIS Limited) 2) NIIT SmartServe Limited 3) Incessant Technologies Pvt. Ltd.	None

Brief profile of Mr. Arvind Thakur(DIN 00042534)

Arvind Thakur is the CEO and Joint Managing Director at NIIT Technologies Ltd, a global IT solutions and business services organization. He has led the business to be among the top providers. In 2012 he was conferred the prestigious global Gold Stevie award as Executive of the Year in the computer services category.

Mr Thakur serves as Chairman on the board of Esri India Technologies, Incessant Technologies & NIIT Smart Serve, and also serves on the Board of Management of NIIT University, a not for profit institution.

He is active in industry forums and an elected member of NASSCOM Executive Council where he served as a member of its IT Services Council and Chairman Domestic Council. Currently he chairs the Investment Committee and is a member of the Audit Committee of this premier industry association.

Mr. Thakur graduated in engineering from IIT, Kharagpur where he received the Institute Silver medal. Thereafter he pursued post graduation in Industrial Engineering from NITIE, Mumbai.

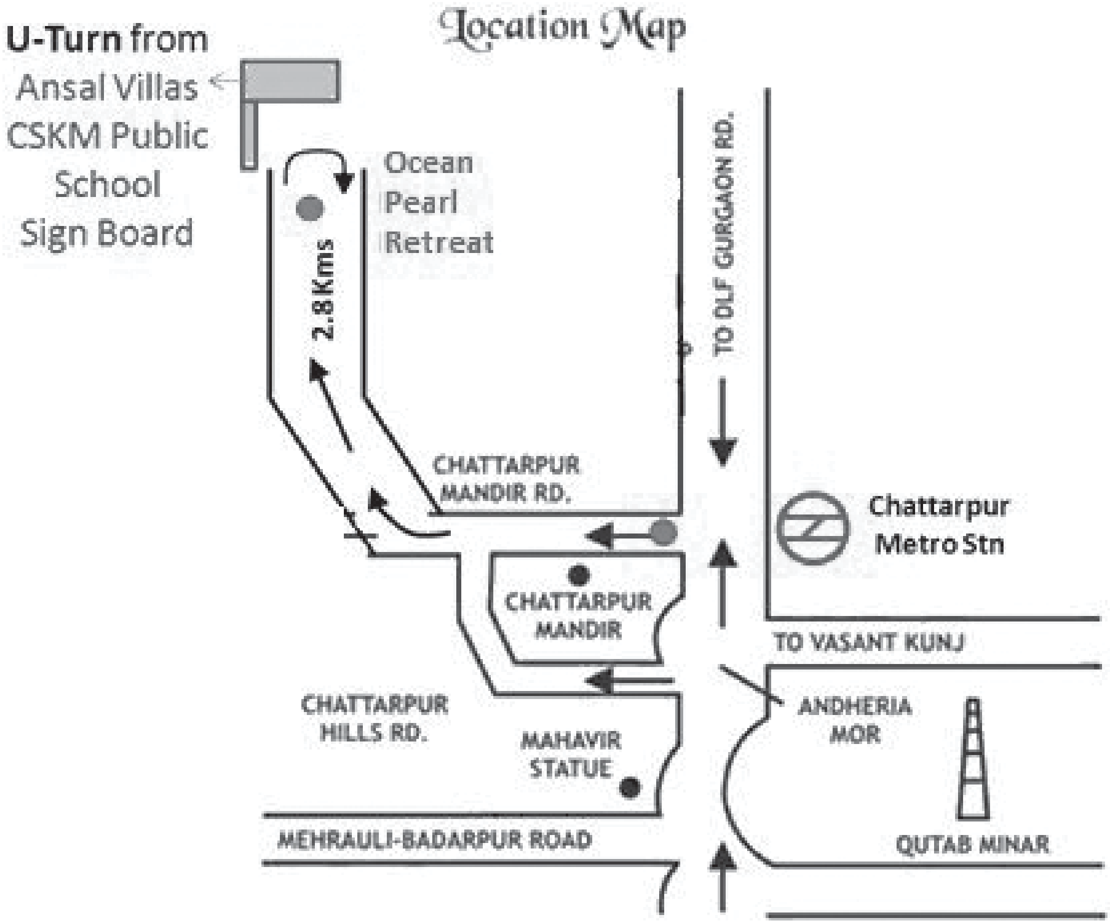
Brief profile of Ms. Holly Jane Morris (DIN 06968557)

Ms. Holly Jane Morris has extensive experience as a Corporate IT and Operations Executive in Fortune 500 global financial services organizations, local government and manufacturing. From 2006 to 2012, she was the CIO at Thrivent Financial, a Fortune 500 financial services organization where she led the creation and implementation of a $250M modernization program to retire legacy systems and implement new technology to enable the company's growth strategy. Ms. Holly Morris also served as the SVP of technologies at American Express Global Financial Services. She held CIO and CTO positions at ING North America, and was also CIO for the City of Minneapolis. She started her career at Honeywell where she rose to Section Head of Computer Aided Engineering, and then moved to the at the Honeywell spin-off, Alliant Techsystems, where she was responsible for all business and manufacturing systems.

Since retirement, Ms. Morris has been advising global IT delivery companies and has continued several volunteer activities, serving universities, non-profits and government on innovative ways to re-invent themselves given today's technology opportunities and challenges. She served on the board of Royal Cameron Corporation and Highland Capital Brokerage Corporation and was recognized as an "Outstanding Woman" by Twin Cities Business and as one of the "Elite 8" by Insurance and Technology magazine.

Ms. Morris holds a BA in Classics from Kent State University, an MA and PhD in Ancient Studies from the University of Minnesota and is close to completing her masters in software systems from the University of Saint Thomas in Saint Paul, MN. While she was a student, her research interests included using computing tools such as data bases, statistical packages and simulation technology to better understand ancient social and economic systems.

NOTICE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Corporate Profile

COMPANY OVERVIEW

NIIT Technologies is a global IT solutions organization addressing the requirements of clients across the Americas, Europe, Asia, and Australia. Differentiated on its domain strength, NIIT Technologies services clients in travel and transportation, banking and financial services, insurance, manufacturing, and media verticals, offering a range of services including application development and maintenance, infrastructure management, and business process management. Focused on Digital Services, the Company is helping businesses design agile, scalable, and digital operating models.

NIIT Technologies has been assessed across leading global quality benchmarks and standards including the ISO 9001:2000, ISO 27001 (an Information Security Management accreditation), Level 5 of SEI CMMi version 1.2, COPC, PCMM level 5, and the international ISO 20000 (IT management standard).

FOCUS ON SELECT INDUSTRY SEGMENTS

Travel and Transportation: NIIT Technologies has built a strong presence through years of experience, deep focus, and expertise in the airlines, travel distribution, surface transport, and airports space. The company has been working on technology solutions that innovatively and cost-effectively enhance business productivity in these industry segments. These solutions and services address the business challenges of customers, helping them minimize operational costs, maximize efficiency and deliver connected experiences to their customers. The company has robust offerings including IP frameworks for the entire spectrum of travel industry-related services.

In addition, the company is actively involved with industry initiatives like StB, eCargo, Passenger Standards, SIS, and NDC.

Banking and Financial Services (BFS): NIIT Technologies' innovative technological solutions have been a catalyst in helping banking and financial enterprises sustain the dynamism of the global economy. Banking and capital markets being core BFS sub-verticals, the company is strategically focusing on spreading its global footprint leveraging its strong capability in wealth management, asset management, private banking and investor services. The company specializes in solutions centred on investment management, banking, credit and operational risk.

Apart from larger BFS institutions, NIIT Technologies also addresses the requirements of smaller community, cooperative and rural banks through its cloud-based, customized banking solutions. Additionally, for the vertical, NIIT Technologies has built integrated services capability that spans technology, digital, automation, infrastructure, operations, and product engineering.

Insurance: Insurance remains an important area of focus for the company. NIIT Technologies provides solutions to Property & Casualty, Life & Annuities, and Reinsurance and Large Commercial segments. The company has invested in developing new and progressive solutions that help transform IT for insurance enterprises. It has created IP platforms in the areas of analytics and financial reporting, policy administration (for commercial insurance players) and exposure management. Built on strong product practices and a proven global delivery model, NIIT Technologies helps insurance enterprises exploit technology effectively and efficiently, particularly with Digital Services designed to meet their emerging digital needs. Over the past two decades, NIIT Technologies has built deep and enduring relationships with global insurance players.

Manufacturing: NIIT Technologies has built skill sets in manufacturing and distribution, helping customers to implement automated, transparent, and integrated information management systems across their value chains. Available to customers are the company's Web-based e-procurement platform, supplier portal, enterprise mobility solutions, SAP and IP-led solutions for supply chain management and dealer management systems.

Media: NIIT Technologies provides media companies with comprehensive, industry-specific business and IT solutions consulting. The company delivers both front- and back-office solutions, enhancing competitiveness across the value chain of clients' operations. The solutions increase operational efficiency, variabilize costs, and increase revenue.

SERVICE OFFERINGS

Application Development and Maintenance: NIIT Technologies brings in-depth experience in developing and managing enterprise systems of various Fortune 1000 companies and offers scalable, end-to-end custom solutions. The company has deep expertise in offering vertically structured managed support engagements; delivering tailor-made solutions; providing end-to-end testing services; and utilizing global, agile, continuous delivery and lean principles to deliver optimal solutions quickly that result in high operational efficiency and faster time-to-market. NIIT Technologies offers application development, application management services and value-added independent testing solutions.

Infrastructure Management Services (IMS): NIIT Technologies' Infrastructure Management Services simplify IT operational and investment challenges by delivering IT infrastructure and applications as completely administered services. The company provides a comprehensive portfolio of end-to-end infrastructure management services powered by the service vision of continuous delivery that map all aspects of IT infrastructure advisory, design, implementation and end-to-end business-driven IT SLAs. The company implements a proprietary engagement model to create an optimized infrastructure that is agile and flexible, empowering enterprises to change-and-run with newer technologies while optimizing their IT infrastructure. The company takes an application-centered approach while delivering infrastructure services. Leveraging own IPs, new age toolsets and using innovative processes, it brings in intelligent automation across the service delivery landscape and enable Smart IT Operations.

Business Process Services: NIIT Technologies' BPM business offers outsourcing solutions that combine domain expertise, process excellence and cutting-edge technologies. It enables clients to effectively and efficiently manage back-office, mid-office, and front-office operations to enable efficiency, quality, and productivity improvements. Within its verticals of choice, NIIT Technologies is targeting specific segments including reference data management, financial and accounting management, contract loading services and airline passenger revenue accounting. The company uses proprietary tools and frameworks to add value to our clients—industry-leading ProcessGym℠, Intelligent Automation Framework, TermsMonitor™ and K-Portal.

Testing Services: NIIT Technologies' Testing Services deliver high quality and efficient testing through proven strategies of business process-centric testing streams, a common testing phase across applications' services tracks, continuous integration and validation of production-ready scrum outputs across DevOps and agile programs, and business outcome analytics. NIIT Technologies' best-in-class quality assurance and testing services span the testing services value chain—core testing services, specialised testing services, automated testing, and testing COE. The company also has focused Centers of Competence (CoCs) for automation, non-functional testing, digital testing, and domain testing for key industry segments.

Systems Integration and Packaged Implementation: These solutions mainly revolve around SAP and other ERP platforms.

Geographic Information Systems (GIS): ESRI India Technologies Ltd is a leading provider of end-to-end GIS solutions to customers. The company provides software products, training, technical support, data conversion, and application development to varied industry sectors. It also includes complete geo-spatial image processing and consulting solutions.

IP Asset-based Solutions: NIIT Technologies combines in-depth business knowledge and technical expertise to offer IP-led solutions that enable customers to respond to the challenges of a dynamic and changeable economic environment. The IP-led solutions leverage time-tested solution accelerators already deployed across the company's client base.

Digital Services: This stack enables businesses to strategize, build, and leverage new technologies and create market-ready solutions with revolutionary benefits. The company has clearly articulated offerings that spread across the digital services value chain:

- **Digital Experience:** The Company delivers digital experience through e-commerce, user experience design, portals, social integration, multichannel offerings and mobility solutions.
- **Data and Analytics:** The Company provides industry-specific and cross industry digital analytics and data solutions. It comprises of two categories:
  - Data Management Offerings
  - Advanced Analytics Offerings
- **Cloud:** The Company's Cloud services with a right Cloud enablement partner ecosystem and proven templates for design, implementation, and management enable clients to seamlessly move their business applications to the Cloud while managing the same.

  Cloud services include the following offerings: Cloud Advisory Services; Cloud Migration Services; Cloud Operation Services and Cloud Continuous Delivery
- **Digital Integration:** The company helps clients integrate complex legacy systems with digital front-ends, digitalize processes, and offers intelligent business process management services.

The Year Gone By

Year Gone-by FY17

Keeping in view the changing industry landscape your Company has identified three strategic priorities:

1. Smart IT
2. Delivering Superior Experience
3. Scale Digital

In FY17 NIIT Technologies made the necessary investments and undertook multiple initiatives to strengthen its existing capabilities and acquire new competencies in these areas.

Smart IT

This is about leveraging advanced technologies to deliver automation solutions that enable business agility, self-enablement, and superior experience. The Company forged many partnerships to enhance this capability and put together an end-to-end automation platform which consolidates innovative technologies, practices, and best in class tools for business transformation and improved experience.

Introduced Tron SMART AUTOMATION

Your Company branded the end-to-end automation platform as TRON Smart Automation. Using an automation maturity model for assessment of enterprise maturity level across verticals and service lines, the platform is helping clients transform their businesses and become more agile, efficient, and responsive.

Nanoheal collaborates with NIIT Technologies to deliver intelligent workplace services

Your Company forged a partnership with Nanoheal, a predictive tech support and IT helpdesk platform. The company leverages Nanoheal's platform within TRON Smart Automation to deliver intelligent and empathetic helpdesk solution. Nanoheal's predictive intelligence goes beyond the realms of machine learning, to bring in true automation in resolving devices issues without the need of human intervention, through its autonomic engine. NIIT Technologies and Nanoheal have collabora ted to transition IMS and AMS towers in a large insurance engagement and are delivering Robotic IT Operations at a large manufacturing client.

Partnership with artificial intelligence leader Arago

Your Company partnered with Arago, a pioneer in artificial intelligence (AI) and leader in autonomous automation, to integrate Arago's general AI technology HIRO™ into its automation offering, TRON Smart Automation. HIRO™ is a unique problem-solving AI platform that dynamically reacts to a changing environment and is able to autonomously solve ambiguous and complex problems at every level of operations, creating an important differentiation in your Company's service offering.

Delivering Superior Experience

Uplift Your Service

To address the changing expectations of customers and be true partners to their growth, NIIT Technologies adopted a major cultural change program aimed at uplifting service levels of the employees and enable them to provide superior experiences to the customers. Driven by its service vision "New Ideas, More Values" different initiatives were undertaken and implemented by your Company. Under this, an ideation platform "IGNITE" has been created to enable sharing of new ideas. 3159 ideas have been generated out of which 1678 were implemented during the year.

Bhaskar Chavali, Chief Delivery Officer, NIIT Technologies felicitating SEI team with Ignite shield

Set up 'Design Studios'

To promote out-of-the-box thinking and make our customers successful, your Company has created Design Studios in Atlanta, US, London in UK and in its Greater Noida campus, India. The studios offers a platform to ideate, collaborate, innovate, connect across tables and locations and create transformative solutions that leapfrog your Company into 'partners of distinguished' value.

Design Studio at NIIT Technologies Greater Noida, India campus

Scale Digital

Digital Services contributes to 20% of the company's total revenue and is an area of focus which your Company is driving both through organic and inorganic initiatives. The cornerstone of the digital vision is creating emotionally empathetic experiences (E3). Through the Digital E3 approach, your Company prioritizes end user experience and builds next-gen digital solutions focused on select verticals to generate maximum value. Your Company provides a wide range of best-in-class solutions and effective services that are spread across the following:

1) Digital Experience,
2) Data & Analytics,
3) Cloud,
4) Digital Integration

Arvind Thakur , CEO & Joint MD, NIIT Technologies with Gerald Hofer, COO, DB Systel celebrating 10 years of partnership.

DB Systel and NIIT Technologies celebrated 10 years of partnership

Your Company celebrated 10 years of partnership with DB Systel, the ICT subsidiary of Deutsche Bahn (German Railways) built on trust and mutual respect. NIIT Technologies supported and developed DB Systel's complex and mission-critical applications, ensuring seamless operation of the German Railways. As a key partner of DB Systel, it developed differentiated digital solutions to help train drivers to access real-time, relevant information anytime, anywhere, and on-the-go.

Personalizing experiences through Digital Foresight®

Digital Foresight® is a proprietary platform from NIIT Technologies which helps drive actionable business outcomes for key use cases by understanding end customer profiles using a predictive analytics engine. Your Company is engaged with its clients in Financial Services, Insurance, Manufacturing, Airlines and Media to provide insights into the external and internal data and deliver transformative business outcomes. During the year your Company launched a display advertising campaign "Who can personalize experiences on your customer's journey?" at Hartsfield Jackson Atlanta International Airport promoting Digital Foresight®

Siam City Cement collaborates with NIIT Technologies to build future ready IT infrastructure

Siam City Cement Public Company Limited (SCCC), one of the leading cement manufacturers in Thailand has partnered with NIIT Technologies for building its future ready IT infrastructure. Supporting the digital transformation for SCCC, your Company has designed, delivered and is operating its private and public cloud infrastructure. SCCC's digital journey driven by INSEE Digital, its IT subsidiary started with INSEE Smart program. The program focused on deploying Asia's first-of-its kind S4 SAP HANA hybrid cloud IT infrastructure – The INSEE DIGITAL Cloud Data Centre. The future ready cloud IT infrastructure delivered in a record time of 6 months enabled SCCC to adopt new business models, and rapidly deploy other digital technologies. Backed by this scalable hybrid cloud infrastructure, SCCC successfully integrated newly acquired subsidiary in Bangladesh, and currently integrating Sri Lanka and Vietnam in a cost-effective manner.

NIIT Technologies and Microsoft collaborate to empower Small and Medium Banks

Your Company collaborated with Microsoft to deploy BankingEasy its Core Banking Solution on Microsoft's Azure platform. The collaboration empowers small and medium banks across India to operate with more flexibility and become RBI compliant. With the availability of cloud services through data centres locally in India, banks are able to leverage Microsoft's Azure, Office 365, CRM Online and Disaster Recovery Services based on their needs. 16 banks across Delhi, UP, Rajasthan, MP, Uttarakhand, Chhattisgarh, West Bengal and Maharashtra in India are already using BankingEasy solution deployed on Microsoft Azure.

Incessant Technologies acquired 55% interest in RuleTek

Vijay Madduri, CEO, Incessant Technologies with Korby Wright & Mark Covrig, Managing Director at RuleTek closing transaction

Incessant Technologies, an NIIT Technologies company and a leader in Digital Integration and agile delivery of Enterprise BPM solutions, signed a definitive agreement to acquire 55% interest in RuleTek LLC, a BPM architecture services company with a track record of successful implementations for Fortune 500 companies. Headquartered in Meridian, Idaho, RuleTek is a fast-growing business serving customers in the US, with about 65 employees. The company reported revenues of US$ 6.47 million for FY17. This transaction will enable Incessant to strengthen its Digital Integration capabilities, expand its footprint in the high-opportunity North American market, and add near-shore capabilities to its existing delivery model.

Launched a digital training program "Digilife 2.0"

Digilife 2.0 is a Digital learning program that aims to train NIITians on cutting-edge niche Digital technologies. This program has a blended learning model that consists of self-paced 'Learning Plan' and 'Practice Labs' followed by Mentoring.

NIIT Technologies identified as an 'Innovator' in NelsonHall's Digital Transformation Services NEAT

Your Company was identified as an 'Innovator' in NelsonHall's 'Digital Transformation Services NEAT' report. Vendors that have exhibited strong capabilities to drive future client requirements and have scope to enhance their ability to deliver immediate benefit to clients in the Digital Services space are identified as Innovators. Your Company has been rated high, relative to peers, on consulting capabilities, design thinking and commitment to innovation in delivering Digital transformations.

Appointments

Appointed Sudhir Singh as CEO Designate

NIIT Technologies has appointed Sudhir Singh as the CEO designate of the Company. Sudhir comes with a rich and varied experience of over 22 years. Prior to his current role, he was with Genpact where he was the Chief Operating Officer of the IT Services & Capital Markets Business. He played a key role in the acquisition and subsequent integration of Headstrong Technologies between 2012-2014 as SVP and Managing Director of the integrated Genpact Headstrong Capital Markets business

Appointed S Vishwanathan as Chief People Officer

In his new role, S Vishwanathan oversees all aspects of human resource management, industrial relations policies and operations. Viswanathan has rich and varied experience of over 25 years, much of it in different roles within various businesses in the NIIT group. In his last role he was heading Strategic Alliances and has played a pivotal role in all the mergers and acquisitions

.Appointed Joel Lindsey Head of Digital Services

During the year NIIT Technologies appointed, Joel Lindsey as the EVP and global head of Digital Services. Equipped with over 20 years of industry experience and deep understanding of digital, Joel is responsible for building and scaling the company's Digital Services business globally. Prior to joining NIIT Technologies Joel was leading digital transformation globally for Hewlett-Packard Enterprise.

Appointed Adrian Morgan as EVP and Head of NIIT Insurance Technologies Ltd.

During the year, Adrian Morgan was appointed as EVP and Head of NIIT Insurance Technologies Ltd, the specialized insurance subsidiary of NIIT Technologies, providing software solutions and services to the commercial insurance sector. He comes with over 20 years of experience and expertise in delivering technology services to the global Insurance industry. Adrian will be instrumental in driving the insurance business strategy and engagements with customers.

Appointed Sasanka Panda as Head of Business Process Services (BPS)

Sasanka heads the Business Process Services division at NIIT Technologies globally. In this leadership role, he spearheads the company's global strategy for BPS and related initiatives to strengthen the solutions and service offerings such as Robotics Process Automation (RPA), Business Process as a Service (BPaaS), etc

He has over 20 years of experience in Business Process Outsourcing, Automation, Program Management, Consulting and Platform Management.

Analyst recognitions

- NIIT Technologies is included in Vendor Landscape: Continuous Testing Services For Agile And DevOps Environments, published report by Forrester Research
- NIIT Technologies positioned as a 'High Achiever' within the NelsonHall Next Generation Application Outsourcing NEAT Matrix
- NIIT Technologies business outcome-based engagement with one of its clients was featured as a case study in a recent Gartner report "Adopt Agile Micro sourcing for Innovation Projects to Drive Digital Success", 22 March 2017, DD Mishra
- NIIT Technologies is Ahead of the Automation and Analytics Curve : ISG Briefing Notes

- NIIT Technologies has been named as a Strong Performer in Application Outsourcing Capabilities in the report “The Forrester Wave(tm): Application Outsourcing Capabilities of Midsize Offshore Vendors, Q4 2016”.
- Positioned as a ‘Major Contender’ on Everest Group’s PEAK (Performance, Experience, Ability and Knowledge) MatrixTM for IT Application Outsourcing Services in Insurance, 2016.
- NIIT Technologies has been identified as a ‘High Achiever’ in NelsonHall’s NEAT Vendor Evaluation for Software Testing

Rewards & Recognitions

- Awarded ‘Dream Companies to work for’ for Talent Management by Times Ascent in association with World HRD Congress
- Won Jury’s Choice Award for ‘Compensation Benefits Leadership’ under BennyAwards2017 by World HRD Congress

- Conferred with ‘Best Employer Brand 2017’ for Best HR Strategy in line with Business, by the Employer Branding Institute in association with World HRD Congress

- Conferred with the industry’s most prestigious League Awards- Total Rewards by People matters for “Best Contribution in Holistic Recognition”

Rajeev Kumar and Jyoti Mehta from NIIT Technologies Limited receive the award from Zubin Zack, OC Tanner Ester Martinez, People Matters

- Conferred with ‘Award for Innovation’ in Outsourcing from Global Sourcing Association (formerly known as National Outsourcing Association, NOA) in 2016
- Won HR Innovation Awards for ‘Best contribution to Organization Culture’ and ‘Best Rewards & Recognition program’ by HT Mint Connect and The Guild in association with CNBC TV18

NIIT Tech received HR Innovation Awards for ‘Best contribution to Organization Culture’ and ‘Best Rewards & Recognition program’ by HT Mint Connect

- ESRI India won the Prestigious Indian Express IT Award for IT Innovation in Enterprise
- Incessant Technologies’ iCOB solution awarded “Best Overall App” at Appian World 2017

- NIIT Technologies won Aecus Innovation award for delivering ‘Uninterrupted Business and IT operations at Multiple Airports during Unprecedented Crisis’ for Airports Authority of India (AAI)

Arvind Mehrotra, President, Infrastructure Management Services receiving the Aecus Innovation Award from Aecus Innovation lead and Partner Paul Morrison

- Received Asia Outsourcing Excellence Awards for Operational Excellence & Quality and BPO Innovation of the Year

Board Report

To,

The Members,

Your Directors are pleased to present the Twenty Fifth Annual Report on the business and operations of your Company along with the audited annual accounts for the Financial Year ended March 31, 2017 (FY 2017).

FINANCIAL PERFORMANCE OF THE COMPANY

The highlights of the financial results for the financial year 2016-17 are as follows:

(Figures in Rs.mn except for EPS)

Particulars	FY 2016-17	FY 2015-16
Consolidated Revenues	28,021	26,879
Standalone financials		
Income from operations	15,951	14,842
Other Income	338	447
Total Income	**16,289**	**15,289**
Profit before depreciation and taxes	3,098	3,034
Depreciation	909	815
Exceptional Item	221	6
Provision for tax & (deferred tax)	319	296
Profit After Tax	1,649	1,917
Earning Per Share (Basic) (In Rs.)	26.90	31.37

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR AND STATE OF COMPANY'S AFFAIR

During FY 2017, the Company deepened engagements with multiple customers and also acquired new customer relationships, won multiple new deals, and expanded its offerings portfolio.

Revenues increased 4.2% during FY2017 on a consolidated basis, to Rs. 28,021 million from Rs. 26,879 million in FY2016. Digital Services continued to show strong growth, registering a 30% growth during FY2017 and contributing 20% of consolidated revenues. As a result, operating profits (EBITDA) for the year increased 3% to Rs. 4,845 million from Rs. 4,703 million in the preceding financial year. EBITDA margin for FY2017 stood at 17.3%. Consolidated Profit after Tax (PAT) for FY2017 stood at of Rs. 2,501 million.

Cash flows for the Company, which had witnessed a healthy increase during the preceding financial year, improved further during the course of the year under review, driven by better collections as reflected in lower receivable days at 64 at the end of the year (compared to 80 days a year ago) and higher cash & bank balances at Rs. 7,321 million as on 31 March 2017 (compared to Rs. 4,241 million on 31 March 2016) on a consolidated basis.

Operating highlights

NIIT Technologies registered some important operating accomplishments during the year, with multiple new engagements and multi-million dollar fresh orders from existing clients resulting in sustained order-booking. On the back of these deal wins and new customer acquisitions, the Company was able to secure fresh orders worth $457 million during FY2017. The order book executable over the next 12 months as on 31st March 2017 stood at $320 million.

During the year, the Company continued to make ongoing enhancements to its existing capabilities through investments in new emerging technologies, partnerships, and appropriate skills to deliver exceptional customer value and operational excellence. It also completed some key flagship digital experience projects for several clients and secured multiple new Digital engagements.

NIIT Technologies also strengthened its offerings in the area of Automation and Robotics, as part of its Smart IT initiative. A unifying component of this initiative is TRON, an integrated automation framework that consolidates innovative technologies, practices, and tools for business transformation—delivering more value. Leveraging advanced technologies like Robotic Process Automation (RPA), Analytics, Machine Learning, and Artificial Intelligence (AI), TRON framework enables enterprises to deliver business agility, self-enablement, and superior experiences.

During the year under review, the Company's GIS business witnessed healthy traction, as it has been able to engage with 17 cities in India as part of the Smart Cities program.

Additionally, the Company made some key appointments as well into its leadership team during FY2017, inducting Joel Lindsey as the global head of Digital Services and Adrian Morgan as the head of NIIT Insurance Technologies Ltd (NITL), its IP-led insurance technology solutions business.

Business Outlook

The Company recorded a strong order intake during FY2017, resulting in an expanded order book as it enters the new financial year. Demand conditions too seem to be healthy, as reflected in a healthy opportunities pipeline. The Company has also been able to adapt to changes in the demand landscape and customer expectations, reflected in its engagement models and enhanced offerings that have evolved to deliver exceptional value. Resultantly, the outlook for the Company remains encouraging.

The Management's Discussion & Analysis (MD&A) of the Company's global business during FY2017 and outlook, along with a discussion of internal controls & risk management and mitigation practices, appears separately in this Annual Report. Reports on Corporate Governance and Corporate Social Responsibility (CSR) are also provided in this Annual Report.

Dividend

The Board in its meeting held on May 05, 2017, has recommended a dividend of Rs.12.50 per equity share of face value Rs.10/- each (previous year Rs.10 per equity share) for the Financial Year ended March 31, 2017, amounting to Rs.767 million. The proposal is subject to the approval of the shareholders at the ensuing Annual General Meeting to be held on September 22, 2017. The dividend payout is according to the Dividend Distribution Policy of the Company.

Transfer to Reserves

During the year, the Company has not transferred any amount to the Reserves.

Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the company to which the financial statements relate and the date of the Report & change in nature of business, if any

There has been no material change in the nature of business of the Company during the year and subsequent to the close of the Financial Year to which Financial Statements relate and the date of the Report, like settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc.

COMPANIES ACT DISCLOSURES & CORPORATE GOVERNANCE

Extract of Annual Return

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of Annual Return (MGT-9) is enclosed as **(Annexure A).**

Number of meetings of the Board

The Board of Directors of the Company met 5 (five) times in the FY2016-17. The details pertaining to the Board Meetings and attendance are provided in the Corporate Governance Report. The intervening gap between two Board Meetings was within the period prescribed under Companies Act, 2013.

Directors Responsibility Statement

As required under Section 134(3)(c) read with 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby states and confirms that:-

(a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

(b) the Company 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 at the end of the Financial Year and of the Profit & Loss of the Company for that period;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Annual Accounts are prepared on a going concern basis;

(e) the internal financial controls are laid to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

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

Directors and Key Managerial Personnel

a. Retirement by rotation of Mr. Arvind Thakur (DIN 00042534), Director

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Arvind Thakur, Director (DIN 00042534) will retire by rotation at the ensuing Annual General Meeting, and being eligible offers himself for re-appointment. The Board recommends his re-appointment at the ensuing Annual General Meeting of the Company.

b. Independent Directors

Pursuant to the provisions of Section 149 of the Companies Act, 2013, Mr. Amit Sharma, Mr. Surendra Singh and Mr. Ashwani Puri were appointed as Independent Directors till March 31, 2019 at the Annual General Meeting of the Company held on July 07, 2014. Further, the term of Ms. Holly Jane Morris as an Independent Director had expired on March 31, 2017. The Board in its meeting held on March 24, 2017, on the recommendation of Nomination and Remuneration Committee has appointed Ms. Holly Jane Morris, as Independent Director for a second term of not exceeding 5 consecutive years w.e.f April 01, 2017 in its meeting held on March 24, 2017 subject to the approval of shareholders at the ensuing Annual General Meeting.

Statement on declaration by the Independent Directors

All the Independent Directors have given declarations that they meet all the requirements specified under Section 149 (7) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Familiarization program of Independent Directors

The details of the Familiarization program of Independent Directors of the Company are available on the website of the Company. The URL of the same is http://www.niit-tech.com/investors/Familiarization-Programme Independent -Directors.pdf. Further, at the time of appointment of an Independent Director,the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities.

c. Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Company has the following Directors/employees as Whole-time Key Managerial Personnel as on March 31, 2017:

a) Mr. Rajendra S Pawar (DIN 00042516) – Chairman & Managing Director

b) Mr. Arvind Thakur (DIN 00042534) - Chief Executive Officer & Jt. Managing Director

c) Mr. Amit Kumar Garg - Chief Financial Officer

d) Mr. Lalit Kumar Sharma - Company Secretary & Legal Counsel

Changes during the year:

- There has been no change in the status of KMPs as stated above.

Deposits from Public

The Company has not accepted any Deposits under Chapter V of the Companies Act, 2013 during the year and hence no amount of principal or interest was outstanding on the date of the Balance Sheet.

Share Capital

a) Issue of equity shares with differential rights or sweat equity shares

During the year, the Company has not issued any equity shares with differential rights/sweat equity shares under Companies (Share Capital and Debentures) Rules, 2014.

b) Issue of Employee Stock Options

During the year, the Company issued 175,650 Equity shares on the exercise of stock options under the Employee Stock Option Scheme of the Company (ESOP 2005). Consequently, the issued, subscribed and Paid-up Equity Capital increased to Rs.613,621,740 as at March 31, 2017 pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014.

The grant wise details of the Employee Stock Option Scheme is partially provided in the Notes to Accounts of the Financial Statement in Annual Report and a comprehensive note on the same forms part of the Board Report, which is available on the website of the Company and the URL for the same is www.niit-tech.com/investors or may be obtained from the Company and is open for inspection at the Registered Office of the Company.

c) **Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees**

In terms of Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014, the Company is not exercising the voting rights directly by the employees in respect of shares to which the scheme relates.

COMMITTEES OF THE BOARD

Audit Committee:

The Audit Committee of the Company is constituted as per Section 177 of the Companies Act, 2013 & Regulation 18 of the SEBI Listing Regulations, 2015, consisting of majority of Independent Directors.

The composition of the Audit Committee and details of the Meetings and attendance during the FY2016-17 are as under:

Name of the Committee member	Category	Designation	Number of meetings during the Financial Year 2016-17		Dates of meetings held during the year
			Held	Attended	
Mr. Ashwani Puri	Independent Director	Chairman	5	4	May 05, 2016 July 15, 2016 October 15, 2016 January 16, 2017 March 24, 2017
Mr. Surendra Singh	Independent Director	Member	5	3	
Mr. Vijay K Thadani	Non-Executive Promoter Director	Member	5	5	
Mr. Amit Sharma	Independent Director	Member	5	3	

Mr. Ashwani Puri, an Independent Director is the Chairman of the Committee and Mr. Lalit Kumar Sharma is the Secretary to the Committee. The Board had accepted all the recommendations of the Audit Committee made during the year. The details pertaining to the terms of reference, functioning and scope are given in the Corporate Governance Report in detail in terms of the requirements under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Nomination and Remuneration Committee

The Company has a duly constituted 'Nomination & Remuneration Committee' under the provisions of Section 178 of the Companies Act, 2013 and the terms of reference are disclosed under the Corporate Governance Report of the Company in terms of the requirements under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The composition of the Nomination and Remuneration Committee and details of the Meetings and attendance during the FY2016-17 are as under:

Name of the Committee member	Category	No. of meetings during the Financial Year		Dates of meetings held during the year
		Held	Attended	
Mr. Amit Sharma (Chairman)	Non-Executive Independent Director	6	4	May 05, 2016 June 20, 2016 July 14, 2016 July 18, 2016 August 09, 2016 January 16, 2017
Mr. Surendra Singh (Member)	Non-Executive Independent Director	6	6	
Mr. Vijay K Thadani (Member)	Non-Executive Promoter Director	6	5	

The Chairperson of the Committee is Mr. Amit Sharma, who is an Independent Director of the Company.

Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015, the Company has a duly constituted "Stakeholders' Relationship Committee". The Stakeholders' Relationship Committee looks into the redressal of complaints of investors.

The Committee has delegated work related to share transfer, issue of duplicate shares, Dematerialisation/Rematerialisation of shares and other related work to Share Transfer Committee which reports to the Committee.

The Stakeholders' Relationship Committee is headed by a Non-Executive Independent Director Mr. Amit Sharma and consists of Mr. Vijay K Thadani and Mr. Arvind Thakur as members. Mr. Lalit Kumar Sharma, Company Secretary & Legal Counsel is the Compliance Officer of the Company.

Meetings & Attendance during the year

The particulars of the meeting attended by the members of the Stakeholders' Relationship Committee and the date of the meetings held during the year are given below:

Name of the Committee member	Category	Designation	Number of meetings during the Financial Year 2016-17		Dates of meetings held during the year
			Held	Attended	
Mr. Amit Sharma	Independent Director	Chairman	4	2	May 05, 2016 July 14, 2016 October 15, 2016 January 16, 2017
Mr. Arvind Thakur	Executive Director	Member	4	4	
Mr. Vijay K Thadani	Non-Executive Promoter Director	Member	4	4	

Corporate Social Responsibility (CSR)

In terms of provisions of section 135 of the Companies Act, 2013 & Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 read with various clarifications issued by Ministry of Corporate Affairs, the Company has a CSR Committee which formulated a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, as per Schedule VII of the Companies Act, 2013, recommending the amount of expenditure to be incurred and monitoring the expenditure and activities undertaken under the CSR Policy of the Company. The Committee comprises of the following members:

1. Mr. Surendra Singh (Chairman)
2. Mr. Arvind Thakur
3. Mr. Amit Sharma
4. Mr. Ashwani Puri

The particulars of the meeting attended by the members of the CSR Committee and the date of the meetings held during the year are given below:

Name of the Member	Corporate Social Responsibility Committee May 05, 2016
Mr. Surendra Singh (Chairman)	Y
Mr. Amit Sharma	Y
Mr. Ashwani Puri	Y
Mr. Arvind Thakur	Y

Y: Attended

The Company has undertaken activities as per the CSR Policy (available Company's website www.niit-tech.com) and the details are contained in the Annual Report on CSR Activities given in **Annexure-B** forming part of this Report.

At NIIT Technologies, we believe it is critical for the business to engage with the social and ecological challenges faced by people. This should be done in a deep and meaningful manner with long term commitment; for that is the only way to effect real sustainable change on the ground. We try to engage with communities on issues that matter to them the most.

Some High Impact Programs at an Organization Level in the area of Education & Employability are:

1) **SHIKSHA, Dankaur Village, Greater Noida** - A Career Development Centre providing IT and employability training to the underprivileged students in and around Dankaur village. The center was launched by the Company in collaboration with NIIT Foundation on 2nd Dec 2015. In the current year the center has already impacted around 1550 underpreviledged students of the community.
2) **SHIKSHA, Madanpur Khadar, Delhi** – This year another Career Development Center was added under the Shiksha Program. The organization adopted the Madanpur Khadar Center partnering with NIIT Foundation. The center focusses on providing IT and employability training to the underprivileged students in and around Madanpur Khadar. The center was adopted by the Company in January 2017 and in the last 2 months it has impacted around 88 underprivileged students including some differently abled students as well.
3) Sponsorship to **Noida Deaf Society** for running a year long employability course for differently abled girls on Beauty Culture. This course started in May 2016 and would concluded by April 2017.

High Impact Programs at Location Level:

1) Infrastructural support to Schools –
    a. **Tapovan Vidya Mandir**, primary school near the Company's facility at Sector 63, Noida. A flooring activity for the school was undertaken and laptops were provided to the school.
    b. **Jaganpura Primary Govt. School,** primary school near the Greater Noida Campus. The Company is building a play zone for the kids in the school with climbers, swings and slides for holistic development of the kids.
    c. **Murshadpur Primary Govt. School,** primary school near the Greater Noida Campus. Blackboards and desktop computers have been provided to the school.
2) Teaching drive at Murshidpur Primary Govt School. NIITians from the BFS vertical at the Greater Noida Campus sponsored a 3 month teaching drive at Murshidpur Govt Primary School. This included teaching Maths and English to students in Class 3 and 4, impacting 32 students. This drive concluded in early March and the Senior Leadership team of BFS have decided to take this drive further. The project duration has now been extended for one more year and NIITians from the BFS vertical will continue to contribute in this area.
3) Location level events conducted offshore like- Plantation drive, Donation drive, Teaching drive, Sports day, Team Building etc at old age homes, juvenile homes and schools.

Compliance with the Code of Conduct

The Company has adopted the "NIIT Technologies Limited – Code of Conduct" (Code). The Code is available on the website of the Company (URL is - http://www.niit-tech.com/investors). The Chief Executive Officer of the Company has given a declaration that the Directors and Senior Management of the Company have given an annual affirmation of compliance with the Code of Conduct during the year 2016-17.

Prevention of Insider Trading

The Company has formulated and adopted a Policy in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Policy lays down the guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company alongwith consequences for violation. The policy is formulated to regulate, monitor and ensure reporting of deals by employees and maintain highest level of ethical standards while dealing in the Company's securities. The Company has also adopted the Code of Fair Disclosure, which is placed on the website of the Company (URL is - http://www.niit-tech.com/investors).

Performance Evaluation of the Board

In terms of the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the evaluation of its own performance, the Directors individually including the Chairman of the Board and that of its Committees. The evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated.

The Board discussed the criteria/parameters of evaluation and the methodology for evaluation as recommended by NRC in its meeting held on May 04, 2017 and evaluated performance of each of the Director on the Board of the Company pursuant to the provisions of the Companies Act, 2013.

The performance of the Committees was evaluated by the Board after seeking inputs from the respective Committee Members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

The Independent Directors also reviewed the performance of the Board and Non-Independent Directors in their separate meeting, alongwith the performance of Chairman taking into account the views of Executive Directors and Non-Executive Directors and effectiveness of timely availability of information to the Board.

The evaluation was done based on discussions and one to one oral interactions and the assessments were done based on an internal assessment process.

The Chairperson communicated the feedback of the Nomination and Remuneration Committee to the Board. The Board approved the same and carried out the performance evaluation accordingly.

The Board approved the same and the Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees.

Managerial Remuneration & Particulars of Employees

The information required under section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in **Annexure-C**. Further, the managerial remuneration is also provided in the Corporate Governance Report.

The information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is applicable and forms part of the Report.

However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company and the said annexure is also open for inspection at the Registered Office of the Company.

POLICIES OF THE COMPANY

Remuneration Policy

Pursuant to the provisions Section 178(3) of the Companies Act, 2013, the Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Vigil mechanism/Whistle Blower Policy

In view of the requirement as stipulated by Section 177 of the Companies Act, 2013 and Corporate Governance under SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015, the Company has complied with all the provisions of the Section and has adopted a Whistle Blower Policy duly approved by the Audit Committee to report concerns about unethical behaviour, actual & suspected frauds, or violation of Company's Code of Conduct and Ethics. The policy is uploaded on the website of the Company and the URL for the same is www.niit-tech.com/ investors/whistleblowerpolicy. pdf. The same provides for adequate safeguards against victimisation of director(s)/ employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. It is affirmed that no person has been denied access to the Audit Committee.

Policy for Determining Material Subsidiaries

The policy for determining the material subsidiaries of the Company is also available on the Website of the Company and the URL is: https://www.niit-tech.com/sites/default/files/PolicyonMaterial-subsidiary.pdf

Risk Management Policy

The Company has developed and implemented a risk management framework for identification of elements of risk, which in the opinion of the Board may threaten the existence of the Company.

Dividend Distribution Policy

Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates top 500 Listed Companies on their market capitalization as calculated on the 31st day of March of every year to frame a Policy for Distribution of Dividend. Accordingly, the Company adopted the said Policy during the FY2017. This policy aims at laying down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to shareholders and/or retention or plough back of its profits. The Policy is enclosed as **Annexure - D** of the Report and is also available on the website of the Company at http://www.niit-tech.com/sites/default/files/Dividend-Distribution-Policy.pdf

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

Conservation of energy and environment-friendly initiatives

Consistent with and inspired by its corporate vision, values, and mission, NIIT Technologies aims to grow its business profitably while minimising the impact of its business operations on the environment. The Company has been proactively adopting and initiating multiple environment-friendly measures aimed at conservation of resources including energy and water, recycling or efficient disposal of waste, as well as leveraging the use of renewable resources where possible.

As a global leader in Consulting, Technology, and Outsourcing Services, the Company is committed to environmental sustainability. While creating new infrastructure, it emphasises not only on creating world class and cost effective infrastructure but also on energy efficiency, renewable energy sources, sustainable construction materials, water conservations, and waste management.

At its largest facility, spread over 25 acres, in Greater Noida, eco-efficiency and environment-friendliness is weaved intricately into all aspects of operations. Being a relatively new SEZ facility, environmental sustainability has been a key objective underpinning its design and function, right from the blueprint stage to its becoming operational. Over the years, state-of-the-art technologies, systems, and processes aimed at ensuring minimal environmental impact and adoption of best-in-class practices have enabled the Company to register significant improvements in its ability to reduce energy consumption, increase recycling of water, and facilitate effective waste management.

The Company recognizes energy as a precious resource and continuously explores and implements ways to reduce its consumption of energy. As part of these efforts, the Company keeps assessing the demand-side to bolster its energy efficiency while also investing in new technologies that either make its infrastructure more energy efficient or allow it to replace conventional energy sources with renewable ones wherever possible.

At its Greater Noida campus, NIIT Technologies has been able to mark multiple accomplishments on the environmental front, during FY 17 Company strives for:

- Further reduction of energy requirement by as much as 8% by using LED lighting and solar power usage. (Reduction of four lacs of electrical units annually).
- Significant increase in the recycling of water (approx. 20 lacs litres per month) using second STP plant while also using technologies to minimize its consumption. Water extraction from Ground reduced by 20% annually.
- Better waste management for both organic and e-waste, with substantial progress already made:
  - o Organic waste is being converted into compost for use in its grounds' green areas and gardens i.e. conversion of waste into Compost is avg. 450 kg of manure per month. Manure is used for internal horticulture purpose.
  - o E-waste is collected and formally handed over to registered and certified disposal vendor through an auction process.
- Efficient transport practices, including increased usage of maximum CNG-based vehicles.

These have been made possible by investments and initiatives towards energy efficient Chillers, VFDs, VAVs, High Energy Efficient Glass on external façade of buildings, wall & ceiling insulation, LED lights, Solar Energy for internal & external lighting as well as for hot water generation, and recycling of waste water, along with a host of additional new technologies like the use of decomposers for waste management.

The Company strives to recover, reuse, or recycle its workplace tools such as copiers, computers and paper. The policy for asset sale, donation, and disposal outlines what employees should do with technology assets that are not being fully utilized or have reached their end of useful life.

During FY 2017, the Company had set up a 50 KW Capacity Solar PV Power Plant at its IT/ITES SEZ campus in Greater Noida. This plant has been successfully commissioned and synchronized with the grid and has so far generated 47,000 KWH within a span of 9 months.

The Company exploring to enhance the capacity of solar power to 100 Kw within this FY in campus

All these efforts, investments, and achievements of NIIT Technologies on the environmental front have gained following recognitions.

<u>During October 2016:</u>

LEED Platinum Certification for **New Construction** for new tower (phase 2 building) at Greater Noida campus from IGBC (Indian Green Building Council).

<u>During Feb & March 2017:</u>

- ISO 14001:2015 (Environment Management)
- OHSAS 18001:2007 (Occupational Health and Safety Assessment Series)
- LEED Platinum Certification **Operation & Maintenance** for existing tower (phase 1 building) at Greater Noida campus from USGBC (US Green Building Council).

As an IT solutions provider with an established presence in areas like Managed Services, Infrastructure Management Services, and Cloud-based services, the Company operates data centres that consume energy resources in large quantities. With a view to reduce power consumption at its data centres, the Company had initiated the consolidation of its data centres which was completed in the preceding financial year. This has yielded encouraging results, improving PUE (Power Utilization Effectiveness), which is the unit of measurement for data centre efficiency, by 25%-30%. In addition to supporting energy efficiency, this initiative also generated operating benefits, offering both high availability as well as concurrent maintainability of infrastructure.

Technology absorption and R&D (Research & Development)

NIIT Technologies strives to be a leader in the early adoption of new, path breaking and disruptive technologies that strengthen its ability to maintain its leadership position across its industry verticals of focus. Towards that end, it continually evaluates and embraces new technologies and business models, and makes investments in developing or acquiring intellectual property (IP) in addition to upgrading its existing IP assets.

In line with its track record of keeping pace with the emergence of new services or technologies with disruptive potential, the Company made a foray into Digital Services and reinforced its offerings portfolio in that area by making a strategic investment in Incessant Technologies during the financial year under review. As a result, NIIT Technologies is now able to offer solutions in digital experience, digital integration, and digital analytics. Recently, the Company also launched its Digital Innovation Centre (DIC) in Hyderabad, which will provide a global platform for research and technological development to tap new market opportunities for Digital Integration. Equipped with state of the art IT infrastructure and Internet of Things (IOT) labs, this DIC will serve as a hub for innovative thinking and will play a key role in the Company's success, going forward, as a dominant digital services player in its chosen areas of focus.

Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is as under:

(Rs. Million)

Particulars	Year 2016-17	Year 2015-16
Foreign Exchange Earnings	13,991	12,724
Foreign Exchange Outflow	5,702	5,133

Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

During the year, no order was passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company is having a strong internal control system for all the processes to ensure the reliability of the financial reporting and timely feedback on achievement of operational objectives.

The Company monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliances with operating systems, accounting procedures and policies of the Company. Based on the report of Internal Audit Function, process owners undertake corrective action in their respective areas and thereby strengthen controls. All significant audit observations and corrective actions thereon are presented to the Audit Committee for its review and suggestions.

Details of Subsidiary/JointVentures/Associate Companies

As on March 31, 2017, the Company has subsidiaries in the United States of America, United Kingdom, Netherlands, Germany, India, Singapore, Thailand, Australia, Dubai, Spain, Philippines & Brazil.

Details about the companies which have become/ ceased to be subsidiaries during the Financial Year

The Company has not acquired any company during the year. The subsidiary in Switzerland is in the process of liquidation and subsidiary in Belgium has been closed.

Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.

During the year, the Board of Directors reviewed the affairs of the subsidiaries.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013, a statement containing a report on the performance and financial position of each of the subsidiaries, associates and joint venture companies is included in the consolidated financial statement and the same has been annexed to this Report as AOC-1 given in **Annexure E.**

In accordance with the provisions of Section 136 of the Companies Act, 2013, the audited Financial Statements of the Company, consolidated Financial Statements alongwith relevant documents are available on the website of the Company. The Financial Statements are also open for inspection at the Registered Office of the Company.

Particulars of loans, guarantees or investments under section 186 of the Companies Act, 2013

The Company has not given any loan to any person or other body corporate. The details of the guarantee given by the Company is as under.

Particulars	Amt in Local Currency (In USD Mn.)	Outstanding Amt in INR as on March 31, 2017 (In Mn.)	Purpose
Issued to Citibank NA, on behalf of NIIT Technologies Pty., Australia	10.00	649	Working Capital Loan
Issued to Citibank NA, on behalf of NIIT Technologies Limited, UK	7.50	486	Working Capital Loan
Issued to Citibank NA, on behalf of NIIT Insurance Technologies Limited, UK	3.00	195	Working Capital Loan
Issued to Citibank NA, on behalf of NIIT Technologies Limited, Thailand	1.50	97	Working Capital Loan
Total	**22.00**	**1,427**	

The details of investments in securities of other body corporates is given as under:

Investment in Subsidiary Companies	Investment value as on March 31, 2017 (Amt. in INR)
2,837,887 (31 March 2016: 2,837,887; 01 April 2015: 2,837,887) Shares having no par value in NIIT Technologies Inc. USA	155,790,698
16,614,375 (31 March 2016: 16,614,375; 01 April 2015: 16,614,375) Shares of 1 Singapore $ each fully paid-up in NIIT Technologies Pacific Pte Ltd., Singapore	702,818,750
3,276,427 (31 March 2016: 3,276,427; 01 April 2015: 3,276,427) Shares of 1 UK Pound each fully paid-up in NIIT Technologies Ltd.,UK	204,426,821
890,000 (31 March 2016: 890,000; 01 April 2015: 890,000) Equity Shares of Rs 10/- each fully paid-up in ESRI India Technologies Limited (formerly known as NIIT GIS Limited)	8,900,000
537,900 (31 March 2016: 537,900; 01 April 2015: 537,900) Equity Shares of Euro 1 each fully paid-up in NIIT Technologies GmbH, Germany	184,762,155
50,000,000 (31 March 2016: 50,000,000; 01 April 2015: 50,000,000) Equity Shares of Rs 10/- each fully paid-up in NIIT SmartServe Limited	500,000,000
1,000,000 (31 March 2016: 1,000,000; 01 April 2015: 1,000,000) Equity Shares of Euro 1 each fully paid-up in NIIT Airline Technology GmbH Germany	223,813,064
6,000 (31 March 2016: 6,000; 01 April 2015: 6,000) Ordinary Shares of 1000 AED each fully paid in NIIT Technologies FZ LLC Dubai	63,141,800
5,000,000 (31 March 2016: 5,000,000; 01 April 2015: 5,000,000) Equity Shares of Rs. 10 each in NIIT Technologies Services Limited	25,000,061
2,064,292 (31 March 2016: 2,064,292; 01 April 2015: Nil) Equity Shares of Rs. 2 each in Incessant Technologies Private Limited [Refer Note 41]	1,350,371,487
10,000 (31 March 2016: 10,000; 01 April 2015: 10,000) Shares of Peso 100 each in NIIT Technologies Philippines Inc	38,867,570

Particulars of Contracts or Arrangements with Related Parties

All the Related Party Transactions are entered on arm's length basis and in ordinary course of business. All the transactions are in compliance with the applicable provisions of the relevant Acts and the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015. There are no related party transactions entered by the Company which may have potential conflict with the interest of the Company at large. The Related Party Transaction Policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions as approved by the Board. The same is uploaded on the website of the Company and the URL of same is: www. niit-tech.com/investors/ policysummarized. Pdf.

A Statement of all related party transactions is presented before the Audit Committee on a quarterly basis and prior/ omnibus approval is also obtained for the entire year, specifying the nature, value and terms and conditions of the transactions.

None of the transactions with the related parties fall under the scope of Section 188 (1) of the Companies Act, 2013. The details of Related Party transactions pursuant to Section 134(h) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are given in Form No. AOC-2 in **Annexure – F.**

Management Discussion and Analysis Report

In terms of Regulation 34(e) of the SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015, the Management's Discussion and Analysis Report is set out in this Annual Report.

Business Responsibility Report

The SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015, mandates the inclusion of Business Responsibility Statement ('BRR') for top 100 listed companies based on market capitalization. In compliance with the same we have integrated BRR as part of the Annual Report.

Corporate Governance

In terms of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Report on Corporate Governance along with Compliance Certificate issued by Statutory Auditor's in terms of Part E of Schedule V of the said Regulations of the Company forms integral part of Corporate Governance Report.

Scheme of amalgamation

The scheme for merger of PIPL Business Advisors & Investments Private Limited and GSPL Advisory Services and Investment Private Limited (part of the Promoter/ Promoter Group of NTL) with the Company has been approved by the Board, subject to approval by NCLT under section 230-232 of the Companies Act 2013 and other regulatory approvals.

AUDITORS & AUDITORS' REPORT/CERTIFICATE

a. Statutory Audit:

Under Section 139 of the Companies Act, 2013 and Rules made thereunder, it is mandatory to rotate the Statutory Auditors on completion of the maximum term permissible under the said section. The term of the current Statutory Auditors - PriceWaterhouse, Chartered Accountants (FRN 301112E) shall expire on the conclusion of the upcoming 25th Annual General Meeting of the Company. The Audit Committee approved and recommended to the Board appointment of S.R. Batliboi & Associates LLP, Chartered Accountants FRN 101049W/E300004 for appointment as Statutory Auditors of the Company for a term of five consecutive years with effect from the conclusion of ensuing 25th Annual General Meeting to be held on September 22, 2017 till the conclusion of 30th Annual General Meeting of the Company. The Board has further recommended their appointment to the Shareholders of the Company at the ensuing Annual General Meeting of the Company to be held on September 22, 2017. The said appointment shall be subject to ratification at every Annual General Meeting of the Company to be held after the ensuing Annual General Meeting.

The Report given by the current Statutory Auditors PriceWaterhouse forms integral part of the Annual Report. The Auditors Report to the Shareholders does not contain any qualification, reservation or adverse remarks.

b. Secretarial Audit:

During the year, the Board of Directors of the Company had appointed Mr. Ranjeet Pandey (Membership No. 5922) of M/s Ranjeet Pandey & Associates, Company Secretaries (CP No.–6087), in Whole-time Practice, to carryout Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 and the Rules framed thereunder, for the Financial Year 2016-17. The Report given by Secretarial Auditors is annexed to this Report as **Annexure G.** The Report does not contain any qualification, reservation or adverse remarks.

c. Auditor's Certificate on Corporate Governance:

A required by SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Auditor's Certificate on Corporate Governance is provided under the Corporate Governance Report. The Auditors Report to the Shareholders does not contain any qualification, reservation or adverse remarks.

d. No fraud has been reported by the Auditors to the Audit Committee/Board or any other relevant authority.

HUMAN RESOURCE INITIATIVES

To maintain and develop ongoing competitiveness and adaptability, it is imperative to invest in organizational capability development. NIIT Technologies has been addressing these needs through several initiatives. Let's take a look at these initiatives.

Service Culture

As part of our culture change journey, which has been driven by our service vision, "New Ideas, More Value", over 1005 NIITians have undergone the 'Uplift Your Service' Training this year.

Diversity & Inclusiveness

Taking forward our commitment to build a gender balanced workplace we had launched an exclusive program, **"With Due Respect"** for our leaders. The program sensitizes the participants to be aware of the potential impact of biases/prejudices as possible barriers to inclusiveness and help each leader understand their role in creating a supportive work environment. Through this company wide sensitization initiative, **542 leaders** have been trained successfully.

Subsequently, sensitization sessions on Policy on Sexual Harassment (POSH) were also organized to create awareness on measures for prevention of sexual harassment at the workplace. Through pan India training sessions, 5128 NIITians were addressed on this topic.

A one day refresher program on POSH was organized exclusively for all the ICC (Internal Complaints Committee) members, in Quarter 3, at the Greater Noida Campus to educate them on provisions of the Prevention of Sexual Harassment at workplace Act. A diverse set of case studies were taken upto enable a thorough understanding of the intricacies of the law and our approach to deal with any instance of harassment.

Service Delivery

The service delivery organization had initiated the **DONE** program to address opportunities to enhance the quality of software delivered to customers. This program included ways to strengthen collaboration between testers and developers and create joint ownership of quality of deliverables across the company. A series of workshops were conducted to address multiple technologies like JAVA, DOTNET, Mainframe, T-SQL, Oracle, Mobile & Testing. Over 2400 employees were covered as part of this initiative that included over 120 training sessions.

The DONE Testing Program objectives included:

- Re-enforcement of the Organization's expectations from testing professionals

- Awareness for Key test techniques in test design optimization (Orthogonal) and test execution effectiveness (RBT)
- Code Analysis Tool – SONAR to define/ include in build acceptance criteria
- Implementation of Accelerated Framework along with Automation and NFR guidelines.

A **DONE 2** workshop was conducted for 173 Supervisors from the top 10 application development and maintenance accounts. The objective of this program is to institutionalize automation by identifying opportunities, implementing ideas and enabling collaboration across accounts and programs. It gives a detailed view on Tron which is NIIT's automation framework and how it can be leveraged to meet automation targets on productivity and quality. The outcome of this program is a defined Automation Roadmap for each account which has prioritized ideas along with tangible benefits.

While DONE is focusing on developers and QA testers, intended audience for DONE 2 are Project Managers, Delivery Managers and Delivery Heads who fully understand and enforce DONE objectives and at the same time drive Automation theme within their respective accounts.

Digital Transformation

The year 2016-17 is the year of transformation. The world as we speak, is evolving at a pace faster than ever. Disruption is the new norm. NIIT Technologies truly believes that organisations that will thrive in future will be the ones where everyone has been touched digitally. A business where employees across all hierarchies and functions understand the practical impact of digital transformation in their lives. A Digital Reskilling Program, **Digilife 2.0,** was launched to upskill the workforce with expanded scope and a holistic approach. Last year in our initiative **Digital 1000,** 865 NIITians were trained and made competent in digital space.

Leadership Development

NAFL, NTL Academy for Future Leaders, focuses on leadership development in the organization. The overall development of the leaders is addressed through multiple training programs followed by learning consolidation activities. These activities emphasize hands on practice of the concepts introduced in programs that run under NAFL. This year NAFL introduced a bouquet of one-day workshops along with Webinars on "Project Portfolio Management using Agile", "IT Risk Management", "Leading Complex Projects" and many more.

Another critical program that runs under NAFL, is **NGLP, "The NTL Global Leadership Program"** which is the essential management development program that lays the foundation to step into executive leadership. This is designed to help senior business leaders thrive in a global environment and also help our core team develop holistic leadership skills from a Business and People perspective.

Every interaction, work project, initiative; every strategic or tactical imperative a company tries to accomplish, is affected positively or negatively by trust. If our team enjoys a trust dividend, then trust becomes the great "performance multiplier." If, on the other hand, our organization is paying a Trust Tax, then everything one does takes more time and costs more money. With a perspective that Trust is more than a nice-to-have, soft, social virtue; it is a hard-edged economic driver. NAFL has initiated a packaged program on **"Leadership at the SPEED of TRUST"** at various levels of the organization.

All the initiatives undertaken were widely appreciated within the organization and have helped us better engage with NIITians, allowing us to maintain a healthy work environment.

Prevention/Prohibition of Sexual Harassment of women at workplace:

The Company has a policy on Prohibition/Prevention of Sexual Harassment of Women at workplace and matters connected therewith or incidental covering thereto all the aspects as contained in "The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company believes in providing a congenial atmosphere to work for all employees which is free from discrimination and harassment without regard to caste, religion, marital status and gender. During the year, the Company conducted various awareness programmes and workshops at all locations. During the year, the Company received two complaints pertaining to this which were duly resolved.

Awards and recognitions:

The company has been recognized in several important ways at the national and global levels, related to its leadership in specific industry verticals, and its robust HR practices.

- 'Dream Companies to work for' for Talent Management by Times Ascent in association with World HRD Congress in 2017.
- Jury's Choice Award for 'Compensation Benefits Leadership' under #BennyAwards2017 by World HRD Congress
- 'Best Employer Brand 2017' for Best HR Strategy in line with Business, by the Employer Branding Institute in association with World HRD Congress
- HR Innovation Awards for 'Best contribution to Organization Culture' and 'Best Rewards & Recognition program' by HT Mint Connect and The Guild in association with CNBC TV18 in 2016.
- 'Best in Holistic Recognition' by People Matters in 2017

ACKNOWLEDGEMENTS

The Board of Directors would like to take this opportunity to place on record its appreciation for the committed services and contributions made by employees of the Company during the year at all levels. In addition, the Directors wish to thank the Company's customers, business partners, vendors, bankers & financial institutions, all government & non-governmental agencies, and other business associates for their continued support. We also thank Government of other countries where we have our operations.

The Directors also acknowledge and appreciate the support and confidence of the Company's shareholders, and remain committed to enabling the Company achieve its growth objectives in the coming years.

For and on behalf of the Board of Directors

Rajendra S Pawar

Place: Noida **Chairman & Managing Director**

Dated: May 05, 2017 **DIN: 00042516**

NIIT technologies
New Ideas, More Value.™

ANNEXURE-A

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- **L65993DL1992PLC048753**
ii) Registration Date – **MAY 13, 1992**
iii) Name of the Company – **NIIT TECHNOLOGIES LIMITED**
iv) Category/Sub-Category of the Company – **Public Limited Company**
v) Address of the Registered office and contact details – **8, Balaji Estate, Guru Ravi Das Marg, Kalkaji, New Delhi – 1100 19**
vi) Whether listed company - **Yes**
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any – **Alankit Assignments Limited, Alankit Heights RTA Division,1 E/13, Jhandewalan Extension, New Delhi – 110 055, Phone Nos. : 011-42541234, 23541234, Fax Nos. : 011-23552001, E-mail : rta@alankit.com**

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	Computer Programming Consultancy and Related Activities	620	61%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No	Name of the Company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable section
1.	NIIT SmartServe Limited	U72900DL2002PLC114946	Subsidiary	100%	2 (87)
2.	ESRI India Technologies Limited (erstwhile NIIT GIS Limited)	U74140DL1996PLC080487	Subsidiary	88.99%	2 (87)
3.	NIIT Technologies Services Limited	U72900DL2006PLC156099	Subsidiary	100%	2 (87)
4.	Incessant Technologies Private Limited	U72200TG2007RTC056127	Subsidiary	51%	2 (87)
5.	NIIT Technologies Inc. USA	Foreign Company	Subsidiary	100%	2 (87)
6.	NIIT Media Technologies LLC	Foreign Company	Subsidiary	60%	2 (87)
7.	NIIT Technologies Pte. Ltd Singapore	Foreign Company	Subsidiary	100%	2 (87)
8.	NIIT Technologies Ltd Pty Limited Australia	Foreign Company	Subsidiary	100%	2 (87)
9.	NIIT Technologies Ltd. Thailand	Foreign Company	Subsidiary	100%	2 (87)
10.	NIIT Technologies Ltd. UK	Foreign Company	Subsidiary	100%	2 (87)
11.	NIIT Technologies BV Netherlands	Foreign Company	Subsidiary	100%	2 (87)
12.	NIIT Insurance Technologies Ltd.	Foreign Company	Subsidiary	100%	2 (87)
13.	NIIT Technologies Brazil Ltda.	Foreign Company	Subsidiary	100%	2 (87)
14.	NIIT Technologies S.A	Foreign Company	Subsidiary	100%	2 (87)
15.	NIIT Technologies GmbH Germany	Foreign Company	Subsidiary	100%	2 (87)
16.	NIIT Technologies AG Switzerland	Foreign Company	Subsidiary	100%	2 (87)
17.	NIIT Technologies FZ-LLC Dubai	Foreign Company	Subsidiary	100%	2 (87)
18.	NIIT Airline Technologies GmbH Germany	Foreign Company	Subsidiary	100%	2 (87)
19.	NIIT Technologies Philippines	Foreign Company	Subsidiary	100%	2 (87)
20.	*Incessant Technologies. Ltd. UK	Foreign Company	Subsidiary	Refer note below	2 (87)
21.	*Incessant Technologies Pty Ltd. Australia	Foreign Company	Subsidiary	Refer note below	2 (87)
22	*Incessant Technologies Inc USA	Foreign Company	Subsidiary	Refer note below	2 (87)
23.	*Incessant Technologies Ltd. Ireland	Foreign Company	Subsidiary	Refer note below	2 (87)
24.	*Incessant Technologies Ltd. Ireland	Foreign Company	Subsidiary	Refer note below	2 (87)

*Above mentioned Companies are Wholly owned subsidiaries of Incessant Technologies Private Limited. NIIT Technologies Limited holds 51% shares in Incessant Technologies Pvt. Ltd.

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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual/HUF	2816	0	2816	0.00	2816	0	2816	0.00	0.00
b. Central Govt.									
c. State Govt.									
d. Bodies Corp.	18845302	0	18845302	30.80	18845302	0	18845302	30.71	-0.09
e. Bank/ FI									
f. Any Other									
Sub-Total- A (1)	**18848118**	**0**	**18848118**	**30.80**	**18848118**	**0**	**18848118**	**30.72**	**-0.09**
(2) Foreign									
a. NRI-Individuals									
b. Other Individuals									
c. Body Corporate									
d. Bank/ FI									
e. Any Others									
Sub-total - A (2)									
Total shareholding of Promoters (A)=A(1)+A(2)	**18848118**	**0**	**18848118**	**30.80**	**18848118**	**0**	**18848118**	**30.72**	**-0.09**
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	12386057	1628	12387685	20.25	13603382	1628	13605010	22.17	1.93
b. Bank/ FI	30278	112	30390	0.05	34509	280	34789	0.06	0.01
c. Central Govt.									
d. State Govt.									
e. Venture Capital									
f. Insurance Co.	746211	0	746211	1.22	746211	0	746211	1.22	0.00
g. Foreign Portfolio Investors & Foreign Institutional Investors	19455545	4378	19459923	31.80	17733140	4378	17737518	28.91	-2.90
h. Foreign Venture Capital Fund									
j. Others									
Sub-total - B (1)	**32618091**	**6118**	**32624209**	**53.32**	**32117242**	**6286**	**32123528**	**52.35**	**-0.97**
2. Non- Institution									
a. Body Corp.	2322408	4353	2326761	3.80	2604846	4353	2609199	4.25	0.45
b. Individual									
i. Individual Shareholder holding nominal share capital upto 1 Lakh	4485178	241400	4726578	7.72	4896380	232063	5128443	8.36	0.63
ii. Individual Shareholder holding nominal share capital in excess of 1 Lakh	1988360	0	1988360	3.25	1858225	0	1858225	3.03	-0.22
c. Others									
(i) NRI (Rep)	339578	40056	379634	0.62	419784	40056	459840	0.75	0.13
(ii) NRI (Non-Rep)	238533	14550	253083	0.41	282390	12450	294840	0.48	0.07

(iii) Foreign National	17550	22200	39750	0.06	17750	22200	39950	0.07	0.00
(iv) OCB									
(v) Trust	31	0	31	0.00	31	0	31	0.00	0.00
(vi) In Transit									
Sub-Total - (B)(2)	**9391638**	**322559**	**9714197**	**15.88**	**10079406**	**311122**	**10390528**	**16.93**	**1.06**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**42009729**	**328677**	**42338406**	**69.20**	**42196648**	**317408**	**42514056**	**69.28**	**0.09**
C. Shares held by Custodian for GDRs & ADRs									
Promoter & Promoter Group									
Public									
Grand Total (A+B+C)	**60857847**	**328677**	**61186524**	**100.00**	**61044766**	**317408**	**61362174**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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 / encumbe red to total shares	
1	Rajendra Singh Pawar & Neeti Pawar	100	0.00	0	100	0.00	0	0.00
2	Neeti Pawar & Rajendra Singh Pawar	100	0.00	0	100	0.00	0	0.00
3	R.S.Pawar HUF	759	0.00	0	759	0.00	0	0.00
4	Renuka Vijay Thadani & Vijay Kumar Thadani	998	0.00	0	998	0.00	0	0.00
5	Vijay Kumar Thadani & Renuka Vijay Thadani	100	0.00	0	100	0.00	0	0.00
6	V.K.Thadani HUF	759	0.00	0	759	0.00	0	0.00
7	Pace Industries Private Limited*	2,175,911	3.56	0	-	0.00	0	-3.56
8	PIPL Business Advisors And Investment Private Limited*	-	0.00	0	2,175,911	3.55	0	3.55
9	Global Solutions Private Limited**	2,175,911	3.56	0	-	0.00	0	-3.56
10	GSPL Advisory Services And Investment Private Limited**	-	0.00	0	2,175,911	3.55	0	3.55
11	NIIT Limited	14,493,480	23.69	0	14,493,480	23.62	0	-0.07
12	Thadani Family Trust	-	0.00	0	-	0.00	0	0.00
13	Pawar Family Trust	-	0.00	0	-	0.00	0	0.00
	Total	**18,848,118**	**30.80**	**0**	**18,848,118**	**30.72**	**0**	**-0.09**

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

Sl. No.	Name of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)/ end of the year (31-03-17)	% of total shares of the Company	Date (Week ending)	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of the Company
1	Fidelity Management And Research Company A/C Fidelity Advisor Series I Fidelity Advisor Small Cap Fund *	3800000	6.21	1-Apr-2016				
				5-Aug-2016	-20000	Transfer	3780000	6.17
				12-Aug-2016	-376399	Transfer	3403601	5.55
				19-Aug-2016	-366344	Transfer	3037257	4.95
				26-Aug-2016	-369660	Transfer	2667597	4.35
				2-Sep-2016	-119058	Transfer	2548539	4.16
				9-Sep-2016	-101820	Transfer	2446719	3.99
				16-Sep-2016	-372859	Transfer	2073860	3.38
				23-Sep-2016	-293860	Transfer	1780000	2.90
				30-Sep-2016	-96647	Transfer	1683353	2.74
				7-Oct-2016	-145377	Transfer	1537976	2.51
				14-Oct-2016	-57976	Transfer	1480000	2.41
				28-Oct-2016	-170777	Transfer	1309223	2.13
				4-Nov-2016	-135022	Transfer	1174201	1.91
				11-Nov-2016	-104304	Transfer	1069897	1.74
				18-Nov-2016	-179608	Transfer	890289	1.45
				25-Nov-2016	-320797	Transfer	569492	0.93
				2-Dec-2016	-69492	Transfer	500000	0.81
				9-Dec-2016	-500000	Transfer	0	0.00
		0	0.00	31-Mar-2017	-		0	0.00
2	HDFC Trustee Company Ltd - A/C HDFC Mid - Capopportunities Fund	3865850	6.32	1-Apr-2016				
					Nil Movement during the year			
		3865850	6.30	31-Mar-2017	-		3865850	6.30
3	Brandes Investment Trust-Brandes International Small Cap Equity Fund	1971461	3.22	1-Apr-2016				
				8-Jul-2016	-58924	Transfer	1912537	3.12
				21-Oct-2016	56480	Transfer	1969017	3.21
				28-Oct-2016	230502	Transfer	2199519	3.58
				4-Nov-2016	91834	Transfer	2291353	3.73
				18-Nov-2016	5495	Transfer	2296848	3.74
				23-Dec-2016	35058	Transfer	2331906	3.80
				31-Dec-2016	137747	Transfer	2469653	4.02
				6-Jan-2017	62654	Transfer	2532307	4.13
				27-Jan-2017	225616	Transfer	2757923	4.49
				17-Feb-2017	73951	Transfer	2831874	4.62
		2936817	4.79	31-Mar-2017	104943	Transfer	2936817	4.79

4	DSP Blackrock Micro Cap Fund	1125816	1.84	1-Apr-2016				
				8-Apr-2016	2347	Transfer	1128163	1.84
				15-Apr-2016	30000	Transfer	1158163	1.89
				22-Apr-2016	29146	Transfer	1187309	1.94
				29-Apr-2016	101200	Transfer	1288509	2.11
				3-Jun-2016	93595	Transfer	1382104	2.26
				10-Jun-2016	123018	Transfer	1505122	2.46
				22-Jul-2016	196525	Transfer	1701647	2.78
				19-Aug-2016	200000	Transfer	1901647	3.10
				30-Sep-2016	216946	Transfer	2118593	3.45
				7-Oct-2016	148069	Transfer	2266662	3.69
				14-Oct-2016	68168	Transfer	2334830	3.81
				21-Oct-2016	42846	Transfer	2377676	3.88
		2377676	3.87	31-Mar-2017	-	Transfer	2377676	3.87
5	Brandes Institutional Equity Trust #	588461	0.96	1-Apr-2016				
				24-Jun-2016	-110245	Transfer	478216	0.78
				30-Jun-2016	9650	Transfer	487866	0.80
				8-Jul-2016	-26988	Transfer	460878	0.75
				29-Jul-2016	5074	Transfer	465952	0.76
				5-Aug-2016	2526	Transfer	468478	0.76
				12-Aug-2016	2632	Transfer	471110	0.77
				9-Sep-2016	56765	Transfer	527875	0.86
				30-Sep-2016	16308	Transfer	544183	0.89
				11-Nov-2016	49140	Transfer	593323	0.97
				18-Nov-2016	111	Transfer	593434	0.97
				25-Nov-2016	102636	Transfer	696070	1.13
				2-Dec-2016	64148	Transfer	760218	1.24
				9-Dec-2016	444	Transfer	760662	1.24
				16-Dec-2016	107663	Transfer	868325	1.42
				23-Dec-2016	28093	Transfer	896418	1.46
				31-Dec-2016	196596	Transfer	1093014	1.78
				6-Jan-2017	179	Transfer	1093193	1.78
				13-Jan-2017	9	Transfer	1093202	1.78
				10-Mar-2017	50719	Transfer	1143921	1.86
				17-Mar-2017	21200	Transfer	1165121	1.90
		1165121	1.90	31-Mar-2017	-		1165121	1.90
6	Akm Systems Pvt Ltd	1056518	1.73	1-Apr-2016				
				13-May-2016	5975	Transfer	1062493	1.74
				3-Jun-2016	2185	Transfer	1064678	1.74
				24-Jun-2016	5205	Transfer	1069883	1.75
				15-Jul-2016	2800	Transfer	1072683	1.75
				22-Jul-2016	78	Transfer	1072761	1.75
				12-Aug-2016	9650	Transfer	1082411	1.77
				19-Aug-2016	16030	Transfer	1098441	1.79
				16-Dec-2016	-15539	Transfer	1082902	1.76
				23-Dec-2016	-11965	Transfer	1070937	1.75
		1070937	1.75	31-Mar-2017	-		1070937	1.75
7	Franklin India Smaller Companies Fund	857917	1.40	1-Apr-2016				
				12-Aug-2016	100000	Transfer	957917	1.56
		957917	1.56	31-Mar-2017	-		957917	1.56
8	HDFC Trustee Company Limited A/C HDFC Balanced Fund	824894	1.35	1-Apr-2016				
					Nil Movement during the year			
		824894	1.34	31-Mar-2017	-		824894	1.34

9	Ocean Dial Gateway To India Mauritius Limited #	0	0.00	1-Apr-2016				
				8-Apr-2016	36657	Transfer	36657	0.06
				15-Apr-2016	80106	Transfer	116763	0.19
				22-Apr-2016	12614	Transfer	129377	0.21
				29-Apr-2016	330623	Transfer	460000	0.75
				6-May-2016	40000	Transfer	500000	0.82
				13-May-2016	9983	Transfer	509983	0.83
				20-May-2016	57672	Transfer	567655	0.93
				27-May-2016	118931	Transfer	686586	1.12
				3-Jun-2016	33414	Transfer	720000	1.18
				30-Jun-2016	50000	Transfer	770000	1.26
				22-Jul-2016	30000	Transfer	800000	1.30
		800000	1.30	31-Mar-2017	-		800000	1.30
10	Dimensional Emerging Markets Value Fund #	698274	1.14	1-Apr-2016				
				22-Apr-2016	4859	Transfer	703133	1.15
				17-Jun-2016	2760	Transfer	705893	1.15
				30-Jun-2016	5821	Transfer	711714	1.16
				22-Jul-2016	9395	Transfer	721109	1.18
				29-Jul-2016	11826	Transfer	732935	1.20
				4-Nov-2016	-17582	Transfer	715353	1.17
				11-Nov-2016	-10890	Transfer	704463	1.15
				24-Mar-2017	-9958	Transfer	694505	1.13
		691941	1.13	31-Mar-2017	-2564	Transfer	691941	1.13
11	Life Insurance Corporation Of India #	662461	1.08	1-Apr-2016				
					Nil Movement during the year			
		662461	1.08	31-Mar-2017	-		662461	1.08
12	Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund *	2018000	3.30	1-Apr-2016				
				29-Jul-2016	-68000	Transfer	1950000	3.18
				5-Aug-2016	-50000	Transfer	1900000	3.10
				6-Jan-2017	-200373	Transfer	1699627	2.77
				13-Jan-2017	-143548	Transfer	1556079	2.54
				20-Jan-2017	-156079	Transfer	1400000	2.28
				27-Jan-2017	-119000	Transfer	1281000	2.09
				3-Feb-2017	-141666	Transfer	1139334	1.86
				10-Feb-2017	-253343	Transfer	885991	1.44
				17-Feb-2017	-239450	Transfer	646541	1.05
				24-Feb-2017	-157000	Transfer	489541	0.80
				3-Mar-2017	-176304	Transfer	313237	0.51
				10-Mar-2017	-13237	Transfer	300000	0.49
		300000	0.49	31-Mar-2017	-		300000	0.49
13	UTI-Dividend Yield Fund *	865628	1.41	1-Apr-2016				
				17-Jun-2016	-81736	Transfer	783892	1.28
				24-Jun-2016	-18892	Transfer	765000	1.25
				30-Jun-2016	-45000	Transfer	720000	1.18
				12-Aug-2016	-48051	Transfer	671949	1.10
				2-Sep-2016	-14949	Transfer	657000	1.07
		657000	1.07	31-Mar-2017	-		657000	1.07
14	UTAH State Retirement Systems *	470415	0.77	1-Apr-2016				
				24-Jun-2016	-3628	Transfer	466787	0.76

				8-Jul-2016	-83983	Transfer	382804	0.63
		382804	0.62	31-Mar-2017	-		382804	0.62
15	CLSA Global Markets Pte. Ltd. *	877911	1.43	1-Apr-2016				
				29-Apr-2016	-10425	Transfer	867486	1.42
				6-May-2016	-19650	Transfer	847836	1.39
				13-May-2016	-21000	Transfer	826836	1.35
				15-Jul-2016	-51124	Transfer	775712	1.27
				22-Jul-2016	-79186	Transfer	696526	1.14
				29-Jul-2016	-77462	Transfer	619064	1.01
				11-Nov-2016	43000	Transfer	662064	1.08
				2-Dec-2016	-39512	Transfer	622552	1.01
				9-Dec-2016	-69845	Transfer	552707	0.90
				16-Dec-2016	-80371	Transfer	472336	0.77
				23-Dec-2016	-60676	Transfer	411660	0.67
				31-Dec-2016	-49036	Transfer	362624	0.59
				6-Jan-2017	-70472	Transfer	292152	0.48
				13-Jan-2017	-62356	Transfer	229796	0.37
				20-Jan-2017	-60508	Transfer	169288	0.28
				27-Jan-2017	-47396	Transfer	121892	0.20
				3-Feb-2017	-12594	Transfer	109298	0.18
				10-Feb-2017	93964	Transfer	203262	0.33
				17-Feb-2017	-35434	Transfer	167828	0.27
				24-Feb-2017	-14828	Transfer	153000	0.25
		153000	0.25	31-Mar-2017	-		153000	0.25

* Ceased to be in the list of Top 10 shareholders as on 31-03-2017. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01-04-2016

\# Not in the list of Top 10 shareholders as on 01-04-2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2017

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	**Name of the Directors and KMP**	**Shareholding at the beginning of the year**			**Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):**		**Cumulative Shareholding during the year (01-04-16 to 31-03-17)**	
		No. of Shares at the beginning (01-04-16)/end of the year (31-03-17)	**% of total shares of the Company**	**Date (Week ending)**	**Increase/ Decrease in shareholding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
1	Rajendra Singh Pawar	100	0.00	1-Apr-2016				
	(Jointly with Neeti Pawar)				Nil Movement during the year			
		100	0.00	31-Mar-2017	-		100	0.00
2	R.S.Pawar HUF	759	0.00	1-Apr-2016				
					Nil Movement during the year			
		759	0.00	31-Mar-2017	-		759	0.00
3	Arvind Thakur	572773	0.94	1-Apr-2016				
				22-Jul-2016	40000	ESOP	612773	1.00
		612773	1.00	31-Mar-2017	-		612773	1.00
4	Vijay Kumar Thadani	100	0.00	1-Apr-2016				

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	(Jointly with Renuka Vijay Thadani)				Nil Movement during the year			
		100	0.00	31-Mar-2017	-		100	0.00
5	V.K.Thadani HUF	759	0.00	1-Apr-2016				
					Nil Movement during the year			
		759	0.00	31-Mar-2017	-		759	0.00
6	Amit Sharma	55705	0.09	1-Apr-2016				
	(Jointly with Malavika Sharma)				Nil Movement during the year			
		55705	0.09	31-Mar-2017	-		55705	0.09
7	Lalit Kumar Sharma	0	0.00	1-Apr-2016				
					Nil Movement during the year			
		0	0.00	31-Mar-2017	-		0	0.00
8	Amit Kumar Garg	0	0.00	1-Apr-2016				
					Nil Movement during the year			
		0	0.00	31-Mar-2017	-		0	0.00

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness As on 31.03.2017
Indebtedness at the beginning of the financial year 01.04.2016				
i) Principal Amount	97,151,689		-	97,151,689
ii)Interest due but not paid	-	-	-	-
iii) Interest accrued but not Due	-	-	-	-
Total (i+ii+iii)	**97,151,689**	**-**	**-**	**97,151,689**
Change in Indebtedness during the financial year				
· Addition	62,755,605	-	-	62,755,605
· Reduction	51,578,344	-	-	51,578,344
Net Change	**(+)11,177,261**	**-**	**-**	**(+)11,177,261**
Indebtedness at the end of the financial year				
i)Principal Amount	108,328,950	-	-	108,328,950
ii)Interest due but not paid	-	-	-	
iii)Interest accrued but not due	-	-	-	
Total (i+ii+iii)	**108,328,950**	**-**	**-**	**108,328,950**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Rajendra S Pawar, Managing Director	Arvind Thakur, CEO & Jt. Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28,777,943	34,764,236	63,542,179
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,049,054	1,897,558	2,946,612
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	2,303,200	2,303,200
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	**29,826,997**	**38,964,994**	**68,791,991**
	Ceiling as per the Act			**247,408,610**

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
		Vijay K Thadani	Surendra Singh	Amit Sharma	Ashwani Puri	Holly Jane Morris	
	3. Non-Executive Non-Independent Director						
	• Fee for attending board committee meetings	200,000	-	-	-	-	200,000
	• Commission	12,00,000	-	-	-	-	12,00,000
	• Others, please specify						
	Total (1)	**14,00,000**	**-**	**-**	**-**	**-**	**14,00,000**
	4. Other Non-Executive Director						
	• Fee for attending board committee meetings	-	200,000	140,000	160,000	266,894	766,894
	• Commission	-	12,00,000	13,00,000	12,50,000	2,135,155	5,885,155
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	14,00,000	14,40,000	14,10,000	2,402,049	66,52,049
	Total (B)=(1+2)	**14,00,000**	**14,00,000**	**14,40,000**	**14,10,000**	**2,402,049**	**8,052,049**
	Total Managerial Remuneration						**76,844,040**
	Overall Ceiling as per the Act						**269,900,392**

* The Board in its meeting held on May 5, 2017 has increased the amount of base commission paid to Non Executive Directors from Rs.0.7Mn to Rs.1.2Mn for the FY 2016-17. Additionally, INR 0.05Mn. would be paid to the Chairperson of each Committee (which is same as before).

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	**Chief Financial Officer**	**Total**
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	4,536,910	7,937,014	12,473,924
1	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,221	83,561	122,782
	(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	**4,576,131**	**8,020,575**	**12,596,706**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.

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ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

ANNEXURE - B

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company's Values & Beliefs statement is to ensure that in any association with society, society benefits substantially more than what society gives to us and what society would gain from any other similar association. The policy spells out Company's philosophy towards its social responsibilities and lays down the guidelines, framework and mechanism relating to the implementation, monitoring, reporting, disclosure, evaluation and assesment of projects, programmes and activities forming part of CSR. As part of its CSR initiatives, the Company continued its CSR drive around education, employability, infrastructure, local initiatives and engagement.
2. The Composition of the CSR Committee.	1. Mr. Surendra Singh (Independent Director)- Chairman 2. Mr. Amit Sharma (Independent Director)- Member 3. Mr. Ashwani Puri (Independent Director)- Member 4. Mr. Arvind Thakur (Executive Director)- Member
3. Average net profit of the company for last three financial years	**1876 Mn**
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	**37.52 Mn**
5. Details of CSR spent during the financial year.	
(a) Total amount to be spent for the financial year;	**37.52 Mn**
(b) Amount unspent, if any;	NIL
(c) Manner in which the amount spent during the financial year is detailed below.	

1	2	3	4		5	6		7	8
S. No	**CSR project or activity identified**	**Sector in which the Project is covered**	**Projects or programs**		**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs**		**Cumulative expenditure upto to the reporting period**	**Amount spent : Direct or through implementing agency***
						Sub – heads:			
1	Scholarship to students	Education	(1) Local area or other	Other	**4,37,81,499**	(1) Direct expenditure on projects or programs	**4,37,81,499**	**4,37,81,499**	Direct
			(2) Specify the State and district where projects or programs was undertaken	Neemrana, Haryana		(2) Overheads			
2	1. Contribution towards SHIKSHA, Dankaur Village, Greater Noida and SHIKSHA, Madanpur Khadar, Delhi, providing IT and employability training to the unprivileged students in and around Dankaur Village. 2. Providing infrastructure support to government nearby schools eg. Tapovan Vidya Mandir, Jaganpura Primary Govt. School, Murshadpur Primary Govt. School. 3. BFS Vertical sponsored a teaching drive at Murshidpur Primary Govt School near Greater Noida campus. 4. The Company also took step towards Plantation drive, Donation drive,Teaching drive at Murshidpur Primary Govt School, Greater Noida, Sports day, Team Building etc at old age homes, juvenile homes and scho 5. Promotion of Education	Education	(1) Local area or other	Local (since the Company is present at following location: Greater Noida Campu, H-7 Sector 63, Noida, Sector 126 Noida and Kolkata)	20,61,423	(1) Direct expenditure on projects or programs	**20,61,423**	**20,61,423**	Direct
			(2) Specify the State and district where projects or programs was undertaken	Gautam Budh Nagar, U.P, Kolkata, West Bengal		(2) Overheads			
	TOTAL				**4,58,42,922**		**4,58,42,922**	**4,58,42,922**	

6. In case the Company has failed to spend the 2% Average Net Profit of the last 3 financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board Report.	NA
7. Responsibility Statement of the CSR Committee that the implementation & monitoring of the CSR Policy, is in compliance with the CSR Objectives and policy of the Company.	We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR Objectives and policy of the Company

Place : Noida
Dated : May 05, 2017

Arvind Thakur
(CEO & Jt. Managing Director)

Surendra Singh
(Chairman CSR Committee)

Information as per Rule 5(1) of Chapter XIII, Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

Remuneration paid to Executive Directors

Name	Title	Remuneration in FY17 (Rs. In Mn)	Remuneration in FY16 (Rs. In Mn)	% increase in Remuneration in FY17 over FY16	Ratio of Remuneration to Median Remuneration of NIITians
Mr. Rajendra S Pawar	Chairman & Managing Director	33.50	30.39	10.24%	40.95
Mr. Arvind Thakur	CEO & Jt. Managing Director	40.04	36.38	10.06%	48.95

Remuneration paid to Non-Executive Directors:

Name	Title	Remuneration in FY17 (Rs. In Mn)*	Remuneration in FY16 (Rs. In Mn)	% increase in Remuneration in FY17 over FY16	Ratio of Remuneration to Median Remuneration of NIITians
Mr. Vijay Kumar Thadani	Non-Executive Director	1.40	0.94	48.94	1.71
Mr. Surendra Singh	Independent Director	1.40	0.94	48.94	1.71
Mr. Amit Sharma	Independent Director	1.44	1.04	38.46	1.76
Mr. Ashwani Puri	Independent Director	1.41	0.99	42.42	1.72
Ms. Holly Jane Morris	Independent Director	2.40	2.45	NIL	2.94

* The Board in its meeting held on May 5, 2017 has increased the amount of base commission paid to Non Executive Directors from Rs.0.7Mn to Rs.1.2Mn for the FY 2016-17. Additionally, INR 0.05Mn. would be paid to the Chairperson of each Committee (which is same as before).

Note: The increase/decrease in remuneration may be due to the increase/decrease in the number of meetings attended during the year.

Remuneration paid to Non- Director KMPs

Name	Non Director KMP- Title	Remuneration in FY17 (Rs. In Mn)	Remuneration in FY16 (Rs. In Mn)	% increase in Remuneration in FY17 over FY16
Mr. Amit Kumar Garg*	Chief Financial Officer	14.23	14.23	0.00%
Mr. Lalit Kumar Sharma*	Company Secretary & Legal Counsel	5.8	5.1	13.73%

* The annualised compensation details of Non Director KMP as on March 31, 2017 and as on March 31, 2016 has been considered for the above disclosure.

The percentage increase in the median remuneration of employees in the financial year FY17 over FY16 : 8.59%

The number of permanent employees on the rolls of company as on March 31, 2017 : 5566

The total increase in the aggregate remuneration of the Directors and the other KMPs was 9.91%.

At the same time, the average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year was 8.50%.

The Nomination & Remuneration Committee of the Company discussed the market data of similar sized IT services companies in India and was apprised of the Executive Compensation surveys of Mercer and Aon Hewitt for the year 2015-16.

The remuneration paid during the year FY17 is as per the Remuneration Policy of the Company.

ANNEXURE - D

DIVIDEND DISTRIBUTION POLICY

1.0 PREAMBLE:

1.1 This Policy (hereinafter referred to as "Policy") shall be called "The Dividend Distribution Policy" of the Company.

1.2 The Policy has been framed specifically in compliance with the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulation"

1.3 Regulation 43A of Listing Regulations mandates top 500 Listed Company on their market capitalization as calculated on the 31st day of March of every year, to frame a policy for distribution of dividend.

1.4 This policy aims at laying down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to shareholders and/or retention or plough back of its profits.

2.0 POLICY

2.1 The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

2.2 The factors considered by the Board before making any recommendations for a dividend include, but are not limited to:

- Current year profits and outlook in line with the development of internal and external environment.
- Operating cash flows and treasury position keeping in view the total debt to equity ratio.
- Possibilities of alternate usage of cash, e.g. capital expenditure etc., with potential to create greater value for shareholders.
- Providing for unforeseen events and contingencies with financial implications.

2.3 Any approved Dividend shall be paid out of the profits of the Company for that year or out of the profits of the Company for any previous year or years arrived at after providing for depreciation for the year and previous years as per the law; or out of both; or out of any other funds as may be permitted by law. Interim dividend when approved shall be paid during any financial year out of the surplus in the profit and loss account and out of the profits of the financial year in which such interim dividend is declared; or out of any other funds as may be permitted by law.

2.4 The Board may declare interim dividend(s) as and when they consider it fit, and recommend final dividend to the shareholders for their approval in the general meeting of the Company.

In case the Board proposes not to distribute the profit; the grounds thereof and information on utilisation of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

3.0 DISCLOSURE

This Policy on dividend distribution shall be disclosed in the Annual Report and shall also be uploaded on the website of the Company.

4.0 REVISION

This Policy can be changed, modified or abrogated at any time by the Board of Directors of the Company in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any subsequent changes in the provisions of the Listing Regulations or any other regulations which make any of the provisions in the Policy inconsistent with such regulations, then the provisions of such regulations would prevail over the Policy.

Any revision to the Policy should be initiated by the CFO and approved by the Board.

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ANNEXURE - E

STATEMENT PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT 2013, READ WITH RULE 5 OF THE COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO SUBSIDIARY COMPANIES

S.No.	Name of the subsidiary	Reporting currency	Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding	Country
1	NIIT Technologies Ltd, UK	GBP	81.29	32,76,427	2,11,53,307	3,25,18,907	80,89,173	-	4,88,80,193	5,12,492	1,41,076	3,71,416	-	100%	U.K
2	NIIT Technologies BV, Netherlands	EUR	69.38	18,151	9,29,757	10,57,366	1,09,458	-	10,92,177	84,426	24,995	59,431	-	100%	Netherland
3	NIIT Technologies NV, Belgium*	EUR	-	-	-	-	-	-	-	-	-	-	-	100%	Belgium
4	NIIT Technologies GmbH, Germany	EUR	69.38	5,37,900	6,68,657	29,14,253	17,07,696	-	69,41,946	6,80,622	1,40,133	5,40,489	-	100%	Germany
5	NIIT Technologies AG, Switzerland*	CHF	64.86	-	-	-	-	-	-	-	-	-	-	100%	Switzerland
6	NIIT Insurance Technologies Limited, UK	GBP	81.29	12,557	61,87,373	1,33,43,711	71,43,781	-	1,70,69,642	25,78,600	5,32,609	20,45,991	-	100%	U.K
7	NIIT Airline Technologies GmbH, Germany	EUR	69.38	10,00,000	22,90,153	42,33,620	9,43,467	-	22,44,637	7,45,546	2,40,409	5,05,137	-	100%	Germany
8	NIIT Technologies S.A., Spain	EUR	69.38	1,98,900	14,17,693	35,33,876	19,17,283	-	79,81,860	-12,88,924	-3,22,231	-9,66,693	-	100%	Spain
9	NIIT Technologies Limited, Thailand	THB	1.89	1,50,00,000	16,22,02,910	27,87,74,214	10,15,71,304	-	36,99,60,980	1,13,29,519	41,03,106	72,26,413	-	100%	Thailand
10	NIIT Technologies Pte Ltd, Singapore	SGD	46.43	1,66,14,375	42,33,338	2,33,59,847	25,12,134	1,64,00,354	1,05,18,549	7,82,944	73,508	7,09,436	-	100%	Singapore
11	NIIT Technologies Pty Limited, Australia	AUD	49.54	1,63,01,002	-1,14,95,171	72,82,613	24,76,782	-	1,22,90,386	8,97,980	-132	8,98,112	-	100%	Australia
12	NIIT Technologies FZ LLC, Dubai	AED	17.66	50,00,000	9,06,435	1,69,10,684	1,10,04,249	-	4,54,58,870	13,07,893	-	13,07,893	-	100%	Dubai
13	NIIT Technologies Phillipines Inc, Phillipines	PHP	1.29	10,00,000	3,40,28,097	3,17,75,715	-32,52,382	-	5,72,96,490	1,68,63,857	51,59,692	1,17,04,165	-	100%	Phillipines
14	NIIT Technologies Brazil Ltda, Brazil	BRL	20.49	2,50,000	5,39,240	15,29,096	7,39,856	-	28,61,645	10,25,227	2,52,999	7,72,228	-	100%	Brazil
15	NIIT Technologies Inc., USA	USD	64.86	28,37,887	2,20,90,349	3,90,05,300	1,40,77,064	32,21,168	16,86,24,212	46,30,604	20,01,101	26,29,503	-	100%	USA
16	NIIT Media Technologies LLC, USA	USD	64.86	53,66,671	18,59,750	77,93,636	5,67,214	-	2,15,46,131	8,72,904	-	8,72,904	-	60%	USA
17	Incessant Technologies Pvt.Ltd	INR	1.00	80,95,262	66,52,19,483	95,17,06,491	27,83,91,746	2,08,42,449	64,75,67,373	23,46,85,552	8,94,80,594	14,52,04,958	-	51%	India
18	Incessant Technologies (Australia) Pty. Ltd	AUD	49.54	100	33,50,886	62,51,389	29,00,403	-	2,16,86,003	30,98,326	11,98,065	19,00,261	-	51%	Australia
19	Incessant Technologies (UK) Ltd	GBP	81.29	1,000	27,08,346	43,86,398	16,77,052	-	80,70,952	14,66,179	3,11,193	11,54,986	-	51%	UK
20	Incessant Technologies NA Inc	USD	64.86	-	7,80,365	18,98,013	11,17,648	-	45,74,605	1,71,453	67,912	1,03,541	-	51%	US
21	Incessant Technologies (Ireland) Ltd	EUR	69.38	-	-4,094	-	4,094	-	-	-	-	-	-	51%	Ireland
22	NIIT SmartServe Limited	INR	1.00	50,00,00,000	10,64,45,925	67,94,21,646	7,29,75,721	24,31,60,952	52,85,50,253	4,36,91,948	2,00,66,420	4,36,91,948	-	100%	India
23	NIIT Technologies Services Limited	INR	1.00	5,00,00,000	-2,16,15,689	2,85,85,150	2,00,839	-	-	11,61,024	3,07,731	8,53,293	-	100%	India
24	Esri India Technologies Ltd	INR	1.00	1,00,00,700	75,08,70,920	1,06,91,15,640	30,82,44,020	21,15,72,841	1,18,33,34,651	32,26,32,940	8,62,37,901	23,63,95,038	19,60,13,720	89%	India

***The subsidiary in Switzerland is in the process of liquidation and subsidiary in Belgium has been closed.**

Notes

1. Indian Rupee equivalent of the figures given in the foreign currencies in the accounts of subsidiary companies, are based on exchange rates as on March 31, 2017
2. The reporting period of all subsidiaries is March 31, 2017

ANNEXURE - F

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8
(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013

1. Details of contracts or arrangements or transactions not at arm's length basis **NOT APPLICABLE**

Point no 1 of Form No . AOC -2 is not Applicable

(a) Name(s) of the related party and nature of relationship

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts / arrangements/transactions

(d) Salient terms of the contracts or arrangements or transactions including the value, if any

(e) Justification for entering into such contracts or arrangements or transactions

(f) date(s) of approval by the Board

(g) Amount paid as advances, if any:

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis **NOT APPLICABLE**

(a) Name(s) of the related party and nature of relationship

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts / arrangements/transactions

d) Salient terms of the contracts or arrangements or transactions including the value, if any:

(e) Date(s) of approval by the Board, if any:

(f) Amount paid as advances, if any:

NOTE: The above disclosure on material trasanctions is based on the principle that transactions with the Wholly owned subsidiaries are exempt from Section 188(1) of the Companies Act, 2013.

ANNEXURE - G

SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 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]

SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2017

To,

The Members,

NIIT Technologies Limited,

8, Balaji Estate, First Floor,

Guru Ravi Das Marg, Kalkaji,

New Delhi-110019

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "NIIT Technologies 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 **NIIT Technologies Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made there under;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

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

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

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

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

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

   e) 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.

   vi) Foreign Trade Policy of the Government of India (the law, which is applicable specifically to the Company, being 100% EOU under Software Technology Park Scheme) to the extent of the following:

a. Obtaining Letter of Approval (LOA) for setting up 100% EOU under Software Technology Park (STP);

b. Obtaining License for setting up Private Custom Bonded Warehouse;

c. Submission of Monthly Progress Report;

d. Submission of Annual Progress Report.

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 Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice has been given to all directors to schedule the Board Meetings including the committee meetings during the financial year under review, agenda and detailed notes on agenda were sent properly before the scheduled meeting, 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.

All the decisions have been carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

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

We further report that, during the audit period, the Company has:

(i) Allotted shares under Employee Stock Option Plan to its employees and officers of the Company and necessary compliances of the Act were made.

(ii) Considered and approved the proposed scheme of amalgamation between PIPL Business Advisors and Investment Private Limited and GSPL Advisory and Investment Private Limited with the Company subject to the approval of National Company Law Tribunal.

FOR RANJEET PANDEY & ASSOCIATES

COMPANY SECRETARIES

CS RANJEET PANDEY

FCS- 5922, CP No.- 6087

Place: NEW DELHI

Date: 05/05/2017

Management's Discussion and Analysis

Management's Discussion and Analysis (MD&A) of Consolidated Global Operations

(all references to consolidated performance, unless otherwise stated)

Executing to a well-defined strategy

NIIT Technologies is an established IT solutions provider with a simple strategy for growth and industry outperformance - to "Focus and Differentiate". As a result of its sharp focus on select industry verticals that include Travel & Transportation, Insurance, Banking & Financial Services, Manufacturing & Distribution and Media, the Company has a highly differentiated position in these areas with substantial domain knowledge and intellectual property (IP) accumulated over several years. This in turn enables it to compete on the strength of its specialization. The Company has also built strong capabilities across a wide range of practice lines including Application Development & Maintenance, Infrastructure Management Services (IMS), Digital Services, and Business Process Management (BPM).

Specialization across chosen industry verticals of focus and capabilities across the aforementioned practice lines are reflected in the Company's strong operating profile, allowing it to differentiate itself in the marketplace and deliver on large and complex engagements successfully.

Strategic priorities: Smart IT, Superior Experience, Scale Digital

With a view to stay ahead of the curve in an industry that is undergoing significant transformation, NIIT Technologies has been making the necessary investments and undertaking multiple initiatives to strengthen its existing capabilities and acquire new competencies. Towards that, the three strategic priorities for the Company, in line with its focus on customer satisfaction and digital outcomes, are:

- Smart IT
- Delivering Superior Experience
- Scale Digital

Smart IT through TRON Smart Automation

The Company is leveraging advanced technologies like Automation, Robotics, Analytics, Artificial Intelligence (AI), and machine learning to deliver 'Smart IT' solutions that enable business agility, self-enablement and superior experiences.

NIIT Technologies has a growing portfolio of smart automation tools for use across infrastructure, applications and business process services. Key among them is TRON Smart Automation, which is the Company's end-to-end automation framework that consolidates innovative technologies, practices and tools for business transformation and delivering more value. The framework embeds best-in-class technologies/IPs, autonomics and their orchestration in business with an objective to increase automation and/or set an incremental automation path for creating superior customer experiences and agile outcomes.

The Company's offerings get reinforced by partnerships, such as with UiPath for Robotic Process Automation and with Nanoheal to deliver intelligent and empathetic IT helpdesk solutions. Such partnerships have allowed NIIT Technologies to extend its capabilities to support change-and-run organizations of its customers using state-of-the-art technologies.

Through its Smart IT initiative, the Company delivers an automation strategy that contextualizes clients' automation needs and weaves-in automation into ongoing engagements.

Delivering Superior Experience

In addition to nurturing an eco-system of partnerships, NIIT Technologies has been actively fostering an organizational culture that encourages and rewards innovation, creativity, and customer-centricity. Over the past few years, the Company has launched several organization-wide initiatives to create an innovation-led service culture aimed at delivering exceptional value. These include a culture change journey to uplift service through a company-wide "Up Your Service" campaign. The Company has also embarked upon a program to inculcate Design Thinking with its employees. The objective is to make continuous improvements and enhancements in the organisation's service culture and systematically develop a service mindset where outcomes **are a superior experience**.

Scaling Digital

NIIT Technologies has identified Digital Services as a key growth driver and a priority area for incremental investments and resource allocation, creating a dedicated team and a comprehensive services stack. During the preceding financial year, the Company had reinforced its Digital Services business by making a strategic investment in Incessant Technologies, acquiring a 51% stake in it. That investment has yielded multiple benefits both strategically and operationally, scaling up the Company's presence across the Digital Services value chain – Digital Experience, Digital Analytics, and Digital Integration. Through its Digital Services offerings, the Company engages with clients to help them leverage digital technologies and create market-ready solutions with transformational benefits. The Company remains committed to actively pursue and capitalize upon growth opportunities in this high-potential area.

Review of operating and financial performance

(The Company's consolidated financials include the financials of NIIT Technologies Limited and its subsidiaries, including subsequent level companies after eliminating inter-company transactions.)

During FY2017, the Company recorded a growth of 4.2% in revenues from Rs 26,879 million in the preceding year to Rs 28,021 million.

During the year under review, the Company signed a settlement agreement with a government customer in respect of a contract that was put on hold by the customer during the quarter ended June 30, 2016 to resolve certain project related issues. The provisions/write offs amounting to Rs. 362 mn in respect of all amounts outstanding relating to this project were reported as "Exceptional Items" in Q1 of FY2017. Consequent to the partial receipt of the settlement amount before the year end, Rs. 221 mn (net of the partial settlement amount received) continue to be reported as "exceptional items". Revenue amounting to Rs. 270 mn for services contracted, has been recognized in the Statement of Profit and Loss. Subsequent revenue analysis excludes impact of the settlement.

Revenues from international markets grew 5.3% during the year. The Digital Services business witnessed rapid growth during the year and now contributes 20% of consolidated revenues as against 15%, a year ago. The Banking, Financial Services and Insurance (BFSI) vertical witnessed healthy growth during FY2017, growing 15% and contributing 42% to consolidated revenues. The Travel & Transportation vertical, which contributed 32% to overall revenues in FY2017, witnessed cut-backs in some accounts during the year under review.

Revenue analysis

FY2017 has been a year of continued qualitative shift in revenue mix, driven by Digital Services and international geographies.

Geographies: contribution to consolidated revenues (in %)*	FY 2017	FY 2016
Americas	48%	46%
EMEA	33%	34%
Rest of World	19%	20%

Among verticals, the Insurance and BFS businesses registered growth, while the Travel & Transportation declined as a result of sluggishness in some accounts.

Verticals: contribution to consolidated revenues (in %)*	FY 2017	FY 2016
Travel & Transportation	32%	35%
Insurance	23%	21%
Banking and Financial Services	19%	17%
Government	3%	4%
Manuf, Media and Others	23%	23%

* The revenue mix excludes impact of the settlement.

Earnings analysis

Operating (EBITDA) profit for the financial year under review stood at Rs 4,845 million, an increase of 3% over the preceding year. Operating margins for FY2017 stood at 17.3%. Profits after taxes (PAT) for the year stood at Rs 2,501 million, translating into an EPS (basic) of Rs 40.8 for the year.

Order intake and order book analysis

NIIT Technologies added significant new business during FY2017, adding new names to its client list even as it successfully increased its business with existing customers. These included several multi-million dollar and multi-year deals in international markets. 15 new clients were added during the year under review.

This includes firming up of its contract with Morris Communications for a period of 5 years. The total contract value is $85mn. The Company closed a large IMS and AMS total outsourcing engagement with a new insurance client in UK. The Company also bagged a large deal in the infrastructure and application space, from an airline group in the EMEA region.

This resulted in a total order intake of US$ 457 million over the course of the financial year, which in turn creates a strong foundation for growth in the next year (FY 2018). The order-book executable over the next 12 months stood at $320 million as on 31 March 2017, which is up by 6.3% from a year ago.

New clients addition, by geography	FY 2017	FY 2016
Americas	5	9
EMEA	8	7
APAC	1	12
India	1	0
TOTAL	**15**	**28**

Order Intake in USD mn, by geography	**FY17**	**FY16**
Fresh Order Intake	**457**	**420**
USA	205	151
EMEA	173	172
ROW	78	97
Executable Order Book over Next 12 Months	**320**	**301**

Strong cash flow generation

During the year under review, the Company witnessed an uptrend in cash flow from operations and a rise in free cash flows, concurrent with business growth and better collections leading to reduced days sales outstanding (DSO) at 64 days as on 31 March 2017 from 80 days a year ago. Cash and cash equivalents increased from Rs 4,241 million a year ago to Rs 7,231 million (excl. MTM of Mutual Funds of INR 64 Mn) as on 31 March 2017.

Strengthened senior leadership team

During the year under review, NIIT Technologies continued to induct fresh talent into the organization. Among the key appointments were the appointment of Joel Lindsey as the global head of Digital Services, and of Adrian Morgan as the head of NIIT Insurance Technologies Ltd (NITL), the specialized insurance technology arm of NIIT Technologies providing services around its industry leading platforms. Prior to joining the Company, Joel Lindsey was leading digital transformation globally for Hewlett-Packard Enterprise, and with over 20 years of industry experience and deep understanding of digital, he will be responsible for building and scaling the Company's Digital Services business globally. Adrian Morgan joined NITL from CSC where he was the UK Digital Transformation Practice Head and most recently held the position of UK Head of Digital for Insurance. He too comes with 20 years of experience in delivering technology services to the global Insurance industry and will drive the NITL business in the London Market and globally, and shape its product platform strategy.

Human resources

As on 31st March 2017, the Company had a total of 8,853 NIITians, as its employees are often referred to. Attrition rate for FY2017 was steady at 12.7%. NIIT Technologies is a people centric organization with a rewards & recognition philosophy that focuses on fostering a culture of appreciation, encouraging value creation, and promoting innovation at the workplace. The Company offers its employees a world class infrastructure, a harmonious work culture, competitive compensation, high quality training, and avenues for career development as well as the opportunity to work on exciting projects and new technologies. As a knowledge-led organization, its human resources are the Company's most important assets and it continued to implement measures aimed at enhancing the quality of its talent pool during the year under review.

Related party transactions

Related Party transactions are defined as transactions of the Company with the Promoters, Directors or the Management, their subsidiaries or other related parties who may have a potential conflict with the interests of the company at large. All transactions covered under related party transactions were regularly ratified and/or approved by the Board, the guiding principles being arm's length, fairness and transparency. The details of related party transactions are given in the Notes to Accounts section.

Risk and risk mitigation

The Company's operations and engagements are global in nature and thus its business, financials, and operating performance may be affected or impacted by a number of factors. Some such challenges and risks that would have to be addressed and/or managed, as well as the Company's approach towards mitigating them, are discussed below. This may not be an all-inclusive list of factors and neither is this necessarily in order of importance, and some presently not known or deemed immaterial uncertainties could emerge in the future.

<u>Execution risks</u>: The Company pursues and has entered into multiple large and transformational engagements across geographies. Some such engagements are at times priced on a fixed-bid/fixed-price basis, and any inability to adhere to delivery schedules or quality could have an adverse impact. The Company does have a strong track record of undertaking and delivering complex programs and has also made investments to strengthen its project/program management capabilities. It follows global standards of development, including an ISO 9001:2000 certification, assessment at Level 5 of SEI-CMMi frameworks and BS 7799 information security management certification.

<u>Competition-related risk</u>: The Company operates in the highly competitive global IT services and solutions market, against several Indian and foreign players present in many of its target markets. In addition to that, setting up offshore delivery centres in India by some global IT players, pose a challenge to the Company's efforts to attract and retain talent from a limited supply pool of skilled human resources in the country. The Company's differentiated business model, recognition in the market place as a competent solutions provider, domain specialization, IP assets, and long-standing relationships with several key clients has been enabling it to deliver growth in a highly competitive environment. The Company intends to stay the course in terms of following its strategy to Focus and Differentiate. It also has an active marketing program and has established relationships with various industry analyst firms worldwide, and frequently participates in or organizes IT conferences and industry-specific events attended by CIO's and executives of major corporations. The Company is also well-regarded for its people practices. These factors are expected to support the Company's efforts to maintain its competitive edge in the market.

<u>Concentration risks</u>: NIIT Technologies has a relatively diversified geographic and client mix, and the Company has been able to ensure that it does not become too dependent on any particular geography or client. North America, EMEA (Europe & Middle East), and Rest of the World (including Asia-Pacific and India) contributed 48%, 33%, and 19% of revenues respectively, during FY2017. The Company's also has a broadbased clientele, with the Top 10 customers contributing about 45% of FY2017 revenues.

<u>Employee-related risks</u>: Employee attrition and or constraints in the availability of skilled human resources could pose a challenge as the Company undertakes measures for continued business growth. NIIT Technologies has a healthy and harmonious work

environment, and has initiated multiple steps aimed at strengthening its recruitment processes, aligning employees with organizational values and vision and retention of the best talent. It also offers world class infrastructure, an excellent work culture, competitive salaries constantly benchmarked to the market, high quality training, avenues for career development and long term growth prospect in order to remain an employer of choice.

M&A execution risks: The Company has chosen organic and inorganic routes to grow exponentially in the future years, and in the process the Company may be exposed to risks such as increase in cost on account of staffing/ advisory fees, due diligence lapses and practical challenges in integration. NIIT Technologies follows a strategic approach in pursuance of its M&A activities and many of the risks are mitigated by restricting the choice of target companies by applying certain rigorous selection criteria as also by proper resourcing of the integration efforts. The Company also uses teams of experts for conducting due diligence, thereby reducing the risk of lapses.

Exchange rate risk: Given that the Company's revenues tend to be denominated in multiple currencies that include the US dollar, British pound sterling, and the Euro, fluctuations in foreign currency exchange rates could have an impact on the Company's performance. The functional currencies for the Company and its subsidiaries' operations are the respective currencies of the countries in which they operate. The Company actively books foreign exchange forward covers/ derivative options to hedge against foreign currency fluctuations related to its bills receivables and anticipated realisations from projected revenues. In accordance with its risk management policies and procedures, the Company uses derivative instruments such as foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecasted transactions. The derivatives that qualify for hedge accounting and designated as cash flow hedges are initially measured at fair value and are re-measured at a subsequent reporting date, with changes in the fair value of the derivatives (that is, gain or loss, net of tax impact) recognized directly in shareholders' funds under hedging reserve to the extent considered highly effective. Gain or loss on derivative instruments that either does not qualify for hedge accounting or not designated as cash flow hedges or designated cash flow hedges to the extent considered ineffective are recognized in the Profit and Loss account. Hedge accounting is discontinued when the hedging instrument expires, sold, terminated, or exercised, or no longer qualifies for hedge accounting. The cumulative gain or loss on the hedging instrument recognized in shareholder's funds under hedging reserve is retained there until the forecasted transaction occurs, after which the same is adjusted against the related transaction. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholder's fund is transferred to Profit and Loss account in the same period.

Liquidity Risk: NIIT Technologies has a robust process for contract evaluation, multiple-vetting procedures, and strong account management processes & systems for collection of receivables. It also shares long term relationships with many of its clients and monitors projects on a regular basis, tracking issues relating to cost escalations.

Investment portfolio related risks: NIIT Technologies is a profitable, cash-generating company. The Company, as a policy, does not prefer to invest its surplus cash in high risk assets such as equities or low liquidity assets like real estate. The primary area of risk for the Company's market exposures are related to the interest rate risk on its investment securities. To mitigate interest rate risk, all surplus funds are invested in appropriate avenues upon a review by the investment committee. All investment decisions are driven by certain guiding principles including the safety of investments, liquidity, and returns.

Obsolescence Risk: The Company operates in a highly dynamic industry, which is exposed to changes in technologies, software, products, method of services delivery, systems, processes, standards etc. The Company has had extensive experience through operations involving multiple aspects of technology like application development, maintenance of new and old applications, software application support, IT Infrastructure management, ERP implementations, managed services, remote infrastructure management, data center management, product sale, platform based services, BPO services, etc. The Company has always adapted to evolving market dynamics and new engagement models, and also has a track record of identifying relevant industry trends and staying ahead of the curve – its forays in emerging areas such as Digital Services, SMAC (Social Media, Mobility, Analytics, and Cloud), and Automation reflect its ability to be market-ready with regard to any shifts in the business landscape.

("The Company" in the context of this report means NIIT Technologies Limited and/or its subsidiaries.)

Important note: Certain statements made in this report relating to the Company's objectives, projections, outlook, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such estimates or projections etc., whether expressed or implied. Several factors including but not limited to climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities, etc., over which the Company does not have any direct control, could make significant difference to the Company's operations.

Business Responsibility Report

Business Responsibility Report (BRR) for the Financial Year 2016-17 (FY2017)

Introduction

NIIT Technologies strives to achieve sustained growth over the long term. It does so by identifying and pursuing high growth opportunities, investing in new technologies and capabilities, fostering an innovation-oriented organizational culture, and conducting its business operations in a responsible manner.

Driving growth in a profitable and responsible manner

NIIT Technologies is integrating profit, planet, and social considerations into its processes, practices, and business decisions. The Company's fundamental objective has always been to grow its business profitably and responsibly, creating value for customers, employees, shareholders, vendors, business partners and all other stakeholders including the communities it operates in. Accordingly, in order to become a successfully sustainable organization over the long term, the Company considers it critical to focus not only on its economic bottom line that measures business profitability but also on the benefits and impacts of its activities, assets, and processes on the environment as well as society at large. Over the years, NIIT Technologies has already made noticeable headway in that direction and aims to continue on its path to reinforcing itself as a responsible business, supported by several policies and mechanisms including its Environment Policy, its CSR Policy, and related initiatives.

With regard to the Environment, the Company has identified monitoring and mitigation of the following as key to its goals:

- Greenhouse gas emissions
- Energy consumption
- Water usage
- Waste management

The Company's approach towards nurturing and protecting the environment is embodied in its Environment Policy, formalized and rolled-out during the year under review. The Company has been proactively adopting and initiating multiple environment-friendly measures aimed at reducing its carbon footprint, conservation of resources including energy and water, recycling or efficient disposal of waste, as well as leveraging the use of renewable resources where possible. NIIT Technologies recognizes energy as a precious resource and continuously explores and implements ways to reduce its consumption of energy. As part of these efforts, the Company keeps investing in new technologies that either make its infrastructure more energy efficient or allow it to replace conventional energy sources with renewable ones wherever possible, such as the 50 KW capacity Solar PV Power Plant at its IT/ITES SEZ campus in Greater Noida that was commissioned in the preceding fiscal.

As an IT solutions provider with nearly nine thousand employees worldwide, the Company operates multiple facilities and therefore consumes significant amounts of energy. Given its established presence in areas like Managed Services, Infrastructure Management Services, and Cloud-based services, the Company also runs several data centres which consume energy in fairly large quantities. The Company has taken several measures to reduce its energy consumption, and over the past couple of years it has registered a significant reduction in energy consumption at its largest facility located at Greater Noida, with

- reduction of lighting energy requirement by as much as 35%;
- reduction in cooling and heating energy consumption by 25%.

As part of its efforts to strengthen its monitoring, compliance, and processes, the Company successfully completed ISO 14001 and OHSAS 18001 certifications during FY2017.

On the Social front, the Company's initiatives and activities are focused on Education, Employability, and Infrastructure support. The Company seeks to play an active role in supporting education, by engaging with institutions of higher learning and by supporting the educational infrastructure of the communities it operates in. It also seeks to be an employer of choice, providing a work culture that is congenial and fosters innovation. During the year under review, the Company's operations sustained the employment and livelihood of thousands of people, directly and indirectly. NIIT Technologies is a people-centric organization and during FY2017, the Company received multiple recognitions and awards related to its robust HR practices.

From an Economic perspective, during FY2017 the Company reported revenues of Rs 28,021 mn, representing a growth of 4.2% over the previous year. Profits after taxes for the year stood at Rs 2,501 mn. In addition to creating value by way of growth in revenues, the Company also made substantial financial payouts by way of wages and salaries, taxes to the exchequer, and dividends to shareholders as well as contributions to multiple social causes during the period under review.

Section A: General Information about the Company

Corporate Identity Number (CIN) of the Company	L65993DL1992PLC048753
Name of the Company	NIIT TECHNOLOGIES LIMITED
Registered address	8, Balaji Estate, Guru Ravi Das Marg Kalkaji, New Delhi-110019
Web site	www.niit-tech.com
E-mail id	investors@niit-tech.com
Financial Year reported	April 1, 2016 to March 31, 2017
Sector(s) that the Company is engaged in (industrial activity code-wise)	Group: 620
As per the National Industrial Classification codes of 2008	Class: 6201 Sub-class: 62011, 62013
List the key products/services that the Company manufactures/ provides (as in balance sheet)	Computer Programming Consultancy and Related Activities
Total number of locations (National & International) where business activity is undertaken by the Company and markets served by the Company	We are present in 26 locations globally spanning across Americas, Europe, Asia Pacific, Middle East, and India.

Section B: Financial details of the Company

1.	Paid up Capital (as on March 31, 2017)	613,621,740
2.	Total Turnover (for financial year ended March 31, 2017)	Rs 28,021 million (consolidated)
3.	Total profit after taxes (for financial year ended March 31, 2017)	Rs 2,501 million (consolidated)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	The total spending on CSR during FY2017 was Rs 45,842,922 which translates into 2.29% of the average post-tax profit (on standalone basis) for the previous three years.
5.	List of activities in which expenditure in 4 above has been incurred	The Company's initiatives have been around Education, Employability, and Infrastructure.

Section C: Other Details

1. **Does the Company have any subsidiary company/ companies?**

   Yes. Please refer to the information on subsidiaries provided in the Annual Report for more information and details.

2. **Do the subsidiary company/companies participate in the BR initiatives of the parent Company?**

   The Company's policies are applicable across its subsidiaries, unless otherwise specified. The various subsidiaries and/or local business units contribute to the Company's consolidated performance across all parameters – Economic, Social, and Environmental.

3. **Do any other entity/entities that the Company does business with participate in the BR initiatives of the Company?**

The Company has multiple business partners, vendors, suppliers, and business associates. While these may not directly participate in the Company's BR initiatives, they may have their own policies and programs with regard to business responsibility.

Section D: Business Responsibility Information

1. **Details of Director and BR Head responsible for BR:**

DIN No. : 00042534

Name : Mr. Arvind Thakur

Designation : Chief Executive Officer & Jt. Managing Director

Telephone : 0120-711 8400

Email ID : complianceofficer@niit-tech.com

2. **Principle-wise (as per NVGs) BR Policy / Policies:**

Principles as per the SEBI Business Responsibility Report Framework

1. Principle 1 (P1) - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
2. Principle 2 (P2) - Businesses should provide goods and services that are safe and contribute to sustainability throughout the life cycle
3. Principle 3 (P3) - Businesses should promote the wellbeing of all employees
4. Principle 4 (P4) - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
5. Principle 5 (P5) - Businesses should respect and promote human rights
6. Principle 6 (P6) - Business should respect, protect, and make efforts to restore the environment
7. Principle 7 (P7) - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
8. Principle 8 (P8)- Businesses should support inclusive growth and equitable development
9. Principle 9 (P9) - Businesses should engage with and provide value to their customers and consumers in a responsible manner

S.No.	Questions*	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policies for each of the principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the Policy been formulated in consultation with the stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
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	Y
6.	Indicate link for the policy to be viewed online	*Available on the Company's website at www.niit-tech.com via the links provided in the Principle-wise index (see below), and/or on the Company's intranet.*								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

2. b. If answer to S. No. 1 against any principle is 'No', provide explanation: Not Applicable

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

* The relevant policies have been framed as per applicable law and as per industry best practices, and a principle-wise index appears below:

P1	Code of conduct; Code of business ethics; Whistleblower policy; Values and beliefs statement
P2	Code of conduct; Purchase policy and Code of business ethics; Environment policy; Information security policy
P3	Policy against sexual harassment at workplace; Whistleblower policy; HR policies
P4	Values and beliefs statement; CSR policy
P5	Values and beliefs statement; Code of conduct; Policy against sexual harassment at workplace
P6	Environment policy; CSR policy
P7	Code of conduct; Anti-corruption & bribery policy
P8	CSR policy
P9	Code of conduct; Values and beliefs statement; Privacy policy; Information Security policy

** The following have already been approved by the Company's board: Code of conduct, CSR policy, Whistleblower policy, and Policy against sexual harassment at workplace. Board committees and/or designated function/business leaders oversee policy implementation.

3. Governance related to BR:

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Company's BR performance is reviewed and assessed on an annual basis.

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 Company's Business Responsibility Report, published annually, is part of its Annual Report for the financial year FY2016-17, which is available at www.niit-tech.com/investors.

Section E: Principle-wise Performance

PRINCIPLE 1:

ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the Company?

The Company's Code of Conduct is aimed at upholding the standards of its business ethics and practices, which are required to be observed in all business transactions. These are applicable to all its employees as well as Directors. This Code is available on the Company's website (http://www. niit-tech.com/investors/code-conduct) and covers all aspects of its operations. The Company also has a Code of Business Ethics that pertain to its supply chain, which too is available at its website (https:// vendome.niit-tech.com/ntlvendomenet/docfolders/ NTLSUPPLYCHAIN.pdf).

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

The Company has mechanisms in place to receive and address complaints from its stakeholders on various issues, including the policies governing this particular principle related to ethics, bribery, or corruption. There were no such complaints received during the Financial Year 2016-17.

PRINCIPLE 2:

SAFE AND SUSTAINABLE GOODS AND SERVICES

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

   - "Platinum" Green Building rating: The Company's single-largest facility is located in its sprawling SEZ campus at Greater Noida. The first block (Phase 1 & phase 2) of this campus at Greater Noida has been awarded the highest possible 'PLATINUM' Green Building rating by Indian Green Building Council (IGBC) under LEED® India Core & Shell system. A computer simulated evaluation of the building's energy performance indicated overall savings of 21% over the LEED® mandated ASHRAE 90.1-2004 baseline.
   - Consolidated server farm: The Company undertook an initiative of data centre consolidation a couple of years ago, which not only enables high availability and concurrent maintainability of infrastructure but has also resulted in better energy efficiency. This initiative led to an improvement of 25% to 30% in PUE (Power Utilization Effectiveness), which is the unit of measurement for data centre efficiency.
   - Leveraging renewable energy: The Company has set up a 50 KW Capacity Solar PV Power Plant, which was successfully commissioned in the preceding financial year, at its SEZ campus in Greater Noida. This plant has been synchronized with the grid and the Company is exploring the enhancement of its capacity to 100 KW.

2. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

   The Company strives to reduce its environmental footprint by leveraging sustainable sourcing and procurement methods and processes as well as by limiting business travel, wherever possible, and using substitutes if possible, such as video-conferencing. The Company also encourages its employees to limit the use of personal vehicles for their commute, and towards that end it provides bus and cab facilities. About 60 % of cabs and 50% of the bus fleet used for this purpose are based on CNG, a low-emission fuel. The Company has planned for 100% CNG cabs and buses by the year 2018.

3. **Has the Company undertaken any steps to procure goods and services from local and 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 Company engages with multiple suppliers and vendors, at both local and global level. In line with its policy and code, the Company's purchases are done in a non-discriminatory manner. With a view to support and encourage local suppliers, the Company has enrolled local vendors as suppliers in several areas such as office housekeeping, catering, maintenance, and local transportation.

4. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste?**

   During the course of its operation, the Company generates both non-hazardous and hazardous wastes, which it manages and disposes off in a responsible manner. The Company attempts to recover, reuse, or recycle consumables such as copiers, computers and paper. Computers, monitors, computer accessories, printers, projectors, and other such hardware that are under-utilized or have reached the end of useful life are managed by the Company's e-waste recycling program that also includes handover to original supplier or to certified disposal vendors. Additionally, wherever feasible, the use of paper is actively discouraged across the organization. Internal processes have been enhanced to process transactions through electronic submissions of vouchers, receipts, and other documents. The Company recycles waste water through treatment plants at its Greater Noida campus, which get re-used for non-drinking purposes. At the same campus, organic waste that is generated from its cafeteria and other sources is converted into compost for use in the facility's grounds/green areas and gardens.

PRINCIPLE 3:

WELL BEING OF EMPLOYEES

NIIT Technologies is a knowledge-led organization, with innovation, technological competence, and domain expertise being among the key ingredients for success. The Company offers world class infrastructure, an excellent work culture, competitive salaries constantly benchmarked to the market, high quality training, and avenues for career development in order to remain an employer of choice. The Company sees workplace diversity as a desirable outcome of its talent recruitment and retention activity, and has been pursuing strategies to enhance the representation of women and individuals with disabilities within its human resources. At the end of FY2017, the Company had a total of 8,853 NIITians, as its employees are called.

Manpower	As on March 31, 2017
Total number of employees	8,853
Permanent employees	8,065
Temporary/contractual/casual basis- employees	788
Permanent women employees	1,954
Employees with disabilities	14

NIIT Technologies strives to maintain a challenging and fulfilling work environment, which is transparent, innovative, and development-oriented. The Company's policies, such as its anti-harassment policy, aim to create and sustain a far and equitable work environment. Complaints raised by employees on these issues during FY2017 are detailed as under:

No.	Category	No. of complaints filed during the year	No. of complaints pending as on the end of the FY
1	Child labour, forced labour, involuntary labour	0	0
2	Sexual harassment	2	0
3	Other issues	1	0

The Company has a robust training programme that enables employees to upgrade their skills, become aware of policies and processes, and become better equipped to meet the demands posed by shifts within the industry, technology landscape, and marketplace. The Company's learning initiatives are focused on competency-building around Business Analysis, Large and Complex Program Management Skills, Agile expertise & Managed Services. The Company's School for Employee Education Development (SEED) delivers training through established remote & online platforms and hosting class room sessions. The NTL Academy of Future Leaders (NAFL) and NTL Global Leadership Program (NGLP) are aimed at developing future leaders and laying the foundation for executive leadership. During the year under review, several of the Company's employees underwent training across multiple areas from skill upgradation to safety and diversity at the workplace, as detailed in the table below:

Training Imparted (FY2016-17)	Total	Female Staff	Male Staff
Total No. of Hours of Training	816,680	196,003	620,677

Category Wise Distribution

Technical Skills	60%
Domain Skills	10%
Behavioral / Soft Skills	7%
Leadership & Management	5%
Safety & Diversity Related	5%
Process & Compliance	3%
Functional Skills	10%

The Company also has an active Assistance Program for its employees, called CARE, which provides assistance to NIITians in both personal and professional areas. Additionally, as part of its staff welfare initiative the Company provides Group Life Insurance and Group Mediclaim cover under the corporate scheme to its staff members at nominal premiums.

In order to get useful insight into engagement levels and employee satisfaction, the Company also conducts annual Employee Satisfaction Surveys. Findings from these surveys have enabled the Company to make improvements in its workplace environment and employee training & welfare programs.

PRINCIPLE 4:

RESPONSIVENESS TO ALL STAKEHOLDERS, ESPECIALLY THE DISADVANTAGED, VULNERABLE AND MARGINALIZED

As a responsible corporate citizen, NIIT Technologies is committed to being responsive to all its stakeholders that include employees, customers, shareholders, business associates, partners, vendors & suppliers, governments, and the society at large including the communities that it operates in. The Company has over the years undertaken multiple initiatives aimed at improving the quality of life of the communities around its facilities, as they constitute one of its most important stakeholder constituents, and playing its role in supporting the education sector, which it relies upon for knowledge workers. Accordingly, during FY2017, the Company supported the local schools around its facilities, providing them with infrastructure support and teaching assistance. The Company also continued its scholarship program for deserving students in NIIT University. Many of the Company's social initiatives assist those that are disadvantaged, vulnerable, or marginalized. For instance, in line with its focus on employability, the Company supports the Noida Deaf Society and has sponsored two employability courses for Deaf and Mute adolescents at this Society's Noida centre.

PRINCIPLE 5:

RESPECT AND PROMOTE HUMAN RIGHTS

The Company strives to create a fair and equitable work environment that drives creativity and collaboration, enabling its employees to deliver New Ideas, More Value. Integral to its operating philosophy and organizational culture is respect for the individual and upholding of universally acknowledged human rights. The Company has multiple policies in place to ensure non-discrimination and fair treatment of all employees, ethical conduct, and prevention of sexual harassment at premises within its direct control.

PRINCIPLE 6:

RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

NIIT Technologies is committed to environmental sustainability, as reflected in its Environment Policy that appears earlier in this Report. The Company has been proactively adopting and initiating multiple environment-friendly measures aimed at conservation of resources including energy and water, recycling or efficient disposal of waste, as well as leveraging the use of renewable resources where possible.

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

   The Company's Environment Policy is applicable to all its employees. The Company also expects its suppliers and partners to be compliant with its Code of Business Ethics and with applicable laws and regulations to an entity, which could include environmental laws and regulations.

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.**

   Consistent with and inspired by its corporate vision, values, and mission, NIIT Technologies aims to grow its business profitably while also conducting its business responsibly in a manner which reflects care for the environment. The Company's Environment Policy, which has been shared in this Report, encapsulates its approach and commitment to protecting and preserving the environment.

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

   The Company has formulated an Environment policy and accordingly, it makes an assessment of factors related to the environment on an ongoing basis and implements solutions or takes appropriate measures to address any risks. During FY2017, the Company also successfully completed certification audits for ISO 14001 and OHSAS 18001 covering its eight locations within India that comprises four facilities in the National Capital Region and facilities in Bengaluru, Mumbai, Kolkata, and Hyderabad.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof.**

   Given the nature of the Company's business, this is not relevant.

5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. If yes, please give the hyperlink of the web page etc.**

   During the year under review, NIIT Technologies implemented the migration of its decentralized global IT infrastructure for employee communication, collaboration, desktop backup and e-learning to best-in-class centralized cloud services, which would reduce the Company's energy consumption and carbon footprint in the coming years. The Company also supports the Ministry of Corporate Affairs' Go Green initiative, which makes provision for electronic communication of the Annual Reports and other documents to shareholders.

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

   Yes, the emissions and waste generated by the Company are within the permissible limits of the Pollution Control Board. Hence, there have been no show cause or other legal notices received from either the central or state pollution control board (PCB) during the year under review. As detailed elsewhere in this Report, the Company is committed to going beyond regulatory mandates and keep striving to reduce the environmental footprint of its operations.

PRINCIPLE 7:

BUISNESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

NIIT Technologies is a leader within the Indian IT services industry, and is a founding member of its industry association NASSCOM. Members of the Company's leadership team often serve as office-bearers at some of the trade bodies that it is a part of. Through its memberships in NASSCOM and other bodies such as the Confederation of Indian Industry (CII), the Company attempts to share perspectives and engage with a variety of stakeholders in a meaningful manner. The Company conducts itself responsibly while undertaking any advocacy efforts on the social, economic, or environmental fronts either on its own or as part of an industry association.

PRINCIPLE 8:

BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

The Company has a Corporate Social Responsibility (CSR) policy in place which drives its efforts in this area, with oversight from the Company's CSR Committee comprising of four Board members. This Committee monitors the expenditures and activities undertaken in this area. Please refer to the report on CSR activities, appearing in the Company's FY2017 Annual Report, for more details.

PRINCIPLE 9:

PROVIDING VALUE TO CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

NIIT Technologies is an established and global IT solutions provider addressing the requirements of clients across the Americas, Europe, Asia, and Australia. Differentiated on the strength of its domain expertise, the Company serves clients in travel and transportation, banking and financial services, insurance, and media verticals, offering a range of services including application development and maintenance, infrastructure management, and business process services. The Company has a strong and rapidly growing presence in the Digital Services space, where it is helping businesses design agile, scalable, and digital operating models. The Company has a clearly defined strategy of being a focused player. This strategy to "Focus and Differentiate" reflects the Company's intent to be the "first choice" in its chosen industry verticals and even for other stakeholders in growth, including employees. Accordingly, over the years, NIIT Technologies has developed deep domain specialization, built a strong track record, and made investments in intellectual property (IP) in select, high potential verticals and service lines including Digital Services and Automation. This, in turn, has enabled it to establish itself as a preferred choice for customers in its industry verticals of focus.

The Company conducts an annual independent customer feedback survey called Voice of Customer (VOC). This qualitative and quantitative survey is for the decision makers and influencers in the customer organization. It provides a measure of health of customer relationships and how the customers feel about its services. This exercise forms the basis for capturing customer expectations, and enables the Company to take appropriate actions and improve continuously.

Through the combined strength of its multiple global delivery centres spread across 18 countries, including a state-of-the-art sprawling campus spread over 25 acres located in Greater NOIDA near New Delhi, which is its largest facility, NIIT Technologies delivers IT solutions and services to over 250 customers worldwide.

The Company adheres to major global benchmarks and standards of quality and Information Security. It has been assessed across leading global quality benchmarks and standards including the ISO 9001:2000, ISO 27001 (an Information Security Management accreditation), Level 5 of SEI CMMi version 1.2, COPC, PCMM level 5, and the international ISO 20000 (IT management standard).

Report on Corporate Governance

OVERVIEW

Corporate governance is creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process by consistently focusing on upholding high standards of such governance. At NIIT Technologies, it is imperative that our Company affairs are managed in a fair and transparent manner. It is our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company. The Company believes in adopting and adhering to globally recognised corporate governance practices and continuously benchmarking itself against such practices.

The Company ensures that we evolve and follow the corporate governance guidelines and best practices. The Company expects to realise its vision by taking such actions as may be necessary in order to achieve its goals of value creation, safety, environment and people. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work place have been institutionalised. This enables the Company to build and sustain the trust and confidence of its stakeholders, as well as to strengthen the foundation for long-term business success and sustainability. The Company complies with all the mandatory requirements of corporate governance including those specified in Schedule V of the SEBI Listing Regulations, 2015.

BOARD OF DIRECTORS

The Company is managed and controlled through a professional Board of Directors (“Board”) comprising of an optimum combination of Executive, Non-Executive and Independent Directors. The composition of the Board of the Company is in conformity with the provisions of the Securities and Exchange Board of India (‘SEBI’) Listing Obligations and Disclosure Requirements, 2015 (SEBI Listing Regulations) & the Companies Act, 2013.

The present composition of the Board is seven (7) members out of which four (4) members are Independent Directors, which constitutes more than 50 percent of the total strength of the Board. The Chairman of the Board is Mr. Rajendra S Pawar, who is an Executive Director and Ms. Holly Jane Morris, a Woman Director is acting as an Independent Director on the Board of the Company.

The brief profile of all the Directors is available on the website of the Company www.niit-tech.com.

Composition of the Board as on March 31, 2017

Independent Directors	4
Non-Executive Director	1
Chairman and Managing Director	1
CEO and Joint Managing Director	1
Total	**7**

Note: The term of Ms. Holly Jane Morris as an Independent Director had expired on March 31, 2017 and the Board and Nomination and Remuneration Committee recommended her appointment as an Independent Director w.e.f. April 01, 2017 for a second term of not exceeding 5 (five) consecutive years .

The composition of Board alongwith the number of **Directorship and Chairmanship/ Membership** of committees held by them, is given hereunder:

Name of the Director & DIN	Category	No of Board Meetings during the Financial Year 2016-17		Whether attended last AGM (August 01, 2016)	No of Directorship/ Chairperson in listed entities including this listed entity		No of Membership/ Chairperson in Committees in listed entities including this listed entity	
		Held	Attended		Member	Chairperson	Member	Chairperson
Mr. Rajendra S Pawar (00042516)	Executive – Chairman & Managing Director	5	5	Yes	02	01	01	-
Mr. Arvind Thakur (00042534)	Executive - Jt. Managing Director & Chief Executive Officer	5	5	Yes	01	01	02	-
Mr. Vijay K Thadani (00042527)	Non Executive	5	5	Yes	02	-	06	-
Mr. Amit Sharma (00050254)	Non Executive- Independent	5	4	Yes	01	-	03	01
Mr. Ashwani Puri (00160662)	Non Executive- Independent	5	4	Yes	03	-	03	03
Mr. Surendra Singh (00003337	Non Executive- Independent	5	5	Yes	02	-	06	01
Ms. Holly Jane Morris (06968557)	Non Executive- Independent	5	4	No	01	-	-	-

Note :

\# The above given information is excluding private, foreign and Companies incorporated under Section 8 of the Companies Act, 2013

\#\# Board committee for this purpose includes Audit Committee and Stakeholders’ Relationship Committee

All the Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013. The maximum tenure of the Independent Directors is in compliance with the Act. Further, the Independent Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which may affect the independence or judgment of the Directors.

The Board of Directors also review the Compliance and Corporate Governance Reports periodically pertaining to all laws applicable to the Company.

Board meetings and Directors' attendance

During the year April 1, 2016 to March 31, 2017 the Board met five times, on May 06, 2016, July 15, 2016, October 15, 2016, January 17, 2017 & March 24, 2017 and the gap between two consecutive meetings did not exceed one hundred and twenty days. The information pertaining to the attendance of Directors in these meetings has been provided in the table above. The information as mentioned under Part A of Schedule II of SEBI Listing Regulations has been placed before the Board for its consideration during the year. Board meetings are also convened to address the specific additional requirements of the Company and urgent matters are also approved by the Board by passing resolutions through circulation.

Appointment Letters and Familiarization Program for Independent Directors

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The terms and conditions of the appointment are also placed on the website of the Company. Each newly appointed Director is taken through a familiarization program in terms of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, including the interaction with the Managing Director,CEO & the Senior Management of the Company covering all marketing, finance and other important aspects of the Company. The Company Secretary briefs the Director about their legal and regulatory responsibilities. The familiarization program also includes interactive sessions with Business and Functional Heads and visit to the Business Centers. The weblink for the same is http://www.niit-tech.com/investors/Familiarization-Programme-Independent-Directors.pdf

Meeting of Independent Directors

During the year under review, a separate meeting of the Independent Directors was held without the attendance of Non-Independent Directors and members of the management.

Code of Conduct

The Company has a well-defined policy, which lays down procedures to be followed by the employees for ethical professional conduct. The Code of Conduct has been laid down for all the Board Members and Senior Management of the Company. The Board members and Senior Management personnel have affirmed compliance with the Company's code of conduct for the year 2016-17. This Code has been displayed on the Company's website.

Board Committees

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees:

a. Audit Committee

b. Stakeholders' Relationship Committee

c. Nomination and Remuneration Committee

d. Corporate Social Responsibility Committee

The terms of reference of these Committees is determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all members of the Committee individually and tabled at the Board Meetings.

Audit Committee

The Company has an Audit Committee in accordance with Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

The composition of the Audit Committee and details of the Meetings and Attendance during the FY2016-17 are as under:

Name of the Committee member	Category	Designation	Number of meetings during the Financial Year 2016-17		Dates of meetings held during the year
			Held	Attended	
Mr. Ashwani Puri	Independent Director	Chairman	5	4	May 05, 2016 July 14, 2016 October 15, 2016 January 16, 2017 March 24, 2017
Mr. Surendra Singh	Independent Director	Member	5	5	
Mr. Vijay K Thadani	Non-Executive Promoter Director	Member	5	5	
Mr. Amit Sharma	Independent Director	Member	5	3	

All the Members of the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls. The Chairperson of the Audit Committee is an Independent Director and the Company Secretary acts as Secretary to the Committee. The Audit Committee also invites the Chief Financial Officer (Head of Finance), Internal Audit Head and representatives of Statutory Auditors and such executives as it considers appropriate at its meetings. The terms of reference of the Committee are provided herein below:

The Committee is responsible for the effective supervision of the financial reporting processes to ensure proper disclosure of financial statements, their credibility, and compliance with the Accounting Standards, Stock Exchanges and other legal requirements, reviewing with internal and external audit and internal control systems, assessing their adequacy, ensuring compliance with internal controls; reviewing findings of the Internal Audit, reviewing the Company's financial and risk management policies and ensuring follow up action on significant findings, and reviewing quarterly, half yearly and yearly annual accounts. It acts as a link between Statutory and Internal Auditors and the Board of Directors of the Company. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Committee reviews information as specified in Part C of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Nomination and Remuneration Committee

The Company has a duly constituted Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The composition of the Nomination and Remuneration Committee and details of the Meetings and Attendance during the FY2016-17 are as under:

Name of the Committee member	Category	No. of meetings during the Financial Year		Dates of meetings held during the year
		Held	Attended	
Mr. Amit Sharma	Non-Executive Independent Director	6	4	May 05, 2016 June 20, 2016 July 14, 2016 July 18, 2016 August 09, 2016 January 16, 2017
Mr. Surendra Singh	Non-Executive Independent Director	6	6	
Mr. Vijay K Thadani	Non-Executive Director	6	5	

The Chairperson of the Committee is an Independent Director.

The Charter/terms of reference of Nomination and Remuneration Committee is in terms of the Companies Act, 2013 & Part II of Schedule D of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, which, inter alia deals with the manner of selection of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel and their remuneration and to frame a policy to implement the same. The Committee is responsible for framing policies and systems for the Stock Options Plan, as approved by the shareholders. The role of the Committee was enhanced to include formulation of criteria for evaluation of every Director's performance, recommend to the Board, plans and process for succession for appointments to the Board and Senior Management, devising a policy on Board Diversity.

The criteria for performance evaluation of Independent Directors cover preparation, participation, conduct and effectiveness of their functioning.

Details of Remuneration paid to Directors during the year April 1, 2016 to March 31, 2017

A. Executive Directors **(in Rs.)**

Name of Director	Mr. Rajendra S Pawar	Mr. Arvind Thakur
Salary and Allowances	14,008,332	17,082,248
Part – A Perquisites	478,811	3,248,203
Part – B Contribution to Provident Fund, Superannuation Fund or Annuity Fund	1,935,394	2,398,507
Performance - linked Bonus (paid)	14,769,611	17,681,988
Total	**31,192,148**	**40,410,946**

Service Contracts : The current term of Mr. Rajendra S Pawar and Mr. Arvind Thakur will expire on May 31, 2019.

Notice period : 6 months, unless otherwise agreed by the Board

Severance Fees : No severance fees, unless otherwise agreed by the Board

Performance criteria : As determined by the Nomination and Remuneration Committee and the Board.

B. Non-Executive Directors

The criteria for payment to Non-Executive Directors is provided herein below:

The Board in its meeting held on May 06, 2011 (for Directors in India) & July 14, 2015 (for Foreign Director) and the shareholders of the Company at the Annual General Meeting held on July 7, 2014 had approved the payment of Commission to Non-executive Directors upto an amount not exceeding 1% of the net profits of the Company (computed in the manner referred to in Section 198 of the Companies Act, 2013), per annum. The shareholders had empowered the Board of Directors to decide the appropriate quantum of commission. In addition to this, the Non-Executive Directors are paid sitting fees amounting to Rs. 20,000/- for attending each Board & Audit Committee Meeting only.

The details of remuneration (Commission and sitting fees) paid/payable to Non-Executive Directors is provided below:

Particulars	Mr. Vijay K Thadani (Rs.)	Mr. Surendra Singh (Rs.)	Mr. Amit Sharma (Rs.)	Mr. Ashwani Puri (Rs.)	Ms. Holly Jane Morris (Rs.)
Commission	12,00,000	12,00,000	13,00,000	12,50,000	21,37,155
Sitting Fees	2,00,000	2,00,000	1,40,000	1,60,000	2,66,894

Details of Equity shares held by Non-Executive Directors

The details of equity shareholding of Non-Executive Directors as on March 31, 2017 is as below:

Name	Number of shares held
Mr. Vijay K Thadani	1857*
Mr. Surendra Singh	NIL
Mr. Amit Sharma	55705
Ms. Holly Jane Morris	NIL
Mr. Ashwani Puri	NIL

* This includes 759 shares in the name of Vijay K Thadani – HUF, 100 equity shares in the joint name of Mr. Vijay K Thadani & Ms. Renuka Thadani & 998 equity shares in the joint name of Ms. Renuka Vijay Thadani & Mr. Vijay K Thadani.

The Company has not granted any shares under the ESOP Scheme 2005 to any Independent Director of the Company.

Nomination & Remuneration Policy

Preamble

In terms of Section 178 of the Companies Act, 2013 and the SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015, entered into by the Company with Stock Exchanges, as amended from time to time, the Board of Directors of a listed company shall constitute the Nomination and Remuneration Committee ("Committee") consisting of three or more Non-Executive Directors out of which not less than one-half shall be independent directors. The Company has already constituted the Committee comprising three members, two of which are Independent Directors.

Further, the Committee is required to devise a policy to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel and other employees. This policy shall also act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

Objective

The policy is framed with following key objectives:

1. That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
2. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
3. That the remuneration to Directors, Key Managerial Personnel (KMP), and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and achievement of its goals.
4. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration.
5. To formulate the criteria for evaluation of Independent Directors and other Directors on the Board.

Applicability

This policy is applicable to:

1. Directors (Executive, Non-Executive and Independent)
2. Key Managerial Personnel (KMP)
3. Senior Management Personnel

Definitions

i) **"Act"** means the Companies Act 2013 as amended from time to time.

ii) **"Board"** means the Board of Directors of the Company.

iii) **"Company"** means NIIT Technologies Limited.

iv) "**Employee Stock Option"** means the stock options given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for the shares of the company at a future date at a pre-determined price.

v) **"Executive Director"** means the Managing Director and Whole-time Directors of the Company.

vi) **"Independent Director"** means a director referred to in Section 149 (6) of the Companies Act, 2013 read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

vii) **"Key Managerial Personnel"** or **"KMP"** means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder. As per Section 203 of the Companies Act, 2013, the following are Whole-Time Key Managerial Personnel:

a) Managing Director or Chief Executive Officer or the Manager and in their absence a Whole-Time Director;

b) Company Secretary; and

c) Chief Financial Officer

viii) **"Non-Executive Director"** means the director other than the Executive Director and Independent Director.

ix) **"Senior Management Personnel"** for this purpose shall mean employees of the company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional / vertical heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Appointment and Removal of Director, KMP and Senior Management Personnel

1. Appointment criteria and qualifications

a) Subject to the applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, other applicable laws, if any, and the Company's Policy, the Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.

b) The Committee has discretion to decide the adequacy of qualification, expertise and experience for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/Manager who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

2. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time.No reappointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

i) No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each. Such Independent Director after completion of these two terms shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director; provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

ii) At the time of appointment of Independent Director it should be ensured that the total number of Boards on which such an Independent Director serves is restricted to:

(a) seven listed companies as an Independent Director OR

(b) three listed companies as an Independent Director in case such a person is serving as a Whole-time Director of any listed company.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals; but at least once a year.

4. Removal

Due to reasons of disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing for removal of a Director, KMP or a Senior Management Personnel subject to the provisions and compliance of the applicable laws, rules and regulations.

5. Retirement

The Directors shall retire as per the applicable provisions of the Companies Act, 2013. All other KMP and Personnel of Senior Management shall retire as per the prevailing policy of the Company. The Board will have the discretion to retain the Directors and KMP in the same position/remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company.

Policy for Remuneration To Directors/KMP/Senior Management Personnel

1) Remuneration to Managing Director/Whole-time Directors:

a) The Remuneration/ Commission etc. to be paid to Managing Director/Whole-time Directors, shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/ Whole-time Directors.

c) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/ Whole-time Director in accordance with the provisions of the Companies Act, 2013 and if in variance with such provisions, then with the prior approval of the Central Government

2) Remuneration to Non- Executive/Independent Directors:

a) The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Committee and approved by the Board of Directors.

b) All the remuneration of the Non- Executive/ Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Committee and approved by the Board of Directors or shareholders, as the case may be.

c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company. The Committee, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

d) Any remuneration paid to Non- Executive/ Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

i) The Services are rendered by such Director in his capacity as the professional;

ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the Company's Policy.

b) The Committee shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

4) Other General Provisions:

a) The CEO/ CPO shall make Annual presentation of the performance and compensation for the other KMP and Senior Management Personnel. The proposed compensation policy for these executives for the forthcoming year will also be presented. The Committee shall discuss the details and give its inputs to help the CEO to finalise the policy for adoption by the Company.

b) The CEO along with CPO shall constitute an HR Steering Committee for reviewing the remuneration of all other employees.

c) Where any insurance is taken by the Company on behalf of its Whole-time Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Amendments

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s) and circular(s) etc.

Policy on Board Diversity

The Nomination and Remuneration Committee has devised the policy on Board diversity to provide for having a broad experience and diversity on the Board.

Performance Evaluation

Pursuant to the provisions of the Section 134(3)(p) and 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Corporate Social Responsibility Committee and Stakeholders' Grievance Committees. The evaluation was done based on one to one interactions which covered various aspects of Board's functioning and its Committees, Board Effectiveness, Key Stakeholders connect, Ethics and Compliances, Evaluation of Company's Performance, Project Management and Internal Control and Audits.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, effective participation in Board/Committee Meetings, independence of judgement, safeguarding the interest of the Company and its minority shareholders, providing of expert advice to Board, provide deliberations on approving related party transactions etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015, the Company has a duly constituted "Stakeholders' Relationship Committee". The Stakeholders' Relationship Committee looks into the redressal of complaints of investors.

The Committee has delegated work related to share transfer, issue of duplicate shares, Dematerialisation/ Rematerialisation of shares and other related work to Share Transfer Committee which reports to the Committee.

The Stakeholders' Relationship Committee is headed by a Non-Executive Independent Director Mr. Amit Sharma and consists of Mr. Vijay K Thadani and Mr. Arvind Thakur as members. Mr. Lalit Kumar Sharma, Company Secretary & Legal Counsel is the Compliance Officer of the Company.

Meetings & Attendance during the year

The particulars of the meeting attended by the members of the Stakeholders' Relationship Committee and the date of the meetings held during the year are given below:

Name of the Committee member	Category	Designation	Number of meetings during the Financial Year 2016-17		Dates of meetings held during the year
			Held	Attended	
Mr. Amit Sharma	Independent Director	Chairman	4	2	May 05, 2016 July 14, 2016 October 15, 2016 January 16, 2017
Mr. Arvind Thakur	Executive Director	Member	4	4	
Mr. Vijay K Thadani	Non-Executive Promoter Director	Member	4	4	

During the year April 1, 2016 to March 31, 2017 the Company received a total of 240 queries/complaints from various Investors'/Shareholders' relating to Change of address/Non-receipt of Dividend, Bonus Shares, Annual Report/Change of Bank account details/Transfer of Shares/ Dematerialization of shares, etc. The same were attended to the satisfaction of the Investors.

Details of requests/queries/complaints received and resolved during the Financial Year 2016-17:

Nature	Request/ queries received	Com-plaints Received	Resolved	Unre-solved
	Nos.	Nos.	Nos.	Nos.
Change of address	10	-	10	-
Change of bank details	7	-	7	-
Correction in d/w & issue dd	90	-	90	-
Dividend not received	-	18	18	-
Non receipt of annual report/notice	-	3	3	-
Request for annual report	52	-	52	-
Request for bonus shares	8	-	8	-
Request for duplicate share certificates	8	-	8	-
Request for nomination registration	0	-	0	-
Request for share holding details	4	-	4	-
Share certificates lodged for transfer	10	-	10	-
Miscellaneous-IEPF Claims	30	-	30	-
Total	**219**	**21**	**240**	-

There was no request/query/complaint pending at the beginning of the Financial Year. During the Financial Year, the Company attended most of the Shareholders'/ Investors' requests/queries/complaints within 10 working days from the date of receipt. The exceptions have been for cases constrained by procedural issue/ disputes or legal impediments etc. **There was no request/query/ complaint pending at the end of the Financial Year.**

Corporate Social Responsibility (CSR) Committee

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Company has a duly constituted "Corporate Social Responsibility Committee".

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

- Identification of the initiatives and specification of the projects and programs those are to be undertaken and recommending the same to the Board.
- Identification of CSR projects/programs, which focuses on integrating business models with social and environmental priorities and processes in order to create shared value.
- Preparation of the list of CSR programs which a Company plans to undertake during the implementation year.
- Prepare modalities of execution of the project/ programs undertaken and implementation of schedule thereof.
- Implementation and monitoring progress of these initiatives

The particulars of the meeting attended by the members of the CSR Committee and the date of the meetings held during the year are given below:

Name of the Member	Corporate Social Responsibility Committee May 05, 2016
Mr. Surendra Singh (Chairman)	Y
Mr. Amit Sharma	Y
Mr. Ashwani Puri	Y
Mr. Arvind Thakur	Y

Y: Attended

OTHER COMMITTEES

The Board has constituted following Committees:-

1. Operations Committee
2. ESOP Allotment Committee
3. Share Transfer Committee

GENERAL MEETINGS

Particulars of the last three Annual General Meetings/ Postal Ballot

Annual General Meetings

Year	Location	Date	Day	Time	Special Resolution
2016	Mapple Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110 074	August 01, 2016	Monday	09:00 A.M.	NIL
2015	Mapple Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110 074	August 03, 2015	Monday	09:00 A.M.	NIL
2014	Mapple Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110 074	July 07, 2014	Monday	09:00 A.M.	a. To approve amendment in existing Article 66 of the Articles of Association of the Company b. To approve payment of minimum remuneration to Mr.Rajendra S Pawar, Chairman and Managing Director c. To approve payment of minimum remuneration to Mr. Arvind Thakur, CEO & Jt. Managing Director d. To approve payment of remuneration to Non-Executive Directors

Postal Ballot

The Company has not conducted Postal Ballot during the year 2016-17.

Means of Communication

a. The quarterly/half yearly/annual results are published in the leading English and Hindi Newspapers (the details of the publications are given hereunder) and also displayed on the web site of the Company – www.niit-tech.com where official news releases, financial results, consolidated financial highlights, quarterly shareholding pattern and presentations made to institutional investors or to the analysts are also displayed.

b. The Company had Quarterly/Annual Earnings Calls on May 06, 2016, July 14, 2016, October 15, 2016, January 17, 2017 and Press Conferences in the months of May 2016, July 2016, October 2016 and January 2017 for the investors of the Company immediately after the declaration of Quarterly/Annual results. Transcripts/ presentations of the quarterly/ annual earnings calls/investors meet are displayed on the Company's aforementioned website, in the 'Investors' section.

c. The Management Perspective, Business Review and Financial Highlights are part of the Annual Report.

d. All material information about the Company is promptly uploaded on the website of the Stock Exchanges and also sent through e-mail to the stock exchanges where the shares of the Company are listed.

During the financial year 2016-17 the Company published its financial results in the following newspapers:

Financial Results	Newspapers	Date of publication
Audited financial results for the quarter ended March 31, 2016	Business Standard - English Business Standard- Hindi	May 7, 2016
Unaudited financial results for the quarter ended June 30, 2016	Business Standard- English Business Standard- Hindi	July 15, 2016
Unaudited financial results for the quarter ended September 30, 2016	Business Standard- English Business Standard- Hindi	October 16, 2016
Unaudited financial results for the quarter ended December 31, 2016	Business Standard- English Business Standard- Hindi	January 18, 2017

GENERAL SHAREHOLDERS' INFORMATION

a. Annual General Meeting

Date: September 22, 2017

Time: 09:00 A.M.

Venue: Ocean Pearl Retreat, Satbari, Chattarpur Road, New Delhi – 110 074

As required under Regulation 36(3) of SEBI (Listing Obligations& Disclosure Requirements) Regulations, 2015, particulars of Directors seeking re-appointment at the forthcoming Annual General Meeting are given in the Notice.

b. Financial Year

Year ending: March 31, 2017

c. Dividend

The Board of Directors have recommended a dividend of Rs.12.50 per Equity Share of Rs.10/- each, subject to approval of the shareholders' at the ensuing Annual General Meeting. The dividend, if declared, shall be paid to the shareholders within 30 days from the date of AGM i.e. on or before 30 days from the Date of , as per the provisions of the Companies Act, 2013. The Dividend of Rs.12.50 per equity share, of face value of Rs.10/- each of the Company, if declared, will be paid to those members whose names appear in the Register of Members or in the records of the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners of the shares as at the end of business hours on September 15, 2017. Book Closure Date: September 16, 2017 to September 22, 2017 (both days inclusive).

d. Listing of Shares

The Equity shares of the Company are currently listed at the following Stock Exchanges:

i) BSE Limited ('BSE')

Address: 1st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001

ii) National Stock Exchange of India Limited ('NSE')

Address: Exchange Plaza, 5th Floor, Plot no C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

It is hereby confirmed that the Annual Listing fees for the period April 1, 2017 to March 31, 2018 has been paid to both the Stock Exchanges.

e. Stock Code

NSE : NIITTECH

BSE : 532541

ISIN at NSDL/CDSL : INE 591G01017

f. Market Price Data:

The monthly high and low share prices and market capitalization of Equity Shares of the Company traded on BSE and NSE from April 1, 2016 to March 31, 2017 and the comparison of share prices of the Company vis-à-vis the Sensex and Nifty Indices are given below:

Share price movement during the year April 1, 2016 to March 31, 2017:

	Bombay Stock Exchange				National Stock Exchange)			
Month	Sensex	High Price (Rs.)	Low Price (Rs.)	Market Cap* (Rs Mn)	Nifty	High Price (Rs.)	Low Price (Rs.)	Market Cap* (Rs Mn)
Apr-16	25607	519.00	468.10	28,840	7850	518.30	467.00	28,736
May-16	26668	495.00	453.45	29,718	8160	497.50	452.00	29,712
Jun-16	27000	587.60	483.60	31,322	8288	587.00	484.25	31,383
Jul-16	28052	534.60	448.00	27,623	8639	534.20	448.70	27,592
Aug-16	28452	461.00	388.00	24,502	8786	456.00	386.75	24,524
Sep-16	27866	453.00	392.00	25,745	8611	449.45	391.20	25,705
Oct-16	27930	455.00	405.00	25,119	8626	450.50	404.60	25,110
Nov-16	26653	430.30	370.00	26,097	8225	430.00	366.55	26,091
Dec-16	26626	441.00	402.00	25,999	8186	441.00	402.00	26,061
Jan-17	27656	452.00	408.05	25,140	8561	452.95	406.80	25,165
Feb-17	28743	430.55	401.75	25,591	8880	431.00	400.75	25,539
Mar-17	29621	437.70	401.10	26,778	9174	437.80	404.25	26,729

*Market Capitalization at closing price of the month

Source: BSE/NSE Website

g. Performance of the share price of the Company in comparison to BSE Sensex:

Performance in compatison to the broad indices such as BSE Sensex, NSE			
Stock price/ Index	As on March 31, 2016	As on March 31, 2017	% Increase /Decrease
NIIT Technologies Ltd	496.7	435.6	-12%
Nifty IT	11309.3	10703.3	-6%
Nifty 50	7738.4	9173.8	-19%
S&P BSE Sensex	25341.9	29620.9	-17%

h. During the year, no securities of the Company were suspended from trading

i. Registrar for Dematerialisation (Electronic Mode) of shares & Physical Transfer of shares

The Company has appointed a Registrar for dematerialisation and transfer of shares whose details are given below:–

Alankit Assignments Limited

Unit: NIIT Technologies Limited

Alankit Heights RTA Division,

1E/13, Jhandewalan Extension,

New Delhi – 110 055.

Phone Nos. : 011-42541234, 23541234

Fax Nos. : 011-23552001, E-mail : rta@alankit.com

j. Share Transfer System

The Company has appointed a common Registrar for physical share transfer and dematerialisation of shares.

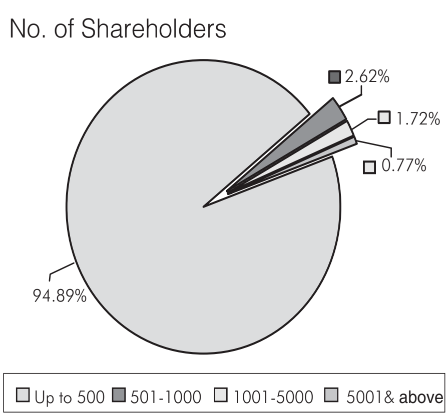
The shares lodged for physical transfer/transmission/ transposition are registered within stipulated period as stated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all amendments thereto. For this purpose, the Share Transfer Committee (a sub-committee of Stakeholders Relationship Committee of the Board) meets as often as required.

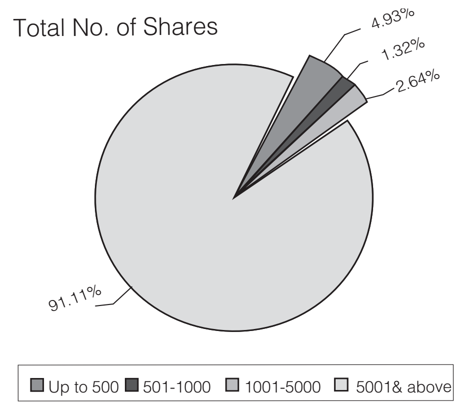
During the review period, the Committee met 18 times. Adequate care is taken to ensure that no transfers are pending for more than a fortnight. Physical Shares requested for dematerialisation were confirmed mostly within a fortnight.

k. Distribution of shareholding

Shareholding Distribution Schedule as on March 31, 2017

Range (No. of Shares)	No. of Shareholders	% to Total Shareholders	Range (No. of Shares)	Total No. of Shares	% to Total Shares
Up to -500	41063	94.89	Up to -500	3,023,701	4.93
501-1000	1133	2.62	501-1000	810,073	1.32
1001-5000	745	1.72	1001-5000	1,621,485	2.64
5001 & above	332	0.77	5001 & above	55,906,915	91.11
TOTAL	**43273**	**100.00**	**TOTAL**	**61,362,174**	**100.00**

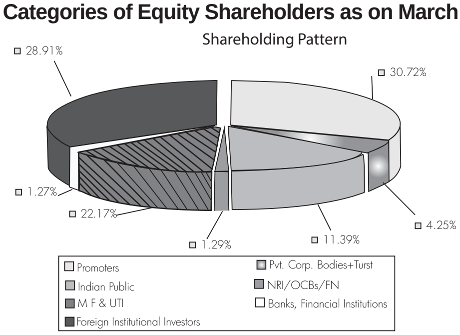




Shareholding Pattern as on March 31, 2017

Category	No. of Shares held (face value of Rs. 10/- each	Percentage of total shareholding
Promoters' Shareholding		
Indian Promoters	18,848,118	30.72
Foreign Promoters	-	-
Total Promoters' Holding	**18,848,118**	**30.72**
Public Shareholding		
Mutual Fund and UTI	13,605,010	22.17
Banks, Financial Institutions & Insurance Companies	781,000	1.27
Foreign Portfolio Investors & Foreign Institutional Investors.	17,737,518	28.91
NRI/Foreign Nationals	794,630	1.29
Private Corporate Bodies & Trust	2,609,230	4.25
Individuals	6,986,668	11.39
Total Public Shareholding	**42,514,056**	**69.28**
Grand Total	**61,362,174**	**100.00**

Categories of Equity Shareholders as on March 31, 2017



l. Dematerialisation of Shares & Liquidity

The Shares of the Company are compulsorily traded in dematerialised form by all categories of investors. The Company has arrangements with both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), to establish electronic connectivity of the shares for scrip less trading. As on March 31, 2017, 99.46% percent shares of the Company were held in dematerialised form.

Liquidity of shares

The Shares of the Company are traded electronically on the Bombay Stock Exchange and National Stock Exchange. The Company's shares are included in indices of BSE-500, and small- mid cap index.

m. Outstanding Global Depository receipts or American Depository Receipts or warrants or any convertible instruments, conversion rate and likely impact on equity

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, which are likely to have an impact on the equity of the Company.

n. Commodity Price Risk or foreign exchange risk and hedging activities

During the Financial Year 2016-17, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Management Discussion & Analysis Report.

o. Plant Locations

In view of the nature of the Company's business viz., Information Technology (IT) Services and IT Enabled Services (ITeS), the Company operates from various offices worldwide.

p. Registered Office:

NIIT Technologies Limited,
8, Balaji Estate, First Floor, Guru Ravi Das Marg,
Kalkaji, New Delhi - 110 019, India
Tel Nos. : +91 1141675000
Fax: +91 11 41407120
e-mail: investors@niit-tech.com

q. Address for correspondence

The shareholders may address their communication/ suggestions/ grievances /queries to:

The Compliance Officer
NIIT Technologies Limited
8, Balaji Estate, Guru Ravi Das Marg,
Kalkaji, New Delhi – 110 019 Tel No. : 91 11 41675000
Fax : 91 11 41407120
e-mail: – investors@niit-tech.com

r. Equity shares in Suspense Account: Unclaimed shares

In accordance with the requirement of Regulation 34(3) & Part F of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company reports the following details in respect of equity shares lying in Unclaimed Suspense Account i.e. "NIIT Technologies Limited - Unclaimed Suspense Account" with Alankit Assignments Limited.

The details of unclaimed shares of the Company for the year ended March 31, 2017 as per Regulation 39 of Listing Regulations, are as under:

S. No.	Particulars	No. of Share-holders	No. of Shares
i.	Aggregate number of shareholders and the outstanding shares lying in Unclaimed Suspense Account at the beginning of the year	221	35412
ii.	Number of shareholders who approached for transfer of shares from Unclaimed Suspense Account during the year	3	224
iii.	Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year	3	224
iv.	Aggregate number of shareholders and the outstanding shares lying in Unclaimed Suspense Account at the end of the year	218	35188

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

s. Nomination Facility

The Companies Act, 2013 has provided for a nomination facility to the Shareholders of the Company. The Company is pleased to offer the facility of nomination to Shareholders and Shareholders may avail this facility by sending the duly completed form to the Registered Office of the Company/ Registrar and Transfer Agent of the Company in case the shareholding is in physical form. The shareholders may obtain a copy of the said form from the Registered Office of the Company or can download it from the website of the Company at www.niit-tech.com. In case of demat holdings, the request may be submitted to the Depository Participant.

t. Compliance Certificate

Certificate obtained from the Statutory Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated in Para E of Schedule V of the Listing Regulations, is annexed to this Report.

Statutory Compliance

The Company has a system in place whereby Chief Financial Officer and Chief Executive Officer provides Compliance Certificate to the Board of Directors based on the confirmations received from business heads/ unit heads of the Company relating to compliance of various laws, rules, regulations and guidelines applicable to their areas of operation. The Company takes appropriate steps after consulting internally and if necessary, with independent legal counsels to ensure that the business operations are not in contravention of any laws. The Company takes all measures to register and protect Intellectual Property Rights belonging to the Company.

u. (i) Transfer of Unclaimed/Unpaid amounts to the Investor Education & Protection Fund ('IEPF'):

In terms of provisions of the Companies Act, 2013 read with Rules enacted therein, and all other applicable provisions, if any, all unclaimed/unpaid dividend remaining unpaid/unclaimed for a period of seven years from the date they became due for payment, have been transferred to the Investor Education and Protection Fund of the Central Government. During the year the Company has transferred Rs. 2,478,047 on account of unpaid/unclaimed dividend in Investor Education and Protection Fund ("IEPF")of the Central Government, pursuant to Rule 3 of the Investor Education and Protection Fund (Awareness & Protection of Investors Rules, 2001). No claim shall lie against the Company for the amount so transferred prior to March 31, 2017, nor shall any payment against any such claim.

The Company has sent notices to the aforesaid shareholders to apply for revalidation/issue of demand drafts for the dividend for the Financial Year ending March 31, 2010 failing which any unclaimed dividend amount for the Financial Year 2009-2010 will be transferred to Investors Education and Protection Fund (IEPF) by the Company and no claim shall lie against the Company or IEPF after the said transfer.

Information in respect of unclaimed dividend when due for transfer to the Investors Education and Protection Fund (IEPF) is given below:

Financial Year	Types of Dividend	Date of Declaration of Dividend	Due date of transfer
2009-10	Final Dividend	09-07-2010	08- 08-2017
2010-11	Final Dividend	01-07-2011	30-07-2018
2011-12	Final Dividend	02-07-2012	01-08-2019
2012-13	Final Dividend	01-07-2013	31-07-2020
2013-14	Final Dividend	07-07-2014	06-08-2021
2014-15	Final Dividend	03-08-2015	02-09-2022
2015-16	Final Dividend	01-08-2016	31-08-2023

(ii) Transfer of equity shares of the company, unclaimed dividends, other amounts and shares under section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer And Refund) Rules, 2016 to Investors Education & Protection Fund of the Authority

Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more. In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2009-10 or earlier financial years has not been paid or claimed by the members for 7 (seven) consecutive years or more.

The Company has issued two newspaper advertisements on November 27, 2016 & April 13, 2017. Also, the Company had sent letters individually to the concerned shareholders whose shares are liable to be transferred to the demat account of the IEPF Authority, at their latest address registered with the Company so that they can apply to the Company with requisite details and documents and claim their shares, if any. The Company has also uploaded full details of such shareholders and shares due for transfer to the demat account of the IEPF Authority on its website at link http://www.niit-tech.com/investors/statutory-disclosures

v. Compliance Officer

Mr. Lalit Kumar Sharma, is the Company Secretary and Compliance Officer of the Company. The Compliance officer can be contacted for any shareholder/investor related matter of the Company. The contact no. is +91-120-4285000, Fax no. is +91-120-4285333 and e-mail ID is investors@niit-tech.com.

w. Code for prevention of Insider -Trading Practices

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 on prevention of insider trading, the Company has laid down a comprehensive code of conduct to regulate, monitor and report trading in the shares of the Company, by its employees and other connected persons. The Company has also laid down a Code on Fair Disclosure which deals with the practices & procedures for fair disclosure of unpublished price sensitive information. The Code(s) lays down guidelines for fair disclosure of unpublished price sensitive information and advises the persons covered under the said Code(s) on procedures to be followed and disclosures to be made, while dealing with shares of the Company and advising them of the consequences of violations. The URL of the same is:https://www.niit-tech.com/investors/statutory-disclosures

x. Reconciliation of Share Capital Audit

A qualified Practicing Company Secretary carries out quarterly Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

y. Subsidiary Companies

In order to comply with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on material subsidiaries and posted the same on the website of the Company.

At present, the Company has only one material subsidiary i.e. NIIT Technologies INC. USA whose income exceeds 20% of the consolidated income of the holding company in the immediately preceding accounting year.

The Financials of Subsidiary Companies are tabled at the Audit Committee Meetings. Copies of the Minutes of the Audit Committee/Board Meetings of Subsidiary Companies are placed before the Board members at the subsequent Board Meetings.

z. Disclosure of Accounting Treatment of Financial Statements of the Company

The financial statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

Financial Statements for the year ended 31 March 2017 were the first statement prepared under Ind AS

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of Company's business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

OTHER DISCLOSURES

a. Related Party Transactions

There are no materially significant related party transactions of the Company, which have a potential conflict with the interests of the Company at large. The related party transactions (as per IND AS) of the Company in the ordinary course of business during the year April 1, 2016 to March 31, 2017 are reported under Note 31 (B) of the Financial Statements.

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. The same, as per the provisions of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015, were placed before the Audit Committee of the Company and are regularly/periodically ratified and/or approved by the Board/Audit Committee. For further details, please refer to Notes, forming part of the Balance Sheet of the Company.

Related Party Transactions Policy

The Board has approved a policy for related party transactions which has been uploaded on the Company's website – www.niit-tech.com/investors/policysummarized.pdf

b) Strictures and Penalties

The Company has complied with the requirements of the Stock Exchange(s)/SEBI and Statutory Authority(ies) on all matters related to the capital market during the last three years. There are no penalties or strictures imposed on the Company by Stock Exchange(s) or SEBI or any Statutory Authority(ies) relating to the above.

c) Vigil Mechanism/Whistle Blower Policy

In view of the requirement as stipulated by Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015, the Company has complied with all the provisions of the Section and has a Whistle Blower Policy duly approved by the Audit Committee to report concerns about unethical behaviour, actual & suspected frauds, or violation of Company's Code of Conduct and Ethics. The Company hereby affirms that no person has been denied access to the Audit Committee.

The policy is uploaded on the website of the Company and the URL for the same is http://www.niit-tech.com/sites/default/files/Whistle%20Blower%20Policy-upload.pdf

d) Risk Management Framework

The Company has laid down procedures to inform the Board Members about the Risk assessment and procedures. All the designated officials submit quarterly reports, through online risk management system, which is reviewed periodically to ensure effective risk identification and management.

Internal Control

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/ regulatory compliances. The Company has a strong monitoring and reporting process resulting in financial discipline and accountability.

e) Proceeds from the public issue/right issue/ preferential issues etc.

There was no fresh public issue/right issue/ preferential issues etc. during the Financial Year 2015-16 (except shares allotted under Employee Stock Option Scheme of the Company).

f) Remuneration of Non- Executive Directors

The Company has defined its criteria of making payment of remuneration to its Non-Executive Directors. The details are stated in the section 'Remuneration Policy' of the report.

g) Management Discussion and Analysis

There is a separate part on Management Discussion and Analysis in the Annual Report.

h) Inter-se relationship between directors

There is no inter-se relationship between Directors of the Company.

i) The Company is having the following policies as per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Policy for Dividend Distribution. URL for the same is: http://www.niit-tech.com/sites/ default/files/Dividend-Distribution-Policy.pdf

Policy for determining `material' subsidiaries. URL for the same is: https://www.niit-tech.com/sites/default/files/PolicyonMaterial-subsidiary.pdf

Archival Policy on Preservation of Documents of the Company. URL for the same is: https://www.niit-tech.com/sites/default/files/Archival-policy-uploaded.pdf

Policy on determination of material/price sensitive information. URL for the same is: https://www.niit-tech.com/sites/default/files/Policy-on-Materiality-of-events-or-information-uploaded-version.pdf

Compliance with mandatory and non-mandatory requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

a. Mandatory Requirements

The Company has complied with all the applicable mandatory requirements of the Listing Regulations.

b. Non-mandatory Requirements

The Company has adopted following discretionary requirements of Regulation 27 (1) of the Listing Regulations:

1) Shareholders Rights:

The quarterly and half-yearly Financial Results are published in widely circulated dailies and also displayed on Company's website. The Company sends Financial Statements along with Directors' report and Auditors' report to all the Shareholders every year.

2) Modified Opinion(s) in Audit Report

The Company's Standalone and Consolidated Financial Statements are with unmodified audit opinion for the Financial Year ended on March 31, 2017.

3) Separate posts of Chairperson and CEO

During the year 2016-17, the Company continued to have separate persons in the post of Chairperson and CEO.

4) Reporting of Internal Auditor

The Internal Auditor reports to the Audit Committee.

CERTIFICATE RELATING TO COMPLIANCE WITH THE CODE OF CONDUCT FOR DIRECTORS/ SENIOR MANAGEMENT

This is to certify that as per SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015:

1. The code of conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
2. The code of conduct has been posted on the website of the Company.
3. The Board members and Senior Management personnel have affirmed compliance with the Company's code of conduct for the year 2016-17

Sd/-
Arvind Thakur
Chief Executive Officer & Jt. Managing Director

Dated: May 05, 2017
Place : Noida

CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 17(8) & PART E OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS), REGULATIONS, 2015

To,

The Board of Directors

NIIT Technologies Limited

8, Balaji Estate, Guru Ravi Das Marg,

Kalkaji, New Delhi – 110 019

We hereby certify that for the Financial Year 2016-17

1. We have reviewed the financial statements and the cash flow statement and that to the best of our knowledge and belief:-
   (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (b) 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.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2016-17 which are fraudulent, illegal or violate the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, if any, of which we are aware, in the design or operation of the internal control systems and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:-
   a. significant changes, if any, in internal control over financial reporting during this year.
   b. significant changes, if any, in accounting policies during this year 2015-16 and that the same have been disclosed in the notes to the financial statements; and
   c. instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-	**Sd/-**
Arvind Thakur	**Amit Kumar Garg**
Chief Executive Officer & Jt. Managing Director	**Chief Financial Officer**

Dated: May 05, 2017
Place : Noida

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by NIIT Technologies Limited, for the year ended March 31, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 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 Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants
Sd/-
Anupam Dhawan
Partner
Membership No: 084451

Place : Noida
Date: May 05, 2017

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NIIT TECHNOLOGIES LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of NIIT Technologies 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 the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. 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 to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including 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.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. 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

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed unmodified opinions dated May 6, 2016 and May 5, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 (including other comprehensive income), the Cash Flow Statement and the 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 Indian Accounting Standards specified under Section 133 of the Act.
    (e) On the basis of the written representations received from the directors as on March 31, 2017 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 A.
    (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
        i The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 32;
        ii. The Company has made provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 15;
        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
        iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. However, as stated in note 40 to the financial statements amounts aggregating to Rs. 9,211 as represented to us by the Management have been utilized for other than permitted transactions and received amount aggregating Rs.3,500 from transactions which are not permitted.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants
Sd/-
Anupam Dhawan
Partner
Membership No: 084451

Place : Noida
Date: May 05, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of NIIT Technologies Limited on the standalone Indian Accounting Standards (Ind AS) financial statements for the year ended March 31, 2017

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

1. We have audited the internal financial controls over financial reporting of NIIT Technologies Limited ("the Company") as of March 31, 2017 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

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. 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.
5. 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

6. 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

7. 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

8. 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 Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants
Sd/-
Anupam Dhawan
Partner
Membership No: 084451

Place : Noida
Date: May 05, 2017

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of NIIT Technologies Limited on the standalone Indian Accounting Standards (Ind AS) financial statements as of and for the year ended March 31, 2017

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

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipment to the financial statements, are held in the name of the Company.

ii. According to the information and explanations given to us, the Company procures inventories specifically for the purpose of executing certain contracts and there is no inventory lying with the management or in transit as at the year end.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it. The Company has not granted any loans or made any investment, or provided any guarantee or security to the parties covered under section 185.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, duty of customs , duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax and as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax Interest	31,038,133 17,390,185	Assessment Year 2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Interest	101,587,713 51,477,011	Assessment Year 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Interest	7,452,835 1,770,798	Assessment Year 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Interest	67,757,486 20,851,525	Assessment Year 2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax Interest	439,716 111,484	Assessment Year 2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax Interest	10,401,805 7,102,295	Assessment Year 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax Interest	8,042,832 5,101	Assessment Year 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax Interest	7,569,291 1,150,449	Assessment Year 2013-14	Commissioner of Income Tax (Appeals)

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of NIIT Technologies Limited on the standalone Indian Accounting Standards (Ind AS) financial statements as of and for the year ended March 31, 2017

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution and bank as at the balance sheet date. The Company has not issued any debentures as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

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. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants
Sd/-
Anupam Dhawan
Partner
Membership No: 084451

Place : Noida
Date: May 05, 2017

NIIT Technologies Limited
(CIN: L65993DL1992PLC048753)
Balance Sheet

(All amounts in Rs Mn., unless otherwise stated)

Particulars	Notes	31 March 2017	31 March 2016	1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	4,501	4,694	3,102
Capital work-in-progress	3	-	7	1,160
Goodwill	4	21	21	21
Other intangible assets	4	419	524	635
Financial assets				
Investments	5 (i)	3,458	3,458	2,108
Other financial assets	5 (iii)	128	135	149
Deferred tax assets	6	687	550	437
Other non-current assets	7	113	254	299
Total non-current assets		**9,327**	**9,643**	**7,911**
Current assets				
Inventories	8	-	-	82
Financial assets				
Investments	5 (ii)	2,383	634	234
Trade receivables	5 (iv)	2,302	2,515	4,423
Cash and cash equivalents	5 (v)	576	1,045	438
Bank balances other than above	5 (vi)	14	14	327
Other financial assets	5 (iii)	651	472	450
Current tax assets	9	500	454	254
Other current assets	10	574	594	524
Total current assets		**7,000**	**5,728**	**6,732**
Total Assets		**16,327**	**15,371**	**14,643**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	614	612	610
Other equity				
Reserves and surplus	12	12,511	11,482	10,144
Other reserves	13	269	137	131
Total equity		**13,394**	**12,231**	**10,885**
Liabilities				
Non-Current Liabilities				
Financial liabilities				
Borrowings	14 (i)	70	60	46
Trade payables	14 (ii)	140	191	250
Provisions	15	206	178	113
Employee benefit obligations	16	454	398	306
Other non-current liabilities	17	82	145	208
Total non- current liabilities		**952**	**972**	**923**
Current liabilities				
Financial liabilities				
Borrowings	14 (iii)	28	29	212
Trade payables	14 (iv)	585	537	819
Other financial liabilities	14 (v)	165	245	671
Provisions	15	308	362	346
Employee benefit obligations	16	151	156	138
Other current liabilities	18	744	839	649
Total current liabilities		**1,981**	**2,168**	**2,835**
Total Liabilities		**2,933**	**3,140**	**3,758**
Total equity and liabilities		**16,327**	**15,371**	**14,643**

The above balance sheet should be read in conjunction with the accompanying Notes.

This is the balance sheet referred to in our report of even date.

For Price Waterhouse
Firm Registration No.301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Joint Managing Director
DIN 00042534

Anupam Dhawan
Partner
Membership No.084451

Amit Kumar Garg
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary & Legal Counsel

Place : Noida
Date : May 5, 2017

NIIT Technologies Limited
(CIN: L65993DL1992PLC048753)
Statement of Profit and Loss

(All amounts in Rs Mn., unless otherwise stated)

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	19	15,951	14,842
Other income	20	338	447
Total income		**16,289**	**15,289**
Expenses			
Purchase of stock-in-trade		43	223
Changes in inventories of stock- in- trade	21	-	82
Employee benefit expense	22	9,501	8,599
Depreciation and amortization expense	23	909	815
Other expenses	24	3,611	3,283
Finance costs	25	36	68
Total expenses		**14,100**	**13,070**
Profit before exceptional items and tax		**2,189**	**2,219**
Exceptional items	26	221	6
Profit before tax		**1,968**	**2,213**
Income tax expense:			
- Current tax	27	531	371
- Deferred tax	27	(212)	(75)
Total tax expense		**319**	**296**
Profit for the year		**1,649**	**1,917**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Deferred gains on cash flow hedges	29	372	167
Income tax relating to these items	27	(103)	(30)
		269	**137**
Items that will not be reclassified to profit or loss			
Remeasurement of post - employment benefit obligations (expenses) / income		(10)	12
Income tax charge / (credit)	27	(3)	4
		(7)	**8**
Other comprehensive income for the year, net of tax		**262**	**145**
Total comprehensive income for the year		**1,911**	**2,062**
Earnings per equity share for profit from operations attributable to owners of NIIT Technologies Limited:			
Basic earnings per share	35	26.90	31.37
Diluted earnings per share	35	26.84	31.18

The above statement of profit and loss should be read in conjunction with the accompanying Notes.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse
Firm Registration No.301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Joint Managing Director
DIN 00042534

Anupam Dhawan
Partner
Membership No.084451

Amit Kumar Garg
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary & Legal Counsel

Place : Noida
Date : May 5, 2017

NIIT technologies
New Ideas, More Value™

NIIT Technologies Limited
(CIN: L65993DL1992PLC048753),
Statement of Changes in Equity

(All amounts in Rs Mn., unless otherwise stated)

a. Equity Share Capital

Particulars	Number	Amount
As at 1 April 2015	61,044,899	610
Changes in equity share capital #	141,625	2
As at 31 March 2016	**61,186,524**	**612**
Changes in equity share capital #	175,650	2
As at 31 March 2017	**61,362,174**	**614**

b. Other Equity

Description	Reserves and surplus (Refer Note 12)					Other reserves		Total
	Capital redemption reserve	Securities premium reserve	Share options outstanding account	General reserves	Retained earnings	Capital reserve (Refer Note 37)	Cash flow hedging reserve (Refer Note 13)	
Balance at 1 April 2015	**17**	**305**	**47**	**1,863**	**7,907**	**5**	**131**	**10,275**
Profit for the year	-	-	-	-	1,917	-	-	1,917
Other Comprehensive Income	-	-	-	-	8	-	-	8
Total Comprehensive Income for the year	-	-	-	-	1,925	-	-	1,925
Employee stock option expense	-	-	5	-	-	-	-	5
Impact on fair valuation of employee stock options #	-	0	21	-	-	-	-	21
Transferred from stock options outstanding	-	40	-	-	-	-	-	40
Dividend paid for the year	-	-	-	-	(580)	-	-	(580)
Corporate dividend tax above dividend	-	-	-	-	(73)	-	-	(73)
Fair value changes on cash flow hedges, net of tax	-	-	-	-	-	-	6	6
Balance at 31 March 2016	**17**	**345**	**73**	**1,863**	**9,179**	**5**	**137**	**11,619**

0 represents amount is below the rounding off norm adopted by the Company.

Description	Reserves and surplus (Refer Note 12)					Other reserves		Total
	Capital redemption reserve	Securities premium reserve	Share options outstanding account	General reserves	Retained earnings	Capital reserve (Refer Note 37)	Cash flow hedging reserve (ReferNote 13)	
Balance at 1 April 2016	**17**	**345**	**73**	**1,863**	**9,179**	**5**	**137**	**11,619**
Profit for the year	-	-	-		1,649	-	-	1,649
Other Comprehensive Income	-	-	-	-	(7)	-		(7)
Total Comprehensive Income for the year	-	-	-	-	1,642	-	-	1,642
Employee stock option expense	-	-	14	-	-	-	-	14
Impact on fair valuation of employee stock options	-	8	26	-	-	-	-	34
Transferred from stock options outstanding	-	55	-	-	-	-	-	55
Dividend paid for the year	-	-	-	-	(613)	-	-	(613)
Corporate dividend tax above dividend	-	-	-	-	(103)	-	-	(103)
Fair value changes on cash flow hedges, net of tax	-	-	-	-	-	-	132	132
Balance at 31 March 2017	**17**	**408**	**113**	**1,863**	**10,105**	**5**	**269**	**12,780**

The accompanying Notes form an integral part of the financial statement.
This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse
Firm Registration No.301112E
Chartered Accountants
Anupam Dhawan
Partner
Membership No.084451
Place : Noida
Date : May 5, 2017

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Joint Managing Director
DIN 00042534

Amit Kumar Garg
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary & Legal Counsel

NIIT Technologies Limited
(CIN: L65993DL1992PLC048753)
Statement of Cash Flows

(All amounts in Rs Mn., unless otherwise stated)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Cash flow from operating activities		
Profit before income tax and exceptional items	2,189	2,219
Adjustments for:		
Depreciation and amortisation expense	909	815
Loss on disposal of property, plant and equipment (net)	4	10
Dividend income from financial assets at amortised cost	(108)	(223)
Interest income from financial assets at amortised cost	(12)	(15)
Interest and finance charges	12	35
Gain on sale of investments	(57)	(17)
Unrealized gain on fair valuation of current investments	(43)	(2)
Employee share-based payment expense	53	28
Provision for doubtful debts and unbilled revenue (including written off) (net)	58	93
Provision for customer contracts	(12)	88
Unwinding of discount - Finance Income	(8)	(24)
Unwinding of discount - Finance Cost	16	25
Net exchange (gains)/losses	(40)	(2)
	772	**811**
Changes in operating assets and liabilities		
Decrease/ (Increase) in trade receivables	79	1,881
Decrease/ (Increase) in other financial assets	85	(104)
Decrease/(Increase) in other current assets	32	(66)
Decrease /(Increase) in inventories	-	82
Decrease/ (Increase) in other non-current assets	129	(42)
Decrease in other bank balances #	0	312
(Increase)/Decrease in other non-current liabilities	-	(8)
Decrease in other current liabilities	(4)	(343)
Increase in other financial liabilities	-	(403)
Increase in employee benefit obligations	29	121
(Decrease)/ Increase in other current liabilities	(121)	162
Cash generated from operations	**229**	**1,592**
Income taxes paid	(573)	(575)
Exceptional items [Refer Note 26]	(221)	(6)
Net cash inflow from operating activities	**2,396**	**4,041**
Cash flow from investing activities		
Purchase of Property plant and equipment	(698)	(1,145)
Proceeds from sale of Property, plant and equipment	15	8
Payments for acquisition of a subsidiary	-	(1,350)
Payments for purchase of current investments in mutual funds	(5,547)	(4,068)
Proceeds from sale of current investments in mutual funds	3,897	3,687
Dividend received from financial assets at amortised cost	108	223
Interest received from financial assets at amortised cost	8	19
Net cash outflow from investing activities	**(2,217)**	**(2,626)**
Cash flow from financing activities		
Proceeds from issue of shares (including share premium)	70	47
Proceeds from borrowings	63	59
Repayment of borrowings	(53)	(226)
Interest paid	(12)	(35)
Dividends paid to Company's shareholders	(716)	(653)
Net cash outflow from financing activities	**(648)**	**(808)**
Net (decrease)/increase in cash and cash equivalents	**(469)**	**607**
Cash and cash equivalents at the beginning of the financial year	1,045	438
Cash and cash equivalents at the end of the financial year	**576**	**1,045**

Statement of Cash Flows

(All amounts in Rs Mn., unless otherwise stated)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following [Note 5(v)]		
Balances with banks	561	932
Cash on hand #	-	-
Cheques, drafts on hand	15	113
	576	**1,045**

0 represents amount is below the rounding off norm adopted by the Company.

The above statement of cash flows should be read in conjunction with the accompanying Notes.

This is the Statement of cash flows referred to in our report of even date.

For Price Waterhouse
Firm Registration No.301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Joint Managing Director
DIN 00042534

Anupam Dhawan
Partner
Membership No.084451

Amit Kumar Garg
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary & Legal Counsel

Place : Noida
Date : May 5, 2017

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

Background

NIIT Technologies Limited ("the Company") is a Company limited by shares, incorporated and domiciled in India. The Company delivers services around the world directly and through its network of subsidiaries and overseas branches. The Company is rendering Information Technology solutions and is engaged in Application Development and Maintenance, Managed Services, Cloud Computing and Business Process Outsourcing to organizations in a number of sectors viz. Financial Services, Insurance, Travel, Transportation and Logistics, Manufacturing and Distribution and Government. The Company is a public listed Company and is listed on Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Note 1:Significant accounting policies

This Note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) *Compliance with Ind AS*

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer Note 39 for an explanation on how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) *Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration that are measured at fair value;
- defined benefit plans - plan assets measured at fair value; and
- share-based payments

(iii) *Exceptional Items*

Significant impact on the financial results arising from any suspension/termination of large customer contracts is considered and reported as an exceptional item.

(b) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income that are reported and disclosed in the financial statements and accompanying Notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used, but not limited to accounting for costs expected to be incurred to complete performance under IT service arrangements, allowance for uncollectible accounts receivables and unbilled revenue, accrual of warranty costs, income taxes, valuation of share-based compensation, future obligations under employee benefit plans, the useful lives of property, equipment and intangible assets, impairment of property, equipment, intangibles and goodwill, other contingencies and commitments. Changes in estimates are reflected in the financial statements in the period in which the changes are made. Actual results could differ from those estimates.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Chief Executive Officer (CEO) of the Company has been identified as being the Chief Operating Decision Maker by the Management of the Company.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company is measured using the currency of the primary economic environment in which the Company operates (the 'functional currency'). Financial statements of the Company are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

All foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate

Notes to the financial statements (All amounts in Rs Mn., unless otherwise stated)

between the functional currency and the foreign currency at the monthly rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All monetary assets and liabilities in foreign currency are restated at the end of the accounting period. Exchange difference on restatement of all other monetary items are recognized in the Statement of Profit and Loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rates.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts and taxes.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Contracts involving provision of services

Revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable and collectability is reasonably assured. Contracts can be primarily categorized as time and material or fixed price contracts.

(a) *Time and material contracts*

Revenue with respect to time-and-material contracts is recognized as the related services are performed.

(b) *Fixed Price contracts*

Revenue related to contracts providing maintenance and support services, is recognized over the term of the contract.

Revenue related to fixed price contracts is recognized in accordance with the proportionate completion method (PCM). The input (efforts expended) method is used to measure progress towards completion, as there is a direct relationship between input and productivity. Costs are recorded as incurred over the contract period. Any revision in cost to complete would result in increase or decrease in revenue and income and such changes are recorded in the period in which they are identified. Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates. Contract losses are determined to be the amount by which the estimated total cost to complete exceeds the estimated total revenues that will be generated by the contract and are included in cost of services and classified in provisions. For services accounted for under the PCM method, cost and earnings in excess of billing are classified as unbilled revenue, while billing in excess of cost and earnings are classified as deferred revenue.

(ii) *Contracts involving sale of products*

Revenue from product sales are shown net of sales tax and applicable discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non receipt of acceptance from the customer, the cost of the delivered item is also deferred. Revenue from maintenance services is recognized on a straight line basis over the period of the contract.

(iii) *Multiple-element arrangements*

When a sales arrangement contains multiple elements, such as services, hardware and software products and licenses revenue for each element is based on a selling price hierarchy. The selling price for a deliverable is based on its vendor specific objective evidence if available, third party evidence if vendor specific objective evidence is not available, or estimated selling price if neither vendor specific objective evidence nor third party evidence is available. The best estimate of selling price is established considering internal factors such as margin objectives, pricing practices and customer segment pricing strategies. Consideration is also given to market conditions such as competitor pricing strategies. In multiple-element arrangements, revenue is allocated to each separate unit of accounting using the relative selling price of each of the deliverables in the arrangement based on the aforementioned selling price hierarchy. If the arrangement contains more than one software deliverable, the arrangement consideration is allocated to the each software deliverable basis its fair value. Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges. Certain upfront non-recurring contract acquisition costs incurred in the initial phases of contracts are deferred and amortized usually on a straight line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

Notes to the financial statements (All amounts in Rs Mn., unless otherwise stated)

When revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Company is a principal to the transaction and net of costs when the Company is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Company is a principal or an agent, most notably whether the Company is the primary obligor to the customer, has established its own pricing, and has inventory and credit risks."

(f) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its overseas branches operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current tax and deferred tax are recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in Other Comprehensive Income or directly in equity. In this case, the tax is also recognized in Other Comprehensive Income or directly in equity, respectively.

(g) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

(h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal or value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or a group of assets (cash-generating units). Non-financial assets, other than goodwill, that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(j) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

(k) Inventories

Inventories represent items of traded goods that are specific to execute composite contracts of software services and IT infrastructure management services. Inventory is carried at the lower of cost or net realizable value. The net realizable value is determined with reference to selling price of goods less the estimated cost necessary to make the sale. Cost of goods that are procured for specific projects is assigned by specific identification of their individual costs.

(l) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gain and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company reclassifies debt investment when and only when its business model for managing those assets changes.

For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

(ii) *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. In the case of financial asset not at fair value, transaction costs are directly expensed off in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of the contractual cash flows and for selling the financial assets, where the asset's cash flow represents solely payments of principal and

Notes to the financial statements (All amounts in Rs Mn., unless otherwise stated)

interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payment is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost, FVPL and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivable.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- the Company has transferred the rights to receive cash flows from the financial asset, or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where an entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where an entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where an entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income

Interest income is recognized using the effective interest method.

Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(vi) Investment in subsidiaries

Investment in subsidiaries are accounted for at cost.

(m) Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions.

The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

Notes to the financial statements (All amounts in Rs Mn., unless otherwise stated)

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within other gains/(losses).

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

(n) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(o) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets. The estimates of useful lives of the assets are as follows:

Asset	**Useful life**
Leasehold Land	Over the period of lease
Buildings	60 years
Plant and Machinery:	
Computers and peripherals	2-5 years
Office Equipment	5 years
Other assets	3-15 years
Furniture and Fixtures	4-10 years
Leasehold improvements	3 years or lease period whichever is lower
Vehicles	8 years

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the

Notes to the financial statements (All amounts in Rs Mn., unless otherwise stated)

assets. The residual values are not more than 5% of the original cost of the asset.

The asset's residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written down immediately to it's recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

(p) Intangible assets

(i) Goodwill

Goodwill on acquisitions of business is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(ii) Computer software

Costs associated with maintaining software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

a) it is technically feasible to complete the software so that it will be available for use,

b) management intends to complete the software and use or sell it,

c) there is an ability to use or sell the software,

d) it can be demonstrated how the software will generate probable future economic benefits,

e) adequate technical, financial and other resources to complete the development and to use or sell the software are available, and

f) the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

During the period of development, the asset is tested for impairment annually. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

(iii) Research and development

Research expenditure and development expenditure that do not meet the criteria in (ii) above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(iv) Amortization methods and periods

The Company amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

Patents, copyright and other rights	5 years
Computer software - external	3 years

Project specific softwares are amortised over the project duration.

(v) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per the agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(r) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption

Notes to the financial statements (All amounts in Rs Mn., unless otherwise stated)

amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(s) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time, that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(t) Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimates of the expenditure incurred to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

(u) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post - employment obligations

Defined benefit plans:

Provident Fund

Employees Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

Gratuity

Gratuity is a post employment defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the Balance Sheet date less fair value of plan

Notes to the financial statements (All amounts in Rs Mn., unless otherwise stated)

assets. The Company's liability is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial gains/ losses are recognised in the Statement of Profit and Loss in the year in which they arise.

Defined contribution plan:

Superannuation

The Company makes defined contribution to a Trust established for this purpose. The Company has no further obligation beyond its monthly contributions. The Company's contribution towards Superannuation Fund is charged to Statement of Profit and Loss.

Overseas Employees

In respect of employees of the overseas branches where ever applicable , the Company makes defined contributions on a monthly basis towards the retirement saving plan which are charged to the Statement of Profit and Loss.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the NIIT Technologies Employee Stock Option Plan 2005.

Employee options

The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions

- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time)

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(v) Bonus

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged as per the provisions of the Payment of Bonus Act, 1965 as notified on January 01, 2016 or where there is a past service that has created a constructive obligation.

(v) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(w) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company

- by weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account.

-The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

-The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(x) Business combinations

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015.

- Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method as described in Appendix C of Ind AS 103 "Business Combinations ". Also refer Note 37.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

(y) Fair value measurement

The Company measures financial instruments, such as investment in mutual funds, at fair value at each balance sheet date. 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

- in the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) 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

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, management regularly reviews significant unobservable inputs applied in the valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

(z) Rounding of amounts

All amounts disclosed in the financial statements and Notes have been rounded off to the nearest millions as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

2 Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This Note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant Notes together with information about the basis of calculation for each affected line item in the financial statements.

Areas involving critical estimates or judgments are:

• Estimated goodwill impairment – Note 4

• Estimated useful life of intangible asset – Note 4

• Estimation of defined benefit obligation – Note 16

• Estimation of provision for customer contracts – Note 15

• Impairment of trade receivables – Note 5 (iv)

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

NIIT technologies
New Ideas, More Value™

NIIT Technologies Limited (CIN: L65993DL1992PLC048753),

(All amounts in Rs Mn., unless otherwise stated)

Notes to the financial statements

3 Property, plant and equipment

	Freehold Land	Leasehold Land	Buildings	Plant and Machinery -Computers and Peripherals**	Plant and Machinery -Office Equipment	Plant and Machinery - Others	Furniture and Fixtures	Leasehold Improvements	Vehicles*	Total	Capital work-in progress
Year ended 31 March 2016											
Gross carrying amount											
Deemed cost as at 1 April 2015 #	0	274	1,176	458	39	748	260	0	147	3,102	1,160
Additions	-	-	-	155	4	11	17	2	74	263	700
Disposals #	-	-	-	0	1	1	0	0	19	21	-
Transfers	-	-	1,136	50	79	370	218	-	-	1,853	(1,853)
Closing gross carrying amount	**0**	**274**	**2,312**	**663**	**121**	**1,128**	**495**	**2**	**202**	**5,197**	**7**
Accumulated depreciation											
Depreciation charge during the year #	-	3	29	230	36	123	55	0	30	506	-
Disposals #	-	-	-	0	0	1	0	0	2	3	-
Closing accumulated depreciation #	**-**	**3**	**29**	**230**	**36**	**122**	**55**	**0**	**28**	**503**	**-**
Net carrying amount	**-**	**271**	**2,283**	**433**	**85**	**1,006**	**440**	**2**	**174**	**4,694**	**7**

0 represents amount is below the rounding off norm adopted by the Company.

	Freehold Land	Leasehold Land	Buildings	Plant and Machinery -Computers and Peripherals**	Plant and Machinery -Office Equipment	Plant and Machinery - Others	Furniture and Fixtures	Leasehold Improvements	Vehicles*	Total	Capital work-in progress
Year ended 31 March 2017											
Gross carrying amount											
Opening gross carrying amount as on 1 April 2016 #	0	274	2,312	663	121	1,128	495	2	202	5,197	7
Additions #	-	-	0	124	13	9	3	3	69	221	165
Disposals #	-	-	-	1	0	3	1	-	23	28	-
Transfers #	-	-	49	87	0	27	9	-	-	172	(172)
Closing gross carrying amount #	**0**	**274**	**2,361**	**873**	**134**	**1,161**	**506**	**5**	**248**	**5,562**	**-**
Accumulated depreciation											
Opening accumulated depreciation #	-	3	29	230	36	122	55	0	28	503	-
Depreciation charge during the year	-	3	40	257	25	138	68	1	35	567	-
Disposals #	-	-	-	1	0	2	0	-	6	9	-
Transfers		-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	**-**	**6**	**69**	**486**	**61**	**258**	**123**	**1**	**57**	**1,061**	**-**
Net carrying amount	**-**	**268**	**2,292**	**387**	**73**	**903**	**383**	**4**	**191**	**4,501**	**-**

*Includes vehicles financed through loans Gross Block Rs. 184 Mn (31 March 2016 Rs 149 Mn), Net block Rs. 152 Mn (31 March 2016 Rs 132 Mn); hypothecated to financial institutions/banks against term loans (Refer Note 14)

** Plant and Machinery includes Rs. 451 Mn (31 March 2016 - Rs. 288 Mn) [net block]installed in the premises of the customer under the cancellable operating lease arrangement.

0 represents amount is below the rounding off norm adopted by the Company.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

4 Intangible Assets

	Goodwill	Other intangible assets
		External Software
Year ended 31 March 2016		
Gross carrying amount		
Deemed cost as at 01 April 2015	21	635
Additions	-	198
Disposals #	-	0
Transfer	-	-
Closing gross carrying amount	**21**	**833**
Accumulated amortization		
Amortization charge for the year	-	309
Disposals	-	-
Closing accumulated amortization	**-**	**309**
Closing net carrying amount	**21**	**524**

	Goodwill	Other intangible assets
		External Software
Year ended 31 March 2017		
Opening gross carrying amount	21	833
Additions	-	237
Disposals	-	10
Transfer #	-	0
Closing gross carrying amount	**21**	**1,060**
Accumulated amortization and impairment		
Opening accumulated amortization	-	309
Amortization charge for the year	-	342
Disposals	-	10
Closing accumulated amortization	**-**	**641**
Closing net carrying amount	**21**	**419**

0 represents amount is below the rounding off norm adopted by the Company.

(i) Significant estimate: useful lives of intangible assets

The Company estimates 3 years as the useful life in case of computer softwares used for business and for project specific softwares, the Company amortises the assets according to the project duration.

If the useful life of assets was reduced by 2 years, there would be no significant impact on acquired intangible assets. For project specific cases, the carrying value would be reduced by Rs. 92 Mn.

(ii) Impairment tests for Goodwill

a) Significant estimates: Key assumptions used for value-in-use calculations

The Company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

The following table sets out the key assumptions for the CGU that has significant goodwill allocated to it:

	Provision Tree
31 March 2017	
Revenue (% annual growth rate)	5%
Budgeted operating margin (%)	30%
Pre-tax discount rate (%)	17%
31 March 2016	
Revenue (% annual growth rate)	5%
Budgeted operating margin (%)	30%
Pre-tax discount rate (%)	17%
31 March 2015	
Revenue (% annual growth rate)	5%
Budgeted operating margin (%)	30%
Pre-tax discount rate (%)	17%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determining values
Revenue	Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.
Budgeted operating margin	Based on past performance and management's expectations for the future.
Pre-tax discount rates	Reflect specific risks relating to the relevant segments and the countries in which they operate.

b) Significant estimate: impairment charge

The Company has performed impairment testing for the above CGU and no impairment charge has been identified.

c) Significant estimate: Impact of possible changes in key assumptions

Goodwill is monitored by the management at the level of identified CGU to which the goodwill pertains to.

Provision Tree CGU:

If the budgeted gross margin used in the value-in-use calculation for the Provision Tree CGU had been 1% lower than management's estimates at 31 March 2017 (1% instead of 2%), the Company would still have a higher recoverable amount and no additional impairment against the carrying amount of goodwill will be charged. If the pre-tax discount rate applied to the cash flow projections of this CGU had been 1% higher than management's estimates (18% instead of 17%), the recoverable amount of the Company would still be higher than the carrying amount and no impairment against the carrying amount of goodwill would have to be recorded.

The Company has considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of any CGU to exceed its recoverable amount.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

5 (i)

Non-current investments	31 March 2017	31 March 2016	1 April 2015
Investments in equity instruments (fully paid)			
Unquoted in Subsidiary Companies:			
2,837,887 (31 March 2016: 2,837,887; 01 April 2015: 2,837,887) Shares having no par value in NIIT Technologies Inc. USA	156	156	156
16,614,375 (31 March 2016: 16,614,375; 01 April 2015: 16,614,375) Shares of 1 Singapore $ each fully paid-up in NIIT Technologies Pacific Pte Ltd., Singapore	703	703	703
3,276,427 (31 March 2016: 3,276,427; 01 April 2015: 3,276,427) Shares of 1 UK Pound each fully paid-up in NIIT Technologies Limited,UK	204	204	204
890,000 (31 March 2016: 890,000; 01 April 2015: 890,000) Equity Shares of Rs 10/- each fully paid-up in ESRI India Technologies Limited (formerly known as NIIT GIS Limited)	9	9	9
537,900 (31 March 2016: 537,900; 01 April 2015: 537,900) Equity Shares of Euro 1 each fully paid-up in NIIT Technologies GmbH, Germany	185	185	185
50,000,000 (31 March 2016: 50,000,000; 01 April 2015: 50,000,000) Equity Shares of Rs 10/- each fully paid-up in NIIT SmartServe Limited	500	500	500
1,000,000 (31 March 2016: 1,000,000; 01 April 2015: 1,000,000) Equity Shares of Euro 1 each fully paid-up in NIIT Airline Technology GmbH Germany	224	224	224
6,000 (31 March 2016: 6,000; 01 April 2015: 6,000) Ordinary Shares of 1000 AED each fully paid in NIIT Technologies FZ LLC Dubai	63	63	63
5,000,000 (31 March 2016: 5,000,000; 01 April 2015: 5,000,000) Equity Shares of Rs. 10 each in NIIT Technologies Services Limited	25	25	25
2,064,292 (31 March 2016: 2,064,292; 01 April 2015: Nil) Equity Shares of Rs. 2 each in Incessant Technologies Private Limited [Refer Note 41]	1,350	1,350	-
10,000 (31 March 2016: 10,000; 01 April 2015: 10,000) Shares of Peso 100 each in NIIT Technologies Philippines Inc.	39	39	39
Total equity instruments	**3,458**	**3,458**	**2,108**
Total non- current investments	**3,458**	**3,458**	**2,108**
Aggregate amount of unquoted investments	3,458	3,458	2,108
Aggregate amount of impairment in value of investment	-	-	-

(a) During the year ended 31 March,2015, the Ministry of Finance, Canada provided the consent to dissolve NIIT Technologies Ltd., Canada and required documents were filed with the prescribed authorities and consequently, the subsidiary got dissolved during the year ended 31 March 2016.

5(ii) **Current investments**

Investment in Mutual Funds - Quoted	31 March 2017		31 March 2016		1 April 2015	
	Units	Value	Units	Value	Units	Value
Tata Liquid Fund Direct Plan-Growth	-	-	21,481	60	-	-
Tata Liquid Fund Regular Plan-Growth	30,191	90	-	-	-	-
SBI Premier Liquid Fund-Direct Plan- Growth	-	-	29,448	70	-	-
SBI Magnum Insta Cash Fund-Regular Plan-Growth	27,939	100	-	-	-	-
Birla Sun Life Cash Plus-Growth-Direct Plan	195,115	51	332,102	81	-	-
Birla Sun Life Cash Plus-Growth-Regular Plan	461,891	120	-	-	-	-
Reliance Liquid Fund- Treasury Plan- Growth	40,675	161	16,873	40	-	-
Reliance Money Manager Fund-Growth Plan	83,805	188	24,157	50	-	-
IDFC Cash Fund Growth- Direct Plan	53,100	105	27,441	51	-	-
HDFC Liquid Fund-Regular Plan-Growth Option	46,984	150	-	-	-	-
HDFC Liquid Fund-Direct Plan-Growth Option	6,558	21	27,025	81	1,823,500	50
ICICI Prudential Liquid-Direct Plan-Growth	213,480	51	267,747	60	440,064	90
ICICI Prudential Liquid-Regular Plan-Growth	292,094	70	-	-	-	-
UTI Liquid Cash Plan Institutional -Direct Growth	49,287	131	24,207	60	17,500	40
Reliance Quarterly Interval Fund - Series II - Growth	-	-	-	-	2,745,802	54
Kotak Liquid Scheme Plan -A Growth	-	-	26,295	81	-	-
Kotak Liquid Scheme Regular Plan -Growth	27,378	90	-	-	-	-
Baroda Pioneer Liquid Plan-Direct	39,299	74	-	-	-	-
Prudential ICICI Flexible Income-Direct Plan-Growth	632,653	198	-	-	-	-
Birla Short Term Fund-Growth	3,162,989	197	-	-	-	-
Reliance Short Term Fund-Growth	3,348,670	103	-	-	-	-
HDFC Medium term opportunity Fund-Growth	8,534,304	155	-	-	-	-
HDFC Short Term Opportunity Fund-Growth	9,601,494	173	-	-	-	-
Kotak Bond Short Term Fund-Growth	5,030,207	155	-	-	-	-
Total current investments		**2,383**		**634**		**234**
Aggregate amount of quoted investments and market value thereof		2,383		634		234
Aggregate amount of unquoted investments		-		-		-
Aggregate amount of impairment in value of investment		-		-		-

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

	31 March 2017		31 March 2016		1 April 2015	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
5(iii) Other Financial Assets						
(i) Derivatives						
Foreign exchange forward contracts	372	-	167	-	193	-
(ii) Others						
Security deposits						
-Considered good	31	47	58	48	39	60
-Considered doubtful	-	1	-	1	-	1
	31	48	58	49	39	61
Less : Provision for doubtful security deposits	-	(1)	-	(1)	-	(1)
Net security deposits	31	47	58	48	39	60
Long term deposits with bank with maturity period more than 12 months [Refer Note (a) below]	-	65	-	65	-	61
Unbilled revenue [Refer Note (b) below]	268	23	310	31	210	38
Less: Provision for doubtful unbilled revenue	(28)	-	(67)	-	-	-
Less: Unwinding of discount	-	(7)	-	(9)	-	(10)
Net unbilled revenue	240	16	243	22	210	28
Interest accrued on deposits with banks	8	-	4	-	8	-
Total other financial assets	**651**	**128**	**472**	**135**	**450**	**149**

(a) Held as margin money by bank against bank guarantees.
(b) Net of Rs. Nil (31 March 16 - Rs. Nil ; 1 April 15 Rs. 50 Mn) written off as no longer recoverable.

5(iv) Trade Receivables	**31 March 2017**	**31 March 2016**	**1 April 2015**
Trade receivables	1,446	1,830	2,532
Receivables from related parties	1,343	751	2,005
Less: Allowance for doubtful debts*	487	66	114
Total receivables	**2,302**	**2,515**	**4,423**
Current Portion	2,302	2,515	4,423
Non-Current Portion	-	-	-
Break-up of security details			
Secured, considered good			
Unsecured, considered good	2,302	2,515	4,423
Doubtful	487	66	114
Total	**2,789**	**2,581**	**4,537**
Allowance for doubtful debts*	(487)	(66)	(114)
Total trade receivables	**2,302**	**2,515**	**4,423**

*During the year Rs. Nil (31 March 2016 - Rs. 47 Mn; 1 April 2015 - Nil) has been transferred to Provision for estimated loss on completion. [Refer Note 15]

	31 March 2017	**31 March 2016**	**1 April 2015**
5(v) Cash and cash equivalents			
Balances with Banks			
- in current accounts	360	605	435
- in EEFC accounts	201	327	-
	561	**932**	**435**
Cash on hand #	-	-	-
Cheques, drafts on hand	15	113	3
	15	**113**	**3**
Total cash and cash equivalents	**576**	**1,045**	**438**

0 represents amount is below the rounding off norm adopted by the Company.

5(vi) Bank balances other than above			
Deposits with maturity more than 3 months but less than 12 months	-	-	313
Unpaid dividend account	14	14	14
Total bank balances other than (v) above	**14**	**14**	**327**

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

		31 March 2017	31 March 2016	1 April 2015
6	**Deferred tax assets (Net)**			
	The balance comprise temporary differences attributable to:			
	Provisions			
	Defined benefit obligations	263	216	426
	Minimum alternate tax credit entitlement	252	176	154
		622	520	202
	Total Deferred tax	**1,137**	**912**	**782**
	Set- off of deferred tax liabilities pursuant to set- off provisions :			
	Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation	**(298)**	**(297)**	**(250)**
	Impact due to provisions and others	(41)	(27)	(25)
	Derivatives	(103)	(30)	(63)
	Other Items	(8)	(8)	(7)
	Net Deferred tax assets	**687**	**550**	**437**

Movement in deferred tax assets

	Fixed Assets	Derivatives	Employee benefits	Provisions	Minimum alternate tax credit entitlement	Other items	Total
At 1 April 2015	**(250)**	**(63)**	**154**	**426**	**202**	**(32)**	**437**
(charged)/credited:							
- to profit or loss - deferred tax	(46)	-	16	(211)	318	(2)	75
- to profit or loss - exchange gain / (loss)	(1)	-	13	-	-	-	12
- to other comprehensive income	-	30	(4)	-	-	-	26
At 31 March 2016	**(297)**	**(33)**	**179**	**215**	**520**	**(34)**	**550**
(charged)/credited:							
- to profit or loss - deferred tax	(1)	-	78	47	102	(14)	212
- to profit or loss - exchange gain / (loss) #	0	-	(2)	-	-	33	31
- to other comprehensive income	-	(103)	(3)	-	-	-	(106)
At 31 March 2017	**(298)**	**(136)**	**252**	**262**	**622**	**(15)**	**687**

0 represents amount is below the rounding off norm adopted by the Company.

Notes :

a) Deferred tax assets and liabilities above have been determined by applying the income tax rates of respective overseas branches. Deferred tax assets and liabilities in relation to taxes payable under different tax jurisdictions have not been offset in financial statements.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

		31 March 2017	31 March 2016	1 April 2015
7	**Other non current assets**			
	Capital advances	3	8	45
	Advances other than capital advances #	0	1	3
	Deferred contract cost	16	34	72
	Prepayments	94	211	179
	Total other non-current assets	**113**	**254**	**299**

0 represents amount is below the rounding off norm adopted by the Company.

		31 March 2017	31 March 2016	1 April 2015
8	**Inventories**			
	Traded Goods [Refer Note (a) below]	-	-	82
	Total Inventories	**-**	**-**	**82**

(a) The Company deals in number of software and hardware items whose cost and selling price vary from item to item. In view of voluminous data, no information relating to major items of opening stocks, closing stocks, purchases and sales have not been disclosed in the financial statements.

		31 March 2017	31 March 2016	1 April 2015
9	**Current tax assets**			
	Advance Income Tax	3,829	3,323	2,800
	Less: Provision for income tax	2,798	2,498	2,020
	Less: Tax expense for the year	531	371	526
		500	**454**	**254**
	Advance fringe benefits tax	49	49	49
	Less: Provision for fringe benefits tax #	49	49	49
		0	**0**	**0**
	Total current tax assets	**500**	**454**	**254**

0 represents amount is below the rounding off norm adopted by the Company.

		31 March 2017	31 March 2016	1 April 2015
10	**Other current assets**			
	Prepayments	358	314	266
	Value added tax recoverable	33	31	21
	Service tax - input credit	39	69	63
	Other advances	144	180	174
	Total other current assets	**574**	**594**	**524**

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

11 Equity share capital and other equity

(a) Equity share capital

(i) Authorized equity share capital

	Number of shares	Amount
As at 01 April 2015	75,000,000	750
Increase during the year	-	-
As at 31 March 2016	75,000,000	750
Increase during the year	-	-
As at 31 March 2017	75,000,000	750

(i) Movements in equity share capital

	Number of shares	Equity share capital (par value)
As at 01 April 2015	61,044,899	610
Exercise of options - proceeds received #	141,625	2
As at 31 March 2016	**61,186,524**	**612**
Exercise of options - proceeds received #	175,650	2
As at 31 March 2017	**61,362,174**	**614**

0 represents amount is below the rounding off norm adopted by the Company.

(iii) Terms and rights attached to equity shares

Equity shares: The Company has one class of equity shares having a par value of Rs.10 per share. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iv) Shares reserved for issue under options

Information relating to 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, is set out in Note 34.

(v) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	Equity Shares					
	31 March 2017		31 March 2016		1 April 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
NIIT Limited	1,44,93,480	23.62	1,44,93,480	23.69	1,44,93,480	23.74
Fidelity Management and Research Company A/c Fidelity Advisor Series 1 Fidelity Advisor Small Cap Fund	^	^	4	6.21	38,00,000	6.22
Edgbaston Asian Equity Trust	^	^	^	^	34,41,439	5.64
HDFC Mutual Fund	55,13,944	8.99	54,99,752	8.99	49,08,929	8.04

^ Shareholding below 5%.

		31 March 2017	31 March 2016	1 April 2015
12	**Reserves and Surplus**			
	Capital redemption reserve	17	17	17
	Capital reserve [Refer Note 37]	5	5	5
	Securities premium reserve	408	345	305
	Share options outstanding account	113	73	47
	General reserve	1,863	1,863	1,863
	Retained earnings	10,105	9,179	7,907
	Total reserve and surplus	**12,511**	**11,482**	**10,144**

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

	31 March 2017	31 March 2016
(i) Capital redemption reserve		
Opening balance	17	17
Increase/ decrease in capital redemption reserve	-	-
Closing Balance	**17**	**17**
(ii) Capital reserve		
Opening Balance	5	5
Increase/ decrease in capital reserve	-	-
Closing Balance	**5**	**5**
(iii) Securities premium reserve		
Opening Balance	345	305
Add: Transferred from share options outstanding account	55	40
Add: Impact on fair valuation of employee stock options #	8	0
Closing balance	**408**	**345**
# 0 represents amount is below the rounding off norm adopted by the Company.		
(iv) Share options outstanding account		
Opening balance	73	47
Employee Stock option expense	14	5
Impact on fair valuation of options	26	21
Closing balance	**113**	**73**
(v) General reserve		
Opening balance	1,863	1,863
Balance transferred from Statement of Profit and Loss	-	-
Closing balance	**1,863**	**1,863**
(vi) Retained earnings		
Opening balance	9,179	7,907
Net profit for the period	1,649	1,917
Items of other comprehensive income recognized directly in retained earnings		
Remeasurement of post employment benefit obligation, net of tax	(7)	8
Dividends paid	(613)	(580)
Corporate dividend tax	(103)	(73)
Closing balance	**10,105**	**9,179**

The General Reserve is as per the requirements of Companies Act, 2013 in respect of companies incorporated in India. General reserve, if any, of overseas subsidiaries are included as part of the retained earnings.

13. Other Reserves

Cash flow hedging reserve	**Amount**
As at 01 April 2015	131
Change in fair value of hedging instruments	36
Deferred tax	(30)
As at 31 March 2016	**137**
Change in fair value of hedging instruments	235
Deferred tax	(103)
As at 31 March 2017	**269**

Nature and purpose of other reserves

(i) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act 2013.

(ii) Share options outstanding account

The share options outstanding account is used to recognize the grant date fair value of options issued to employees under NIIT Technologies Stock Option Plan 2005.

(iii) Cash flow hedging reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecasted transactions, i.e. revenue, as described within Note 29. For hedging foreign currency risk, the Company uses foreign currency forward contracts which are designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognized in the cash flow hedging reserve. Amount recognized in the cash flow hedging reserve is reclassified to profit or loss when the hedged item effects profit and loss, i.e. revenue.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

		31 March 2017	31 March 2016	1 April 2015
14	**Financial liabilities**			
(i)	**Non - Current Borrowings**			
	Secured Loans			
	Term loans			
	From bank	5	5	8
	From financial institutions	103	92	78
	Total non- current borrowings	**108**	**97**	**86**
	Less: Current maturities of long term debt [included in Note 14(v)]	38	37	35
	Less: Interest accrued [included in Note 14(v)]	-	-	5
	Total Non - current borrowings	**70**	**60**	**46**

(a) Term loans from financial institutions are secured by way of hypothecation of the vehicles financed. The loan amounts along with interest are repayable over the period of 3 to 5 years (equal monthly instalments) from the date of sanction of loan. The interest rate on above loans are within the range of 9.75% to 10.35%.

(b) The carrying amount of assets pledged as security for current and non-current borrowings are disclosed in Note 3.

		31 March 2017	31 March 2016	1 April 2015
(ii)	**Non- Current Trade Payables**			
	Trade Payables	140	191	250
	Total Non- Current Trade Payables	**140**	**191**	**250**
(iii)	Current Borrowings			
	Unsecured Loans			
	From related parties			
	Loans from subsidiaries	28	29	212
	Total Current borrowings	**28**	**29**	**212**
(iv)	**Current Trade Payables**			
	Current			
	Trade payables	561	493	523
	Acceptance	-	3	58
	Trade payables to related parties	24	41	238
	Total trade payables	**585**	**537**	**819**

There are no micro enterprises and small enterprises to which the Company owes dues as at 31 March 2017, 31 March 2016 and 01 April 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

		31 March 2017	31 March 2016	1 April 2015
(v)	**Other financial liabilities**			
	Current			
	Capital creditors	113	194	214
	Current maturities of term loan [Refer Note 14 (i) above]			
	From Bank	2	5	35
	From Financial Institutions	36	32	-
	Interest accrued but not due [Refer Note 14 (i) above]	-	-	5
	Unclaimed dividend [Refer Note (a) below]	14	14	14
	Amount payable to a subsidiary [Refer Note (b) below]	-	-	403
	Total other current financial liabilities	**165**	**245**	**671**

(a) There are no amounts due for payment to the Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

(b) During the year ended 31 March 2016, in a Subsidiary of the Company, settlement was agreed with a customer on termination of an ongoing service agreement under dispute as at 31 March, 2015, in respect of which the Company was providing service to a Subsidiary. Consequent to the Settlement, the Subsidiary has charged back to the Company an amount of Rs. 403 Mn, being portion of the net resultant loss on the contract as considered attributable to the services provided by the Company in the Previous Years.

Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

15 Provisions

	31 March 2017			31 March 2016			1 April 2015		
	Current	Non- Current	Total	Current	Non- Current	Total	Current	Non- Current	Total
Provision for customer contracts	308	206	514	362	178	540	346	113	459
Total provisions	**308**	**206**	**514**	**362**	**178**	**540**	**346**	**113**	**459**

(i) Information about individual provisions and significant estimates

Estimated loss on completion

The Company reviews the cost to complete for all significant projects at year end and a provision has been provided for the excess of cost to be incurred over balance life of the project over and above the revenue to be recognized over the balance life of the project.

(ii) Movements in provisions

Movements in each class of provisions during the year, are set out below:

	Year ended 31 March 2017	Year ended 31 March 2016
Balance as at the beginning of the year	540	459
Charged/(credited) to profit or loss		
additional provisions recognized	192	41
unused amounts reversed / transferred	(129)	47
Amount used	86	-
unwinding of discount	3	7
Balance as at end of the year	**514**	**540**

16 Employee benefit obligations

	31 March 2017			31 March 2016			1 April 2015		
	Current	Non- Current	Total	Current	Non- Current	Total	Current	Non- Current	Total
Leave obligations (i)	151	411	562	156	373	529	138	306	444
Gratuity (ii)	-	43	43	-	25	25	-	-	-
	151	**454**	**605**	**156**	**398**	**554**	**138**	**306**	**444**

(i) Other employee benefit-Leave Obligations

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as long term employee benefits. The Company's liability is actuarially determined (using projected unit credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

	31 March 2017	31 March 2016	01 April 2015
Current leave obligations expected to be settled within next 12 months	151	156	138

(ii) Defined benefit plan:Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of completed service.

The gratuity plan is a funded plan and the Company makes contributions to recognized funds in India.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

(a) Balance Sheet amounts - Gratuity

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
1 April 2015	**253**	**(259)**	**(6)**
Current Service Cost	46	-	46
Interest expense/ (income)	18	(19)	(1)
Total amount recognized in profit or loss	**64**	**(19)**	**45**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(1)	(1)
(Gain)/loss from change in demographic assumptions	1	-	1
(Gain)/loss from change in financial assumptions	(13)	-	(13)
Experience (gains)/losses			-
Total amount recognized in other comprehensive income	**(12)**	**(1)**	**(13)**
Employer's contributions	-	(1)	(1)
Benefit payments	(22)	22	-
31 March 2016	**283**	**(258)**	**25**
1 April 2016	**283**	**(258)**	**25**
Current Service Cost	53	-	53
Interest expense/ (income)	21	(21)	-
Total amount recognized in profit or loss	**74**	**(21)**	**53**
Remeasurements			
Return on plan assets,excluding amounts included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions #	-	0	0
(Gain)/loss from change in financial assumptions	17	-	17
Experience (gains)/losses	(7)	-	(7)
Total amount recognized in other comprehensive income #	**10**	**0**	**10**
Employer's Contributions	-	(45)	(45)
Benefit payments	(26)	26	-
31 March 2017	**341**	**(298)**	**43**
# 0 represents amount is below the rounding off norm adopted by the Company.			

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

	31 March 2017	31 March 2016	01 April 2015
Present value of funded obligations	341	283	253
Fair value of plan assets	(298)	(258)	(259)
Deficit/ (Surplus) of funded plan assets*	**43**	**25**	**(6)**

*Not recognised as an asset as at 31 March 2015.

(b) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	31 March 2017	31 March 2016	01 April 2015
Discount rate	7.35% p.a.	7.80% p.a.	7.75% p.a.
Salary growth rate	7% for first 3 years and 6% thereafter	7% for first 3 years and 6% thereafter	7% for first 3 years and 6% thereafter
Life expectancy	11 years	10 Years	12 Years
Expected rate of return on plan assets	7.35%	7.80%	8.75%

(c) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Discount rate	50 Basis Points	50 Basis Points	(15)	(17)	17	8
Salary growth rate	50 Basis Points	50 Basis Points	17	14	(15)	(12)

Notes to the financial statements (All amounts in Rs Mn., unless otherwise stated)

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(d) The major categories of plan assets are as follows:

	31 March 2017			31 March 2016			1 April 2015		
	Quoted	Total	in %	Quoted	Total	in %	Quoted	Total	in %
Insurance Company Products	298	298	100%	258	258	100%	259	259	100%

Risk Exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are market volatility, changes in inflation, changes in interest rates, rising longevity, changing economic environment, regulatory changes etc. The Company ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve investments which are in line with the obligations under the employee benefit plans. Within this framework, the Company's asset-liability matching objective is to match assets to the obligations by investing in securities to match the benefit payments as they fall due.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that failure of any single investment should not have a material impact on the overall level of assets.

(e) Defined benefit liability and employer contributions

The Company monitors the funding levels on an annual basis and the current agreed contribution rate is 12% of the basic salaries in India.

The expected maturity analysis of defined benefit obligations:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
31 March 2017	31	26	119	258	**434**
31 March 2016	28	20	115	228	**391**

(iii) Defined contribution plans

The Company makes contribution towards Superannuation Fund, Pension Fund, Employee State Insurance Fund and Overseas Plans (related to the branches in the United States of America, Ireland, Belgium and Switzerland), being defined contribution plans for eligible employees. The Company has charged the following amount in the Statement of Profit and Loss:

The expense recognized during the period towards defined contribution plan is as follows:

Amount recognized in the Statement of Profit and Loss	Year ended 31 March 2017	Year ended 31 March 2016
Superannuation fund paid to the Trust	19	15
Contribution plans (branches outside India)*	63	54
Employees state insurance fund paid to the authorities	5	6
Pension fund paid to the authorities	63	62
	150	**137**

(iv) Defined benefit plan- Provident Fund

Employees Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognized as plan assets. The defined benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

The Company contributed Rs.86 Mn(31 March 2016 Rs.78 Mn) during the year to the Trust, which has been charged to Statement of Profit and Loss.

(a) Amount of obligation as at the year end is determined as under Description	31 March 2017	31 March 2016
Present value of obligation as at the beginning of the year	1,674	1,400
Interest cost	127	119
Current service cost	104	138
Benefits paid	(115)	(101)
Plan participant's contributions	177	237
Transfer In	25	16
Actuarial (gains) / losses on obligation	28	(135)
Present value of obligation as at the end of the year*	2,020	1,674

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

(b) Change in Plan Assets :	**31 March 2017**	**31 March 2016**
Description		
Plan assets at beginning at fair value	1,717	1,415
Expected return on plan assets	141	120
Employer contributions	93	132
Plan participant's contributions	177	237
Benefits paid	(115)	(101)
Transfers In	25	16
Actuarial gains / (losses) on plan assets	13	(102)
Plan assets at year end at fair value	2,051	1,717
(c) Amount of the obligation recognised in Balance Sheet :		
Description		
Present value of the defined benefit obligation as at the end of the year	2,020	1,674
Fair value of plan assets at the end of the year	2,051	1,717
(Surplus)*	(31)	(43)

*As the funded status is in surplus there is no need for any specific provision as at year end towards the Provident Fund by the Company. Hence the net liability to be recognised in the balance sheet is Nil (31 March 2016 Nil)

(d) Principal actuarial assumptions at the Balance Sheet date		
Discount Rate	7.35%	7.80%
Attrition rate		
Age from 20-30 years	16.00%	16.00%
31-34	10.00%	10.00%
35-44	5.00%	5.00%
45-50	3.00%	3.00%
51-54	2.00%	2.00%
Age 55 and above	1.00%	1.00%
(e) Expected Return on Assets for Exempt PF Fund		
Year	**Rate**	**Rate**
2012-13	-	-
2014-15	9.19%	9.19%
2015-16	9.28%	9.28%
2017 and there after	9.02%	-
(f) Long term EPFO Rate		
2012-13	-	-
2013-14	8.75%	8.75%
2014-15	8.75%	8.75%
2015-16	8.80%	8.80%
2017 and there after	8.65%	-
Description		
Experience Gain/(Loss) adjustments on plan liabilities	(28)	135
Experience Gain/(Loss) adjustments on plan assets	13	(102)
(v) Expected Contribution to the fund in the next year	85	85

Note:
Disclosures included are limited to the extent of disclosures provided by the actuary.

		31 March 2017	31 March 2016	01 April 2015
17	**Other non-current liabilities**			
	Deferred revenue	82	145	208
	Total other non- current liabilities	**82**	**145**	**208**
18	**Other current liabilities**			
	Advances from customers	3	47	7
	Payroll taxes	55	58	43
	Statutory dues including provident fund and tax deducted at source	94	94	75
	Deferred revenue	73	76	70
	Employee benefits payable	519	564	454
	Total other current liabilities	**744**	**839**	**649**

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

		Year ended 31 March , 2017	Year ended 31 March , 2016
19	**Revenue from operations**		
	Sales of products		
	Traded goods [Refer Note 8]	76	445
	Sale of services	15,875	14,397
	Total revenue from continuing operations	**15,951**	**14,842**
20	**Other income**		
	Dividend income from investment in subsidiaries	108	223
	Interest income from financial assets at amortized cost	12	15
	Unrealized gain on fair valuation of current investments	43	2
	Net gain on sale of investments	57	17
	Net foreign exchange gains	-	79
	Unwinding of discount on security deposits	7	6
	Unwinding of discount on unbilled revenue	1	18
	Other items :		
	Recovery from subsidiaries for common corporate expenses	64	57
	Miscellaneous income*	46	30
	Total other income	**338**	**447**

* Includes Rs. 6 Mn (31 March 2016 Rs. 9 Mn) on account of recovery of bank guarantee charges from subsidiaries.

21	**Changes in inventories of stock-in-trade - Traded goods**		
	Opening balance	-	82
	Total opening balance	**-**	**82**
	Closing balance		-
	Total closing balance	**-**	**-**
	Total changes in inventories of stock-in-trade	**-**	**82**
22	**Employee benefits expense**		
	Salaries, wages and bonus*	8,987	8,140
	Contribution to provident and other funds (Refer Note 16)	236	215
	Employee share-based payment expense (Refer Note 34)	53	28
	Gratuity (Refer Note 16)	53	45
	Staff welfare expenses	172	171
	Total employee benefit expense	**9,501**	**8,599**

* Net off Rs.14 Mn (31 March 2016 - Rs. 18 Mn) capitalized as part of capital work-in-progress / tangible assets.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

		Year ended 31 March , 2017	Year ended 31 March , 2016
23	**Depreciation and amortization expense**		
	Depreciation of property, plant and equipment [Refer Note 3]	567	506
	Amortization of intangible assets [Refer Note 4]	342	309
	Total depreciation and amortization expense	**909**	**815**
24	**Other expenses**		
	Rental charges [Refer Note 33]	139	165
	Rates and taxes	1	3
	Electricity and water charges	139	123
	Telephone and communication charges	127	116
	Legal and professional fees	196	123
	Travelling and conveyance	621	587
	Recruitment	44	69
	Insurance	21	26
	Repairs and maintenance		
	Plant and machinery	104	84
	Buildings	3	2
	Others	123	128
	Net foreign exchange losses	110	-
	Allowance for doubtful debts and unbilled revenue [Refer Note 29]	58	93
	Payment to auditors [Refer Note 24(a) below]	9	13
	Advertisement and publicity	90	57
	Business promotion	22	35
	Professional charges	1,476	1,356
	Equipment hiring	6	9
	Consumables	25	25
	Other production expenses	43	73
	Loss on sales of tangible / intangible assets (net)	4	10
	Corporate social responsibility expenditure [Refer Note 24 (b) below]	46	47
	Provisions against customer contracts (net) [Refer Note 15]	106	51
	Miscellaneous expenses	98	88
	Total other expenses	**3,611**	**3,283**
24 (a)	**Details of payments to auditors**		
	Payments to auditors (excluding service tax)		
	As auditor:		
	Audit Fee	7	6
	Tax audit Fee #	0	0
	In other capacities:		
	Certification fees	1	6
	Re-imbursement of expenses	1	1
	Total payments to auditors	**9**	**13**

0 represents amount is below the rounding off norm adopted by the Company.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

		Year ended 31 March , 2017	Year ended 31 March , 2016
24 (b)	**Corporate social responsibility expenditure**		
	Contribution to NIIT University	44	45
	Contribution to NIIT Foundation	2	1
	Contribution to Government Schools #	0	1
	Total	**46**	**47**
	# 0 represents amount is below the rounding off norm adopted by the Company.		
	Amount required to be spent as per Section 135 of the Companies Act, 2013	38	36
	Amount spent during the year on:		
	On purpose other than Construction/ acquisition of an asset	46	47

24 (c) Expenses recognized during the year are net of recoveries towards common services at cost from domestic subsidiaries amounting to Rs.21 Mn (31 March 2016 - Rs. 21 Mn).

24 (d)	Expenses capitalized as a part of Capital Work-in-progress/tangible assets :		
	Electricity and water #	0	4
	Legal and professional	3	8
	Miscellaneous expenses	2	10
	Total	**5**	**22**
	# 0 represents amount is below the rounding off norm adopted by the Company.		
25	**Finance costs**		
	Interest and finance charges on financial liabilities not at fair value through profit or loss:		
	on term loans from Bank / Financial Institution	12	18
	on loans from a related party	-	17
	Bank and financial charges	8	9
	Unwinding of discounts on security deposits	6	5
	Unwinding of discounts on provisions	10	19
	Total Finance costs	**36**	**68**

26 Details of exceptional Items charged to the Statement of Profit and Loss

(a) During December, 2016, the Group signed a settlement agreement with a government customer in respect of a contract that was put on hold by the customer during the quarter ended 30 June 2016 to resolve certain project related issues. The provisions/write offs amounting to Rs. 362 mn (including Rs 218 Mn related to provision for doubtful debts) in respect of all amounts outstanding relating to this project were reported as an exceptional item during the quarter ended 30 June 2016. Consequent to the partial receipt of the settlement amount before the year end, Rs. 221 mn (net of the partial settlement amount received) continue to be reported as an exceptional item. Revenue amounting to Rs. 270 mn for services contracted, has been recognized as a result of settlement, in the Statement of Profit and Loss during the year ended 31 March 2017.

(b) During the year ended 31 March 2016 ,additional provision amounting to Rs 6 Mn for bonus related to the period 01 April 2014 to 31 March 2015 pursuant to retrospective amendment to "The Payment of Bonus Act, 1965" notified on 01 January 2016 was reported as an exceptional item.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

		Year ended 31 March , 2017	Year ended 31 March , 2016
27	**Income tax expense**		
	This Note provides an analysis of the Company's income tax expense, show amounts that are recognized directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.		
	(a) Income tax expense		
	Current tax		
	Current tax on operating profits of the year	556	457
	Adjustments for current tax of prior periods	(25)	(86)
	Total current tax expense	**531**	**371**
	Deferred tax		
	Decrease /(increase) in deferred tax assets	(123)	189
	(Decrease)/ increase in deferred tax liabilities	1	47
	Decrease /(increase) in minimum alternate tax credit	(102)	(318)
	Exchange fluctuations	(2)	5
	Tax on income/(expense) during the period recognized on Ind AS adjustments [Refer Note 39]	14	2
	Total deferred tax benefit	**(212)**	**(75)**
	Income tax expense	**319**	**296**
	(b) Amount recognised directly in equity		
	Deferred tax liability on other comprehensive income	(106)	(26)
	(c) Tax Losses		
	Unused tax losses for which no deferred tax asset has been recognised	13	13
	Potential tax benefit @ 23.0720%	3	3

(d) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	31 March 2017	31 March 2016
Profit from continuing operations before income tax expense	1,968	2,213
Tax at the Indian tax rate of 34.608% (for financial year 2015-16: 34.608%)	**681**	**766**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Expenses on corporate social responsibility to the extent disallowable	9	9
Disallowance of expenses related to exempted income - under section 14A	1	1
Wealth Tax #	-	0
Deduction under section 10AA	(384)	(525)
Deduction under section 80IAB	(14)	(13)
Dividend Income exempted under section 10	(37)	(77)
Taxes paid branches at overseas - net of relief under section 90	78	103
Adjustments for taxes of prior periods including overseas branches	(13)	7
Exchange fluctuations	(2)	5
Effect on losses in overseas branches (Switzerland and Belgium) #	0	5
Others #	0	15
Income tax expense	**319**	**296**

0 represents amount is below the rounding off norm adopted by the Company.

The Company determines taxes on income in accordance with the applicable provisions of Income Tax Act, 1961 ("Act"). The Company also claims deductions under sections 10AA and 80 IAB in respect of its Unit and Developer Operations, respectively, in Special Economic Zone (SEZ). The payments under Minimum Alternate Tax (MAT) can be carried forward and can be set off against future tax liability. Accordingly, a sum of Rs.622 Mn (31 March 2016 Rs. 520 Mn) has been shown under "Deferred tax assets". Further, during the year, the Company has created MAT credit of Rs.102 Mn (31 March 2016 Rs. 318 Mn).

In addition to Indian operations, the Company has accounted for the tax liability/reliefs in respect of its branches having operations in the United States of America (USA) ,Ireland , Belgium and Switzerland in accordance with the tax legislations applicable in the respective jurisdiction.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

28 Fair value measurements

Financial instruments by category

	31 March 2017			31 March 2016			1 April 2015		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial assets									
Investments in Mutual funds	2,383	-	-	634	-	-	234	-	-
Trade and other receivables	-	-	2,302	-	-	2,515	-	-	4,423
Cash and cash equivalents	-	-	576	-	-	1,045	-	-	438
Other bank balances	-	-	14	-	-	14	-	-	327
Long term deposits with bank with maturityperiod more than 12 months	-	-	65	-	-	65	-	-	61
Foreign exchange forward contracts	-	372	-	-	167	-	-	193	-
Security deposits	-	-	78	-	-	106	-	-	99
Unbilled revenue	-	-	256	-	-	265	-	-	238
Interest accrued on deposits with banks	-	-	8	-	-	4	-	-	8
Total Financial assets	**2,383**	**372**	**3,299**	**634**	**167**	**4,014**	**234**	**193**	**5,594**
Financial liabilities									
Borrowings	-	-	136	-	-	126	-	-	298
Trade and other payables	-	-	725	-	-	728	-	-	1,069
Capital creditors	-	-	113	-	-	194	-	-	214
Unclaimed dividend	-	-	14	-	-	14	-	-	14
Derivative instruments (Refer Note 41)	-	-	-	-	-	-	-	-	-
Amount payable to a subsidiary	-	-	-	-	-	-	-	-	403
Total Financial liabilities	**-**	**-**	**988**	**-**	**-**	**1,062**	**-**	**-**	**1,998**

(i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are:
(a) recognized and measured at fair value, and
(b) measured at amortized cost and for which fair values are disclosed in the financial statements.
To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31 March 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Mutual funds	2,383	-	-	2,383
Financial Investments at FVOCI				
Foreign exchange forward contracts	-	372	-	372
Total financial assets	**2,383**	**372**	**-**	**2,755**

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31 March 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Mutual funds	634	-	-	634
Financial Investments at FVOCI				
Foreign exchange forward contracts	-	167	-	167
Total financial assets	**634**	**167**	**-**	**801**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at 1 April 2015	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Mutual funds	234	-	-	234
Financial Investments at FVOCI				-
Foreign exchange forward contracts	-	193	-	193
Total financial assets	**234**	**193**	**-**	**427**

Notes to the financial statements (All amounts in Rs Mn., unless otherwise stated)

There are no financial liabilities measured at fair value as at 31 March, 2017; 31 March , 2016 and 01 April, 2015 except as stated in Note 41.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value.

Level 2: The fair value of financial instruments that are not traded in an active market (for example foreign exchange forward contracts) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3. (Refer Note 41)

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels at the end of reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices for similar instruments.
- The fair value of forward foreign exchange contracts is determined using Mark to Market Valuation by the respective bank at the balance sheet date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Fair value of financial assets and liabilities measured at amortised cost

	31 March 2017		31 March 2016		1 April 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Trade and other receivables	2,302	2,302	2,515	2,515	4,423	4,423
Cash and cash equivalents	576	576	1,045	1,045	438	438
Other bank balances	14	14	14	14	327	327
Long term deposits with bank with maturity period more than 12 months	65	65	65	65	61	61
Security deposits	78	78	106	106	99	99
Unbilled revenue	256	256	265	265	238	238
Interest accrued on deposits with banks	8	8	4	4	8	8
Total financial assets	**3,299**	**3,299**	**4,014**	**4,014**	**5,594**	**5,594**
Financial Liabilities						
Borrowings	136	136	126	126	298	298
Trade and other payables	725	725	728	728	1,069	1,069
Capital creditors	113	113	194	194	214	214
Unclaimed dividend	14	14	14	14	14	14
Amount payable to a subsidiary	-	-	-	-	403	403
Total financial liabilities	**988**	**988**	**1,062**	**1,062**	**1,998**	**1,998**

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate.

Notes to the financial statements (All amounts in Rs Mn., unless otherwise stated)

29 Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also hold investments measured at fair value through profit or loss (FVTPL) and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(i) 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. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments measured at FVTPL and derivative financial instruments.

- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

There are no significant borrowings on the financial statements. Hence, there is no significant concentration of interest rate risk.

- 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 operates internationally and a major portion of the business is transacted in several currencies. Consequently, the Company is exposed to foreign exchange risk through receiving payment for sales and services across the globe in various foreign currencies. The exchange rate risk primarily arises from foreign exchange revenue, receivables, cash balances, forecasted cash flows and payables. A portion of our revenue is in U.S. Dollars, United Kingdom Pound Sterling, Euros, and Australian Dollars while a large portion of the costs are in Indian Rupees.

The Company evaluates its exchange rate exposure arising from these transactions and enters into foreign exchange forward contracts to hedge forecasted cash flows denominated in foreign currency and mitigate such exposure.

a) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

	Impact on Profit after Tax		Impact on other components of equity	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
USD Sensitivity				
INR/USD - Increase by 1% (31 March 2016 - 1%)*	5	1	2	1
INR/USD - Decrease by 1% (31 March 2016 - 1%)*	(5)	(1)	(2)	(1)
EUR Sensitivity				
INR/EUR - Increase by 1% (31 March 2016 - 1%)* #	(8)	1	0	0
INR/EUR - Decrease by 1% (31 March 2016 - 1%)* #	8	(1)	0	0
GBP Sensitivity				
INR/GBP - Increase by 1% (31 March 2016 - 1%)*	3	1	1	(1)
INR/GBP - Decrease by 1% (31 March 2016 - 1%)*	(3)	(1)	(1)	1

0 represents amount is below the rounding off norm adopted by the Company.

*Holding all other variables constant

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position:

31 March 2017

Type of hedge and risks	Carrying amount of hedging instrument		Maturity date
	Assets	Liabilities	
Cash flow hedge			
Foreign exchange risk			
Foreign exchange forward contracts	372	-	April 2017 to March 2018

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

31 March 2016

Type of hedge and risks	Carrying amount of hedging instrument		Maturity date
	Assets	Liabilities	
Cash flow hedge Foreign exchange risk Foreign exchange forward contracts	167	-	April 2016 to March 2017

31 March 2015

Type of hedge and risks	Carrying amount of hedging instrument		Maturity date
	Assets	Liabilities	
Cash flow hedge Foreign exchange risk Foreign exchange forward contracts	193	-	April 2015 to March 2016

(b) Disclosure of effects of hedge accounting on financial performance

31 March 2017

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income*	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge Foreign exchange risk	132	463	Revenue from sale of services

31 March 2016

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income*	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge Foreign exchange risk	6	125	Revenue from sale of services

*The resultant impact on the cash flow hedge reserve for the year ended 31 March, 2017 and 31 March, 2016; on account of changes in the fair value has been reconciled in Note 13.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

(ii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 2,317 Mn and Rs. 2,507 Mn as of 31 March,2017 and 31 March,2016, respectively and unbilled revenue amounting to Rs. 255 Mn and Rs. 264 Mn as of 31 March,2017 and 31 March,2016, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned through subsidiaries, government customers and other corporate customers. Since the Company earns major revenues from its subsidiaries where the payment is received as and when it is due. For other customers, the Company has used the expected credit loss model to assess the impairment loss or gain on trade receivables and unbilled revenue, and has provided it wherever appropriate.

The following table gives the movement in allowance for expected credit loss for the year ended 31 March, 2017:

	31 March 2017	31 March 2016
Balance at the beginning	133	114
Impairment loss recognized/(reversed)	58	93
Expenses recognised in exceptional item [Refer Note 26]	218	-
Transfer from provision for expenses	117	(15)
Amounts written off	(11)	(59)
Balance at the end	**515**	**133**

Credit risk on cash and cash equivalents is limited as the management generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and certificates of deposit which are funds deposited at a bank for a specified time period.

Notes to the financial statements (All amounts in Rs Mn., unless otherwise stated)

(III) Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding borrowings except term loans and working capital limits from banks. The term loans are secured against hypothecation of the vehicles (refer Note 14), and working capital limit is secured by a first charge on the book debts of the Company and by a second charge on movable assets of the Company .

However, the Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

(IV) Maturities of financial liabilities

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March, 2017:

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-7 Years	Total
Borrowings	66	31	36	3	136
Trade payables	585	46	82	12	725
Other financial liabilities (excluding Borrowings)	127	-	-	-	127
	778	**77**	**118**	**15**	**988**

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March, 2016:

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-7 Years	Total
Borrowings	66	27	29	4	126
Trade payables	537	51	89	51	728
Other financial liabilities (excluding Borrowings)	208	-	-	-	208
	811	**78**	**118**	**55**	**1,062**

The table below provides details regarding the contractual maturities of significant financial liabilities as of 01 April, 2015:

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-7 Years	Total
Borrowings	247	24	20	2	293
Trade payables	819	58	98	94	1,069
Other financial liabilities (excluding Borrowings)	636	-	-	-	636
	1,702	**82**	**118**	**96**	**1,998**

30 Capital Management

a) Risk management

For the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the shareholders. The primary objectives of the Company's capital management are to maximise the shareholder value and safeguard their ability to continue as a going concern. The Company has no outstanding borrowings except term loans and working capital limits from banks. The term loans are secured against hypothecation of the vehicles (refer Note 14), and working capital limit is secured by a first charge on the book debts of the Company and by a second charge on movable assets of the Company. The Company has complied with the financial covenants attached with above stated borrowings throughout the reporting period.

b) Dividends

	31 March 2017	31 March 2016
(i) Equity Shares		
Final dividend paid for the year ended 31 March 2016 of Rs. 10 (31 March 2015 - Rs. 9.50) per share	612	580
(ii) Dividends not recognised at the end of reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 12.50 per fully paid up equity share (31 March 2016 - Rs. 10.00). This proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting.	767	612

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

31A Interests in other entities

(i) Interest in subsidiaries

The Company's subsidiaries at 31 March 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Sr. No.	Name	Place of business/ country of incorporation	Ownership interest held by the Company			Ownership interest held by the Non controlling interest			Principal Activities
			31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015	
	Direct subsidiaries								
1	ESRI India Technologies Limited , India	India	88.99	88.99	88.99	11.01	11.01	11.01	Software development
2	NIIT Smart Serve Ltd, India	India	100	100	100	-	-	-	Software development
3	NIIT Technologies Services Limited, India	India	100	100	100	-	-	-	Software development
4	NIIT Technologies Ltd, United Kingdom	United Kingdom	100	100	100	-	-	-	Software development
5	NIIT Technologies Pte Limited, Singapore	Singapore	100	100	100	-	-	-	Software development
6	Incessant Technologies Private Limited	India	51	51	-	49	49	-	Software development
7	NIIT Technologies GmbH, Germany	Germany	100	100	100	-	-	-	Software development
8	NIIT Technologies Inc, USA	USA	100	100	100	-	-	-	Software development
9	NIIT Airline Technologies GmbH, Germany	Germany	100	100	100	-	-	-	Software development
10	NIIT Technologies FZ LLC, Dubai	Dubai	100	100	100	-	-	-	Software development
11	NIIT Technologies Philippines Inc	Philippines	100	100	100	-	-	-	Software development
	Stepdown subsidiaries								
12	NIIT Technologies BV, Netherlands (Wholly owned by NIIT Technologies, UK)	Netherlands	100	100	100	-	-	-	Software development
13	NIIT Technologies NV, Belgium (Wholly owned by NIIT Technologies BV, Netherlands) (liquidated with effect from December 1, 2016)^	Belgium							Software development
14	NIIT Technologies Ltd, Thailand (Wholly owned by NIIT Technologies, Singapore)	Thailand	100	100	100	-	-	-	Software development
15	NIIT Technologies Pty Ltd, Australia (Wholly owned by NIIT Technologies, Singapore)	Australia	100	100	100	-	-	-	Software development
16	NIIT Technologies K.K ,Japan (Wholly owned by NIIT Technologies Inc, USA) liquidated with effect from 17 November 2016.	Japan	100	100	100	-	-	-	Software development
17	NIIT Technologies AG, Switzerland (Wholly owned by NIIT Technologies GmbH, Germany) (Operation closed during the year ended March 31, 2016 and under liquidation as at March 31,2017)^	Switzerland							Software development
18	NIIT Insurance Technologies Limited, United Kingdom (Wholly owned by NIIT Technologies Limited, UK)	United Kingdom	100	100	100	-	-	-	Software development
19	NIIT Technologies S.A., Spain (Wholly owned by NIIT Technologies Limited, UK)	Spain	100	100	100	-	-	-	Software development
20	NIIT Media Technologies LLC (Majorly owned and controlled subsidiary of NIIT Technologies Inc, USA)	USA	60	60	60	40	40	40	Software development
21	NIIT Technologies Brazil Ltd (Wholly owned by NIIT Technologies Limited, UK and NIIT Technologies Inc, USA)	Brazil	100	100	100	-	-	-	Software development
22	Incessant Technologies. (UK) Limited (Wholly owned by Incessant Technologies Private Limited)	United Kingdom	51	51	-	49	49	-	Software development
23	Incessant Technologies Ltd., (Ireland) (Wholly owned by Incessant Technologies Private Limited)	Ireland	51	51	-	49	49	-	Software development
24	Incessant Technologies (Australia) Pty Ltd. (Wholly owned by Incessant Technologies Private Limited)	Australia	51	51	-	49	49	-	Software development
25	Incessant Technologies NA Inc., USA (Wholly owned by Incessant Technologies Private Limited)	USA	51	51	-	49	49	-	Software development

^ Also refer Note 37.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

31 B Related party transactions

a. Name of related parties and description of relationship

Nature of relationship	Name of the Company
Subsidiary Companies	Interest in subsidiaries are set out in Note-31 A above
Parties of whom the Company is an associate and their subsidiaries:	NIIT Limited, India (Through its subsidiary Evolve Services Limited, India) NIIT USA Inc., USA NIIT Institute of Finance Banking and Insurance Training Limited
Key Managerial Personnel	Rajendra S Pawar, Chairman and Managing Director Vijay K Thadani, Non-Executive Director Arvind Thakur, Chief Executive Officer and Joint Managing Director Amit Kumar Garg, Chief Financial Officer
Parties in which the Key Managerial Personnel of the Company are interested:	Naya Bazar Novelties Private Limited NIIT Institute of Information Technology NIIT University NIIT Foundation Indian School of Business

b List of other related parties

Particulars	Country	Nature of relationship
NIIT Technologies Limited Employees Provident Fund Trust	India	Post-employment benefit plan
NIIT Technologies Limited Employees Group Gratuity Scheme	India	Post-employment benefit plan
NIIT Technologies Superannuation Scheme	India	Post-employment benefit plan

Refer to Note 16 for information and transactions with post-employment benefit plans mentioned above.

C Key management personnel compensation

Particulars	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Short term employee benefit expenses	65	66	39
Sitting fees	1	1	1
Post employment benefit expenses*	5	4	6
Remuneration paid	**71**	**71**	**46**
Employee share based expenses **	43	12	3
Total compensation	**114**	**83**	**49**

*As gratuity and compensated absences are computed for all the employees in aggregate, the amounts relating to the key managerial personal can not be individually identified.

** It is not paid to key management personnel.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

d. Transactions with related parties

Nature of Transactions	Subsidiaries	Parties of whom the Company is an associate	Key Managerial Personnel	Parties in which Key Managerial Personnel of the Company are interested	Total
Purchase of fixed assets	-	-	-	-	-
	-	(9)	-	-	(9)
Rendering of services	13,588	21	-	-	13,609
	(12,368)	(21)	-	-	(12,389)
Receiving of services#	15	2	-	-	17
	(15)	(3)	-	0	(18)
Amount paid consequent to settlement	-	-	-	-	-
	(403)	-	-	-	(403)
Recovery of expenses by the Company (Including those from overseas subsidiaries) #	121	0	-	-	121
	(170)	0	-	-	(170)
Recovery of expenses from the Company	58	4	-	-	62
	(78)	(5)	-	-	(83)
Donation	-	-	-	45	45
	-	-	-	(46)	(46)
Investments made	-	-	-	-	-
	(1,350)	-	-	-	(1,350)
Loans repaid	-	-	-	-	-
	(200)	-	-	-	(200)
Recovery for common corporate expenses	64	-	-	-	64
	(57)	-	-	-	(57)
Other Income	24		-	-	24
	-	-	-	-	-
Recovery of bank guarantee charges from subsidiaries	6	-	-	-	6
	(9)				(9)
Other expenses #	-	-	-	0	-
	-	-	-	(1)	(1)
Dividend paid to NIIT Limited	-	145	-	-	145
	-	(138)	-	-	(138)
Dividend received	108	-	-	-	108
	(223)	-	-	-	(223)
Interest paid	-	-	-	-	-
	(17)	-	-	-	(17)
Subscription for new equity shares issued to key management personnel as a result of option exercised* #	-	-	0	-	0
	-	-	-	-	-
Sale of fixed assets	4	-	-	-	4
	-	-	-	-	-
Guarantees given to the banks against lines of credit sanctioned to the wholly owned overseas subsidiaries	98	-	-	-	98
	(838)	-	-	-	(838)
Guarantees expired during the year, which were earlier given to the customers on behalf of wholly owned overseas subsidiaries	35	-	-	-	35
	(1,011)	-	-	-	(1,011)

0 represents amount is below the rounding off norm adopted by the Company.
*Excluding premium of Rs 19 Mn (Previous year Rs Nil)
Figures in parenthesis represent Previous Year's figure.

Notes to the financial statements (All amounts in Rs Mn., unless otherwise stated)

e. **Details of balances with related parties:**

	Receivables as at 31 March 2017	Payables as at 31 March, 2017	Receivables as at 31 March, 2016	Payables as at 31 March, 2016	Receivables as at 31 March, 2015	Payables as at 31 March , 2015
Subsidiaries						
Amount receivable / payable	1,342	19	736	28	1,995	634
Outstanding guarantees to banks against lines of credit sanctioned to wholly owned overseas subsidiaries	-	1,427	-	1,525	-	687
Outstanding guarantees to customers on behalf of wholly owned overseas subsidiaries	-	663	-	697	-	1,708
Parties of whom the Company is an associate #	0	0	13	11	10	6
Key Managerial Personnel	-	5	2	2	-	1
Parties in which Key Managerial Personnel are interested #	1	0	0	0	-	0

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.
0 represents amount is below the rounding off norm adopted by the Company.

f. **Terms and Conditions**

Transactions relating to dividends, subscriptions for new equity shares were on the same terms and conditions that applied to other shareholders.
Transactions with related parties during the year were based on terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.
All other transactions were made on normal commercial terms and conditions and at market rates in respect of impaired receivables due from related parties.
All outstanding balances are unsecured and are repayable in cash.

32 Contingent liabilities and contingent assets

(a) Contingent liabilities

The Company had contingent liabilities in respect of:

		31 March 2017	31 March 2016	01 April 2015
i)	Claims against the Company not acknowledged as debts:			
	Income tax matters pending disposal by the tax authorities	334	325	300
	Claims made by customer pending under arbitration	-	3	3
	Counter claim made by a vendor in response to amount claimed by the Company as per the terms of contract, pending resolution by the High Court	**-**	**-**	**62**
	Andhra Pradesh Value Added Tax matter pending disposal by the tax authorities	-	6	-
		334	**334**	**365**

ii) The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition. Further, it is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

iii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

iv) Income tax

Claims against the Company not acknowledged as debts as on 31 March,2017 include demand from the Indian Income tax authorities for payment of tax of Rs. 334 Mn (31 Match 2016 - Rs. 325 Mn 1 April 2015 Rs. 300 Mn), upon completion of their tax assessment for the financial years starting from financial year 2005-06 to financial year 2012-13.
Demand for financial year starting from financial year 2005-06 to financial year 2010-11 includes disallowance of apportion of the deduction claimed by the Company under Section 10B of the Income Tax Act, 1961 as determined by the ratio of export turnover to total turnover. The disallowance arose mainly due the fact that tax authority considered all units as one for computation of tax deduction/exemption instead of calculating each unit eligibility separately. Demand

Notes to the financial statements (All amounts in Rs Mn., unless otherwise stated)

for financial year starting from financial year 2006-07 to financial year 2012-13 also includes disallowance on account of brought forward unabsorbed depreciation on demerger, Section 14A read with Rule 8D and towards transfer pricing. The matters for financial year starting from financial year 2005-06 to financial year 2007-08 are pending before Hon'ble Income Tax Appellate Tribunal (ITAT), Delhi. The matters for financial year starting from financial year 2008-09 to financial year 2012-13 are pending before the Commissioner of Income Tax (Appeals) Delhi. The Company is contesting the demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(b) Contingent assets
The Company does not have any contingent assets as at 31 March 2017, 31 March 2016 and 1 April 2015.

33 Commitments

(a) Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

	31 March 2017	31 March 2016	01 April 2015
Property, plant and equipment *	51	116	687
Intangible assets	142	174	125

* Amount of estimated value of contracts in capital account remaining to be executed are net of capital advance of Rs 3 Mn (31 March 2016: Rs. 3 Mn; 01 April 2015: Rs. 41 Mn)

(b) Non-cancellable operating leases:
The Company leases various offices and equipments under non cancellable operating leases expiring within five years. The leases have varying terms, escalation clause and renewal rights. On renewal the terms of the leases are renegotiated.

Commitments for future minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	31 March 2017	31 March 2016	01 April 2015
Within one year	43	43	-
Later than one year but not later than 5 years	48	91	-
Later than 5 years	-	-	-
Total	**91**	**134**	**-**

Aggregate rental expense during the period under operating leases amount to Rs. 139 Mn (31 March, 2016 - Rs.165 Mn)

34 Share-based stock payments

(a) Employee option plan
"The establishment of the NIIT Technologies Stock Option Plan 2005 (ESOP 2005) was approved by the shareholders at the annual general meeting held on 18 May, 2005. The ESOP 2005 is designed to offer and grant, for the benefit of employees of the Company and its subsidiaries, who are eligible under Securities Exchange Board of India (SEBI) Guidelines (excluding promoters), options of the Company in aggregate up to 3,850,000 options under ESOP 2005, in one or more Tranches. Under the plan, participants are granted options which vest upon completion of such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. As per the plan each option is exercisable for one equity share of face value of Rs 10 each fully paid up on payment to the Company for such shares at a price to be determined in accordance with ESOP 2005. SEBI has issued the SEBI (Share Based Employee Benefits) Regulations, 2014 which is applicable to the above ESOP 2005. Once vested, the options remain exercisable for a period of three years.

i) Set out below is a summary of options granted under the plan:

	31 March 2017		31 March 2016	
	Average exercise price per share	Number of options	Average exercise price per share	Number of options
Opening balance	330.93	8,98,500	279.23	7,82,125
Granted during the year	420.68	4,65,730	394.73	2,90,000
Exercised during the year *	260.35	1,75,650	202.31	1,41,625
Forfeited/ lapsed during the year	256.56	97,000	214.78	32,000
Closing balance	**387.18**	**10,91,580**	**330.93**	**8,98,500**
Vested and exercisable		2,76,350		2,33,000

* The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2017 was INR 260.35 (31 March 2016 - INR 202.31)
No options expired during the periods covered in the above tables.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

ii) Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant	Grant Date	Vesting Date	Expiry date	Exercise price	Fair Value	Share options outstanding		
						31 March 2017	31 March 2016	01 April 2015
Grant X								
Tranche III	09-Jun-11	09-Jun-14	09-Jun-17	10.00	160.58	15,000	15,000	15,000
Grant XI								
Tranche I	19-Jul-11	19-Jul-12	19-Jul-15	206.15	71.15	-	-	10,500
Tranche II	19-Jul-11	19-Jul-13	19-Jul-16	206.15	71.15	-	10,500	10,500
Grant XIII								
Tranche II	17-Jan-12	17-Jan-14	17-Jan-17	198.00	53.89	-	-	3,625
Grant XIV								
Tranche I	03-May-12	03-May-13	03-May-16	256.60	71.93	-	-	9,000
Tranche II	03-May-12	03-May-14	03-May-17	256.60	71.93	-	-	9,000
Grant XV								
Tranche I	02-Jul-12	02-Jul-13	02-Jul-16	285.80	76.26	-	-	14,500
Tranche II	02-Jul-12	02-Jul-14	02-Jul-17	285.80	76.26	4,500	24,500	39,000
Grant XVI								
Tranche III	02-Jul-12	02-Jul-15	02-Jul-18	10.00	232.18	-	-	11,000
Grant XVII								
Tranche I	14-Jan-13	14-Jan-14	14-Jan-17	274.85	66.95	-	-	3,500
Tranche II	14-Jan-13	14-Jan-15	14-Jan-18	274.85	66.95	-	-	7,500
Grant XVIII								
Tranche II	17-May-13	17-May-15	17-May-18	10.00	214.49	-	-	14,000
Tranche III	17-May-13	17-May-16	17-May-19	10.00	214.49	-	7,000	14,000
Grant XIX								
Tranche II	16-Jul-13	16-Jul-15	16-Jul-18	10.00	214.98	-	-	11,000
Tranche III	16-Jul-13	16-Jul-16	16-Jul-19	10.00	214.98	-	11,000	11,000
Grant XXI								
Tranche I	02-Sep-13	02-Sep-14	02-Sep-17	282.00	102.83	-	20,000	20,000
Tranche II	02-Sep-13	02-Sep-15	02-Sep-18	282.00	102.83	-	20,000	20,000
Tranche III	02-Sep-13	02-Sep-16	02-Sep-19	282.00	102.83	-	20,000	20,000
Tranche IV	02-Sep-13	02-Sep-17	02-Sep-20	282.00	102.83	-	20,000	20,000
Tranche V	02-Sep-13	02-Sep-18	02-Sep-21	282.00	102.83	-	20,000	20,000
Grant XXII								
Tranche I	02-Sep-13	02-Sep-14	02-Sep-17	10.00	240.84	-	-	7,000
Tranche II	02-Sep-13	02-Sep-15	02-Sep-18	10.00	240.84	-	-	7,000
Tranche III	02-Sep-13	02-Sep-16	02-Sep-19	10.00	240.84	-	7,000	7,000
Tranche IV	02-Sep-13	02-Sep-17	02-Sep-20	10.00	240.84	-	7,000	7,000
Tranche V	02-Sep-13	02-Sep-18	02-Sep-21	10.00	240.84	-	7,000	7,000
Grant XXIII								
Tranche I	15-Oct-13	15-Oct-14	15-Oct-17	296.60	67.13	2,000	4,000	10,500
Tranche II	15-Oct-13	15-Oct-15	15-Oct-18	296.60	67.13	9,000	10,500	10,500
Grant XXIV								
Tranche I	14-Jan-14	14-Jan-15	14-Jan-18	372.10	101.33	7,500	7,500	7,500
Tranche II	14-Jan-14	14-Jan-16	14-Jan-19	372.10	101.33	7,500	7,500	7,500
Grant XXV								
Tranche I	09-May-14	09-May-15	09-May-18	409.75	108.83	6,000	6,000	6,000
Tranche II	09-May-14	09-May-16	09-May-19	409.75	108.83	6,000	6,000	6,000
Grant XXVI								
Tranche I	09-May-14	09-May-15	09-May-18	409.75	135.48	-	20,000	20,000
Tranche II	09-May-14	09-May-16	09-May-19	409.75	135.48	-	20,000	20,000
Tranche III	09-May-14	09-May-17	09-May-20	409.75	135.48	20,000	20,000	20,000
Tranche IV	09-May-14	09-May-18	09-May-21	409.75	135.48	20,000	20,000	20,000
Tranche V	09-May-14	09-May-19	09-May-22	409.75	135.48	20,000	20,000	20,000
Grant XXVII								
Tranche I	15-Jul-14	15-Jul-15	15-Jul-18	10.00	349.61	7,000	11,000	11,000
Tranche II	15-Jul-14	15-Jul-16	15-Jul-19	10.00	349.61	11,000	11,000	11,000
Tranche III	15-Jul-14	15-Jul-17	15-Jul-20	10.00	349.61	11,000	11,000	11,000
Grant XXVIII								
Tranche I	05-Aug-14	05-Aug-15	05-Aug-18	374.05	102.45	30,000	37,000	66,000
Tranche II	05-Aug-14	05-Aug-16	05-Aug-19	374.05	102.45	39,000	57,000	66,000
Grant XXIX								
Tranche I	15-Oct-14	15-Oct-15	15-Oct-18	393.70	109.95	7,000	7,000	7,000
Tranche II	15-Oct-14	15-Oct-16	15-Oct-19	393.70	109.95	7,000	7,000	7,000
Tranche III	15-Oct-14	15-Oct-17	15-Oct-20	393.70	109.95	7,000	7,000	7,000
Grant XXX								
Tranche I	15-Oct-14	15-Oct-15	15-Oct-18	10.00	337.13	5,000	5,000	5,000
Tranche II	15-Oct-14	15-Oct-16	15-Oct-19	10.00	337.13	5,000	5,000	5,000
Tranche III	15-Oct-14	15-Oct-17	15-Oct-20	10.00	337.13	5,000	5,000	5,000
Grant XXXI								
Tranche I	15-Oct-14	15-Oct-15	15-Oct-18	393.70	103.71	-	7,500	7,500
Tranche II	15-Oct-14	15-Oct-16	15-Oct-19	393.70	103.71	-	7,500	7,500

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(All amounts in Rs Mn., unless otherwise stated)

Grant	Grant Date	Vesting Date	Expiry date	Exercise price	Fair Value	Share options outstanding		
						31 March 2017	31 March 2016	01 April 2015
Grant XXXII								
Tranche I	15-Oct-14	15-Oct-15	15-Oct-18	393.70	124.66	20,000	20,000	20,000
Tranche II	15-Oct-14	15-Oct-16	15-Oct-19	393.70	124.66	20,000	20,000	20,000
Tranche III	15-Oct-14	15-Oct-17	15-Oct-20	393.70	124.66	20,000	20,000	20,000
Tranche IV	15-Oct-14	15-Oct-18	15-Oct-21	393.70	124.66	20,000	20,000	20,000
Tranche V	15-Oct-14	15-Oct-19	15-Oct-22	393.70	124.66	20,000	20,000	20,000
Grant XXXIII								
Tranche I	05-May-15	05-May-16	05-May-19	356.50	85.12	3,850	7,500	-
Tranche II	05-May-15	05-May-17	05-May-20	356.50	100.82	7,500	7,500	-
Grant XXXIV								-
Tranche I	13-Jul-15	13-Jul-16	13-Jul-19	10.00	350.29	8,000	12,000	-
Tranche II	13-Jul-15	13-Jul-17	13-Jul-20	10.00	339.46	8,000	12,000	-
Tranche III	13-Jul-15	13-Jul-18	13-Jul-21	10.00	328.95	8,000	12,000	-
Grant XXXV								-
Tranche I	19-Oct-15	19-Oct-16	19-Oct-19	493.60	125.33	40,000	40,000	-
Tranche II	19-Oct-15	19-Oct-17	19-Oct-20	493.60	142.15	40,000	40,000	-
Tranche III	19-Oct-15	19-Oct-18	19-Oct-21	493.60	159.61	40,000	40,000	-
Tranche IV	19-Oct-15	19-Oct-19	19-Oct-22	493.60	169.77	40,000	40,000	-
Tranche V	19-Oct-15	19-Oct-20	19-Oct-23	493.60	186.89	40,000	40,000	-
Grant XXXVI								
Tranche I	14-Jan-16	14-Jan-17	14-Jan-20	546.40	142.01	9,000	9,000	-
Tranche II	14-Jan-16	14-Jan-18	14-Jan-21	546.40	157.47	9,000	9,000	-
Grant XXXVII								
Tranche I	14-Jan-16	14-Jan-17	14-Jan-20	10.00	495.37	7,000	7,000	-
Tranche II	14-Jan-16	14-Jan-18	14-Jan-21	10.00	479.87	7,000	7,000	-
Tranche III	14-Jan-16	14-Jan-19	14-Jan-22	10.00	464.85	7,000	7,000	-
Grant XXXVIII								
Tranche I	05-May-16	05-May-17	05-May-20	459.65	124.79	7,500	-	-
Tranche II	05-May-16	05-May-18	05-May-21	459.65	135.57	7,500	-	-
Grant XXXIX								
Tranche I	20-Jun-16	20-Jun-17	20-Jun-20	534.30	147.23	34,990	-	-
Tranche II	20-Jun-16	20-Jun-18	20-Jun-21	534.30	160.41	34,990	-	-
Tranche III	20-Jun-16	20-Jun-19	20-Jun-22	534.30	176.49	34,990	-	-
Grant XXXX								-
Tranche I	20-Jun-16	20-Jun-17	20-Jun-20	10.00	486.55	10,000	-	-
Tranche II	20-Jun-16	20-Jun-18	20-Jun-21	10.00	472.24	10,000	-	-
Tranche III	20-Jun-16	20-Jun-19	20-Jun-22	10.00	458.34	10,000	-	-
Tranche IV	20-Jun-16	20-Jun-20	20-Jun-23	10.00	444.80	10,000	-	-
Tranche V	20-Jun-16	20-Jun-21	20-Jun-24	10.00	431.69	10,000	-	-
Grant XXXXI								-
Tranche I	20-Jun-16	20-Jun-17	20-Jun-20	534.30	147.23	40,000	-	-
Tranche II	20-Jun-16	20-Jun-18	20-Jun-21	534.30	160.41	40,000	-	-
Tranche III	20-Jun-16	20-Jun-19	20-Jun-22	534.30	176.49	40,000	-	-
Tranche IV	20-Jun-16	20-Jun-20	20-Jun-23	534.30	191.30	40,000	-	-
Tranche V	20-Jun-16	20-Jun-21	20-Jun-24	534.30	200.28	40,000	-	-
Grant XXXXII								-
Tranche I	14-Jul-16	14-Jul-17	14-Jul-20	503.65	136.04	7,500	-	-
Tranche II	14-Jul-16	14-Jul-18	14-Jul-21	503.65	148.67	7,500	-	-
Grant XXXXIII								-
Tranche I	14-Jul-16	14-Jul-17	14-Jul-20	503.65	136.04	7,420	-	-
Tranche II	14-Jul-16	14-Jul-18	14-Jul-21	503.65	148.67	7,420	-	-
Tranche III	14-Jul-16	14-Jul-19	14-Jul-22	503.65	164.23	7,420	-	-
Grant XXXXIV								-
Tranche I	25-Oct-16	25-Oct-17	25-Oct-20	10.00	388.00	7,000	-	-
Tranche II	25-Oct-16	25-Oct-18	25-Oct-21	10.00	376.61	7,000	-	-
Tranche III	25-Oct-16	25-Oct-19	25-Oct-22	10.00	365.55	7,000	-	-
Grant XXXXV								-
Tranche I	16-Jan-17	16-Jan-18	16-Jan-21	10.00	385.80	7,500	-	-
Tranche II	16-Jan-17	16-Jan-19	16-Jan-22	10.00	374.18	7,500	-	-
Tranche III	16-Jan-17	16-Jan-20	16-Jan-23	10.00	363.19	7,500	-	-
Grant XXXXVI								-
Tranche I	16-Jan-17	16-Jan-18	16-Jan-21	425.40	106.58	5,000	-	-
Tranche II	16-Jan-17	16-Jan-19	16-Jan-22	425.40	123.84	5,000	-	-
Tranche III	16-Jan-17	16-Jan-20	16-Jan-23	425.40	132.71	5,000	-	-
Total						**1,091,580**	**898,500**	**782,125**

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

iii) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model as per an independent valuer's report, having taken into consideration the market price being the latest available closing price prior to the date of the grant, exercise price being the price payable by the employees for exercising the option and other assumptions as annexed below:

Grant	Tranche	Market Price	Volatility	Average Life of the Options (in Years)	Risk Less Interest Rate	Dividend yield rate
Grant XXXVIII	I	459.65	41.62%	2.5	7.11%	3.25%
	II	459.65	38.12%	3.5	7.25%	3.25%
Grant XXXIX	I	534.30	41.85%	2.5	7.09%	3.06%
	II	534.30	38.34%	3.5	7.24%	3.06%
	III	534.30	37.72%	4.5	7.35%	3.06%
Grant XXXX	I	534.30	41.85%	2.5	7.09%	3.06%
	II	534.30	38.34%	3.5	7.24%	3.06%
	III	534.30	37.72%	4.5	7.35%	3.06%
	IV	534.30	37.86%	5.5	7.44%	3.06%
	V	534.30	37.13%	6.5	7.51%	3.06%
Grant XXXXI	I	534.30	41.85%	2.5	7.09%	3.06%
	II	534.30	38.34%	3.5	7.24%	3.06%
	III	534.30	37.72%	4.5	7.35%	3.06%
	IV	534.30	37.86%	5.5	7.44%	3.06%
	V	534.30	37.13%	6.5	7.51%	3.06%
Grant XXXXII	I	503.65	41.16%	2.5	6.89%	3.06%
	II	503.65	37.92%	3.5	7.02%	3.06%
Grant XXXXIII	I	503.65	41.16%	2.5	6.89%	3.06%
	II	503.65	37.92%	3.5	7.02%	3.06%
	III	503.65	37.56%	4.5	7.12%	3.06%
Grant XXXXIV	I	428.05	41.17%	2.5	6.48%	3.06%
	II	428.05	38.42%	3.5	6.59%	3.06%
	III	428.05	37.32%	4.5	6.68%	3.06%
Grant XXXXV	I	425.40	38.51%	2.5	6.27%	3.06%
	II	425.40	38.45%	3.5	6.41%	3.06%
	III	425.40	36.62%	4.5	6.53%	3.06%
Grant XXXXVI	I	425.40	38.51%	2.5	6.27%	3.06%
	II	425.40	38.45%	3.5	6.41%	3.06%
	III	425.40	36.62%	4.5	6.53%	3.06%

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

(b) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognized in Statement of Profit and Loss as part of employee benefit expense were as follows:

Employee stock option plan	31 March 2017	31 March 2016
	53	28

Grant #	Expenses accounted for during the year based on fair value of options	
	31 March 2017	31 March 2016
Grant XVI		
Tranche III	-	0
Grant XVIII		
Tranche II	-	0
Tranche III	0	0
Grant XXV		
Tranche I	-	0
Tranche II	0	0
Grant XXVI		
Tranche I	-	0
Tranche II	0	1
Tranche III	1	1
Tranche IV	1	1
Tranche V	1	1
Grant XXVII		
Tranche I	-	1
Tranche II	0	2
Tranche III	1	1
Grant XXVIII		
Tranche I	0	1
Tranche II	(1)	2
Grant XXXI		
Tranche I	(1)	0
Tranche II	(1)	0
Grant XXXII		
Tranche I	-	1
Tranche II	1	1
Tranche III	1	1
Tranche IV	1	1
Tranche V	0	1
Grant XXXIII		
Tranche I	0	1
Tranche II	0	0
Grant XXXIV		
Tranche I	1	2
Tranche II	1	1
Tranche III	1	1

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

Grant #	Expenses accounted for during the year based on fair value of options	
	31 March 2017	**31 March 2016**
Grant XXXV		
Tranche I	2	2
Tranche II	3	1
Tranche III	2	1
Tranche IV	2	1
Tranche V	1	1
Grant XXXVI		
Tranche I	1	0
Tranche II	1	0
Grant XXXVII		
Tranche I	3	1
Tranche II	2	0
Tranche III	1	0
Grant XXXIX		
Tranche I	1	-
Tranche II	1	-
Tranche III	1	-
Grant XXXX		
Tranche I	4	-
Tranche II	2	-
Tranche III	1	-
Tranche IV	1	-
Tranche V	1	-
Grant XXXXI		
Tranche I	5	-
Tranche II	3	-
Tranche III	2	-
Tranche IV	1	-
Tranche V	1	-
Grant XXXXII		
Tranche I	1	-
Tranche II	0	-
Grant XXXXIII		
Tranche I	1	-
Tranche II	0	-
Tranche III	0	-
Grant XXXXIV		
Tranche I	1	-
Tranche II	1	-
Tranche III	0	-
Total employee share-based payment expense	**53**	**28**
# 0 represents amount is below the rounding off norm adopted by the Company.		

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

		31 March 2017	31 March 2016
35	**Earnings per Share**		
	(a) Basic earnings per share		
	From continuing operations attributable to the equity holders of the Company	26.90	31.37
	From discontinued operation	-	-
	Total basic earnings per share attributable to the equity holders of the Company	**26.90**	**31.37**
	(b) Diluted earnings per share		
	From continuing operations attributable to the equity holders of the Company	26.84	31.18
	From discontinued operation	-	-
	Total basic earnings per share attributable to the equity holders of the Company	**26.84**	**31.18**
	(c) Reconciliations of earnings used in calculating earnings per share		
	Basic earnings per share		
	Profit attributable to the equity holders of the Company used in calculating basic earnings per share:	1,649	1,917
	Diluted earnings per share		
	Profit from continuing operations attributable to the equity holders of the Company:	1,649	1,917
	(d) Weighted average number of shares used as the denominator		
	Weighted average number of equity shares used as the denominator in calculating basic earnings per share	61,302,995	61,103,827
	Adjustments for calculation of diluted earnings per share:		
	Stock Options	129,671	357,623
	Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	**61,432,666**	**61,461,450**

(e) Information concerning the classification of securities

Stock Options

Options granted to employees under the ESOP 2005 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in Note 34.

36 Segment Information

As per Ind AS 108 - Operating Segments, where the financial report contains both the consolidated financial statements of a parent as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements, Accordingly, no segment information is disclosed in these standalone financial statements of the Company.

37 Business Combinations

The Company (Transferee) signed Business Transfer Agreements with its following step-down subsidiaries (the Transferors) to acquire business on "as it is basis" with effective date of 1 April, 2016:

- NIIT Technologies AG, Switzerland

- NIIT Technologies NV, Belgium

The aforesaid transaction, being common control business combination has been accounted for using the pooling of interest method as follows:-

- The assets and liabilities of the Transferors are reflected at their carrying amounts.

- No adjustments have been made to reflect fair values, or to recognize any new assets or liabilities.

- The balance of retained earnings appearing in the financial statements of the Transferors is adjusted with the corresponding balance appearing in the financial statements of the Transferee.

- The difference between the amounts recorded as consideration in the form of cash and the amount of share capital of the Transferors is transferred to capital reserve and is presented separately in the financial statements. [Refer Note 12]
-The financial information in the financial statements in respect of prior periods has been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The resultant impact of this transaction on the balance sheet as at 01 April 2015 is as follows:

	NIIT Technologies AG,Switzerland	NIIT Technologies NV,Belgium	Total
Consideration paid in cash (a)	3	3	6
Carrying Value of net identifiable assets (b)	8	3	11
Capital reserve (b-a) #	**5**	**(0)**	**5**

0 represents amount is below the rounding off norm adopted by the Company.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

38 Events Occurring after the reporting period

Refer to Note 30(b) for the final dividend recommended by the Board of Directors which is subject to the approval of the shareholders in the ensuing annual general meeting.

39 First- time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption has also been used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

A.1.2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at Fair Value through Profit or Loss Account on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption for its investment in equity investments.

A.1.3 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

Lease arrangements including both land and building have been separately evaluated for finance or operating lease at the date of transition to Ind ASs basis the facts and circumstances existing as at that date.

The Company has elected to apply this exemption for such contracts/arrangements.

A.1.4 Investments in subsidiaries, joint ventures and associates

As per Ind AS 27, the Company has the option to value its investment in subsidiaries, joint ventures and associates at Cost.

The Company has elected to apply this exemption for such investments.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

A.1.5 Business Combinations

The Company has availed the option to not apply Ind AS 103, retrospectively to business combinations that occurred prior to the transition date.

A.1.5 Share based payment transactions

The Company has availed the option to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind ASs.

A.1.6 Fair Value Measurement of financial assets or financial liabilities at initial recognition

Ind AS 109 requires to initially recognize financial assets and liabilities at fair value and if the fair value differs from transaction price, the difference is recognized as gain or loss. The Company has elected to apply these requirements of initial recognition prospectively to transactions entered on or after the date of transition.

A.2 Ind AS mandatory exceptions

A.2.1 Hedge Accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. AS a result, only hedging relationships that satisfied the hedge accounting criteria as of 01 April 2015 are reflected as hedges in the Company's results under Ind AS.

The Company had designated various hedging relationships as cash flow hedges under the previous GAAP. On date of transition to Ind AS, the entity had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Company continues to apply hedge accounting on and after the date of transition to Ind AS.

A.2.2 Estimates

An entity's estimates in accordance with Ind AS(s) at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in debt instruments carried at FVTPL; and
- Impairment of financial assets based on expected credit loss model.

A.2.3 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.4 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

B: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (01 April 2015)*

ASSETS	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
Non-current assets				
Property, plant and equipment #	o	3,102	0	3,102
Capital work in progress	-	1,160	-	1,160
Goodwill	-	21	-	21
Other Intangible assets	-	635	-	635
Financial assets				
(i) Investments	-	2,108	-	2,108
(ii) Loans		-	-	-
(ii) Other financial assets	k.1 & k.3	169	(20)	149
Deferred tax assets (net)	b	462	(25)	437
Other non-current assets	k.1 & k.2	223	76	299
		7,880	**31**	**7,911**
Current assets				
Inventories	-	82	-	82
Financial assets				
(i) Investments	a	232	2	234
(ii) Trade receivables	o & d	4,420	3	4,423
(iii) Cash and cash equivalents	o	409	29	438
(iv) Bank balances other than (iii) above	-	327	-	327
(v) Other financial assets	o	449	1	450
Current tax assets #	o	254	0	254
Other current assets	k.1 , i & o	494	30	524
		6,667	**65**	**6,732**
TOTAL ASSETS		**14,547**	**96**	**14,643**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	-	610	-	610
Other Equity				
Reserves and surplus	l & o	9,458	686	10,144
Other reserves	f	131	-	131
Total equity		**10,199**	**686**	**10,885**
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	c	46	-	46
(ii) Trade payables	p	346	(96)	250
Provisions	e	123	(10)	113
Employee benefit obligations	h	306		306
Other non-current liabilities	j & o	-	208	208
Total non- current liabilities		**821**	**102**	**923**
Current liabilities				
Financial Liabilities				
(i) Borrowings	o	200	12	212
(ii) Trade payables	j & o	954	(135)	819
(iii) Other financial liabilities	-	671	-	671
Provisions	e	999	(653)	346
Employee benefit obligations	-	138	-	138
Other current liabilities	j & o	565	84	649
Total current liabilities		**3,527**	**(692)**	**2,835**
TOTAL EQUITY AND LIABILITIES		**14,547**	**96**	**14,643**

0 represents amount is below the rounding off norm adopted by the Company

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

Reconciliation of equity as at 31 March 2016*

	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment #	o	4,694	0	4,694
Capital work in progress	-	7	-	7
Goodwill	n	7	14	21
Other Intangible assets	-	524	-	524
Financial assets				-
(i) Investments	-	3,458	-	3,458
(ii) Loans		-		-
(ii) Other financial assets	k.1 & k.3	160	(25)	135
Deferred tax assets (net)	b	577	(27)	550
Other non-current assets	k.2	211	43	254
		9,638	**5**	**9,643**
Current assets				
Financial assets				
(i) Investments	a	630	4	634
(ii) Trade receivables	d & o	2,507	8	2,515
(iii) Cash and cash equivalents	-	1,027	18	1,045
(iv) Bank balances other than (iii) above	-	14	-	14
(v) Other financial assets	k & o	471	1	472
Current tax assets #	o	454	0	454
Other non-current assets	k.1 ,i & o	560	34	594
		5,663	**65**	**5,728**
TOTAL ASSETS		**15,301**	**70**	**15,371**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	-	612	-	612
Other Equity				
Reserves and surplus	l & o	10,727	755	11,482
Other reserves	f	137	-	137
Total equity		**11,476**	**755**	**12,231**
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	c	60	-	60
(i) Trade payables	p	278	(87)	191
Provisions	e	195	(17)	178
Employee benefit obligations	-	398	-	398
Other non-current liabilities	j & o	-	145	145
Total non- current liabilities		**931**	**41**	**972**
Current liabilities				
Financial Liabilities				
(i) Borrowings	o		29	29
(ii) Trade payables	j & o	665	(128)	537
(iii) Other financial liabilities	-	245	-	245
Provisions	e	1,076	(714)	362
Employee benefit obligations	-	156	-	156
Other current liabilities	j & o	752	87	839
Total current liabilities		**2,894**	**(726)**	**2,168**
TOTAL EQUITY AND LIABILITIES		**15,301**	**70**	**15,371**

0 represents amount is below the rounding off norm adopted by the Company

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this Note.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

Reconciliation of total comprehensive income for the year ended 31 March 2016*

	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
Revenue from operations	j & o	14,678	164	14,842
Other income	a, e, j.1 , j.3 & o	411	36	447
Total Income		**15,089**	**200**	**15,289**
Expenses				
Purchases of stock in trade	-	223	-	223
Change in inventories of stock in trade	-	82	-	82
Employee benefit expense	h, i & o	8,467	132	8,599
Depreciation and amortization expense	n & o	828	(13)	815
Other expenses	j, k.1 , e & o	3,200	83	3,283
Finance costs	o	43	25	68
Total Expenses		**12,843**	**227**	**13,070**
Profit/(loss) before exceptional items and tax		**2,246**	**(27)**	**2,219**
Exceptional items	-	6	-	6
Profit before tax		**2,240**	**(27)**	**2,213**
Income tax expense:				
Current tax	-	375	(4)	371
Deferred tax	b	(77)	2	(75)
Total tax expense		**298**	**(2)**	**296**
Profit for the year		**1,942**	**(25)**	**1,917**
Other comprehensive income			**145**	**145**
Total comprehensive income	**-**	**1,942**	**120**	**2,062**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this Note.

Notes to the financial statements

(All amounts in Rs Mn., unless otherwise stated)

C: Notes to first- time adoption:

a. Fair valuation of Investments

Under the previous GAAP, investments which were readily realisable and were intended to be held for not more than 12 months from the date on which they were made, were classified as current investments, and carried at lower of cost or fair value. All other investments were classified as long term investments and were carried at cost less provision for other than temporary diminution in the value of investments.

Under Ind AS, these investments are required to be measured at fair value.

At the time of transition, fair value changes have been recognised in retained earnings, and subsequently, in the profit for the year ended 31 March 2016, the net impact of Rs. 2 Mn. Investments were thereby revalued for Rs. 4 Mn as at 31 March 2016 (1 April 2015 Rs. 2 Mn). Consequent to fair valuation of investment as at April 1,2015 and March 31,2016 has been recorded in profits for the year ended March 31,2016.

As per Ind AS 27, the Company has the option to value its investment in subsidiaries at Cost; and accordingly the Company has availed this exemption.

b. Deferred tax

Under the previous GAAP, deferred tax accounting was done using the income statement approach, which focused on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using balance sheet approach, which focuses on temporary difference between the carrying amount of an asset or liability in the balance sheet and it's tax base.

In addition, various transitional adjustments lead to temporary difference. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity. As on 31 March 2016, the net downward impact on deferred tax asset was Rs. 27 Mn [1 April 2015 Rs. 25 Mn].

c. Borrowings

Under the previous GAAP, transaction costs incurred in connection with borrowings are amortized upfront by charging them in the Statement of Profit and Loss for the period. As per Ind AS 109, transaction cost incurred towards origination of borrowings are to be deducted from carrying amount of borrowings on initial recognition. These costs are recognized in the Statement of Profit and Loss over the tenure of borrowings as part of interest expenses by applying effective interest rate method. No impact was perceived therein as on 31 March 2016 [1 April 2015 Rs. Nil].

d. Trade Receivables

Under the previous GAAP, provisions for impairment of receivables consisted only of specific amount for incurred losses. As per Ind AS 109, impairment allowance has to be determined as per expected credit loss model (ECL).

The resultant impact was Nil as at March 31,2016 [April 1,2015 Nil].

e. Provisions

Under the previous GAAP, provisions (including long term provisions) were accounted at the undiscounted amount. Under Ind AS, if the effect of time value is material, provisions should be measured at discounted amounts to reflect the present value of expenditure expected to be required to settle the obligation.

Ind AS 37 also provides that where discounting is used, the carrying amount of provision increases in each period to reflect the passage of time; this increase is to be recognized in profit or loss.

As on 31 March 2016, provisions were revalued so to result in increase of Rs. 17 Mn [1 April 2015 Rs. 10 Mn]. The resultant net impact of Rs. 7 Mn was made in other income.

f. Forward contracts

Under the previous GAAP, the Company used foreign currency forward contracts to hedge it's risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecasted transactions. The derivatives that qualified for hedge accounting and were designated as cash flow hedges were initially measured at fair value and were remeasured at a subsequent reporting date and the changes in the fair value of derivatives i.e. gain or loss (net of tax impact) was recognized directly in reserves under hedging reserves to the extent considered highly effective. Gain or loss on derivative instruments that either do not qualify for hedge accounting or are not designated as cash flow hedges or designated as cash flow hedges to the extent considered ineffective are recognized in the Statement of Profit and Loss. No impact was perceived therein as on 31 March 2016 [1 April 2015 Rs. Nil].

g. Proposed Dividend

Under the previous GAAP, dividends [including dividend distribution tax (DDT)] proposed by the board of directors after the balance sheet date but before the approval of financial statements by shareholders were considered as an adjusting events and accordingly, recognized as a liability.

Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, liability for proposed dividend (including DDT) included under provisions has been reversed with corresponding adjustment to retained earnings.

As on 31 March 2016 an adjustment of Rs. 714 Mn (1 April 2015 - Rs. 653 Mn) was made to the retained earnings.

h. Post employment benefits

Both under previous GAAP and Ind AS, the Company recognized costs related to it's post employment defined benefit plan on an actuarial valuation basis. Under the previous GAAP, reimbursements i.e. actuarial gains and losses and the return on the plan assets, excluding amounts included in the net interest expense on the net benefit liability are recognized in the profit or loss for the year.

Under Ind AS, these remeasurements are recognized in other comprehensive income instead of profit or loss. As a result, the profit for the year ended 31 March 2016 decreased by Rs. 12 Mn. There was no impact on the total equity as at 31 March 2016.

Notes to the financial statements (All amounts in Rs Mn., unless otherwise stated)

i. Employee stock option expenses

Under the previous GAAP, the cost of equity settled employee share-based plan was recognized using intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognized based on fair value of the options as at grant date. Therefore, the amount recognised in share option outstanding account (under Reserves and Surplus) as on 31 March 2016 increased by Rs. 39 Mn (1 April 2015 - Rs. 17 Mn).

Consequently, profit before tax for the year ended 31 March 2016 has decreased by Rs. 18 Mn.

Also, an amount of Rs. 8 Mn (1 April 2015 - Rs 5 Mn) was recognized as recoverable from subisidiaries on account of Employee stock option expense.

j. Deferred Revenue

Unearned Revenue included in “”Other Non - current”” and “”Current liabilities”” represents amounts received/billed in excess of the value of work performed in accordance with the terms of the contracts with customers.

After adopting Ind AS, amount of deferred revenue as on 31 March 2016 was revalued by Rs. 208 Mn (1 April 2015 - Rs.263 Mn).

Corresponding costs were revalued by Rs. 189 Mn (1 April 2015 - Rs. 239 Mn) which resulted in decrease in trade payables by Rs 15 Mn (1 April 2015- Rs 167 Mn) and increase in other non current assets by Rs 34 Mn. (1 April 2015 Rs 72 Mn).

Revenue recognized for the year of transition was Rs. 55 Mn; corresponding costs being Rs. 50 Mn.

Resultant profit before tax for the year ended 31 March 2016 has increased by Rs. 5 Mn.

k. Other Financial Assets

k.1 Security Deposits

Under the previous GAAP, interest free lease security (that are refundable in cash on completion of their lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Therefore, the Company has recognised security deposits at their present values under Ind AS. Consequent to this change, the amount of security deposits decreased by Rs. 16 Mn as at 31 March 2016 (1 April 2015 - Rs. 9 Mn).

k.2 Non Current Assets

(i) Prepayments

Consequent to change in amount of security deposits as stated above, prepayments were recognised for Rs. 14 Mn (Current prepaid Rs 6 Mn and Non current prepaid Rs 8 Mn) as at 31 March 2016 (1 April 2015 - Rs 7 Mn , Current prepaid Rs 3 Mn Non Current prepaid Rs 4 Mn). The profit for the year and total equity as at 31 March 2016 decreased by Rs. 5 Mn due to amortization of the prepaid rent.

(ii) Deferred Cost

As stated in note j above, deferred contract cost has been recognised in respect of certain customer contracts. The impact of Rs 34 Mn on Non current assets is due to outstanding balance of deferred contract cost.

k.3 Unbilled Revenue

Unbilled Revenue included in other financial assets represents amount of revenue recognised between the billing cycle and reporting date.

After adopting Ind AS, amount of unbilled revenue as on 31 March 2016 was revalued by Rs. 9 Mn (1 April 2015 - Rs. 10 Mn). Corresponding impact on profit or loss for the year ended 31 March 2016 was Rs.1 Mn.

l. Retained Earnings

Retained earnings as at 1 April 2015 have been adjusted consequent to the Ind AS transition adjustments.

m. Other comprehensive income

Under Ind AS, all items of income and expenses recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the Statement of Profit and Loss as ‘other comprehensive income’ includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gain and losses on cash flow hedging instruments and fair value gains or losses on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

n. Goodwill

Under previous GAAP, Goodwill was amortised over a period determined at the time of initil recognition of Goodwill. Under Ind AS, Goodwill needs to be tested for impairment.

The Company tested goodwill for impairment as at 31 March 2016 and has thus written back goodwill of Rs. 13 Mn (1 April 2015 - Nil) which was amortized in previous year (as per previous GAAP).

o. Business combination under common control

Refer Note 37 for impact on the financial statements due to business combination under common control

p. Deferred payment liabilities

Impact on account of deferred payment liabilities recognised at discounted value, as on 31 March 2016 of Rs 87 Mn (1 April 2015 Rs 96 Mn).

Notes to the financial statements (All amounts in Rs Mn., unless otherwise stated)

Reconciliation of total equity as at 31 March, 2016 and 01 April, 2015

Particulars	Notes to first time adoption	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP		11,476	10,199
Adjustments:			
Fair valuation of current investments	a	4	2
Deferred Tax liability recognised/ de-recognised	b	(27)	(25)
Discounting of long term provisions (Estimated loss on completion)	e	17	10
Discounting of long term trade payables		87	95
Fair valuation of Employee Stock options - recoverable from subsidiaries		-	5
Reversal of proposed dividend	g	714	653
Recognition of Employee Stock Option expense recoverable from subisidiaries	i	8	-
Impact due to Business Combination		(32)	(17)
Revenue related to AMC deffered	j	(208)	(263)
Costs recognized in relation to a deferred contract (provisions)	j	155	167
Costs recognized in relation to a deferred contract (prepayments)	j	34	72
Discounting of security deposits to present value	k.1	(8)	(3)
Recognition of Prepayments and expenditure on discounting of security deposits	k.2	6	-
Recognition of unbilled revenue at present value	k.3	(9)	(10)
Goodwill written back	n	14	-
Total adjustments		**755**	**686**
Total equity as per Ind AS		**12,231**	**10,885**

Reconciliation of total comprehensive income for the year ended 31 March, 2016

Particulars	Notes to first time adoption	31 March 2016
Profit after tax as per previous GAAP		1,942
Adjustments:		
Fair Valuation of Current Investments	a	2
Deferred Tax liability recognised	b	(2)
Discounting of long term provisions (Estimated loss on completion)	e	7
Remeasurements of post-employment benefit obligations	h	(9)
Fair Valuation of Employee Stock Option	i	(19)
Recognition of Revenue earlier deferred	j	55
Recognition of costs of AMC	j	(50)
Discounting of long term trade payables		(9)
Discounting of long-term security deposits	k.1	6
Recognition of expense from prepaid expenses on discounting Security Deposits	k.2	(6)
Recognition of unbilled revenue at present value	k.3	1
Goodwill written back	n	14
Impact due to Business Combination		(15)
Total adjustments		(25)
Profit after tax as per Ind AS		1,917
Other Comprehensive Income		145
Total Comprehensive Income as per Ind AS		2,062

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	4,070	(29)	4,041
Net cash flow from investing activities	(2,627)	1	(2,626)
Net cash flow from financing activities	(825)	17	(808)
Net increase/(decrease) in cash and cash equivalents	**618**	**(11)**	**607**
Cash and cash equivalents as at 01 April 2015	409	29	438
Cash and cash equivalents as at 31 March 2016	**1,027**	**18**	**1,045**

Analysis of changes in cash and cash equivalents for the purposes of statement of cash flows under Ind AS

	31 March 2016	1 April 2015
Cash and cash equivalents as per previous GAAP	1,027	409
Business Combination - using the pooling of interest method	18	29
Cash and cash equivalents for the purpose of statement of cash flows	**1,045**	**438**

Notes to the financial statements (All amounts in Rs Mn., unless otherwise stated)

40 As required by the Ministry of Corporate Affairs notification G.S.R. 308(E) dated 31 March, 2017, disclosure relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8 November, 2016 to 30 December, 2016 is as below:

(in Rs)

Particulars	SBNs	Other denomination Notes	Total
Closing cash in hand as at 8 November, 2016	212,000	45,528	257,528
(+) Permitted receipts	-	72,478	72,478
(+) Non-permitted receipts [Refer Note (a) below]	3,500	-	3,500
(-) Permitted payments	789	32,975	33,764
(-) Cash paid for non-permitted transactions [Refer Note (b) below]	9,211	-	9,211
(-) Amount deposited in banks	205,500	24,824	230,324
Closing cash in hand as at 30 December, 2016	**-**	**60,207**	**60,207**

* SBNs mean the bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O.3407(E), dated 8 November, 2016.

Notes:

a) Certain contractual staff who were paid cash towards local conveyance reimbursements before the announcement of the aforesaid Circular, later requested the Company for exchange of specified bank Notes with other denomination Notes. This resulted in receipt of SBNs of Rs. 3,500 during the period from 8 November, 2016 to 30 December, 2016.

b) At one of the branches, due to non-availability of cash in other denomination Notes, certain usual office expenditure aggregating Rs. 9,211 was incurred using specified bank Notes.

41 During the year ended 31 March, 2016, the Company acquired controlling stake of 51% of the shareholdings of Incessant Technologies Private Limited ("Incessant"). The acquisition was executed through a share purchase agreement dated 5 May, 2015 signed between the Company and the shareholders of Incessant for an upfront cash consideration of Rs. 1,350 Mn. The Company will acquire remaining 49% of the shareholding of Incessant Technologies Private Limited, in two tranches, subject to certain conditions as provided in the Shareholder's Agreement signed between the parties.

As the price of the remaining 49% shares to be acquired is linked to future performance of Incessant, this transaction has an "underlying" element which needs to be accounted for as a derivative in accordance with Ind AS 109-"Financial Instruments". The independent fair valuations carried out as at 1 May 2015, 31 March 2016 and 31 March 2017 to record the initial recognition of its resultant derivative liability/asset through profit or loss and also to re-measure it as at each subsequent reporting date have resulted in the derivative asset/liability to be an insignificant amount and accordingly, no impact has been given in the Statement of Profit and Loss for the year ended 31 March 2017 [31 March 2016 - Nil].

42 Scheme of amalgamation

The Board of Directors of the Company has, in its meeting held on 24 March, 2017, approved the amalgamation of PIPL Business Advisors and Investment Private Limited ("PBIPL") and GSPL Advisory Services and Investment Private Limited ("GAIPL") with NIIT Technologies Limited ("the Company or NTL") by way of and in accordance with a scheme of amalgamation as per the provisions of Sections 230 to 232 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Scheme"). PBIPL and GAIPL holds 3.55% each of share capital of NIIT Technologies Limited and form part of promoter/ promoter group of NIIT Technologies Limited. From the effective date, pursuant to the Scheme, the entire shareholding of PBIPL and GAIPL in the Company shall stand cancelled and the equivalent shares of the Company shall be re-issued to the shareholders of PBIPL and GAIPL as on the record date to be fixed for the purpose. Pursuant to the proposed amalgamation of PBIPL and GAIPL with the Company, there will be no change in the promoter's shareholding in the Company. All cost and charges arising out of this proposed scheme of amalgamation shall be borne by the promoter. The aforesaid Scheme is subject to various regulatory and other approvals and sanction by National Company Law Tribunal, New Delhi Bench.

For Price Waterhouse
Firm Registration No.301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakurr
CEO & Joint Managing Director
DIN 00042534

Anupam Dhawan
Partner
Membership No.084451

Amit Kumar Garg
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary & Legal Counsel

Place : Noida
Date : May 5, 2017

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INDEPENDENT AUDITORS' REPORT

To the Members of NIIT Technologies Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of NIIT Technologies Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"); (refer Note 39 to the attached consolidated financial statements), 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 for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. 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 and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.

5. 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 auditors' judgement, 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 the 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.

6. 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 8 of the Other Matters paragraph below, other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraph 9 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

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the 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 as at March 31, 2017, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. We did not audit the financial statements/financial information of 18 subsidiaries whose financial statements/ financial information reflect total assets of Rs 4,653,599,868 and net assets of Rs 3,489,348,477 as at March 31, 2017, total revenue of Rs. 7,092,365,624, net profit of Rs 672,279,046 and net cash out flows amounting to Rs 3,489,676,289 for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
9. We did not audit the financial statements/financial information of 2 subsidiaries whose financial statements/ financial information reflect total assets of Rs 187,009 and net assets of Rs 184,929 as at March 31, 2017, total revenue of Rs. 1,498,474, net loss of Rs 3,557,903 and net cash out flows amounting to Rs 25,760,470 for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/ financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

   Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, 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/ financial information certified by the Management.
10. The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 06, 2016 and May 05, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

    Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

    (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(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 of its subsidiary companies incorporated in India, none of the directors of the Group 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 of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group – Refer Note 36 to the consolidated Ind AS financial statements.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2017– Refer Note 16 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended March 31, 2017.

iv. The Holding Company and its subsidiary companies incorporated in India has provided requisite disclosures as to holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. However, as stated in Note 40 to the consolidated financial statements amounts aggregating to Rs. 9,211 as represented to us by the Management have been utilized for other than permitted transactions and received amount aggregating Rs.3,500 from transactions which are not permitted.

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Anupam Dhawan

Partner

Membership Number 084451

Place: Noida

Date: May 05 , 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of NIIT Technologies Limited on the consolidated financial statements for the year ended March 31, 2017

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of NIIT Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditor's Responsibility

3. 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") issued by the ICAI and the Standards on Auditing 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. 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.

5. 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. 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

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of NIIT Technologies Limited on the consolidated financial statements for the year ended March 31, 2017

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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

8. In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 4 subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants
Sd/-
Anupam Dhawan
Partner
Membership No: 084451

Place : Noida
Date: May 05, 2017

Consolidated Balance Sheet

(All amounts in Rs. Mn unless otherwise stated)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	4,802	5,070	3,338
Capital work-in-progress	3	-	7	1,160
Goodwill	4	1,848	2,025	1,382
Other Intangible assets	4	1,826	1,931	859
Intangible assets under development	4	-	160	43
Financial assets				
Investments #	5 (i)	0	0	0
Other financial assets	5 (iii)	205	221	223
Deferred tax assets	6	971	871	671
Other non-current assets	7	120	262	307
Total non-current assets		**9,772**	**10,547**	**7,983**
Current assets				
Inventories	8	3	3	85
Financial assets				
Investments	5 (ii)	3,158	746	567
Trade receivables	5 (iv)	4,903	5,901	6,060
Cash and cash equivalents	5 (v)	3,502	2,879	2,238
Bank balances other than above	5 (vi)	573	483	455
Other financial assets	5 (iii)	1,155	1,081	972
Current tax assets	9	624	508	428
Other current assets	10	958	1,135	1,024
Total current assets		**14,876**	**12,736**	**11,829**
TOTAL ASSETS		**24,648**	**23,283**	**19,812**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	614	612	610
Other equity				
Reserves and surplus	12	16,248	14,758	13,584
Other reserves	13	3	356	131
Equity attributable to owners of NIIT Technologies Limited		**16,865**	**15,726**	**14,325**
Non-controlling interests	14	237	193	222
Total equity		**17,102**	**15,919**	**14,547**
Liabilities				
Non-Current Liabilities				
Financial liabilities				
Borrowings	15 (i)	74	64	49
Trade payables	15 (ii)	140	191	250
Other financial liabilities	15 (iii)	1,416	1,745	-
Provisions	16	267	318	135
Employee benefit obligations	17	591	512	339
Deferred tax liabilities	35	387	434	-
Other non-current liabilities	18	82	208	263
Total non- current liabilities		**2,957**	**3,472**	**1,036**
Current liabilities				
Financial liabilities				
Trade payables	15 (iv)	1,237	1,188	1,622
Other financial liabilities	15 (v)	1,034	249	549
Provisions	16	401	429	346
Employee benefit obligations	17	241	237	273
Other current liabilities	19	1,676	1,789	1,439
Total current liabilities		**4,589**	**3,892**	**4,229**
Total Liabilities		**7,546**	**7,364**	**5,265**
TOTAL EQUITY AND LIABILITIES		**24,648**	**23,283**	**19,812**

0 represents amount is below the rounding off norm adopted by the Company.

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

This is the balance sheet referred to in our report of even date.

For Price Waterhouse
Firm Registration No.301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Joint Managing Director
DIN 00042534

Anupam Dhawan
Partner
Membership No.084451

Amit Kumar Garg
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary & Legal Counsel

Place : Noida
Date : May 5, 2017

Consolidated Statement of Profit and Loss

(All amounts in Rs. Mn unless otherwise stated)

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	20	28,021	26,879
Other income	21	269	224
Total income		**28,290**	**27,103**
Expenses			
Purchases of stock-in-trade		141	308
Changes in inventories of stock-in-trade	22	(1)	83
Employee benefits expense	23	16,513	15,419
Depreciation and amortisation expense	24	1,277	1,211
Other expenses	25	6,573	6,340
Finance costs	26	60	75
Total expenses		**24,563**	**23,436**
Profit before exceptional items and tax		**3,727**	**3,667**
Exceptional Items	27	221	13
Profit before tax from continuing operations		**3,506**	**3,654**
Income Tax expense:	28		
Current tax		922	894
Deferred tax		(137)	(110)
Total tax expense		**785**	**784**
Profit for the year		**2,721**	**2,870**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Deferred gains on cash flow hedges		372	167
Income tax relating to these items		(103)	(30)
		269	**137**
Items that will not be reclassified to profit or loss			
Remeasurement of post - employment benefit obligations (expenses) / income		(14)	12
Income tax charge / (credit)		5	(4)
		(9)	**8**
Other comprehensive income for the year, net of tax		**260**	**145**
Total comprehensive income for the year		**2,981**	**3,015**
Profit is attributable to:			
Owners of NIIT Technologies Limited		2,501	2,700
Non-controlling interests	14	220	170
		2,721	**2,870**
Other comprehensive income is attributable to:			
Owners of NIIT Technologies Limited		260	145
Non-controlling interests	14	-	-
		260	**145**
Total comprehensive income is attributable to:			
Owners of NIIT Technologies Limited		2,761	2,845
Non-controlling interests	14	220	170
		2,981	**3,015**
Earnings per equity share attributable to owners of NIIT Technologies Limited			
Basic earnings per share	42	40.80	44.18
Diluted earnings per share		40.71	43.92

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Firm Registration No.301112E Chartered Accountants	Rajendra S Pawar Chairman & Managing Director DIN 00042516	Arvind Thakur CEO & Joint Managing Director DIN 00042534
Anupam Dhawan Partner Membership No.084451	Amit Kumar Garg Chief Financial Officer	Lalit Kumar Sharma Company Secretary & Legal Counsel

Place : Noida
Date : May 5, 2017

Consolidated Statement of Changes in Equity

((All amounts in Rs. Mn unless otherwise stated)

a. Equity Share Capital

Particulars	Number	Amount
At 1 April 2015	6,10,44,899	610
Changes in equity share capital #	1,41,625	2
At 31 March 2016	**6,11,86,524**	**612**
Changes in equity share capital #	1,75,650	2
At 31 March 2017	**6,13,62,174**	**614**

0 represents amount is below the rounding off norm adopted by the Company.

b. Other Equity

	Reserves and Surplus						Other Reserves				
Description	Capital Reserve	Capital Redemption Reserve	Security Premium Reserve	Shareoptions outstanding account	General Reserves	Retained Earnings	Cash Flow Hedging Reserve	Foreign Currency Translation Reserve	Total other equity	Non-controlling interest	Total
Balance at 1 April 2015	**11**	**17**	**305**	**47**	**2,094**	**11,110**	**131**	**-**	**13,715**	**222**	**13,937**
Profit for the year	-	-	-	-	-	2,700	-	-	2,700	170	2,870
Other Comprehensive Income	-	-	-	-	-	8	-	219	227	-	227
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**2,708**	**-**	**219**	**2,927**	**170**	**3,097**
Transferred from Consolidated Statement of Profit and Loss	-	-	-	-	212	-	-	-	212	-	212
Transferred to general reserve	-	-	-	-	-	(212)	-	-	(212)	-	(212)
Compensation for options granted during the year	-	-	-	5	-	-	-	-	5	-	5
Impact of fair valuation on Employee Stock Options #	-	-	0	21	-	-	-	-	21		21
Transferred from stock options outstanding	-	-	40	-	-	-	-	-	40	-	40
Dividend paid	-	-	-	-	-	(580)	-	-	(580)	-	(580)
Corporate dividend tax on above	-	-	-	-	-	(118)	-	-	(118)	-	(118)
Fair Value changes on Cash Flow Hedges, net of tax	-	-	-	-	-	-	6	-	6	-	6
Fair valuation impact on future acquisition liability	-	-	-	-	-	(902)	-	-	(902)	(134)	(1,036)
40% share in dividend declared by NIIT Media Technologies LLC	-	-	-	-	-	-	-	-	-	(31)	(31)
11% share in dividend declared by ESRI India Technologies Limited	-	-	-	-	-	-	-	-	-	(28)	(28)
11% share of corporate dividend tax on dividend declared by ESRI India Technologies Limited	-	-	-	-	-	-	-	-	-	(6)	(6)
Balance at 31 March 2016	**11**	**17**	**345**	**73**	**2,306**	**12,006**	**137**	**219**	**15,114**	**193**	**15,307**

0 represents amount is below the rounding off norm adopted by the Company.

NIIT technologies
New Ideas, More Value.™

Consolidated Statement of Changes in Equity

(All amounts in Rs. Mn unless otherwise stated)

	Reserves and Surplus						Other Reserves				
Description	**Capital Reserve**	**Capital Redemption Reserve**	**Security Premium Reserve**	**Share options outstanding account**	**General Reserves**	**Retained Earnings**	**Cash Flow Hedging Reserve**	**Foreign Currency Translation Reserve**	**Total other equity**	**Non-controlling interest**	**Total**
Balance at 1 April 2016	**11**	**17**	**345**	**73**	**2,306**	**12,006**	**137**	**219**	**15,114**	**193**	**15,307**
Profit for the year	-	-	-	-	-	2,501	-	-	2,501	220	2,721
Other Comprehensive Income	-	-	-	-	-	(9)	-	(485)	(494)	-	(494)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**2,492**	**-**	**(485)**	**2,007**	**220**	**2,227**
Transferred to general reserve	-	-		-	-	-	-	-	-	-	-
Compensation for options granted during the year	-	-	-	14	-	-	-	-	14	-	14
Impact of fair valuation on Employee Stock Options	-	-	-	26	-	-	-	-	26	-	26
Transferred from stock options outstanding	-	-	63	-	-	-	-	-	63	-	63
Dividend paid	-	-	-	-	-	(613)	-	-	(613)	-	(613)
Corporate dividend tax on above	-	-	-	-	-	(125)	-	-	(125)	-	(125)
Fair Value changes on Cash Flow Hedges, net of tax	-	-	-	-	-	-	132	-	132	-	132
Fair valuation impact on future acquisition liability	-	-	-	-	-	(367)	-	-	(367)	(170)	(537)
11% share in dividend declared by ESRI India Technologies Limited	-	-	-	-	-	-	-	-	-	(5)	(5)
11% share of corporate dividend tax on dividend declared by ESRI India Technologies Limited	-	-	-	-	-	-	-	-	-	(1)	(1)
Balance at 31 March 2017	**11**	**17**	**408**	**113**	**2,306**	**13,393**	**269**	**(266)**	**16,251**	**237**	**16,488**

The accompanying notes form an integral part of the financial statement.
This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse
Firm Registration No.301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Joint Managing Director
DIN 00042534

Anupam Dhawan
Partner
Membership No.084451

Amit Kumar Garg
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary & Legal Counsel

Place : Noida
Date : May 5, 2017

Statement of Cash Flows

(All amounts in Rs. Mn unless otherwise stated)

Particulars		Year ended 31 March 2017		Year ended 31 March 2016
Cash flow from operating activities				
Profit before income tax		3,727		3,667
Adjustments for				
Provision for doubtful debts (including written off) (net)				
Depreciation and amortisation expense		1,277		1,211
(Gain)/loss on disposal of property, plant and equipment		5		12
Dividend and interest income classified as investing cash flows		(3)		(3)
Interest income		(71)		(74)
Interest Expenses		12		23
Gain on sale of investments		(69)		(34)
Unrealized gain on fair valuation of current investments		(58)		8
Provision for compensated expenses		83		134
Employee stock option expense		59		39
Provision for doubtful debts & unbilled revenue (including written off) (net)		84		200
Unwinding of discount - Finance Income		(11)		(26)
Unwinding of discount - Finance Expense		19		26
		1,327		**1,516**
Changes in operating assets and liabilities				
(Increase)/Decrease in trade receivables		885		268
(Increase)/Decrease in inventories		(1)		83
(Increase)/Decrease in other current financial assets		156		(133)
(Increase)/Decrease in other current assets		178		(88)
(Increase)/Decrease in other non - current financial assets		23		(10)
(Increase)/Decrease in other Bank Balances		(90)		(29)
(Increase)/Decrease in other non-current assets		114		(17)
(Increase)/Decrease in other non-current financial liabilities		-		-
(Increase)/Decrease in non current/ current borrowing #		0		(1)
(Increase)/Decrease in provisions		(74)		(16)
Increase/(Decrease) in trade payables		(57)		(524)
(Increase)/Decrease in other financial liabilities		-		(273)
Increase/(Decrease) in other current liabilities		(193)		159
Cash generated from operations		**941**		**(581)**
Income taxes paid		(1,051)		(988)
Net cash inflow from operating activities before exceptional Items		**4,944**		**3,614**
Exceptional Item		(221)		(13)
Net cash inflow from operating activities		**4,723**		**3,601**
Cash flow from investing activities				
Purchase of fixed assets		(873)		(1,609)
Proceeds from sale of fixed assets		18		13
Investment in Subsidiary		-		(1,348)
Purchase of current investments	(6,519)		(4,309)	
Proceeds from sale of current investments	4,235	(2,284)	4,156	(153)
Dividend Income		3		3
Interest received on banks & Income Tax Refund		73		56
Net cash outflow from investing activities		**(3,063)**		**(3,038)**

Statement of Cash Flows

(All amounts in Rs. Mn unless otherwise stated)

Particulars		Year ended 31 March 2017		Year ended 31 March 2016
Cash flow from financing activities				
Proceeds from issue of shares (including share premium and share application)		70		15
Term Loans				
- Received	64		62	
- Repaid	(53)	11	(45)	17
Interest paid		(12)		(28)
Dividends paid to Company's shareholders		(738)		(731)
Net cash inflow (outflow) from financing activities		**(669)**		**(727)**
Cash acquired on acquisition of Incessant Technologies Private Limited		-		650
Net increase/(decrease) in cash and cash equivalents		**991**		**486**
Cash and cash equivalents at the beginning of the financial year		2,879		2,238
Effects of exchange rate changes on cash and cash equivalents		(368)		155
Cash and cash equivalents at the end of the financial year		**3,502**		**2,879**
Cash and Cash Equivalents comprise of:				
Cash on hand		1		1
Cheques, drafts on hand		184		125
Current accounts		3,317		2,363
Fixed deposit accounts (less than 3 months maturity)		-		390
		3,502		**2,879**

0 represents amount is below the rounding off norm adopted by the Company.

The above statement of cash flows should be read in conjunction with the accompanying notes.

This is the Statement of cash flows referred to in our report of even date.

For Price Waterhouse
Firm Registration No.301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Joint Managing Director
DIN 00042534

Anupam Dhawan
Partner
Membership No.084451

Amit Kumar Garg
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary & Legal Counsel

Place : Noida
Date : May 5, 2017

Consolidated Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

Background

NIIT Technologies Limited ("the Company") is a Company limited by shares, incorporated and domiciled in India. The Company delivers services around the world directly and through its network of subsidiaries and overseas branches (collectively known as "the Group"). The group is rendering Information Technology solutions and is engaged in Application Development & Maintenance, Managed Services, Cloud Computing and Business Process Outsourcing to organizations in a number of sectors viz. Financial Services, Insurance, Travel, Transportation & Logistics, Manufacturing & Distribution and Government. The Company is a public listed Company and is listed on Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These consolidated financial statements are the first consolidated financial statements of the group under Ind AS. Refer note 43 for an explanation on how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration that are measured at fair value;
- defined benefit plans - plan assets measured at fair value; and
- share-based payments

(iii) Exceptional Items

Significant impact on the financial results arising from any suspension/termination of large customer contracts is considered and reported as an exceptional item.

(b) Principles of consolidation

(i) Subsidiaries

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

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

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

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

(ii) Changes in ownership interests

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

When the group ceases to consolidate because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income are reclassified to profit or loss.

Consolidated Notes to the financial statements **(All amounts in Rs. Mn unless otherwise stated)**

(c) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income that are reported and disclosed in the consolidated financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Group may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used, but not limited to accounting for costs expected to be incurred to complete performance under service arrangements, allowance for uncollectible accounts receivables and unbilled revenue, accrual of warranty costs, income taxes, valuation of share-based compensation, future obligations under employee benefit plans, the useful lives of property, equipment and intangible assets, impairment of property, equipment, intangibles and goodwill, valuation allowances for deferred tax assets, and other contingencies and commitments. Changes in estimates are reflected in the financial statements in the period in which the changes are made. Actual results could differ from those estimates.

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Chief executive officer (CEO) of the Group has been identified as being the chief operating decision maker by the Management of the Group.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). Financial statements of the group are presented in Indian Rupee (Rs.), which is the group's functional & presentation currency.

(ii) Transactions & Balances

All foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the monthly rate. Foreign exchange gains & losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All monetary assets and liabilities in foreign currency are restated at the end of the accounting period. Exchange difference on restatement of all other monetary items are recognized in the Statement of Profit and Loss.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

When a foreign operation is sold/wound up, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale/winding up.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rates.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts and taxes.

The group recognizes revenue when the amount of revenue can be reliably measured , it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Contracts involving provision of services

Revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable and collectability is reasonably assured. Contracts can be primarily categorized as time –and- material or fixed price contracts.

(a) Time-and-material contracts

Revenue with respect to time-and-material contracts is recognized as the related services are performed.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

(b) Fixed Price contracts

Revenue related to contracts providing maintenance and support services, is recognized over the term of the contract. Revenue related to fixed price contracts is recognized in accordance with the proportionate completion method (PCM). The input (efforts expended) method is used to measure progress towards completion, as there is a direct relationship between input and productivity. Costs are recorded as incurred over the contract period. Any revision in cost to complete would result in increase or decrease in revenue and income and such changes are recorded in the period in which they are identified. Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates. Contract losses are determined to be the amount by which the estimated total cost to complete exceeds the estimated total revenues that will be generated by the contract and are included in Cost of services and classified in Short Term Provisions.For services accounted for under the PCM method, cost and earnings in excess of billing are classified as unbilled revenue, while billing in excess of cost and earnings are classified as deferred revenue.

(ii) Contracts involving sale of products

Revenue from product sales are shown net of sales tax and applicable discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non receipt of acceptance from the customer, the cost of the delivered item is also deferred. Revenue from maintenance services is recognized ratably over the period of the contract.

(iii) Multiple-element arrangements

When a sales arrangement contains multiple elements, such as services, hardware and software products and licenses revenue for each element is based on a selling price hierarchy. The selling price for a deliverable is based on its vendor specific objective evidence if available, third party evidence if vendor specific objective evidence is not available, or estimated selling price if neither vendor specific objective evidence nor third party evidence is available. The best estimate of selling price is established considering internal factors such as margin objectives, pricing practices and customer segment pricing strategies. Consideration is also given to market conditions such as competitor pricing strategies. In multiple-element arrangements, revenue is allocated to each separate unit of accounting using the relative selling price of each of the deliverables in the arrangement based on the aforementioned selling price hierarchy. If the arrangement contains more than one software deliverable, the arrangement consideration is allocated to the each software deliverable basis its fair value.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Certain upfront non-recurring contract acquisition costs incurred in the initial phases of contracts are deferred and amortized usually on a straight line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

When revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Group is a principal to the transaction and net of costs when the Group is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Group is a principal or an agent, most notably whether the Group is the primary obligor to the customer, has established its own pricing, and has inventory and credit risks.

(g) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries (including branches) operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current tax, deferred tax and MAT credit are recognized in statement of profit or loss, except to the extent that it relates to items recognized in Other Comprehensive Income or directly in equity. In this case, the tax is also recognized in Other Comprehensive Income or directly in equity, respectively.

(h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Statement of Profit and Loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal or value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or a group of assets (cash-generating units). Non-financial assets, other than goodwill, that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdraft.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(k) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

interest method, less provision for impairment.

(l) Inventories

Inventories represent items of finished goods that are specific to execute composite contracts of software services and IT infrastructure management services and also include finished goods which are interchangeable and not specific to any project. Inventory is carried at the lower of cost or net realizable value. The net realizable value is determined with reference to selling price of goods less the estimated cost necessary to make the sale. Cost of goods that are procured for specific projects is assigned by specific identification of their individual costs. Cost of goods which are interchangeable and not specific to any project is determined using weighted average cost formula.

(m) Investments and other financial assets

(i) Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gain & losses will either be recorded in profit or loss or other comprehensive income. For investment in debt instruments, this will depend on the business model in which the investment is held.

The group reclassifies debt investment when & only when its business model for managing those assets changes.

For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

(ii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. In the case of financial asset not at fair value transaction costs are directly expensed off in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of the contractual cash flows and for selling the financial assets, where the asset's cash flow represents solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost, FVPL and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29 details how the group determines whether there has been a significant increase in credit risk.

For trade receivables only, the group applies the simplified approach permitted by Ind AS 109 Financial instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivable.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- The group has transferred the rights to receive cash flows from the financial asset, or

- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where an entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where an entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where an entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate of Interest applicable.

Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

(n) Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions.

The group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within other gains/(losses).

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

(o) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

(p) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets. The estimates of useful lives of the assets are as follows:

Asset	**Useful life**
Leasehold Land	Over the period of lease
Buildings	60 years
Plant and Machinery:	
Computers and peripherals	2-5 years
Office Equipment	5 years
Other assets	3-15 years
Furniture and Fixtures	4-10 years
Leasehold improvements	3 years or lease period whichever is lower
Vehicles	8 years

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The asset's residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written down immediately to it's recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

(q) Intangible assets

(i) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

(ii) Brand, Customer Relationships and other rights

Separately acquired patents and copyrights are shown at historical cost. Patents, Copyrights, Non-Compete, Brand and Customer relationship acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

(iii) Computer software

Costs associated with maintaining software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- There is an ability to use or sell the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Consolidated Notes to the financial statements **(All amounts in Rs. Mn unless otherwise stated)**

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

During the period of development, the asset is tested for impairment annually. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

(iv) Research and development

Research expenditure and development expenditure that do not meet the criteria in (iii) above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(v) Amortization methods and periods

The group amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

Patents, copyright and other rights	5 years
Computer software - external	3 years
Non - compete fees	6 years
Brand	50 years
Customer Contract/ Relationships	10 years

Project specific softwares are amortized over the project duration

(vi) Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of intangible assets recognized as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(r) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per the agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(s) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(t) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time, that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(u) Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognized when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimates of the expenditure incurred to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Consolidated Notes to the financial statements **(All amounts in Rs. Mn unless otherwise stated)**

(v) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post - employment obligations

Defined benefit plans:

Provident Fund

Employees Provident Fund contributions are made to a Trust administered by the Company. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognized as plan assets. The defined benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

Gratuity

Gratuity is a post employment defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the Balance Sheet date less fair value of plan assets. The Company's liability is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial gains/ losses are recognized in the Statement of Profit and Loss in the year in which they arise.

Defined contribution plan:

Superannuation

The Company makes defined contribution to a Trust established for this purpose. The Company has no further obligation beyond its monthly contributions. The Company's contribution towards Superannuation Fund is charged to Statement of Profit and Loss.

Overseas Employees

In respect of employees of the overseas branches and subsidaries where ever applicable , the Group makes defined contribution on a monthly basis towards the retirement saving plan which is charged to the Statement of Profit and Loss.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the NIIT Technologies Employee Stock Option Plan 2005

Employee options

The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(v) Bonus

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged as per the provisions of The Payment of Bonus Act, 1965 as notified on January 01, 2016.

(w) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(x) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the group
- By weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in

Consolidated Notes to the financial statements **(All amounts in Rs. Mn unless otherwise stated)**

equity shares issued during the year and excluding treasury shares

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account.

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares and

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(y) Business combinations

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

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

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

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

(z) Fair value measurement

The Company measures financial instruments, such as investment in mutual funds etc., at fair value at each balance sheet date. 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

-In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole-

Level 1 — Quoted (unadjusted) 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

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, management regularly reviews significant unobservable inputs applied in the valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

2. Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Areas involving critical estimates or judgments are:

- Estimated goodwill impairment – Note 4
- Estimated useful life of intangible asset – Note 4
- Estimation of defined benefit obligation – Note 17
- Estimation of provision for customer contracts, Restoration of building and Top Talent Reward Program – Note 16
- Impairment of trade receivables – Note 5 (iv)

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

NIIT technologies
New Ideas, More Value.™

Consolidated Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

3 Property, plant and equipment

Year ended 31 March 2016	Freehold Land	Leasehold Land	Buildings	Plant and Machinery - Computers and Peripherals (Owned)	"Plant and Machinery - Computers and Peripherals (finance lease)"	Plant and Machinery -Office Equipment	Plant and Machinery - Others	Furniture and Fixtures	Lease Hold Improvements	Vehicles*	Total	Capital work in progress
Gross carrying amount												
Deemed cost as at 01 April 2015 #	0	274	1,176	592	1	66	788	275	9	157	3,338	1,160
Additions pursuant to acquisition of subsidiary during the year [Refer note 35]	-	-	-	9	-	-	-	1	1	20	31	-
Additions	-	-	-	379	2	24	13	30	11	84	543	700
Disposals	-	-	-	1	-	2	5	5	4	21	38	-
Translation Adjustment #	-	-	-	13	0	5	1	4	1	-	24	-
Transfers/Adjustment	-	-	1,136	50	-	79	370	218	-	-	1,853	(1,853)
Closing gross carrying amount #	**0**	**274**	**2,312**	**1,042**	**3**	**172**	**1,167**	**523**	**18**	**240**	**5,751**	**7**
Accumulated depreciation												
Depreciation on assets acquired pursuant of subsidiary during the year #	-	-	-	3	-	-	-	0	0	6	9	-
Depreciation charge for the year	-	3	30	335	1	54	141	62	9	29	664	-
Disposals	-	-	-	0	-	1	2	1	2	5	11	-
Translation Adjustment #	-	-	-	10	0	4	1	4	0	-	19	-
Closing accumulated depreciation	**-**	**3**	**30**	**348**	**1**	**57**	**140**	**65**	**7**	**30**	**681**	**-**
Net carrying amount	**0**	**271**	**2,282**	**694**	**2**	**115**	**1,027**	**458**	**11**	**210**	**5,070**	**7**

*Includes vehicles financed through loans Gross Block Rs. 149 Mn; Net block Rs. 132 Mn; hypothecated to financial institutions/banks against term loans (Refer Note 15)

0 represents amount is below the rounding off norm adopted by the Company

Year ended 31 March 2017	Freehold Land	Lease Hold Land	Buildings	Plant and Machinery - Computers and Peripherals (Owned)	"Plant and Machinery - Computers and Peripherals (finance lease)"	Plant and Machinery -Office Equipment	Plant and Machinery - Others	Furniture and Fixtures	Lease Hold Improvements	Vehicles*	Total	"Capital work in progress"
Gross carrying amount												
Opening gross carrying amount #	0	274	2,312	1,042	3	172	1,167	523	18	240	5,751	7
Additions	-	-	1	180	1	15	14	6	8	78	303	165
Disposals	-	-	-	2	-	1	3	1	-	28	35	-
Translation Adjustment #	-	-	-	(23)	-	(6)	(4)	(6)	(5)	-	(44)	-
Transfers/Adjustment #	-	-	49	87	-	0	27	9	-	-	172	(172)
Closing gross carrying amount #	**0**	**274**	**2,362**	**1,284**	**4**	**180**	**1,201**	**531**	**21**	**290**	**6,147**	**-**
Accumulated depreciation												
Opening accumulated depreciation	-	3	30	348	1	57	140	65	7	30	681	-
Depreciation charge for the year	-	3	40	365	1	41	146	72	6	41	715	-
Disposals #	-	-	-	1	-	-	2	-	-	7	10	-
Translation Adjustment #	-	-	-	(22)	-	(5)	(3)	(6)	(5)	-	(41)	-
Transfers/Adjustment #	-	-	0	-	-	0	0	0	-	-	-	-
Closing accumulated depreciation	**-**	**6**	**70**	**690**	**2**	**93**	**281**	**131**	**8**	**64**	**1,345**	**-**
Net carrying amount	**0**	**268**	**2,292**	**594**	**2**	**87**	**920**	**400**	**13**	**226**	**4,802**	**-**

*Includes vehicles financed through loans Gross Block Rs. 184 Mn, Net block Rs. 152 Mn; hypothecated to financial institutions/banks against term loans (Refer Note No. 15)

0 represents amount is below the rounding off norm adopted by the Company

Gross carrying amount of leasehold land represents, the amount paid under certain lease-cum-sale agreements to acquire land including agreements where the group has an option to purchase or renew the properties on expiry of lease period.

Net carrying amount of Plant and Machinery includes Rs. 451 Mn (31 March 2016 - Rs. 288 Mn) provided to the customer under the operating lease arrangement.

Consolidated Notes to the financial statements

(All amounts in Rs.Mn unless otherwise stated)

4 Intangible assets

Year Ended 31 March 2016	Acquired software	Internally developed software*	Patents	Brand**	Customer relationships**	Non-compete fee**	Total	Goodwill	Intangibe assets under development
	Other Intangible assets								
Gross carrying amount									
Deemed cost as at 01 April 2015	682	172	5	-	-	-	859	1,382	43
Additions pursuant to acquisition of subsidiary during the year [Refer Note 35]	5	-	-	237	777	316	1,335	609	-
Additions	264	-	-	-	-	-	264	-	117
Disposals	2	-	-	-	-	-	2	-	-
Exchange differences	17	6	1	-	-	-	24	34	-
Closing gross carrying amount	**966**	**178**	**6**	**237**	**777**	**316**	**2,480**	**2,025**	**160**
Accumulated amortization									
Amortization on assets acquired pursuant of subsidiary during the year [Refer Note 35]	2	-	-	4	72	48	126	-	-
Amortization charge for the year #	370	41	0	-	-	-	411	-	-
Disposals	2	-	-	-	-	-	2	-	-
Translation Adjustment #	14	0	0	-	-	-	14	-	-
Closing accumulated amortization #	**384**	**41**	**0**	**4**	**72**	**48**	**549**	**-**	**-**
Closing net carrying amount	**582**	**137**	**6**	**233**	**705**	**268**	**1,931**	**2,025**	**160**

0 represents amount is below the rounding off norm adopted by the Company

Year Ended 31 March 2017	Acquired software	Internally developed software*	Patents	Brand**	Customer relationships**	Non-compete fee**	Total	Goodwill	Intangibe assets under development
	Other Intangible assets								
Gross carrying amount									
Opening gross carrying amount	966	178	6	237	777	316	2,480	2,025	160
Additions	270	-	-	-	-	-	270	-	50
Disposals	8	-	-	-	-	-	8	-	-
Translation Adjustment	(29)	(37)	(1)	-	-	-	(67)	(177)	-
Transfers	-	210	-	-	-	-	210	-	(210)
Closing gross carrying amount	**1,199**	**351**	**5**	**237**	**777**	**316**	**2,885**	**1,848**	**-**
Accumulated amortization and impairment									
Opening accumulated amortization #	384	41	0	4	72	48	549	-	-
Amortization charge for the year #	390	37	0	5	78	52	562	-	-
Disposals	7	-	-	-	-	-	7	-	-
Translation Adjustment #	(27)	(18)	-	-	-	-	(45)	-	-
Closing accumulated amortization #	**740**	**60**	**0**	**9**	**150**	**100**	**1,059**	**-**	**-**
Closing net carrying amount	**459**	**291**	**5**	**228**	**627**	**216**	**1,826**	**1,848**	**-**

*The group has completed the development of Advantage Suite Navigator (Navigator) that is used as an insurance platform catering to reinsurers writing large commercial risks across all the major line of businesses.The group estimates useful life of the software to be 5 years based on technical evaluation.

** Subsequent to the fair valuation of assets and liabilities, the group recognised intangible assets (Brand, Customer relationships, Non Compete fee) basis the fair valuation report obtained by the group. The amortisation has been carried out based on the useful lives suggested by the valuer in its valuation report.

0 represents amount is below the rounding off norm adopted by the Company

(i) Significant estimate: useful life of intangible assets

The group estimates 3 years as the useful life in case of Softwares used for business and for project specific assets the Company amortises the assets according to the project duration.

If the useful life of assets was reduced by 2 years, there would be no significant impact on acquired intangible assets. For project specific cases, the carrying value would be reduced by Rs. 92 Mn and net carrying value would be Rs. 266 Mn.

Consolidated Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

(ii) Impairment tests for goodwill

a) Significant estimate: Key assumptions used for value-in-use calculations

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

	Europe, Middle East and Africa (EMEA)	India
31 March 2017		
Revenue (% annual growth rate)	5%	25%
Budgeted operating margin (%)	7% - 30%	30%
Pre-tax discount rate (%)	17%	17%
31 March 2016		
Revenue (% annual growth rate)	5%	25%
Budgeted operating margin (%)	7% - 30%	30%
Pre-tax discount rate (%)	17%	17%
1 April 2015		
Revenue (% annual growth rate)	5%	-
Budgeted operating margin (%)	7% - 30%	-
Pre-tax discount rate (%)	17%	-

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	**Approach used to determining values**
Revenue	Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.
Operating costs	Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost saving measures. The amounts disclosed above are the average operating costs for the five-year forecast period.
Budgeted operating margin	Based on past performance and management's expectations for the future.
Annual capital expenditure	Expected cash costs in the CGUs. This is based on the historical experience of management, and the planned refurbishment expenditure. No incremental revenue or cost savings are assumed in the value-in-use model as a result of this expenditure.
Pre-tax discount rates	Reflect specific risks relating to the relevant segments and the countries in which they operate.

b) Significant estimate: impairment charge

The Company has performed impairment testing for the above CGUs and no impairment charge has been identified.

c) Significant estimate: Impact of possible changes in key assumptions

Europe, Middle East and Africa

If the budgeted gross margin used in the value-in-use calculation for CGU had been 1% lower than management's estimates at 31 March 2017, the Group would still have a higher recoverable amount and no additional impairment against the carrying amount of goodwill will be charged.

If the pre-tax discount rate applied to the cash flow projections of this CGU had been 1% higher than management's estimates (18% instead of 17%), the recoverable amount for the Group would still be higher than the carrying amount and no impairment against the carrying amount of goodwill would have to be recorded.

India

If the budgeted gross margin used in the value-in-use calculation for the CGU had been 1% lower than management's estimates at 31 March 2017, the Group would still have a higher recoverable amount and no additional impairment against the carrying amount of goodwill will be charged.

If the pre-tax discount rate applied to the cash flow projections of this CGU had been 1% higher than management's estimates (18% instead of 17%), the recoverable amount for the Group would still be higher than the carrying amount and no impairment against the carrying amount of goodwill would have to be recorded.

The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of any CGU to exceed its recoverable amount.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

5 Financial Assets

		31 March 2017	31 March 2016	1 April 2015
5 (i)	**Non-current investments**			
	Investments in equity instruments (fully paid) at Fair Value through OCI			
	Unquoted			
	199,145 (Previous Year 199,145) Common shares in Relativity Technologies Inc.,USA #	0	0	0
	953,265 (Previous Year 953,265) Common Shares in Computer Logic Inc., USA #	0	0	0
	1,064,655 (Previous Year 1,064,655) Preference shares and 189,655 (Previous Year 189,655) Common Shares in Co kinetic Systems Inc., USA #	0	0	0
	Total equity instruments #	**0**	**0**	**0**
	Total Non- Current Investments #	**0**	**0**	**0**
	Aggregate amount of unquoted investments #	0	0	0
	Aggregate amount of impairment in the value of investments	-	-	-
	# 0 represents amount is below the rounding off norm adopted by the Company.			

5(ii) Current investments

Investment in Mutual Funds - Quoted	31 March 2017		31 March 2016		1April 2015	
	Units	**Value**	**Units**	**Value**	**Units**	**Value**
Tata Liquid Fund Direct Plan-Growth	-	-	21,481	60	-	-
Tata Liquid Fund Regular Plan-Growth	30,192	90	-	-	-	-
SBI Premier Liquid Fund-Direct Plan- Growth	-	-	29,448	70	-	-
SBI Magnum Insta Cash Fund-Regular Plan-Growth	27,937	100	-	-	-	-
Birla Sun Life Cash Plus-Growth-Direct Plan	195,115	51	332,102	81	-	-
Birla Sun Life Cash Plus-Growth-Regular Plan	461,891	120	-	-	-	-
Reliance Liquid Fund- Treasury Plan- Growth	49,787	197	33,487	102	34,199	117
Reliance Money Manager Fund-Growth Plan	83,805	188	24,157	50	-	-
IDFC Cash Fund Growth- Direct Plan	53,100	105	27,441	51	-	-
HDFC Liquid Fund-Regular Plan-Growth Option	46,985	150	-	-	-	-
HDFC Liquid Fund-Direct Plan-Growth Option	62,799	201	44,128	132	51,64,463	142
ICICI Prudential Liquid-Direct Plan-Growth	793,499	191	267,747	60	4,40,064	91
ICICI Prudential Liquid-Regular Plan-Growth	292,094	70	-	-	-	-
UTI Liquid Cash Plan Institutional -Direct Growth	49,287	131	24,207	60	17,500	40
Kotak Liquid Scheme Plan -A Growth	-	-	26,295	80	-	-
Reliance Quarterly Intervel Fund Series II -Growth	-	-	-	-	27,45,802	52
Templeton Low Duration Fund-Growth	-	-	-	-	81,06,229	125
Kotak Liquid Scheme Regular Plan -Growth	27,378	90	-	-	-	-
Baroda Pioneer Liquid Plan-Direct	39,299	73	-	-	-	-
Prudential ICICI Flexible Income-Direct Plan-Growth	632,653	198	-	-	-	-
Birla Short Term Fund-Growth	3,980,606	248	-	-	-	-
Reliance Short Term Fund-Growth	3,348,670	103	-	-	-	-
HDFC Medium term opportunity Fund-Growth	8,534,304	155	-	-	-	-
HDFC Short Term Opportunity Fund-Growth	21,441,027	386	-	-	-	-
Kotak Bond Short Term Fund-Growth	6,670,229	205	-	-	-	-
ICICI Flexible Income Plan Dir. Growth	65,255	21	-	-	-	-
ICICI PRU Banking & PSU debt Fund Growth	2,304,935	43	-	-	-	-
IDFC Corporation Bond	3,647,804	42	-	-	-	-
Total mutual funds		**3,158**		**746**		**567**
Total Current Investments		**3,158**		**746**		**567**
Aggregate amount of quoted investments and market value thereof		3,158		746		567
Aggregate amount of impairment in the value of investments		-		-		-

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

	31 March 2017		31 March 2016		1 April 2015	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
5(iii) Other Financial Assets						
(i) Derivatives						
Foreign exchange forward contracts	372	-	167	-	193	-
(ii) Others						
Security deposits						
-Considered Good	101	36	115	60	80	66
-Considered doubtful	-	1	-	1	-	1
	101	37	115	61	80	67
Less -Provision for doubtful security deposits		1	-	1	-	1
	101	36	115	60	80	66
Interest accrued on deposits with banks	33	-	36	-	16	-
Long term deposits with bank with maturity period more than 12 months[Refer Note(a)below]	-	153	-	139	-	129
Unbilled revenue	711	23	857	31	722	38
Less: Provision for doubtful unbilled revenue	62	-	94	-	39	-
Less: Unwinding of discount	-	7	-	9	-	10
Net unbilled revenue	649	16	763	22	683	28
Total other financial assets	**1,155**	**205**	**1,081**	**221**	**972**	**223**

(a) Held as margin money by bank against bank guarantees.

	31 March 2017	31 March 2016	1 April 2015
5(iv) Trade Receivables			
Trade receivables	5,462	6,075	6,206
Receivables from related parties	6	16	11
Less: Allowance for doubtful debts*#	565	190	157
Total receivables	**4,903**	**5,901**	**6,060**
Current Portion	4,903	5,901	6,060
Non-Current Portion	-	-	-
Break-up of security details			
Secured, considered good	-	-	-
Unsecured, considered good	4,903	5,901	6,060
Doubtful	565	190	157
Total	**5,468**	**6,091**	**6,217**
Allowance for doubtful debts *#	(565)	(190)	(157)
Total trade receivables	**4,903**	**5,901**	**6,060**

*During the year Rs.Nil(31March 2016-Rs.15 Mn;1April 2015-Rs.Nil)has been transferred to Provision for customer contracts.[Refer note 16]
#During the year Rs. 117 Mn (31 March 2016 - Rs. Nil; 1 April 2015 - Rs. Nil) has been transferred from Provision for customer contracts. [Refer note 16]

	31 March 2017	31 March 2016	1 April 2015
5(v) Cash and cash equivalents			
Balances with Banks			
- in Current Accounts	3,317	2,363	1,818
- in EEFC account	-	-	304
Deposits with maturity less than three months	-	390	66
Cash on Hand #	1	1	0
Cheques, drafts on hand	184	125	50
Total Cash and cash equivalents	**3,502**	**2,879**	**2,238**

0 represents amount is below the rounding off norm adopted by the Company.
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

	31 March 2017	31 March 2016	1 April 2015
5(vi) Bank Balances other than above			
Deposits with maturity more than 3 months but less than 12 months	559	469	440
Unpaid dividend account	14	14	15
	573	**483**	**455**

Consolidated Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

		31 March 2017	31 March 2016	1 April 2015
6	**Deferred tax assets**	**971**	**871**	**671**
	The balance comprises temporary differences attributable to:			
	Provisions	281	279	423
	Defined benefit obligations	352	208	180
	Other items			
	Allowance for doubtful debts and advances	72	124	159
	Minimum alternate tax credit entitlement	708	615	313
	Total deferred tax assets	**1,413**	**1,226**	**1,075**
	Set- off of deferred tax liabilities pursuant to set- off provisions			
	Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	(293)	(297)	(313)
	Deferred tax liability on discounting on non current provisions and others	(46)	(28)	(28)
	Deferred tax liability related to fair value gain on derivative instruments not charged in the statement of Profit and Loss but taken to Balance Sheet	(103)	(30)	(63)
	Net Deferred tax assets	**971**	**871**	**671**

Movement in deferred tax assets

	Fixed Assets	Derivatives	Employee benefits	Provisions	Other items	Minimum Alternate Tax	Total
At 1 April 2015	(313)	(63)	180	423	131	313	671
(charged)/credited:							
- to profit or loss	15	-	30	(144)	(66)	302	137
- to profit or loss - exchange gain / (loss)	-	(2)	-	-	31	-	29
- to other comprehensive income	-	34	-	-	-	-	34
At 31 March 2016	**(298)**	**(31)**	**210**	**279**	**96**	**615**	**871**
(charged)/credited:							
- to profit or loss	4	-	144	2	(133)	93	110
- to profit or loss - exchange gain / (loss)	-	25	-	-	63	-	88
- to other comprehensive income	-	(98)	-	-	-	-	(98)
- Deferred tax on basis adjustment	-	-	-	-	-	-	-
At 31 March 2017	**(294)**	**(104)**	**354**	**281**	**26**	**708**	**971**

Notes :

a) Deferred tax assets and liabilities above have been determined by applying the income tax rates of respective countries. Deferred tax assets and liabilities in relation to taxes payable under different tax jurisdictions have not been offset in financial statements.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

	31 March 2017	31 March 2016	1 April 2015
7 Other non-current assets			
Capital advances	**3**	**8**	**45**
Advances other than capital advances	**1**	**1**	**4**
Prepayments	**116**	**253**	**258**
Total other non-current assets	**120**	**262**	**307**
8 Inventories			
Traded Goods [Refer note below]	3	3	85
Total inventories	**3**	**3**	**85**

Note : The group deals in number of software and hardware items whose cost and selling price vary from item to item. In view of voluminous data information relating to major items of opening stocks, closing stocks, purchases and sales have not been disclosed in the financial statements.

	31 March 2017	31 March 2016	1 April 2015
9 Current tax assets			
Advance Income Tax	5,029	4,335	3,559
Less: Provision for income tax	4,406	3,828	3,132
	623	**507**	**427**
Advance fringe benefits tax	58	58	58
Less: Provision for fringe benefits tax	57	57	57
	1	**1**	**1**
Total current tax assets	**624**	**508**	**428**
10 Other current assets			
Unsecured, considered good, unless otherwise stated			
Prepayments	710	736	701
Advances other than capital advances	248	399	323
Total other current assets	**958**	**1,135**	**1,024**

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

11 Equity share capital

Authorized equity share capital

	Number of shares	Amount
As at 01 April 2015	75,000,000	750
Increase during the year	-	-
As at 31 March 2016	75,000,000	750
Increase during the year	-	-
As at 31 March 2017	75,000,000	750

(i) Movements in equity share capital

	Number of shares	Amount
As at 01 April 2015	61,044,899	610
Increase during the year	141,625	2
As at 31 March 2016	**61,186,524**	**612**
Increase during the year	175,650	2
As at 31 March 2017	**61,362,174**	**614**

Terms and rights attached to equity shares

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Shares reserved for issue under options

Information relating to 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, is set out in Note 38.

(ii) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	Equity Shares					
	31 March 2017		31 March 2016		1 April 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
NIIT Limited	14,493,480	23.62	14,493,480	23.69	14,493,480	23.74
Fidelity Management and Research Company A/c Fidelity Advisor Series 1 Fidelity Advisor Small Cap Fund	-	-	3,800,000	6.21	3,800,000	6.22
Edgbaston Asian Equity Trust	-	-	-	-	3,441,439	5.64
HDFC Mutual Fund	5,513,944	8.99	5,499,752	8.99	4,908,929	8.04

	31 March 2017	31 March 2016	1 April 2015
12 Reserves and Surplus			
Capital reserves	11	11	11
Capital redemption reserve	17	17	17
Securities premium reserve	408	345	305
Share options outstanding account	113	73	47
General reserve	2,306	2,306	2,094
Retained earnings	13,393	12,006	11,110
Total reserves and surplus	**16,248**	**14,758**	**13,584**

Consolidated Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

	31 March 2017	31 March 2016
(i) Capital Reserves		
Opening Balance	11	11
Increase/ decrease during the year	-	-
Closing Balance	**11**	**11**
(ii) Capital redemption reserve		
Opening Balance	17	17
Increase/ decrease during the year	-	-
Closing Balance	**17**	**17**
(iii) Securities premium reserve		
Opening Balance	345	305
Add: Transferred from share options outstanding account	54	40
Add: Impact of fair valuation on employee stock options #	9	0
Closing Balance	**408**	**345**

0 represents amount is below the rounding off norm adopted by the Company

	31 March 2017	31 March 2016
(iv) Share options outstanding account		
Options granted till date	73	47
Add: Compensation for options granted during the year	14	5
Add: Impact of fair valuation on employee stock options	26	21
Closing Balance	**113**	**73**
(v) General Reserve		
Opening Balance	2,306	2,094
Add: Balance Transferred from Statement of Profit and Loss	-	212
Closing Balance	**2,306**	**2,306**
(vi) Retained Earnings		
Opening Balance	12,006	11,110
Net profit for the period	2,501	2,700
Less: Other comprehensive income	9	(8)
Less: Appropriations		
Dividend paid	613	580
Corporate dividend tax on above	125	118
Fair valuation impact on future acquisition liability [Refer Note 44]	367	902
Transferred to general reserve	-	212
Closing Balance	**13,393**	**12,006**

The General Reserve is as per the requirements of Companies Act, 2013 in respect of companies incorporated in India. General reserve, if any, of overseas subsidiaries are included as part of the retained earnings.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

13. Other Reserves

	Cash Flow Hedging Reserve	Foreign Currency Translation Reserve	Total
At 1 April 2015	131	-	131
Fair Value changes on Cash Flow Hedges, net of tax	6	-	6
Increase/(decrease) during the year		219	219
At 31 March 2016	**137**	**219**	**356**
Fair Value changes on Cash Flow Hedges, net of tax	132	-	132
Increase/(decrease) during the year	-	(485)	(485)
At 31 March 2017	**269**	**(266)**	**3**

Nature and purpose of other reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act 2013.

Share options outstanding account

The share options outsanding account is used to recognize the grant date fair value of options issued to employees under NIIT Technologies Stock Option Plan 2005.

Cash flow hedging reserve

The group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecasted transactions, i.e., revenue, as described within Note 30. For hedging foreign currency risk, the group uses Foreign Currency Forward Contracts which are designated as Cash Flow Hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognized in the Cash Flow Hedging Reserve. Amount recognized in the Cash Flow Hedging Reserve is reclassified to profit or loss when the hedged item effects profit and loss, i.e., Revenue.

Foreign currency translation reserve

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

14 Non-controlling interests

	Amount
At 1 April 2015	222
Add : Non-controlling share in the results for the year	170
Less: 40% Non-controlling share in dividend declared by NIIT Media Technologies LLC	(31)
Less : 11% Non-controlling share in dividend declared by ESRI India Technologies Limited	(28)
Less : 11% Non-controlling share of corporate dividend tax on dividend declared by ESRI India Technologies Limited	(6)
Less: 49% Non-controlling share of Incessant Technologies Private Limited transfer to other equity	(134)
At 31 March 2016	**193**
Add : Non-controlling share in the results for the year	220
Less: 40% Non-controlling share in dividend declared by NIIT Media Technologies LLC	-
Less : 11% Non-controlling share in dividend declared by ESRI India Technologies Limited	(5)
Less : 11% Non-controlling share of corporate dividend tax on dividend declared by ESRI India Technologies Limited	(1)
Less: 49% Non-controlling share of Incessant Technologies Private Limited transfer to other equity	(170)
At 31 March 2017	**237**

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

		31 March 2017	31 March 2016	1 April 2015
15	**Financial liabilities**			
15(i)	**Non - Current Borrowings**			
	Secured Loans			
	Term loans			
	From Banks	5	5	8
	From Financial Institutions	108	97	76
	Unsecured Loans			
	Long term maturities of finance lease obligations			
	Obligations under finance leases	1	2	3
	Total non-current borrowings	**114**	**104**	**87**
	Less: Current maturities of long term debt [included in Note 15(v)]	39	39	36
	Less: Current maturities of finance lease obligations [included in Note 15(v)]	1	1	2
	Non-current borrowings (as per balance sheet)	**74**	**64**	**49**

(a) Term loans from Financial Institution are secured by way of hypothecation of the vehicles financed. The loan amounts along with interest are repayable over the period of 3 to 5 years (equal monthly instalments) from the date of sanction of loan. The interest rate on above loans are within the range of 9.5% to 10.35%. per annum.
(b) The carrying amount of non-financial assets pledged as security for current and non-current borrowings are disclosed in Note 3.

		31 March 2017	31 March 2016	1 April 2015
15(ii)	**Non current trade payable**			
	Trade payable	140	191	250
	Total Non current trade payables	**140**	**191**	**250**
15(iii)	**Other non current financial liabilities**			
	Financial liability for future acquisition [Refer Note 44]	1,416	1,745	-
	Total other non current financial liabilities	**1,416**	**1,745**	**-**
15(iv)	**Trade Payables**			
	Current			
	Trade Payables	1,236	1,173	1,554
	Acceptance	-	3	58
	Trade Payables to related parties	1	12	10
	Total trade payables	**1,237**	**1,188**	**1,622**

There are no micro enterprises and small enterprises to which the Company owes dues as at March 31, 2017, March 31, 2016 and April 01, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

		31 March 2017	31 March 2016	1 April 2015
15(v)	**Other Financial liabilities**			
	Current			
	Capital creditors	114	195	224
	Current maturities of term loan [Refer Note 15 (i) above]			
	From Bank	2	5	3
	From Financial Institutions	37	34	33
	Finance lease obligations	1	1	2
	Unclaimed dividend [Refer Note (a) below]	14	14	14
	Financial liability for future acquisition [Refer Note 44]	866	-	-
	Amount payable to customer on contract settlement	-	-	273
	Total other current financial liabilities	**1,034**	**249**	**549**

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125(2)(c) of the Companies Act, 2013 (earlier section 205C of the Companies Act, 1956) as at the year end.

(b) During the year ended March 31,2016, in respect of an ongoing service agreement (“agreement”) under dispute as at March 31,2015 with a customer in a subsidiary, mutual settlement was reached between the customer and the Company (including subsidiary, together referred to as the Company) for termination of contract, and release for customer and the Company from further obligations under the agreement. As per the terms of the settlement, the Company has paid a settlement amount to the customer during the year ended March 31,2016.

Consolidated Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

16 Provisions

	31 March 2017			31 March 2016			1 April 2015		
	Current	Non- Current	Total	Current	Non- Current	Total	Current	Non- Current	Total
Provision for Customer Contract	308	206	514	362	178	540	346	113	459
Provision for restoration of building	-	39	39	-	28	28	-	22	22
Top Talent Reward Program	26	22	48	-	112	112	-	-	-
Payroll Tax Liability	1	-	1	1	-	1	-	-	-
Royalty Tax Liability	58	-	58	58	-	58	-	-	-
Tax on Exit of Shareholders	8	-	8	8	-	8	-	-	-
Tax - Franking Credits #	0	-	0	0	-	0	-	-	-
Total	**401**	**267**	**668**	**429**	**318**	**747**	**346**	**135**	**481**

0 represents amount is below the rounding off norm adopted by the Company.

(i) Information about individual provisions and significant estimates

Provision for customer contract

The group reviews the cost to complete for all significant projects at year end and a provision has been provided for the excess of cost to be incurred over balance life of the project over and above the revenue to be recognized over the balance life of the project.

Restoration of building

The group provides for amount expected to be spent when the building taken on lease in UK will be vacated and required to be restored to it's original condition.

Top Talent Reward Program

The Board of Directors of Incessant Technologies Private Limited has formulated and approved a Top Talent Reward Program [""TTRP""] on 30 April, 2015, an incentive based bonus plan involving a total pay out of Rs. 150 Mn to the identified employees of the Company over a period of 4 years in the manner detailed in the TTRP, with a condition that the TTRP will come in to force only upon execution of Share Purchase and Subscription Agreement with NIIT Technologies Limited. Pursuant to the execution of the Share Purchase and Subscription Agreement dated 05 May , 2015 with NIIT Technologies Limited, the Company had set aside an amount of Rs. 150 Mn out of the proceeds of Rs. 585 Mn received from issue of shares on a preferential allotment basis to NIIT Technologies Limited for setting up a corpus that shall solely to be utilised for paying incentive based bonus to the identified employees of the Company eligible under the TTRP as approved by the Board of Directors of the Company.

Accordingly, with the execution of Share Purchase and Subscription Agreement with NIIT Technologies Limited on 05 May , 2015 and there being no realistic alternative but to make payments to eligible employees under TTRP, the Company has recognised in its Statement of Profit and Loss for previous year, an amount of Rs. 46 Mn paid during the previous year together with the expected pay out of Rs. 37 Mn due for payment in current year on an undiscounted basis and recognised the bonus pay-outs expected to happen over the two year period commencing July 2017 in line with requirements of Ind AS 19 using Projected Unit Credit Method.

Summary of Financial assumptions

Particulars	31 March 2017	31 March 2016	1 April 2015
Discount rate (per annum)	7.40 % p.a	7.80 % p.a	-

Payroll tax/ Royalty Tax/ Tax on Exit of Shareholders/ Tax - Franking Credits Liabilites

These liabilities are pertaining to acquisition of controlling stake of 51% in Incessant Technologies India Private Limited during the Financial Year 2015-16. As at the date of acquisition these amounts were appearing as a Contingent Liability in the financial statements of Incessant Technologies India Private Limited and are recorded in these financial statements based on fair valuation carried out by an Independent Valuer. Refer Note 35.

(ii) Movements in provisions

Movements in each class of provisions during the year, are set out below:

	Provision for customer contracts	Restoration of building	Top Talent Reward Program	Payroll Tax Liability	Royalty Tax Liability	Tax on Exit of Shareholders of Incessant	Tax - Franking Credits	Total
As at 01 April 2016	540	28	112	1	58	8	0	747
Charged/ (Credited) to profit or loss:								-
additional provisions recognized	192	11	-	-	-	-	-	203
unused amounts reversed / transferred	129	-	-	-	-	-	-	129
amount used during the year	86	-	64	-	-	-	-	150
unwinding of discount	3	-	-	-	-	-	-	3
As at 31 March 2017	514	39	48	1	58	8	0	668

	Provision for customer contracts	Restoration of building	Top Talent Reward Program	Payroll Tax Liability	Royalty Tax Liability	Tax on Exit of Shareholders of Incessant	Tax - Franking Credits	Total
As at 01 April 2015	459	22	-	-	-	-	-	481
Charged/ (Credited) to profit or loss:								
additional provisions recognized	41	6	112	1	58	8	0	226
unused amounts reversed / transferred	(47)	-	-	-	-	-	-	(47)
amount used during the year	-	-	-	-	-	-	-	-
unwinding of discount	7	-	-	-	-	-	-	7
As at 31 March 2016	**540**	**28**	**112**	**1**	**58**	**8**	**0**	**747**

* The group has made provisions for the above on a best estimate of the conditions prevailing as at the year end. The final amount that would be ultimately payable would be determined only at the time of closure of respective contracts. The group does not expect any reimbursements in respect of the above provisions.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

17 Employee benefit obligations

	31 March 2017			31 March 2016			1 April 2015		
	Current	Non Current	Total	Current	Non Current	Total	Current	Non Current	Total
Leave Obligations (i)	228	462	690	234	424	658	217	339	556
Gratuity (ii)	13	129	142	3	88	91	56	-	56
Total	**241**	**591**	**832**	**237**	**512**	**749**	**273**	**339**	**612**

(i) Leave Obligations

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as long term employee benefits. The Company's liability is actuarially determined (using projected unit credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payments within next 12 months.

The following amounts reflect leave that is expected to be taken or paid within next 12 months.

	31 March 2017	31 March 2016	1 April 2015
Current leave obligations expected to be settled within next 12 months	228	234	217

(ii) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of completed service. The gratuity plan is a funded plan and the Company makes contributions to recognized funds in India.

(iii) Defined contribution plans

The Group makes contribution towards Superannuation Fund, Pension Fund, Employee State Insurance Fund and Overseas Plans (related to the Branches in the United States of America, Ireland, Belgium and Switzerland), being defined contribution plans for eligible employees. The Company has charged the following amount in the Statement of Profit and Loss:

Amount recognized in the Statement of Profit and Loss	31 March 2017	31 March 2016
Superannuation fund paid to the Trust	20	16
Contribution plans (branches outside India)*	523	501
Employees state insurance fund paid to the authorities	7	8
Pension fund paid to the authorities	73	68
Provident Fund - RPFC	11	10
Total	**634**	**603**

(iv) Defined benefit plans

Employees Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognized as plan assets. The defined benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

The expense recognized during the period towards defined contribution plan is as follows:

The Company contributed Rs.93 Mn (Previous year Rs.85 Mn) during the year to the Trust, which has been charged to Statement of Profit and Loss.

(a) Amount of obligation as at the year end is determined as under

Description	31 March 2017	31 March 2016
Present value of obligation as at the beginning of the year	1,674	1,400
Interest cost	127	119
Current service cost	104	138
Benefits paid	(115)	(101)
Plan Participant's Contributions	177	237
Transfer In	25	16
Actuarial (gain) / loss on obligation	28	(135)
Present value of obligation as at the end of the year*	2,020	1,674

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

	31 March 2017	31 March 2016
(b) Change in Plan Assets :		
Description		
Plan assets at beginning at fair value	1,717	1,415
Expected return on plan assets	141	120
Employer contributions	93	132
Plan Participant's Contributions	177	237
Benefits paid	(115)	(101)
Transfers In	25	16
Actuarial gain / (loss) on plan assets	13	(102)
Plan assets at year end at fair value	2,051	1,717
(c) Amount of the obligation recognised in Balance Sheet :		
Description		
Present value of the defined benefit obligation as at the end of the year	2,020	1,674
Fair value of plan assets at the end of the year	2,051	1,717
Liability/(Assets) recognized in the Balance Sheet	(31)	(43)

*As the funded status is in surplus there is no need for any specific provision as at 31 March 2015 towards the Provident Fund by the Company. Hence the net liability to be recognised in the balance sheet is Rs. Nil

	31 March 2017	31 March 2016
(d) Principal actuarial assumptions at the Balance Sheet date		
Discount Rate	7.35%	7.80%
Attrition rate		
Age from 20-30 years	16.00%	16.00%
31-34	10.00%	10.00%
35-44	5.00%	5.00%
45-50	3.00%	3.00%
51-54	2.00%	2.00%
Age 55 & above	1.00%	1.00%
Expected Return on Assets for Exempt PF Fund		
Year		
2012-13	0.00%	0.00%
2014-15	9.19%	9.19%
2015-16	9.28%	9.28%
2017 and thereafter	9.02%	1.00%
Long term EPFO Rate		
2012-13	0.00%	0.00%
2013-14	8.75%	8.75%
2014-15	8.75%	8.75%
2015-16	8.80%	8.80%
2017 and thereafter	8.65%	0.00%
Description		
Experience Gain/(Loss) adjustments on Plan Liabilities	(27)	134
Experience Gain/(Loss) adjustments on Plan assets	13	(102)
Expected Contribution to the fund in the next year	85	85

Note:

Disclosures included are limited to the extent of disclosures provided by the actuary.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

Balance Sheet amounts - Gratuity

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
1 April 2015	**324**	**(275)**	**49**
Acquisition adjustment	3	-	3
Current Service Cost	78	-	78
Interest expense/ (income)	22	(21)	1
Total amount recognized in profit or loss	**100**	**(21)**	**79**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(1)	(1)
(Gain)/loss from change in demographic assumptions	1	-	1
(Gain)/loss from change in financial assumptions #	0	-	0
Experience (gains)/losses	(12)	-	(12)
Total amount recognized in other comprehensive income	**(11)**	**(1)**	**(12)**
Translation Adjustment	4	1	5
Employer's Contributions	-	(4)	(4)
Benefit payments	(54)	25	(29)
31 March 2016	**366**	**(275)**	**91**
1 April 2016	**366**	**(275)**	**91**
Reclassification	26	-	26
Current Service Cost	80	-	80
Interest expense/ (income)	25	(22)	3
Total amount recognized in profit or loss	**105**	**(22)**	**83**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	0	0
(Gain)/loss from change indemographic assumptions #	-	0	0
(Gain)/loss from change in financial assumptions	17	-	17
Experience (gains)/losses	(3)	-	(3)
Total amount recognized in other comprehensive income #	**14**	**0**	**14**
Translation adjustment	(1)	1	-
Employer's Contributions	-	(50)	(50)
Benefit payments	(51)	29	(22)
31 March 2017	**459**	**(317)**	**142**

0 represents amount is below the rounding off norm adopted by the Company

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

	31 March 2017			31 March 2016			1 April 2015		
	India	Outside India	Total	India	Outside India	Total	India	Outside India	Total
Present value of funded obligations	379	-	379	315	-	315	270	-	270
Fair value of plan assets	(317)	-	(317)	(275)	-	(275)	(275)	-	(275)
(Surplus)/ Deficit of funded plan	62	-	62	40	-	40	(5)	-	(5)
Unfunded plans	-	80	80	-	51	51	-	54	54
Surplus/ (Deficit) of gratuity plan	**62**	**80**	**142**	**40**	**51**	**91**	**(5)**	**54**	**49**

(v) Post employment benefits (Gratuity)

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	31 March 2017		31 March 2016		1 April 2015	
	India	Others	India	Others	India	Others
Discount rate	7.35% - 7.40%	3.75%	7.80%	3.50%	7.75%	-
Salary growth rate	7% for first 3 years and 6% thereafter	4.00%	7% for first 3 years and 6% thereafter	4.00%	7% for first 3 years and 6% thereafter	-
Life expectancy	11 Years	12 Years	10-12 Years	14 Years	10-12 Years	-
Expected rate of return on plan assets	7.35% - 7.40%	-	7.80%	-	8.75%	-

Consolidated Notes to the financial statements **(All amounts in Rs. Mn unless otherwise stated)**

(vi) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Discount rate	50 Basis Points	50 Basis Points	(32)	(23)	12	12
Salary growth rate	50 Basis Points	50 Basis Points	11	16	(31)	(17)

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

(vii) The major categories of plan assets are as follows:

	31 March 2017			31 March 2016			01 April 2015		
	Quoted	Total	%	Quoted	Total	%	Quoted	Total	%
Insurance policies and cash	317	317	100%	275	275	100%	275	275	100%

(viii) Risk Exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are Market Volatility, Changes in inflation, Changes in interest rates, Rising longetivity, Changing economic environment, Regulatory changes etc.

The Group ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve investments which are in line with the obligations under the employee benefit plans. Within this framework, the Group's asset-liability matching objective is to match assets to the obligations by investing in securities to match the benefit payments as they fall due.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that failure of any single investment should not have a material impact on the overall level of assets.

(ix) The expected maturity analysis of defined benefit obligations:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
31 March 2017	34	29	134	298	495
31 March 2016	30	22	127	261	440

		31 March 2017	31 March 2016	1 April 2015
18	**Other non-current liabilities**			
	Deferred Revenue	82	208	263
	Total other non-current liabilities	**82**	**208**	**263**
19	**Other current liabilities**			
	Advances from customers	21	6	11
	Payroll taxes #	6	7	0
	Statutory dues including provident fund and tax deducted at source	497	485	431
	Employee benefits payable	835	976	668
	Deferred revenue	317	315	329
	Total other current liabilities	**1,676**	**1,789**	**1,439**

0 represents amount is below the rounding off norm adopted by the Company

Consolidated Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

		Year ended March 31, 2017	Year ended March 31, 2016
20	**Revenue from operations**		
	Sales of products	459	643
	Sale of services	27,562	26,167
	Other operating revenue #	0	69
	Total revenue from continuing operations	**28,021**	**26,879**
	# 0 represents amount is below the rounding off norm adopted by the Company		
21	**Other income**		
	Net gain on sale of investments	70	34
	Dividend income from equity investments designated at fair value through other comprehensive income	3	3
	Interest Income from financial assets at amortised cost		
	- On bank deposits	71	74
	Gain on exchange fluctuations (net)	-	34
	Unrealised gain on fair valuation of current investments	58	(8)
	Unwinding of discount on security deposits	9	8
	Unwinding of discount on unbilled revenue	2	1
	Unwinding of discount on provisions	-	17
	Miscellaneous income	56	61
	Total other income	**269**	**224**
22	**Changes in inventories of stock-in-trade**		
	Opening balance	2	85
	Total opening balance	2	85
	Closing balance	3	2
	Total closing balance	3	2
	Total changes in inventories of stock-in-trade	**(1)**	**83**
23	**Employee benefits expense**		
	Salaries, wages and bonus [Refer note (a) below]	15,370	14,357
	Contribution to provident (and other) funds [Refer note 17]	727	688
	Employee share-based payment expense [Refer note 38]	59	39
	Gratuity [Refer note 17]	83	79
	Staff welfare expenses	274	256
	Total employee benefit expense	**16,513**	**15,419**
	(a) Net off Rs. 56 Mn (31 March 2016 - Rs. 84 Mn) capitalized as part of capital work-in-progress/ tangible assets/ intangible assets.		
24	**Depreciation and amortization expense**		
	Depreciation of property, plant and equipment [Refer note 3]	715	673
	Amortisation of intangible assets [Refer note 4]	562	538
	Total depreciation and amortization expense	**1,277**	**1,211**

Consolidated Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

		Year ended March 31, 2017	Year ended March 31, 2016
25	**Other expenses**		
	Rent [Refer note 37]	478	472
	Rates and taxes	20	49
	Electricity and water	185	167
	Communication expenses	313	270
	Legal and professional	609	497
	Payment to auditors [Refer note (a) below]	36	40
	Travelling and conveyance	1,026	1,024
	Recruitment expenses	108	139
	Insurance premium	62	69
	Repairs and maintenance		
	- Plant and machinery	304	294
	- Buildings	4	9
	- Others	334	394
	Loss on exchange fluctuations (net)	79	-
	Allowance for doubtful debts - trade receivables and unbilled revenue	84	200
	Lease rentals	11	10
	Loss on sales of assets (net)	5	12
	Expenditure towards Corporate Social Responsibilities activities [Refer note (b) below]	54	55
	Advertisement and publicity expenses	155	138
	Business promotion expenses	149	171
	Professional charges	1,539	1,432
	Provision for customer contracts (net)	106	41
	Equipment hiring	13	35
	Consumables	324	226
	Other production expenses	371	433
	Miscellaneous expenses	204	163
	Total other expenses	**6,573**	**6,340**
25(a)	**Details of payments to auditors**		
	Payment to auditors (excluding service tax)		
	As Auditor:		
	Audit fee	14	13
	Tax audit fee #	0	0
	In other capacities:		
	Reimbursement of actual out of pocket expenses	2	1
	Certification fees	1	2
	Payment to other auditors	19	24
	# 0 represents amount is below the rounding off norm adopted by the Company		
25(b)	**Corporate social responsibility expenditure**		
	Contribution to NIIT Institute of Information Technology	51	50
	Contribution to NIIT Foundation	2	1
	Contribution to Government Schools	1	4
	Total	**54**	**55**
	Amount required to be spent as per Section 135 of the Act	45	42
	Amount spent during the year other then Construction/ acquisition of an asset	54	55
25 (c)	**Expenses capitalized as a part of Capital Work-in-progress/tangible assets / intangible assets :**		
	Electricity and water #	0	3
	Legal and professional	3	8
	Production overheads	30	53
	Miscellaneous expenses	3	11
		36	**75**

0 represents amount is below the rounding off norm adopted by the Company

Consolidated Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
26 Finance costs		
Interest on borrowings not at fair value through profit or loss	12	14
Other borrowing costs	1	9
Bank and financial charges	28	26
Unwinding of discounts on security deposits	9	7
Unwinding of discounts on provisions	10	19
Finance costs expensed in profit or loss	**60**	**75**

27 Details of Exceptional items charged to Consolidated Statement of Profit and Loss:

(a) During December, 2016, the Group signed a settlement agreement with a government customer in respect of a contract that was put on hold by the customer during the quarter ended 30 June 2016 to resolve certain project related issues. The provisions/write offs amounting to Rs. 362 Mn in respect of all amounts outstanding relating to this project were reported as "Exceptional Items" during the quarter ended 30 June 2016. Consequent to the partial receipt of the settlement amount before the year end, Rs. 221 Mn (net of the partial settlement amount received) continue to be reported as "Exceptional Items". Revenue amounting to Rs. 270 Mn for services contracted, has been recognized as a result of settlement, in the Statement of Profit and Loss during the year ended 31 March 2017.

(b) During the year ended 31 March 2016 ,additional provision amounting to Rs 13 Mn for bonus related to the period 01 April 2014 to 31 March 2015 pursuant to retrospective amendment to "The Payment of Bonus Act, 1965" notified on 01 January 2016 was reported as an exceptional item.

28 Income tax expense

This note provides an analysis of the group's income tax expense, shows amounts that are recognized directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the group's tax positions.

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Income tax expense		
Current tax		
Current tax on operating profits of the year	**947**	**980**
Adjustments for current tax of prior periods	(25)	(86)
Total current tax expense	**922**	**894**
Deferred tax		
Decrease (increase) in deferred tax assets	(167)	(44)
(Decrease) increase in deferred tax liabilities	87	179
Impact of exchange fluctuations	(4)	15
Decrease (increase) in MAT Credit	(93)	(302)
Deferred tax on additional depreciation on fair value of assets	(29)	(44)
Others	69	86
Total deferred tax benefit	**(137)**	**(110)**
Income tax expense	**785**	**784**
(b) Amount recognised directly in equity		
Deferred tax (liability) on other comprehensive income	(98)	(34)
(c) Tax Losses		
Unused tax losses for which no deferred tax asset has been recognised	13	13
Potential tax benefit @ 23.0720%	3	3

(d) Unrecognised temporary differences

Certain subsidiaries of the group have undistributed earnings which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from these subsidiaries and the earnings are expected to be utilised for their business expansion.

Consolidated Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

(e) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	Year ended March 31, 2017	Year ended March 31, 2016
Profit from continuing operations before income tax expense	3,506	3,654
Tax at the Indian tax rate of 34.608% (for FY 2016-17: 34.608%)	**1,213**	**1,265**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Donations to the extent disallowable	12	10
Disallowance of expenses related to exempted income - u/s 14A #	1	-
Wealth Tax #	-	-
Deduction u/s 10AA	(384)	(525)
Deduction u/s 80IAB	(14)	(13)
Deduction u/s 80IC	(27)	(20)
RDEC/Others	(6)	1
Taxes paid by branches - net of relief u/s 90	95	93
Adjustments for current tax of prior periods	(25)	1
Effect due to temporary timing differences	(4)	26
Effect due to differences in tax rates	(76)	(54)
Income tax expense	**785**	**784**

0 represents amount is below the rounding off norm adopted by the Company

29. Fair value measurements

Financial instruments by category:

	31 March 2017			31 March 2016			1 April 2015		
	FVPL	FVTOCI	Amortized Cost	FVPL	FVTOCI	Amortized Cost	FVPL	FVTOCI	Amortized Cost
Financial assets									
Investments in Mutual funds	3,158	-	-	746	-	-	567	-	-
Investments in unquoted equity instruments #	-	0	-	-	0	-	-	0	-
Trade and other receivables	-	-	4,903	-	-	5,901	-	-	6,060
Cash and cash equivalents	-	-	3,502	-	-	2,879	-	-	2,238
Deposits with maturity more than 3 months but less than 12 months	-	-	559	-	-	469	-	-	440
Unpaid dividend account	-	-	14	-	-	14	-	-	15
Long term deposits with bank with maturity period more than 12 months	-	-	153	-	-	139	-	-	129
Derivative financial assets	-	372	-	-	167	-	-	193	-
Security deposits	-	-	137	-	-	175	-	-	146
Unbilled revenue	-	-	665	-	-	785	-	-	711
Interest accrued on deposits with banks	-	-	33	-	-	36	-	-	16
Total Financial assets	**3,158**	**372**	**9,966**	**746**	**167**	**10,398**	**567**	**193**	**9,755**
Financial liabilities									
Borrowings	-	-	113	-	-	102	-	-	84
Obligations under finance lease	-	-	1	-	-	2	-	-	3
Trade and other payables	-	-	1,377	-	-	1,379	-	-	1,872
Current maturities of term loan	-	-	-	-	-	-	-	-	-
Capital creditors	-	-	114	-	-	195	-	-	224
Unclaimed Dividend	-	-	14	-	-	14	-	-	14
Financial liability for future acquisition [Refer Note 44]	-	-	2,282	-	-	1,745	-	-	-
Amount payable to customer on contract settlement	-	-	-	-	-	-	-	-	273
Total Financial liabilities	**-**	**-**	**3,901**	**-**	**-**	**3,437**	**-**	**-**	**2,470**

0 represents amount is below the rounding off norm adopted by the Company

(i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are:

(a) recognized and measured at fair value and

(b) measured at amortized cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard.

An explanation of each level follows underneath the table.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

Financial assets and liabilities measured at fair value as at 31 March 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Mutual funds	3,158	-	-	3,158
Derivatives designated as hedges				
Foreign Exchange Forward Contracts	-	372	-	372
Unquoted equity investment				
Financial Investments at OCI #	-	-	0	0
Total financial assets #	**3,158**	**372**	**0**	**3,530**
# 0 represents amount is below the rounding off norm adopted by the Company.				

Financial assets and liabilities measured at fair value as at 31 March 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Mutual funds	746	-	-	746
Derivatives designated as hedges				
Foreign Exchange Forward Contracts	-	167	-	167
Unquoted equity investment				
Financial Investments at OCI #	-	-	0	0
Total financial assets #	**746**	**167**	**0**	**913**
# 0 represents amount is below the rounding off norm adopted by the Company.				

Financial assets and liabilities measured at fair value as at 1 April 2015	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Mutual funds	567	-	-	567
Derivatives designated as hedges				
Foreign Exchange Forward Contracts	-	193	-	193
Unquoted equity investment				
Financial Investments at OCI #	-	-	0	0
Total financial assets #	**567**	**193**	**0**	**760**
# 0 represents amount is below the rounding off norm adopted by the Company.				

There is also a financial liability for future acquisition measured at fair value using level 3 inputs. Refer note 44.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels at the end of reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices for similar instruments.
- Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- Inputs used in the valuation models

(a) Future acquisition liability-

(i) EBITDA Inputs- The EBITDA values used to simulate strike and spot were taken from the business valuation.

(ii) Volatility- Volatilities were calculated for the respective tenors by taking the average of volatilities of comparable companies for Incessant.

(iii) Drift- The drift for EBITDA was taken to be the WACC for each of the valuation dates

(b) Forward Contracts

Derivative financial instruments are valued based on quoted prices for similar assets and liabilites in active markets or inputs that are directly or indirectly observable in the marketplace.

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(iii) Fair value of financial assets and liabilities measured at amortised cost

	31 March 2017		31 March 2016		1 April 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Trade and other receivables	4,903	4,903	5,901	5,901	6,060	6,060
Cash and cash equivalents	3,502	3,502	2,879	2,879	2,238	2,238
Other Bank Balances	559	559	469	469	440	440
Unpaid dividend account	14	14	14	14	15	15
Long term deposits with bank with maturity period more than 12 months	153	153	139	139	129	129
Security deposits	137	137	175	175	146	146
Unbilled revenue	665	665	785	785	711	711
Interest accrued on deposits with banks	33	33	36	36	16	16
Total financial assets	**9,966**	**9,966**	**10,398**	**10,398**	**9,755**	**9,755**
Financial Liabilities						
Borrowings	113	113	102	102	84	84
Obligations under Finance Lease	1	1	2	2	3	3
Trade and other payables	1,377	1,377	1,379	1,379	1,872	1,872
Current maturities of term loan	-	-	-	-	-	-
Capital creditors	114	114	195	195	224	224
Unclaimed dividend	14	14	14	14	14	14
Future acquisition liability [Refer note 44]	2,282	2,282	1,745	1,745	-	-
Amount payable to customer on contract settlement	-	-	-	-	273	273
Total financial liabilities	**3,901**	**3,901**	**3,437**	**3,437**	**2,470**	**2,470**

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values. The fair values for security deposits were calculated based on cash flows discounted using a current lending rate.

30 Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables,cash and short-term deposits that derive directly from its operations. The Group also holds FVTPL investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management overseas the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken and derivatives are used exclusively for hedging purposes. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(i) 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. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and derivative financial instruments.

-Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

There are no significant borrowings on the financial statements. Hence, there is no significant concentration of interest rate risk.

- 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 operates internationally and a major portion of the business is transacted in several currencies. Consequently,

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

the Group is exposed to foreign exchange risk through receiving payment for sales and services across the globe in various foreign currencies. The exchange rate risk primarily arises from foreign exchange revenue, receivables, cash balances, forecasted cash flows and payables. A portion of our revenue is in U.S. Dollars, United Kingdom Pound Sterling, Euros, and Australian Dollars while a large portion of the costs are in Indian Rupees.

The Group evaluates its exchange rate exposure arising from these transactions and enters into foreign exchange forward contracts to hedge forecasted cash flows denominated in foreign currency and mitigate such exposure.

a) Sensitivity

The senstivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

	Impact on CTR		Impact on other components of equity	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
USD Sensitivity				
Rs./USD - Increase by 1% (31 March 2016 - 1%)*	26	18	2	(1)
Rs./USD - Decrease by 1% (31 March 2016 - 1%)*	(26)	(18)	(2)	1
EUR Sensitivity				
Rs./EUR - Increase by 1% (31 March 2016 - 1%)*#	5	6	(0)	0
Rs./EUR - Decrease by 1% (31 March 2016 - 1%)*#	(5)	(6)	0	(0)
GBP Sensitivity				
Rs./GBP - Increase by 1% (31 March 2016 - 1%)*	25	24	(1)	(1)
Rs./GBP - Decrease by 1% (31 March 2016 - 1%)*	(25)	(24)	1	1

*Holding all other variables constant

0 represents amount is below the rounding off norm adopted by the Company.

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position:

Type of hedge and risks	31 March 2017			31 March 2016			01 April 2015		
	Carrying amount of hedging instrument		Maturity date	Carrying amount of hedging instrument		Maturity date	Carrying amount of hedging instrument		Maturity date
	Assets	Liabilities		Assets	Liabilities		Assets	Liabilities	
Cash flow hedge Foreign exchange risk									
Foreign exchange forward contracts	372	-	April 2017 to March 2018	167	-	April 2016 to March 2017	193	-	April 2015 to March 2016

(b) Disclosure of effects of hedge accounting on financial performance

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income*		Amount reclassified from cash flow hedging reserve to profit or loss		Line item affected in statement of profit and loss because of the reclassification	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Cash flow hedge						
Foreign exchange risk	132	6	463	125	Revenue	Revenue

*The resultant impact on the cash flow hedge reserve for the year ended 31 March, 2017 and 31 March , 2016; on account of changes in the fair value has been reconciled in Note No. 13

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

(ii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 4,913 Mn and Rs. 5,901 Mn as of 31 March ,2017 and 31 March ,2016, respectively and unbilled revenue amounting to Rs. 670 Mn and Rs. 784 Mn as of 31 March ,2017 and 31 March ,2016, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned through subsidiaries, government customers and other corporate customers. Since the Company earns major revenues from its subsidiaries where the payment is received as and when it is due. For other customers, the Company has used the expected credit loss model to assess the impairment loss or gain on trade receivables and unbilled revenue, and has provided it wherever appropriate.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

The following table gives the movement in allowance for expected credit loss for the year ended 31 March, 2017:

	31 March 2017	31 March 2016
Balance at the beginning	284	196
Impairment loss recognized (net)	84	200
Expenses Recognised in Exceptional Item	218	-
Transfer from provision for expenses	117	(15)
Amounts written off	77	97
Balance at the end	**626**	**284**

Credit risk on cash and cash equivalents is limited as the group generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and certificates of deposit which are funds deposited at a bank for a specified time period.

(iii) Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group has no outstanding borrowings except term loans and working capital limits from banks. The term loans are secured against hypothecation of the vehicles (refer note 15), and working capital limit is secured by a first charge on the book debts of the Group and by a second charge on movable assets of the Group . However, the Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

(iv) Maturities of financial liabilities

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March, 2017:

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-7 Years	Total
Trade Payables	1,237	46	82	12	1,377
Borrowings	40	34	37	3	114
Other Financial Liabilities (excluding Borrowings)	994	1,416	-	-	2,410
	2,271	**1,496**	**119**	**15**	**3,901**

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2016:

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-7 Years	Total
Trade Payables	1,188	51	89	51	1,379
Borrowings	40	29	31	4	104
Other Financial Liabilities (excluding Borrowings)	209	1,745	-	-	1,954
	1,437	**1,825**	**120**	**55**	**3,437**

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2015:

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-7 Years	Total
Trade Payables	1,622	58	98	94	1,872
Borrowings	38	27	20	2	87
Other Financial Liabilities (excluding Borrowings)	511	-	-	-	511
	2,171	**85**	**118**	**96**	**2,470**

31 Capital Management

a) Risk management

For the Group's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the shareholders. The primary objectives of the Group's capital management are to maximise the shareholder value and safegaurd their ability to continue as a going concern. The Group has no outstanding borrowings except term loans and working capital limits from banks. The term loans are secured against hypothecation of the vehicles (Refer Note 15), and working capital limit is secured by a first charge on the book debts of the Group and by a second charge on movable assets of the Group. The Group has complied with the financial covenants attached with above stated borrowings throughout the reporting period.

b) Dividends

	31 March 2017	31 March 2016
(i) Equity Shares		
Final dividend paid for the year ended 31 March 2016 of Rs. 10 (31 March 2015 - Rs. 9.50) per fully paid up equity share	612	580
(ii) Dividends not recognised at the end of reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 12.50 per fully paid up equity share (31 March 2016 - Rs. 10.00). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	767	612

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

32 Interests in other entities

(i) Interest in Subsidiaries

The Company's subsidiaries at 31 March 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Sr. No.	Name	Place of business/ country of incorporation	Ownership interest held by the Company			Ownership interest held by the Non controlling interest			Principal Activities
			31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015	
	Direct subsidiaries								
1	ESRI India Technologies Limited, India (*Formerly known NIIT GIS Limited)	India	88.99	88.99	88.99	11.01	11.01	11.01	Software development
2	NIIT SmartServe Ltd, India	India	100	100	100	-	-	-	Software development
3	NIIT Technologies Services Limited, India	India	100	100	100	-	-	-	Software development
4	NIIT Technologies Ltd, United Kingdom	United Kingdom	100	100	100	-	-	-	Software development
5	NIIT Technologies Pacific Pte Limited, Singapore	Singapore	100	100	100	-	-	-	Software development
6	Incessant Technologies Private Limited	India	51	51	-	49	49	-	Software development
7	NIIT Technologies GmbH, Germany	Germany	100	100	100	-	-	-	Software development
8	NIIT Technologies Inc, USA	USA	100	100	100	-	-	-	Software development
9	NIIT Airline Technologies GmbH, Germany	Germany	100	100	100	-	-	-	Software development
10	NIIT Technologies FZ LLC, Dubai	Dubai	100	100	100	-	-	-	Software development
11	NIIT Technologies Philippines Inc	Philippines	100	100	100	-	-	-	Software development
	Stepdown Subsidiaries								
12	NIIT Technologies BV, Netherlands (Wholly owned by NIIT Technologies, UK)	Netherlands	100	100	100	-	-	-	Software development
13	NIIT Technologies NV, Belgium (Wholly owned by NIIT Technologies BV, Netherlands) (liquidated with effect from December 1, 2016)	Belgium	100	100	100	-	-	-	Software development
14	NIIT Technologies Ltd, Thailand (Wholly owned by NIIT Technologies, Singapore)	Thailand	100	100	100	-	-	-	Software development
15	NIIT Technologies Pty Ltd, Australia (Wholly owned by NIIT Technologies, Singapore)	Australia	100	100	100	-	-	-	Software development
16	NIIT Technologies K.K ,Japan (Wholly owned by NIIT Technologies Inc, USA) liquidated with effect from 17 November 2016.	Japan	100	100	100	-	-	-	Software development
17	NIIT Technologies AG, Switzerland (Wholly owned by NIIT Technologies GmbH, Germany) (Operation closed during the year ended March 31, 2016 and under liquidation as at March 31,2017)	Switzerland	100	100	100	-	-	-	Software development
18	NIIT Insurance Technologies Limited, United Kingdom (Wholly owned by NIIT Technologies Limited, UK)	United Kingdom	100	100	100	-	-	-	Software development
19	NIIT Technologies S.A., Spain (Wholly owned by NIIT Technologies Limited, UK)	Spain	100	100	100	-	-	-	Software development
20	NIIT Media Technologies LLC (Majorly owned and controlled subsidiary of NIIT Technologies Inc, USA)	USA	60	60	60	40	40	40	Software development
21	NIIT Technologies Brazil Ltd (Wholly owned by NIIT Technologies Limited, UK and NIIT Technologies Inc, USA)	Brazil	100	100	100	-	-	-	Software development
22	Incessant Technologies. (UK) Limited (Wholly owned by Incessant Technologies Private Limited)	United Kingdom	51	51	-	49	49	-	Software development
23	Incessant Technologies Ltd., (Ireland) (Wholly owned by Incessant Technologies Private Limited)	Ireland	51	51	-	49	49	-	Software development
24	Incessant Technologies (Australia) Pty Ltd. (Wholly owned by Incessant Technologies Private Limited)	Australia	51	51	-	49	49	-	Software development
25	Incessant Technologies NA Inc., USA (Wholly owned by Incessant Technologies Private Limited)	USA	51	51	-	49	49	-	Software development

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

33 Related party transactions

A List of related parties with whom the Group has transacted:

a) **Subsidiaries**
Interests in subsidiaries as are set out in Note 32

b) **Parties of whom the Group is an associate and their subsidiaries/associates**
NIIT Limited (Includes Scantech Evaluation Services Limited and Evolve Services Limited)
NIIT USA Inc.
NIIT Sdn Bhd, Malaysia
Scantech Evaluation Services Limited
NIIT Limited, UK
Evolve Services Limited
NIIT Institute of Finance Banking and Insurance Training Ltd
NIIT China (Shanghai) Ltd

c) **Key Managerial personnel**
Rajendra S Pawar, Chairman and Managing Director
Vijay K Thadani, Non Executive Director
Arvind Thakur, Chief Executive Officer and Joint Managing Director
Amit Kumar Garg, Chief Financial Officer

d) **Parties in which the key managerial personnel or the relatives of the key managerial personnel are interested.**
Naya Bazar Novelties Private Limited
NIIT Institute of Information Technology
Indian School of Business
NIIT University
NIIT Foundation

B List of other related parties

Particulars	**Country**	**Nature of relationship**
NIIT Technologies Limited Employees Provident Fund Trust	India	Post-employment benefit plan
NIIT Technologies Limited Employees Group Gratuity Scheme	India	Post-employment benefit plan
NIIT Technologies Superannuation Scheme	India	Post-employment benefit plan

Refer to Note 17 for information and transactions with post-employment benefit plans mentioned above

C Details of transaction with related parties carried out on an arms length basis:

Nature of Transactions	Parties in whom the Group is an associate and their subsidiaries	Key Managerial Personnel	Parties in which Key Managerial Personnel of the Group are interested	Total
Recovery from the Company	6	-	-	6
	(12)	-	-	(12)
Recovery by the Company #	7	-	-	7
	0	-	-	0
Receiving of Services #	2	-	-	2
	(8)	-	0	(8)
Rendering of Services	23	-	-	23
	(38)	-	-	(38)
Other Income	10	-	-	10
	-	-	-	-
Other Expenses #	-	-	0	0
	0	-	(1)	(1)
Dividend Paid to NIIT Limited	145	-	-	145
	(138)	-	-	(138)
Donations paid	-	-	53	53
	-	-	(51)	(51)
Fixed Assets purchased	-	-	-	-
	(9)	-	-	(9)
Subscription for new equity shares issued to key management personnel as a result of option exercised* #	-	0	-	0
	-	-	-	-
Advances received for services	6	-	-	6
	-	-	-	-

Figures in parenthesis represent Previous Year's figures
*Excluding premium of Rs.19 Mn (Previous year Rs Nil)
0 represents amount is below the rounding off norm adopted by the Company

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

D. Key management personnel compensation

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Short term employee benefit expenses	65	66	39
Sitting fees	1	1	1
Post employment benefit expenses*	5	4	6
Remuneration paid	**71**	**71**	**46**
Employee share based expenses **	43	12	3
Total of compensation	**114**	**83**	**49**

*As gratuity and compensated absences are computed for all the employees in aggregate, the amounts relating to the key managerial personal can not be individually identified.

** It is not paid to key management personnel.

E. Outstanding balances with related parties:

	Receivables as at 31 March 2017	Payables as at 31 March 2017	Receivables as at 31 March 2016	Payables as at 31 March 2016	Receivables as at 1 April, 2015	Payables as at 1 April, 2015
Parties of whom the group is an associate and their subsidiaries/associates	5	6	16	12	11	10
Parties in which Key Managerial Personnel are interested #	1	0	0	0	-	0
Key Managerial Personnel	-	5	2	2	-	1

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.
0 represents amount is below the rounding off norm adopted by the Company

F. Terms and Conditions

Transactions relating to dividends, subscriptions for new equity shares were on the same terms and conditions that applied to other shareholders.

Transactions with related parties during the year were based on terms that would be available to third parties.
All other transactions were made on normal commercial terms and conditions and at market rates in respect of impaired receivables due from related parties.

All outstanding balances are unsecured and are repayable in cash.

34 Segment Reporting

(a) Description of segments and principal activities

The Group delivers services around the world directly and through its network of subsidiaries and overseas branches. The group is rendering Information Technology solutions and is engaged in Application Development and Maintenance, Managed Services, Cloud Computing and Business Process Outsourcing to organizations in a number of sectors viz. Financial Services, Insurance, Travel, Transportation and Logistics, Manufacturing and Distribution and Government.
The Chief Executive Officer of the Group being identified the Chief Operating Decision Maker (CODM), reviews the group's performance both from a products/ services and geographic perspective. However, CODM takes its decision for allocating resources of the entity and assessing its performance on the basis of the geographical presence of the Company across the globe and has identified four reportable segments of its business:
1. Europe, Middle East and Africa (EMEA)
2. Asia Pacific (APAC)
3. India
4. Americas

The CODM primarily uses a measure of Revenue and Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA, see below) to assess the performance of the operating segments. Assets and liabilities used in the group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. Assets and liabilities used in groups's business are not identified to any of the reportable segments, as these are used interchangeably between segments .Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities.

(b) Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

	For the year ended 31 March 2017					For the year ended 31 March 2016				
	EMEA	APAC	India	Americas	Total	EMEA	APAC	India	Americas	Total
Revenue from operations	9,177	2,922	2,587	13,335	28,021	9,186	2,746	2,755	12,192	26,879
Operating Expenses	7,446	2,587	2,584	10,560	23,177	7,274	2,466	2,651	9,785	22,176
Earning before interest, tax, depreciation and amortization (EBITDA)	**1,731**	**335**	**3**	**2,775**	**4,844**	**1,912**	**280**	**104**	**2,407**	**4,703**
Depreciation and Amortization					1,277					1,211
Other Income (net)					160					175
Profit Before Tax (Before exceptional items)					3,727					3,667
Exceptional items					221					13
Profit Before Tax					3,506					3,654
Provision for Tax					785					784
Profit after Tax					2,721					2,870

35 Business combinations

(a) Summary of acquisition

On 30 April 2015, the parent entity acquired 51% of the issued share capital of Incessant Technologies Private Limited, a service provider of enterprise iBPM solutions to assist companies in achieving digital integration.

The parent entity has entered into a Share Purchase Agreement with the existing shareholders of Incessant Technologies Private Limimted which has given the parent entity an option to acquire the remaining 49% in two tranches of 19% and 30% on 31 May 2017 and 31 May 2018 respectively subject to certain conditions as specified in the Shareholder's agreement. Consequent to the acquisition of the remaining 49% of the shareholding, Incessant Technologies Private Limited shall become a wholly owned subsidiary of NIIT Technologies as at 31 May 2018.
Details of initial purchase consideration (for 51% share acquired), the net assets acquired and goodwill are as follows:

Purchase consideration	**Amount**
Purchase of equity shares from existing shareholders of Incessant	764
New equity shares issued by Incessant	585
Total purchase consideration	1,349

The fair value of the shares issued as part of the consideration paid for Incessant Technologies Private Limited was based on the share purchase agreement entered into by the existing shareholders of Incesssant Technologies Private Limited and the parent entity.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value
Identified tangible assets	
Property, plant and equipment	32
Net working capital (including cash)	(112)
Cash infused on issue of equity shares by Incessant	585
Deferred tax assets/ (liabilities)*	(391)
Identified intangible assets	
Computer Software	5
Brand	237
Customer contracts/ relationships	777
Non-compete fees	316
Net identifiable assets acquired	**1,449**

* An amount of Rs. 47 Mn for the year ended 31 March, 2017 and Rs. 43 Mn for the year ended 31 March, 2016 has been charged to the Statement of Profit Loss on account of additional depreciation for Fixed Assets based on fair valuation of Incessant Technologies Private Limited resulting in decrease in the value of Deferred Tax Liabilities to Rs. 387 Mn and Rs. 434 Mn as at 31 March, 2017 and 31 March , 2016 respectively.

Calculation of goodwill	**Fair value**
Net identified Tangible and Intangible Assets acquired	864
Add: Cash infused on issue of equity shares by Incessant	585
Adjusted net assets	**1,449**
Consideration transferred	1,349
Non-controlling interest in the acquired entity	709
Goodwill	**609**

The goodwill is attributable to the workforce and the high profitability of the acquired business.

There were no acquisitions during the year ended 31 March 2017.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

Significant judgements

(i) Contingent liability

A contingent liability of Rs. 67 Mn was recognised on the acquisition of Incessant Technologies Private Limited for a pending payroll tax demand, a deficit in franking credits, royalty tax and tax on exit of shareholders. As at 31 March 2016 and 31 March,2017, there has been no change in the amount recognised for the liability as there has been no change in the probability of the outcome of the lawsuit.

(ii) Acquired receivables

No adjustments have been made to acquired trade receivables and cash and bank balances.

(iii) Accounting policy choice for non-controlling interests

The group recognises non-controlling interests in an acquired entity at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

(iv) Revenue and profit contribution

The acquired business contributed revenues and profits to the group for the period 31 March 2016 as follows:

(a) Revenue of Rs. 1,327 Mn and profit of Rs. 237 Mn for the period 30 April 2015 to 31 March 2016.

(b) If the acquisitions had occurred on 1 April 2015, consolidated pro-forma revenue and profit for the year ended 31 March 2016 would have been increased/(decreased) by Rs. 101 Mn and Rs. (128) Mn, respectively.

These amounts have been calculated using the subsidiary's results and adjusting them for:
- differences in the accounting policies between the group and the subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 April 2015, together with the consequential tax effects.

(b) Purchase consideration - cash outflow

	Amount
*Outflow of cash to acquire subsidiary, net of cash acquired**	
Cash consideration	1,348
Less: balances acquired	
Cash and Bank	66
Net outflow of cash – investing activities	**1,282**

**Acquisition related costs*

Acquisition related costs of Rs. 2 Mn that were not directly attributable to the issue of shares are included in other expenses in the Statement of Profit or Loss.

36 Contingent liabilities and contingent assets

(a) Contingent liabilities

The Group had contingent liabilities in respect of:

	31 March 2017	31 March 2016	01 April 2015
i) Claims against the Group not acknowledged as debts			
Income tax matters pending disposal by the tax authorities	612	532	300
Claims made by customer pending under arbitration	-	3	3
Counter claim made by a vendor in reposne to amount claimed by the Group as per the terms of contract, pending resolution by the High Court	-	-	62
Andhra Pradesh Value Added Tax matter pending disposal by the tax authorities	-	6	-
Excise matters pending with Hon'ble Central Excise and Service Tax Appellate Tribunal (CESTAT), Chandigarh.	284	284	-
Total	**896**	**825**	**365**

ii) Notes

(A) It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(B) The Group does not expect any reimbursements in respect of the above contingent liabilities.

iii) Income tax

Claims against the Group not acknowledged as debts as on 31 March,2017 include demand from the Indian Income tax authorities for payment of tax of Rs. 612 Mn (31 March 2016 Rs. 532 Mn), upon completion of their tax assessment for Financial Year (FY) 2005-06 to FY 2014-15.

Demand for from FY 2005-06 to 2010-11 includes disallowance of apportion of the deduction claimed by the Group under Section10A of the Income Tax Act,1961 as determined by the ratio of export turnover to total turnover. The disallowance arose mainly due to the fact that tax authorities considered all units as one for computation of tax deduction/exemption instead of calculating each unit eligibility separately. Demand for FY 2007-08 to FY 2011-12 also includes disallowance on account of substantial expansion under section 80 IC denied on account of non-compliance of conditions as to 50% addition to Plant and Machinery, brought forward Unabsorbed Depreciation on Demerger, Section 14A /Rule 8D and towards Transfer Pricing. The matters for FY 2005-06 to FY 2008-09 are pending before Hon'ble Income Tax Appellate Tribunal (ITAT), Delhi. The matter for financial year 2009, financial year 2010, financial year 2011 and financial year 2012 is pending before the Commissioner of Income Tax (Appeals) Delhi.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

iv) Excise

Demand for FY 2005-06 to FY 2012-13 includes disallowance of Rs. 283 Mn (31 March 2016 Rs. 283 Mn) alleging that no substantial expansion for replication Activity and digitization does not amount to manufacture.
The matters for FY 2005-06 to FY 2012-13 are pending before Hon'ble Central Excise and Service Tax Appellate Tribunal (CESTAT), Chandigarh.

v) The Group is contesting the demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

(b) Contingent assets

The Group does not have any contingent assets as at 31 March 2017, 31 March 2016 and 1 April 2015.

37 Commitments

(a) Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	31 March 2017	31 March 2016	01 April 2015
Property, plant and equipment *	51	129	695
Intangible assets	142	174	125
Total	**193**	**303**	**820**

* Amount of estimated value of contracts in capital account remaining to be executed are net of capital advance of Rs. 3 Mn (31 March 2016: Rs. 3 Mn; 01 April 2015: Rs. 41 Mn)

(b) Non cancellable operating lease

The group leases various offices and equipments under non cancellable operating lease expiring within five years. The leases have varying terms, escalation clause and renewal rights. On renewal the terms of the leases are renegotiated.
Commitments for future minimum lease payments in relation to non-cancellable operating leases are payable as follows:

a) In respect of Premises*

Particulars	31 March 2017	31 March 2016	1 April 2015
Within one year	251	280	180
Later than one year but not later than five years	385	794	158
Total	**636**	**1,074**	**338**

b) In respect of Equipment*

Particulars	31 March 2017	31 March 2016	1 April 2015
Within one year	16	35	19
Later than one year but not later than five years	18	23	81
Total	**34**	**58**	**100**

*Aggregate rental expense during the period under operating leases amount to Rs. 478 Mn (31 March 2016 Rs. 472 Mn)

38 Share-based stock payments

(a) Employee stock option plan

The establishment of the NIIT Technologies Stock Option Plan 2005 (ESOP 2005) was approved by the shareholders in the annual general meeting held on 18 May, 2005. The ESOP 2005 is designed to offer and grant, for the benefit of employees of the Company and its subsidiaries, who are eligible under Securities Exchange Board of India (SEBI) Guidelines (excluding promoters), options of the Company in aggregate up to 3,850,000 options under ESOP 2005, in one or more tranches. Under the plan, participants are granted options which vest upon completion of such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard.

Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. As per the plan each option is exercisable for one equity share of face value of Rs 10 each fully paid up on payment to the Company for such shares at a price to be determined in accordance with ESOP 2005. SEBI has issued the SEBI (Share Based Employee Benefits) Regulations, 2014 which is applicable to the above ESOP 2005.
Once vested, the options remain exercisable for a period of three years.
Set out below is a summary of options granted under the plan:

	31 March 2017		31 March 2016	
	Average exercise price per share	Number of options	Average exercise price per share	Number of options
Opening balance	330.93	8,98,500	279.23	7,82,125
Granted during the year	420.68	4,65,730	394.73	2,90,000
Exercised during the year *	260.35	1,75,650	202.31	1,41,625
Forfeited/ lapsed during the year	256.56	97,000	214.78	32,000
Closing balance	**387.18**	**10,91,580**	**330.93**	**8,98,500**
Vested and exercisable		2,76,350		2,33,000

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

* The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2017 was Rs. 260.35 (31 March 2016 - Rs. 202.31)
No options expired during the periods covered in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant	Grant Date	Vesting Date	Expiry date	Exercise price	Fair Value	Share options outstanding as at		
						31 March 2017	31 March 2016	01 April 2015
Grant X								
Tranche III	9-Jun-11	9-Jun-14	9-Jun-17	10	160.58	15,000	15,000	15,000
Grant XI								
Tranche I	19-Jul-11	19-Jul-12	19-Jul-15	206	71.15	-	-	10,500
Tranche II	19-Jul-11	19-Jul-13	19-Jul-16	206	71.15	-	10,500	10,500
Grant XIII						-		
Tranche II	17-Jan-12	17-Jan-14	17-Jan-17	198	53.89	-	-	3,625
Grant XIV						-	-	
Tranche I	3-May-12	3-May-13	3-May-16	257	71.93	-	-	9,000
Tranche II	3-May-12	3-May-14	3-May-17	257	71.93	-	-	9,000
Grant XV						-	-	-
Tranche I	2-Jul-12	2-Jul-13	2-Jul-16	286	76.26	-	-	14,500
Tranche II	2-Jul-12	2-Jul-14	2-Jul-17	286	76.26	4,500	24,500	39,000
Grant XVI						-	-	-
Tranche III	2-Jul-12	2-Jul-15	2-Jul-18	10	232.18	-	-	11,000
Grant XVII						-	-	-
Tranche I	14-Jan-13	14-Jan-14	14-Jan-17	275	66.95	-	-	3,500
Tranche II	14-Jan-13	14-Jan-15	14-Jan-18	275	66.95	-	-	7,500
Grant XVIII						-	-	-
Tranche II	17-May-13	17-May-15	17-May-18	10	214.49	-	-	14,000
Tranche III	17-May-13	17-May-16	17-May-19	10	214.49	-	7,000	14,000
Grant XIX						-	-	-
Tranche II	16-Jul-13	16-Jul-15	16-Jul-18	10	214.98	-	-	11,000
Tranche III	16-Jul-13	16-Jul-16	16-Jul-19	10	214.98	-	11,000	11,000
Grant XXI						-	-	-
Tranche I	2-Sep-13	2-Sep-14	2-Sep-17	282	102.83	-	20,000	20,000
Tranche II	2-Sep-13	2-Sep-15	2-Sep-18	282	102.83	-	20,000	20,000
Tranche III	2-Sep-13	2-Sep-16	2-Sep-19	282	102.83	-	20,000	20,000
Tranche IV	2-Sep-13	2-Sep-17	2-Sep-20	282	102.83	-	20,000	20,000
Tranche V	2-Sep-13	2-Sep-18	2-Sep-21	282	102.83	-	20,000	20,000
Grant XXII						-	-	-
Tranche I	2-Sep-13	2-Sep-14	2-Sep-17	10	240.84	-	-	7,000
Tranche II	2-Sep-13	2-Sep-15	2-Sep-18	10	240.84	-	-	7,000
Tranche III	2-Sep-13	2-Sep-16	2-Sep-19	10	240.84	-	7,000	7,000
Tranche IV	2-Sep-13	2-Sep-17	2-Sep-20	10	240.84	-	7,000	7,000
Tranche V	2-Sep-13	2-Sep-18	2-Sep-21	10	240.84	-	7,000	7,000
Grant XXIII						-	-	-
Tranche I	15-Oct-13	15-Oct-14	15-Oct-17	297	67.13	2,000	4,000	10,500
Tranche II	15-Oct-13	15-Oct-15	15-Oct-18	297	67.13	9,000	10,500	10,500
Grant XXIV						-	-	-
Tranche I	14-Jan-14	14-Jan-15	14-Jan-18	372	101.33	7,500	7,500	7,500
Tranche II	14-Jan-14	14-Jan-16	14-Jan-19	372	101.33	7,500	7,500	7,500

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

Grant	Grant Date	Vesting Date	Expiry date	Exercise price	Fair Value	Share options outstanding as at		
						31 March 2017	31 March 2016	01 April 2015
Grant XXV								
Tranche I	9-May-14	9-May-15	9-May-18	410	108.83	6,000	6,000	6,000
Tranche II	9-May-14	9-May-16	9-May-19	410	108.83	6,000	6,000	6,000
Grant XXVI						-	-	-
Tranche I	9-May-14	9-May-15	9-May-18	410	135.48	-	20,000	20,000
Tranche II	9-May-14	9-May-16	9-May-19	410	135.48	-	20,000	20,000
Tranche III	9-May-14	9-May-17	9-May-20	410	135.48	20,000	20,000	20,000
Tranche IV	9-May-14	9-May-18	9-May-21	410	135.48	20,000	20,000	20,000
Tranche V	9-May-14	9-May-19	9-May-22	410	135.48	20,000	20,000	20,000
Grant XXVII						-	-	-
Tranche I	15-Jul-14	15-Jul-15	15-Jul-18	10	349.61	7,000	11,000	11,000
Tranche II	15-Jul-14	15-Jul-16	15-Jul-19	10	349.61	11,000	11,000	11,000
Tranche III	15-Jul-14	15-Jul-17	15-Jul-20	10	349.61	11,000	11,000	11,000
Grant XXVIII						-	-	-
Tranche I	5-Aug-14	5-Aug-15	5-Aug-18	374	102.45	30,000	37,000	66,000
Tranche II	5-Aug-14	5-Aug-16	5-Aug-19	374	102.45	39,000	57,000	66,000
Grant XXIX						-	-	-
Tranche I	15-Oct-14	15-Oct-15	15-Oct-18	394	109.95	7,000	7,000	7,000
Tranche II	15-Oct-14	15-Oct-16	15-Oct-19	394	109.95	7,000	7,000	7,000
Tranche III	15-Oct-14	15-Oct-17	15-Oct-20	394	109.95	7,000	7,000	7,000
Grant XXX						-	-	-
Tranche I	15-Oct-14	15-Oct-15	15-Oct-18	10	337.13	5,000	5,000	5,000
Tranche II	15-Oct-14	15-Oct-16	15-Oct-19	10	337.13	5,000	5,000	5,000
Tranche III	15-Oct-14	15-Oct-17	15-Oct-20	10	337.13	5,000	5,000	5,000
Grant XXXI						-	-	-
Tranche I	15-Oct-14	15-Oct-15	15-Oct-18	394	103.71	-	7,500	7,500
Tranche II	15-Oct-14	15-Oct-16	15-Oct-19	394	103.71	-	7,500	7,500
Grant XXXII						-	-	-
Tranche I	15-Oct-14	15-Oct-15	15-Oct-18	394	124.66	20,000	20,000	20,000
Tranche II	15-Oct-14	15-Oct-16	15-Oct-19	394	124.66	20,000	20,000	20,000
Tranche III	15-Oct-14	15-Oct-17	15-Oct-20	394	124.66	20,000	20,000	20,000
Tranche IV	15-Oct-14	15-Oct-18	15-Oct-21	394	124.66	20,000	20,000	20,000
Tranche V	15-Oct-14	15-Oct-19	15-Oct-22	394	124.66	20,000	20,000	20,000
Grant XXXIII						-	-	-
Tranche I	5-May-15	5-May-16	5-May-19	357	85.12	3,850	7,500	-
Tranche II	5-May-15	5-May-17	5-May-20	357	100.82	7,500	7,500	-
Grant XXXIV						-	-	-
Tranche I	13-Jul-15	13-Jul-16	13-Jul-19	10	350.29	8,000	12,000	-
Tranche II	13-Jul-15	13-Jul-17	13-Jul-20	10	339.46	8,000	12,000	-
Tranche III	13-Jul-15	13-Jul-18	13-Jul-21	10	328.95	8,000	12,000	-
Grant XXXV						-	-	-
Tranche I	19-Oct-15	19-Oct-16	19-Oct-19	494	125.33	40,000	40,000	-
Tranche II	19-Oct-15	19-Oct-17	19-Oct-20	494	142.15	40,000	40,000	-
Tranche III	19-Oct-15	19-Oct-18	19-Oct-21	494	159.61	40,000	40,000	-
Tranche IV	19-Oct-15	19-Oct-19	19-Oct-22	494	169.77	40,000	40,000	-
Tranche V	19-Oct-15	19-Oct-20	19-Oct-23	494	186.89	40,000	40,000	-
Grant XXXVI						-	-	-
Tranche I	14-Jan-16	14-Jan-17	14-Jan-20	546	142.01	9,000	9,000	-
Tranche II	14-Jan-16	14-Jan-18	14-Jan-21	546	157.47	9,000	9,000	-
Grant XXXVII						-	-	-
Tranche I	14-Jan-16	14-Jan-17	14-Jan-20	10	495.37	7,000	7,000	-
Tranche II	14-Jan-16	14-Jan-18	14-Jan-21	10	479.87	7,000	7,000	-
Tranche III	14-Jan-16	14-Jan-19	14-Jan-22	10	464.85	7,000	7,000	-
Grant XXXVIII						-	-	-
Tranche I	5-May-16	5-May-17	5-May-20	460	124.79	7,500	-	-
Tranche II	5-May-16	5-May-18	5-May-21	460	135.57	7,500	-	-
Grant XXXIX						-	-	-
Tranche I	20-Jun-16	20-Jun-17	20-Jun-20	534	147.23	34,990	-	-
Tranche II	20-Jun-16	20-Jun-18	20-Jun-21	534	160.41	34,990	-	-
Tranche III	20-Jun-16	20-Jun-19	20-Jun-22	534	176.49	34,990	-	-
Grant XXXX						-	-	-
Tranche I	20-Jun-16	20-Jun-17	20-Jun-20	10	486.55	10,000	-	-
Tranche II	20-Jun-16	20-Jun-18	20-Jun-21	10	472.24	10,000	-	-
Tranche III	20-Jun-16	20-Jun-19	20-Jun-22	10	458.34	10,000	-	-
Tranche IV	20-Jun-16	20-Jun-20	20-Jun-23	10	444.80	10,000	-	-
Tranche V	20-Jun-16	20-Jun-21	20-Jun-24	10	431.69	10,000	-	-

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

Grant	Grant Date	Vesting Date	Expiry date	Exercise price	Fair Value	Share options outstanding as at		
						31 March 2017	31 March 2016	01 April 2015
Grant XXXXI								
Tranche I	20-Jun-16	20-Jun-17	20-Jun-20	534	147.23	40,000	-	-
Tranche II	20-Jun-16	20-Jun-18	20-Jun-21	534	160.41	40,000	-	-
Tranche III	20-Jun-16	20-Jun-19	20-Jun-22	534	176.49	40,000	-	-
Tranche IV	20-Jun-16	20-Jun-20	20-Jun-23	534	191.30	40,000	-	-
Tranche V	20-Jun-16	20-Jun-21	20-Jun-24	534	200.28	40,000	-	-
Grant XXXXII						-		
Tranche I	14-Jul-16	14-Jul-17	14-Jul-20	504	136.04	7,500	-	-
Tranche II	14-Jul-16	14-Jul-18	14-Jul-21	504	148.67	7,500	-	-
Grant XXXXIII						-		
Tranche I	14-Jul-16	14-Jul-17	14-Jul-20	504	136.04	7,420	-	-
Tranche II	14-Jul-16	14-Jul-18	14-Jul-21	504	148.67	7,420	-	-
Tranche III	14-Jul-16	14-Jul-19	14-Jul-22	504	164.23	7,420	-	-
Grant XXXXIV						-		
Tranche I	25-Oct-16	25-Oct-17	25-Oct-20	10	388.00	7,000	-	-
Tranche II	25-Oct-16	25-Oct-18	25-Oct-21	10	376.61	7,000	-	-
Tranche III	25-Oct-16	25-Oct-19	25-Oct-22	10	365.55	7,000	-	-
Grant XXXXV						-		
Tranche I	16-Jan-17	16-Jan-18	16-Jan-21	10	385.80	7,500	-	-
Tranche II	16-Jan-17	16-Jan-19	16-Jan-22	10	374.18	7,500	-	-
Tranche III	16-Jan-17	16-Jan-20	16-Jan-23	10	363.19	7,500	-	-
Grant XXXXVI						-		
Tranche I	16-Jan-17	16-Jan-18	16-Jan-21	425	106.58	5,000	-	-
Tranche II	16-Jan-17	16-Jan-19	16-Jan-22	425	123.84	5,000	-	-
Tranche III	16-Jan-17	16-Jan-20	16-Jan-23	425	132.71	5,000	-	-
Total						**1,091,580**	**898,500**	**782,125**

(i) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model as per an independent valuer's report, having taken into consideration the market price being the latest available closing price prior to the date of the grant, exercise price being the price payable by the employees for exercising the option and other assumptions as annexed below:

Grant	Volatility	Market Price	Average Life of the Options (in Years)	Risk Less Interest Rate	Dividend Yield
Grant XXXVIII					
Tranche I	41.62%	459.65	2.5	7.11%	3.25%
Tranche II	38.12%	459.65	3.5	7.25%	3.25%
Grant XXXVIX					
Tranche I	41.85%	534.30	2.5	7.09%	3.06%
Tranche II	38.34%	534.30	3.5	7.24%	3.06%
Tranche III	37.72%	534.30	4.5	7.35%	3.06%
Grant XXXX					
Tranche I	41.85%	534.30	2.5	7.09%	3.06%
Tranche II	38.34%	534.30	3.5	7.24%	3.06%
Tranche III	37.72%	534.30	4.5	7.35%	3.06%
Tranche IV	37.86%	534.30	5.5	7.44%	3.06%
Tranche V	37.13%	534.30	6.5	7.51%	3.06%
Grant XXXXI					
Tranche I	41.85%	534.30	2.5	7.09%	3.06%
Tranche II	38.34%	534.30	3.5	7.24%	3.06%
Tranche III	37.72%	534.30	4.5	7.35%	3.06%
Tranche IV	37.86%	534.30	5.5	7.44%	3.06%
Tranche V	37.13%	534.30	6.5	7.51%	3.06%
Grant XXXXII					
Tranche I	41.16%	503.65	2.5	6.89%	3.06%
Tranche II	37.92%	503.65	3.5	7.02%	3.06%
Grant XXXXIII					
Tranche I	41.16%	503.65	2.5	6.89%	3.06%
Tranche II	37.92%	503.65	3.5	7.02%	3.06%
Tranche III	37.56%	503.65	4.5	7.12%	3.06%
Grant XXXXIV					
Tranche I	41.17%	428.05	2.5	6.48%	3.06%
Tranche II	38.42%	428.05	3.5	6.59%	3.06%
Tranche III	37.32%	428.05	4.5	6.68%	3.06%
Grant XXXXV					
Tranche I	38.51%	425.40	2.5	6.27%	3.06%
Tranche II	38.45%	425.40	3.5	6.41%	3.06%
Tranche III	36.62%	425.40	4.5	6.53%	3.06%
Grant XXXXVI					
Tranche I	38.51%	425.40	2.5	6.27%	3.06%
Tranche II	38.45%	425.40	3.5	6.41%	3.06%
Tranche III	36.62%	425.40	4.5	6.53%	3.06%

Consolidated Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

(b) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Total employee share-based payment expense	31 March 2017	31 March 2016
	59	39

Grant #	Expenses accounted for during the year based on fair value of options	
	31 March 2017	31 March 2016
Grant XVI		
Tranche III	-	0
Grant XVIII		
Tranche II	-	(1)
Tranche III	0	0
Grant XIX		
Tranche II	-	0
Tranche III	0	1
Grant XXI		
Tranche II	-	0
Tranche III	0	1
Tranche IV	(1)	1
Tranche V	(1)	0
Grant XXII		
Tranche II	-	0
Tranche III	0	2
Tranche IV	(1)	0
Tranche V	(1)	0
Grant XXIII		
Tranche II	-	0
Grant XXIV		
Tranche II	-	0
Grant XXV		
Tranche I	-	0
Tranche II	0	0
Grant XXVI		
Tranche I	-	0
Tranche II	0	1
Tranche III	1	1
Tranche IV	1	1
Tranche V	1	1
Grant XXVII		
Tranche I	-	1
Tranche II	1	2
Tranche III	1	1
Tranche IV	-	-
Grant XXVIII		
Tranche I	0	1
Tranche II	(1)	3
Grant XXIX		
Tranche I	-	0
Tranche II	0	1
Tranche III	0	0
Grant XXX		
Tranche I	-	1
Tranche II	0	1
Tranche III	1	1
Grant XXXI		
Tranche I	(1)	0
Tranche II	(1)	0
Grant XXXII		
Tranche I	-	1
Tranche II	1	1
Tranche III	1	1
Tranche IV	1	1
Tranche V	1	1

0 represents amount is below the rounding off norm adopted by the Company.

Consolidated Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

Grant #	Expenses accounted for during the year based on fair value of options	
	31 March 2017	**31 March 2016**
Grant XXXIII		
Tranche I	0	1
Tranche II	0	0
Grant XXXIV		
Tranche I	1	3
Tranche II	1	1
Tranche III	1	1
Grant XXXV		
Tranch I	3	2
Tranch II	3	1
Tranch III	2	1
Tranch IV	2	1
Tranch V	1	1
Grant XXXVI		
Tranch I	1	1
Tranch II	1	0
Grant XXXVII		
Tranche I	3	1
Tranche II	2	0
Tranche III	1	0
Grant XXXVIII		
Tranche I	1	-
Tranche II	0	-
Grant XXXIX		
Tranche I	4	-
Tranche II	2	-
Tranche III	2	-
Grant XXXX		
Tranch I	4	-
Tranch II	2	-
Tranch III	1	-
Tranch IV	1	-
Tranch V	1	-
Grant XXXXI		
Tranch I	4	-
Tranch II	3	-
Tranch III	2	-
Tranch IV	1	-
Tranch V	1	-
Grant XXXXII		
Tranch I	1	-
Tranch II	0	-
Grant XXXXIII		
Tranch I	1	-
Tranch II	0	-
Tranch III	0	-
Grant XXXXIV		
Tranch I	1	-
Tranch II	1	-
Tranch III	0	-
Grant XXXXV		
Tranch I	1	-
Tranch II	0	-
Tranch III	0	-
Grant XXXXVI		
Tranch I	0	-
Tranch II	0	-
Tranch III	0	-
Total employee share-based payment expense	**59**	**39**

0 represents amount is below the rounding off norm adopted by the Company.

NIIT technologies
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Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

39. Additional information required by Schedule III

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
NIIT Technologies Limited								
31-Mar-17	45.79	7,831	53.36	1,452	101.15	263	57.53	1,715
31-Mar-16	49.54	7,887	52.02	1,493	99.31	144	54.30	1,637
Subsidiaries								
Indian								
NIIT Smart Serve Limited								
31-Mar-17	3.02	517	1.62	44	-	-	1.48	44
31-Mar-16	3.69	588	2.89	83	-	-	2.75	83
NIIT Technologies Services Limited								
31-Mar-17	0.16	27	0.04	1	-	-	0.03	1
31-Mar-16	0.16	26	0.03	1	-	-	0.03	1
ESRI India Technologies Limited								
31-Mar-17	3.92	671	7.75	211	-	-	7.08	211
31-Mar-16	3.15	502	3.10	89	(0.69)	(1)	2.92	88
Foreign								
NIIT Technologies Inc., USA								
31-Mar-17	12.21	2,088	6.69	182	-	-	6.11	182
31-Mar-16	8.76	1,395	6.83	196	-	-	6.50	196
NIIT Technologies Ltd, UK								
31-Mar-17	11.85	2,027	1.47	40	-	-	1.34	40
31-Mar-16	12.73	2,027	2.09	60	-	-	1.99	60
NIIT Technologies Co. Ltd., Japan								
31-Mar-17	-	-	(0.15)	(4)	-	-	(0.13)	(4)
31-Mar-16	0.04	6	(0.03)	(1)	-	-	(0.03)	(1)
NIIT Technologies Pte Ltd, Singapore								
31-Mar-17	1.34	230	1.29	35	-	-	1.17	35
31-Mar-16	1.28	204	0.38	11	-	-	0.36	11
NIIT Technologies BV, Netherlands								
31-Mar-17	0.40	68	0.29	8	-	-	0.27	8
31-Mar-16	0.45	71	(0.07)	-2	-	-	(0.07)	(2)
NIIT Technologies NV, Belgium								
31-Mar-17	-	0	0.04	1	-	-	0.03	1
31-Mar-16	0.11	17	(0.84)	(24)	-	-	(0.80)	(24)
NIIT Technologies Limited, Thailand								
31-Mar-17	2.06	352	0.51	14	-	-	0.47	14
31-Mar-16	2.59	412	3.62	104	-	-	3.45	104
NIIT Technologies Pty Limited, Australia								
31-Mar-17	1.69	289	1.69	46	-	-	1.54	46
31-Mar-16	2.21	352	0.28	8	-	-	0.27	8
NIIT Technologies GmbH, Germany								
31-Mar-17	0.73	124	1.51	41	-	-	1.38	41
31-Mar-16	0.64	102	0.38	11	-	-	0.36	11
NIIT Technologies AG, Switzerland								
31-Mar-17	0.07	12	(0.04)	(1)	-	-	(0.03)	(1)
31-Mar-16	0.08	13	(0.14)	(4)	-	-	(0.13)	(4)
NIIT Insurance Technologies Limited, UK								
31-Mar-17	2.85	487	6.47	176	-	-	5.90	176
31-Mar-16	2.02	321	10.42	299	-	-	9.92	299

Consolidated Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
NIIT Technologies Limited, Canada								
31-Mar-17	-	-	-	-	-	-	-	-
31-Mar-16	-	-	0.03	1	-	-	0.03	1
NIIT Airline Technologies GmbH, Germany								
31-Mar-17	1.04	177	1.36	37	-	-	1.24	37
31-Mar-16	1.07	170	1.99	57	-	-	1.89	57
NIIT Technologies FZ LLC, Dubai								
31-Mar-17	1.18	202	0.85	23	(1.15)	(3)	0.67	20
31-Mar-16	1.12	179	1.92	55	2.07	3	1.92	58
NIIT Technologies S.A., Spain								
31-Mar-17	0.88	150	(2.76)	(75)	-	-	(2.52)	(75)
31-Mar-16	1.22	194	(1.08)	(31)	-	-	(1.03)	(31)
NIIT Technologies Philippines Inc, Philippines								
31-Mar-17	0.25	42	0.62	17	-	-	0.57	17
31-Mar-16	0.13	21	0.24	7	-	-	0.23	7
NIIT Technologies Brazil Ltda, Brazil								
31-Mar-17	0.11	19	0.55	15	-	-	0.50	15
31-Mar-16	0.13	20	(0.24)	(7)	-	-	(0.23)	(7)
NIIT Media Technologies LLC, USA								
31-Mar-17	1.67	285	1.25	34	-	-	1.14	34
31-Mar-16	1.62	258	1.39	40	-	-	1.33	40
Incessant Technologies Private Limited								
31-Mar-17	3.67	627	7.53	205	-	-	6.88	205
31-Mar-16	2.95	469	8.85	254	(0.69)	(1)	8.39	253
Minority Interest in all subsidiaries								
Indian								
ESRI India Technologies Limited								
31-Mar-17	0.49	83	0.96	26	-	-	0.87	26
31-Mar-16	0.39	62	0.35	10	-	-	0.33	10
Incessant Technologies Private Limited								
31-Mar-17	3.53	603	6.25	170	-	-	5.70	170
31-Mar-16	2.83	451	4.67	134	-	-	4.44	134
Foreign								
NIIT Media Technologies LLC, USA								
31-Mar-17	1.11	190	0.85	23	-	-	0.77	23
31-Mar-16	1.08	172	0.91	26	-	-	0.86	26
Total								
31-Mar-17	100.00	17,101	100.00	2,721	100.00	260	100.00	2,981
31-Mar-16	100.00	15,919	100.00	2,870	100.00	145	100.00	3,015

Consolidated Notes to the financial statements **(All amounts in Rs. Mn unless otherwise stated)**

40 As required by the MCA notification G.S.R. 308(E) dated 31 March, 2017, disclosure relating to Specified Bank Notes* (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016 is as below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as at 8 November 2016	3,14,000	87,591	4,01,591
(+) Permitted receipts	-	4,30,978	4,30,978
(+) Non-permitted receipts [Refer note (a) below]	3,500	-	3,500
(-) Permitted payments	789	2,09,646	2,10,435
(-) Cash paid for non-permitted transactions [Refer note (b) below]	9,211	-	9,211
(-) Amount deposited in banks	3,07,500	24,824	3,32,324
Closing cash in hand as at 30 December 2016	**-**	**2,84,099**	**2,84,099**

* SBNs mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O.3407(E), dated 8 November 2016.

Notes :

a) Certain contractual staff who were paid cash towards local conveyance reimbursements before the announcement of the aforesaid notification, later requested the Company for exchange of specified bank notes with other denomination notes. This resulted in receipt of SBNs of Rs. 3500 during the period from 8 November 2016 to 30 December 2016.

b) At one of the branches, due to non-availability of cash in other denomination notes, certain usual office expenditure aggregating Rs. 9,211 was incurred using specified bank notes.

41 Leases

(a) Finance Lease

(i) Refer note 3 for disclosures related to gross block, accumulated depreciation and carrying amount of computers, where the group is lessee under finance lease.

(ii) The lease term in respect of assets acquired under finance lease generally expire with in 36 months. Under the term of lease, the Group has the option to acquire the leased assets at the nominal value at the end of the lease term.

(iii) The minimum lease payment outstanding and their present value at the balance sheet date in respect of plant and machinery that have been capitalized are as follows:

As at 31 March, 2017

Particulars	Minimum lease payments amount	Finance charges	Present value of lease payments Amount
Within one year #	1	-	1
Later than one year but not later than five years #	1	-	1
	2	**-**	**2**

As at 31 March, 2016

Particulars	Minimum lease payments amount	Finance charges	Present value of lease payments Amount
Within one year #	1	-	1
Later than one year but not later than five years #	1	-	1
	2	**-**	**2**

As at 1 April, 2015

Particulars	Minimum lease payments amount	Finance charges	Present value of lease payments Amount
Within one year #	2	-	2
Later than one year but not later than five years #	1	-	1
	3	**-**	**3**

0 represents amount is below the rounding off norm adopted by the Company.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

42 Earnings per Share

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Basic earnings per share From continuing operations attributable to the equity holders of the Company (Rs. Per share)	40.80	44.18
(b) Diluted earnings per share From continuing operations attributable to the equity holders of the Company (Rs. Per share)	40.71	43.92
(c) Reconciliations of earnings used in calculating earnings per share Basic earnings per share Profit from continuing operations attributable to the equity holders of the Company used in calculating basic earnings per share:	2,501	2,700
Diluted earnings per share Profit from continuing operations attributable to the equity holders of the Company used in calculating diluted earnings per share	2,501	2,700
(d) Weighted average number of shares used as the denominator Weighted average number of equity shares used as the denominator in calculating basic earnings per share (numbers)	6,13,02,995	6,11,03,827
Adjustments for calculation of diluted earnings per share:		
Stock Options (numbers)	1,29,671	3,57,623
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (numbers)	6,14,32,666	6,14,61,450

(e) Information concerning the classification of securities

Stock Options

Options granted to employees under the Employee stock option plan 2005 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in Note 38.

Note 43: First- time adoption of Ind AS

Transition to Ind AS

These are the group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

A.1.2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at Fair Value through profit or loss on the basis of the facts and circumstances at the date of transition to Ind AS.

The group has elected to apply this exemption for its investment in equity investments.

A.1.3 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

Lease arrangements including both land and building have been separately evaluated for finance or operating lease at the date of transition to Ind AS, basis the facts and circumstances existing as at that date.

The group has elected to apply this exemption for such contracts/arrangements.

A.1.4 Cumulative Translation Reserve

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a subsidiary was formed or acquired.

The group elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

A.1.5 Business Combinations

Ind AS 101 provides an option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The group elected to apply Ind AS 103 prospectively to business combinations occuring after its transition date. Business combination occuring prior to the transition date have not been restated. The group has applied same exemption for investment in associates and joint ventures.

A.1.5 Share based payment transactions

The group has availed an option to apply Ind AS 102 Share-based payments to equity instruments that vested before date of transition to Ind AS.

A.1.6 Fair Value Measurement of financial assets or financial liabilities at initial recognition

Ind AS 109 requires to initially recognize financial assets and liabilities at fair value and if the fair value differs from transaction price, the difference is recognized as gain or loss. The group has elected to apply these requirements of initial recognition prospectively to transactions entered on or after the date of transition.

A.2 Ind AS mandatory exceptions

A.2.1 Hedge Accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. AS a result, only hedging relationships that satisfied the hedge accounting criteria as of 01 April 2015 are reflected as hedges in the group's results under Ind AS.

The group had designated various hedging relationships as cash flow hedges under the previous GAAP. On date of transition to Ind AS, the entity had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the group continues to apply hedge accounting on and after the date of transition to Ind AS.

A.2.2 Estimates

An entity's estimates in accordance with Ind AS(s) at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVPL ;
- Investment in mutual funds based on debt instruments carried at FVPL; and
- Impairment of financial assets based on expected credit loss model.

A.2.3 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.4 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

A.2.5 Non-Controlling Interest

Ind AS 110 requires entities to attribute the profit or loss at each component of other comprehensive income to the owners of the parent and to the non controlling interests. This requirement needs to be followed even if this results in the non controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition. Consequently, the group has applied the above requirements prospectively.

Consolidated Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

B: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (01 April 2015)*

	Notes	India GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		3,338	-	3,338
Capital work-in-progress		1,160	-	1,160
Goodwill		1,382	-	1,382
Other Intangible assets		859	-	859
Intangible assets under development		43	-	43
Financial assets				
(i) Investments #		0	-	0
(iii) Other financial assets	k	249	(26)	223
Deferred tax assets (net)	b	699	(28)	671
Other non-current assets	j	224	83	307
Total non-current assets		**7,954**	**29**	**7,983**
Current assets				
Inventories		85	-	85
Financial assets				
(i) Investments	a	554	13	567
(ii) Trade receivables		6,060	-	6,060
(iii) Cash and cash equivalents		2,238	-	2,238
(iv) Bank balances other than (iii) above		455	-	455
(v) Other financial assets	k	975	(3)	972
Current tax assets		428	-	428
Other current assets	k	1,019	5	1,024
Total current assets		**11,814**	**15**	**11,829**
TOTAL ASSETS		**19,768**	**44**	**19,812**
EQUITY AND LIABILITIES				
Equity				
Share capital		610	-	610
Other equity				
Reserves and surplus	l	12,832	752	13,584
Other reserves		131	-	131
Equity attributable to owners of NIIT Technologies Limited		**13,573**	**752**	**14,325**
Non-controlling interests	q	189	33	222
Total equity		**13,762**	**785**	**14,547**
LIABILITIES				
Non- current liabilities				
Financial Liabilities				
(i) Borrowings		49	-	49
(i) Trade payables	r	346	(96)	250
(iii) Other financial liabilities				
Provisions	e	144	(9)	135
Employee benefit obligations		339	-	339
Other non-current liabilities	j	-	263	263
Total non- current liabilities		**878**	**158**	**1,036**
Current liabilities				
Financial liabilities				
(i) Trade payables	j	1,789	(167)	1,622
(ii) Other financial liabilities		549	-	549
Provisions	e	1,077	(731)	346
Employee benefit obligations		273	-	273
Other current liabilities		1,440	(1)	1,439
Total current liabilities		**5,128**	**(899)**	**4,229**
Total Liabilities		**6,006**	**(741)**	**5,265**
TOTAL EQUITY AND LIABILITIES		**19,768**	**44**	**19,812**

0 represents amount is below the rounding off norm adopted by the Company

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this Note.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

Reconciliation of equity as at 31 March 2016*

	Notes	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	p	5,067	3	5,070
Capital work-in-progress		7	-	7
Goodwill	o & p	2,413	(388)	2,025
Other Intangible assets	p	724	1,207	1,931
Intangible assets under development		160	-	160
Financial assets				
(i) Investments #		0	-	0
(iii) Other financial assets	k	259	(38)	221
Deferred tax assets (net)	b	899	(28)	871
Other non-current assets	j	212	50	262
Total non-current assets		**9,741**	**806**	**10,547**
Current assets				
Inventories		3	-	3
Financial assets				
(i) Investments	a	740	6	746
(ii) Trade receivables		5,901	-	5,901
(iii) Cash and cash equivalents		2,879	-	2,879
(iv) Bank balances other than (iii) above		483	-	483
(v) Other financial assets	k	1,081	-	1,081
Current tax assets		508	-	508
Other current assets	k	1,127	8	1,135
Total current assets		**12,722**	**14**	**12,736**
TOTAL ASSETS		**22,463**	**820**	**23,283**
EQUITY AND LIABILITIES				
Equity				
Share capital		612	-	612
Other equity				
Reserves and surplus	l	14,940	(182)	14,758
Other reserves		356	-	356
Equity attributable to owners of NIIT Technologies Limited		**15,908**	**(182)**	**15,726**
Non-controlling interests	q	645	(452)	193
Total equity		**16,553**	**(634)**	**15,919**
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings		64	-	64
(ii) Trade payables	s	278	(87)	191
(iii) Other financial liabilities	q	-	1,745	1,745
Provisions	e	336	(18)	318
Employee benefit obligations	p	512	1	513
Deferred tax liabilities	p	-	434	434
Other non-current liabilities	j	-	208	208
Total non- current liabilities		**1,190**	**2,283**	**3,473**
Current liabilities				
Financial Liabilities				
(i) Trade payables	j	1,343	(155)	1,188
(ii) Other financial liabilities		249	-	249
Provisions	e	1,105	(676)	429
Employee benefit obligations #	p	236	-	236
Other current liabilities	p	1,787	2	1,789
Total current liabilities		**4,720**	**(829)**	**3,891**
Total liabilities		**5,910**	**1,454**	**7,364**
TOTAL EQUITY AND LIABILITIES		**22,463**	**820**	**23,283**

0 represents amount is below the rounding off norm adopted by the Company
*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this Note.

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

Reconciliation of total comprehensive income for the year ended 31 March 2016*

Particulars		Previous GAAP	Adjustments	Ind AS
Continuing Operations				
Revenue from operations	j	26,824	55	26,879
Other income	k	205	19	224
Total income		**27,029**	**74**	**27,103**
Expenses				
Purchase of stock in trade		308	-	308
Changes in inventories of stock- in- trade		83	-	83
Employee benefit expense	h & i	15,386	33	15,419
Depreciation and amortization expense	n	1,101	110	1,211
Other expenses	j	6,288	52	6,340
Finance costs	k	49	26	75
Total expenses		**23,215**	**221**	**23,436**
Profit/(loss) before exceptional items and tax		3,814	(147)	3,667
Exceptional items		13	-	13
Profit/(loss) before tax		**3,801**	**(147)**	**3,654**
Income Tax expense:				
Current tax		898	(4)	894
Deferred tax	p	(66)	(44)	(110)
Total tax expense		832	(48)	784
Profit for the year		**2,969**	**(99)**	**2,870**
Other comprehensive income			145	145
Total comprehensive income for the year		**2,969**	**46**	**3,015**
Total comprehensive income is attributable to:				
Owners of NIIT Technologies Limited		2,799	46	2,845
Non-controlling interests		170	-	170
Total comprehensive income for the year		**2,969**	**46**	**3,015**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this Note.

Consolidated Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

Reconciliation of total equity as at 31 March, 2016 and 01 April, 2015

	Notes	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP		15,908	13,573
Non-controlling interest in the Company		645	189
Total equity as per previous GAAP		**16,553**	**13,762**
Adjustments:			
Fair Valuation of Current Investments	a	6	14
Remeasurement of Deferred Taxes	b	15	(28)
Fair Valuation of Long Term Provisions	e	17	9
Reversal of proposed dividend	g	743	731
Deferred Revenue	j	(208)	(263)
Costs related to AMC deffered (provisions)	j	155	167
Costs related to AMC deffered (prepaid)	j	33	72
Fair valuation of financial liability for an acquisition	q	(1,035)	-
Fair Valuation of Security Deposits	k	(3)	(3)
Fair Valuation of Unbilled Revenue	k	(9)	(10)
Discounting of long term trade payables	r	87	96
Remeasurement of Goodwill amortized	n	15	-
Additional Depreciation on Fair Valuation	p	(125)	-
Other expenses	p	(1)	-
Decrease in Non Controlling Interest	r	(324)	-
Total adjustments		**(634)**	**785**
Total equity as per Ind AS		**15,919**	**14,547**

Reconciliation of total comprehensive income for the year ended 31 March, 2016

Particulars	**31 March 2016**
Profit after tax as per previous GAAP	**2,969**
Adjustments:	
Fair valuation of current investments	(8)
Effect of adjustments on deferred tax	44
Other Expenses	(1)
Deferred revenue recognized	55
Remeasurements of Costs	(50)
Fair valuation of long term provisions	7
Remeasurement of amortization of goodwill	15
Additional depreciation on account of Fair Valuation	(125)
Fair valuation of employee stock options	(22)
Discounting of long term trade payables	(8)
Fair Valuation of Unbilled Revenue	1
Fair valuation of security deposits	1
Remeasurements of post-employment benefit obligations	(8)
Total adjustments	**(99)**
Profit after tax as per Ind AS	2,870
Other Comprehensive Income	145
Total Comprehensive Income as per Ind AS	**3,015**

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016

Particulars	**Previous GAAP**	**Adjustments**	**Ind AS**
Net cash flow from operating activities	3,603	(2)	3,601
Net cash flow from investing activities	(3,040)	2	(3,038)
Net cash flow from financing activities	(727)	-	(727)
Total	**(164)**	**-**	**(164)**
Cash and cash equivalents as at 01 April 2015	2,238	-	2,238
Effect of exchange rate changes on cash and cash equivalents	155	-	155
Cash acquired on acquisition of Incessant Technologies Private Limited	650	-	650
Cash and cash equivalents as at 31 March 2016	**2,879**	**-**	**2,879**

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

C: Notes to first- time adoption:

a. Fair valuation of Investments

Under the previous GAAP, investments which were readily realisable and were intended to be held for not more than 12 months from the date on which they were made, were classified as current investments, and carried at lower of cost or fair value. All other investments were classified as long term investments and were carried at cost less provision for other than temporary diminution in the value of investments.

Under Ind AS, these investments are required to be measured at fair value.

b. Deferred tax

Under the previous GAAP, deferred tax accounting was done using the income statement approach, which focused on differences between taxable profits and accounting profits for the period. Further, under previous GAAP, tax expense in the consolidated financial statements was computed by performing line by line addition of tax expense of the parent and subsidiaries.

Ind AS 12 requires entities to account for deferred taxes using balance sheet approach, which focuses on temporary difference between the carrying amount of an asset or liability in the balance sheet and it's tax base.

In addition, various transitional adjustments lead to temporary difference. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

c. Borrowings

Under the previous GAAP, transaction costs incurred in connection with borrowings are amortized upfront by charging them in the statement of profit and loss for the period. As per Ind AS 109, transaction cost incurred towards origination of borrowings are to be deducted from carrying amount of borrowings on initial recognition. These costs are recognized in the statement of profit and loss over the tenure of borrowings as part of interest expenses by applying effective interest rate method.

d. Trade Receivables

Under the previous GAAP, provisions for impairment of receivables consisted only of specific amount for incurred losses. As per Ind AS 109, impairment allowance has to be determined as per expected credit loss model (ECL).

e. Provisions

Under the previous GAAP, provisions (including long term provisions) were accounted at the undiscounted amount. Under Ind AS, if the effect of time value is material, provisions should be measured at discounted amounts to reflect the present value of expenditure expected to be required to settle the obligation.

Ind AS 37 also provides that where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time; this increase is to be recognized in Profit or Loss.

f. Forward contracts

Under the previous GAAP, the Company used foreign currency forward contracts to hedge it's risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecasted transactions. The derivatives that qualified for hedge accounting and were designated as cash flow hedges were initially measured at fair value and were remeasured at a subsequent reporting date and the changes in the fair value of derivatives i.e. gain or loss (net of tax impact) was recognized directly in reserves under hedging reserves to the extent considered highly effective. Gain or loss on derivative instruments that either do not qualify for hedge accounting or are not designated as cash flow hedges or designated as cash flow hedges to the extent considered ineffective are recognized in the Statement of Profit and Loss. Under Ind AS, these costs are also recognized to be accumulated within equity and are to be adjusted against the carrying value of the hedged item.

g. Proposed Dividend

Under the previous GAAP, dividends [including dividend distribution tax (DDT)] proposed by the board of directors after the balance sheet date but before the approval of financial statements by shareholders were considered as adjusting events and accordingly, recognized as a lability.

Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting.

Accordingly, liability for proposed dividend (including DDT) included under provisions has been reversed with corresponding adjustment to retained earnings.

h. Post employment benefits

Both under previous GAAP and Ind AS, the Company recognized costs related to it's post employment defined benefit plan on actuarial basis. Under the previous GAAP, reimbursements i.e. actuarial gains and losses and the return on the plan assets, excluding amounts included in the net interest expense on the net benefit liability are recognized in the profit or loss for the year. Under Ind AS, these remeasurements are recognized in other comprehensive income instead of profit or loss.

i. Employee stock option expenses

Under the previous GAAP, the cost of equity settled employee share-based plan were recognized using intrinsic value

Consolidated Notes to the financial statements **(All amounts in Rs. Mn unless otherwise stated)**

method. Under Ind AS, the cost of equity settled share-based plan is recognized based on fair value of the options as at grant date.

j. Deferred Revenue

Unearned Revenue included in Other Non - Current & Current Liabilities represents amounts received/billed in excess of the value of worth performed in accordance with the terms of the Contracts with customers.After adopting Ind AS, amount of deferred revenue as on 31 March 2016 was revalued along with Corresponding costs.

k. Other Financial Assets

k.1 Security Deposits

Under the previous GAAP, interest free lease security (that are refundable in cash on completion of their lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Therefore, the Company has recognised security deposits at their present values under Ind AS.

k.2 Prepayments

Consequent to change in Security Deposits, prepayments were recognised.

k.3 Unbilled Revenue

Unbilled Revenue included in Other financial assets represents amount of revenue recognised between the billing cycle and reporting date.

l. Retained Earnings

Retained earnings as at 1 April 2015 have been adjusted consequent to the Ind AS transition adjustments.

m. Other comprehensive income

Under Ind AS, all items of income and expenses recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes premeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gain and losses on cash flow hedging instruments and fair value gains or losses on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

n. Goodwill

Under previous GAAP, Goodwill was amortised over a period determined at the time of identification of Goodwill. Under Ind AS, Goodwill needs to be tested for impairment and brought to its fair value.

The group tested goodwill for impairment as at 31 March 2016.

During the year of transition, the group acquired a subsidiary and recognised goodwill As per Ind AS 103 subsequent to fair valuation of the acquired subsidiary's assets and liabilities the goodwill has been remeasured resulting into reduction goowill.

o. Foreign currency translation reserve

The group elected to reset the balance appearing in the foreign currency translation reserve to zero at 01 April, 2015. There is no impact on total equity as a result of this adjustment.

p. Business combinations

On 30 April 2015, the parent entity acquired 51% of the issued share capital of Incessant Technologies Private Limited, a service provider of enterprise iBPM solutions to assist companies in achieving digital integration.

The parent entity has entered into a Share Purchase Agreement with the existing shareholders of Incessant Technologies Private Limimted which has given the parent entity an option to acquire the remaining 49% in two tranches of 19% and 30% on 31 May 2017 and 31 May 2018 respectively subject to certain conditions as specified in the Shareholder's agreement. Consequent to the acquisition of the remaining 49% of the shareholding, Incessant Technologies Private Limited shall become a wholly owned subsidiary of NIIT Technologies as at 31 May 2018.

The fair value of the shares issued as part of the consideration paid for Incessant Technologies Private Limited was based on the share purchase agreement entered into by the existing shareholders of Incesssant Technologies Private Limited and the parent entity.

q. Future acquisition liability

During the year ended 31 March,2016 the entity purchased 51% of the stake in Incessant Technologies Private Limited. The shareholders agreed that Existing shareholders of Incessant shall sell and NIIT shall purchase additional shares in the Acquiree in Tranche 2 and Tranche 3 respectively considering the conditions mentioned in the Shareholder's agreement. In accordance with Ind As 110, the entity recognised future acquisition liability using the partial recognition of NCI method.

r. Deferred payment liabilities

Deferred payment liabilities is recognised at their discounted values

Consolidated Notes to the financial statements (All amounts in Rs. Mn unless otherwise stated)

44 Future acquisition liability

During the year ended 31 March 2016, the Company acquired controlling stake of 51% of the shareholdings of Incessant Technologies Private Limited ("Incessant"). The acquisition was executed through a share purchase agreement dated 5 May 2015 signed between the Company and the shareholders of Incessant. The Company will acquire remaining 49% shareholding of Incessant, in two tranches, subject to certain conditions as provided in the Shareholder's Agreement signed between the aforesaid parties. The obligation to acquire remaining 49% shareholding of Incessant has been disclosed as "financial liability for future acquisition".

Pending acquisition of 49% shareholding, the Group has attributed the profit and each component of other comprehensive income ("OCI") amounting to Rs. 170 Mn (31 March 2016 Rs. 134 Mn) to non- controlling interest, which is included in the financial liability for future acquisition.

This financial liability has been measured at Rs. 1,256 Mn as at the date of acquisition, basis a fair valuation report, in accordance with Ind AS 109. This amount was re-measured at Rs. 2,282 Mn as at 31 March 2017 (Rs. 1,745 Mn as at 31 March 2016). The increase in liability, after adjusting the profit and OCI attributed to non- controlling interest as described above, has been included in retained earnings. This has resulted in reduction in retained earnings by Rs. 367 Mn in the year ended 31 March 2017 (Rs. 902 Mn in the year ended 31 March 2016).

45 Scheme of amalgamation

The Board of Directors of the Company has, in its meeting held on 24 March 2017, approved the amalgamation of PIPL Business Advisors and Investment Private Limited ("PBIPL") and GSPL Advisory Services and Investment Private Limited ("GAIPL") with NIIT Technologies Limited ("the Company or NTL") by way of and in accordance with a scheme of amalgamation as per the provisions of Sections 230 to 232 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Scheme"). PBIPL and GAIPL holds 3.55% each of equity share capital of NIIT Technologies Limited and form part of promoter/ promoter group of NIIT Technologies Limited. From the effective date, pursuant to the Scheme, the entire shareholding of PBIPL and GAIPL in the Company shall stand cancelled and the equivalent shares of the Company shall be re-issued to the shareholders of PBIPL and GAIPL as on the record date to be fixed for the purpose. Pursuant to the proposed amalgamation of PBIPL and GAIPL with the Company, there will be no change in the promoter's shareholding in the Company. All cost and charges arising out of this proposed scheme of amalgamation shall be borne by the promoter. The aforesaid Scheme is subject to various regulatory and other approvals and sanction by National Company Law Tribunal, New Delhi Bench.

46 Events Occuring after the reporting period

Refer to Note 31(b) for the final dividend recommended by the director which is subject to the approval of the shareholders in the ensuing annual general meeting.

For Price Waterhouse Firm Registration No.301112E Chartered Accountants	**Arvind Thakur** CEO & Joint Managing Director DIN 00042534	**Rajendra S Pawar** Chairman & Managing Director DIN 00042516
Anupam Dhawan Partner Membership No.084451	**Lalit Kumar Sharma** Company Secretary & Legal Counsel	**Amit Kumar Garg** Chief Financial Officer

Place : Noida
Date : May 5, 2017

NIIT technologies
New Ideas, More Value™

Dear Investor,

We are constantly endeavouring to render best possible services to our valued investors. We shall appreciate if you could spare some time to fill up the feedback form below and submit to the Company Secretary, NIIT Technologies Ltd. Regd. Office: 8, Balaji Estate, Guru Ravi Das Marg, Kalkaji, New Delhi - 110 019. This will help us further improve our services to you.

Thanks & Regards,

Lalit Kumar Sharma
Company Secretary & Legal Counsel

NIIT TECHNOLOGIES LIMITED - INVESTORS' FEEDBACK FORM

Name of the Sole/First holder	
Address	
Folio No. for Physical Holding	
Number of shares held	
DP ID. and Client ID. (8+8 digit codes for NSDL / 16 digit code for CDSL)	
Phone No. with STD Code	
E- mail	

Either Folio No. or DP ID and Client ID should be mandatorily given.

Kindly rate our services on various parameters by ticking ☑ any one box in each row:

1. Timely receipt of:

a.	Annual Reports	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
b.	Dividend	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
c.	Other documents / correspondence	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor

2. Quality and Contents of Annual report:

a.	Report on Corporate Governance	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
b.	Management Discussion and Analysis	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
c.	Balance Sheet, Profit and Loss Account and other financial statements.	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor

3. Dissemination of information about the Company :

a.	Through shareholder communication	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
b.	Through Annual Reports	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
c.	Through newspapers / Press	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
d.	Through our website (www.niit-tech.com)	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
e.	Through e-mails (if we have your e- mail ID)	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor

4. Response time and satisfaction level you have experienced in :

a.	Transfer / transmission of shares	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
b.	Issue of Duplicate Share Certificates	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
c.	Change of address / mandate	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
d.	Revalidation of Dividend Warrents	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
e.	Replies to your queries / complaints	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
f.	Exchange with new share certificates	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor

5. Interaction with Company Officials :

a.	Attitude / Behaviour	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
b.	Speed of Response	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
c.	Solution to problems / queries	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor

6. Interaction with Registrar & Transfer Agents#:

a.	Attitude / Behaviour	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
b.	Speed of Response	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
c.	Solution to problems / queries	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor

M/s Alankit Assignments Limited,Alankit House, 1E/13,Jhandewalan Extension,New Delhi 110055
Phone: +91-11-23541234, 42541234 Fax: +91-11-42541967

7. Investor Services Section of Company's Website (www.niit-tech.com)

a.	Utility of Contents	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
b.	Clarity	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
c.	Appearance	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
d.	Navigation and ease of use	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor

8.	**Overall Rating**	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor

Any grievance which has not been addressed so far. Please furnish the details.

Have you updated your Bank Account details/email address in your Demat Account? ☐ Yes ☐ No
If not, please update

Any Other comments / suggestions.

NIIT Technologies Limited

CIN:L65993DL1992PLC048753
Regd. Office : 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi - 110 019
Tel Nos. : +91 1141675000, Fax: +91 11 41407120, e-mail ID: investors@niit-tech.com, website: www.niit-tech.com

PROXY FORM
(Pursuant to Section 105(6) of the Companies Act and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)
25th Annual General Meeting – September 22, 2017

Name of the Member(s) : ____________________

Registered Address : ____________________

Email ID : ____________________

DP ID No. : | | | | | | | | |

Folio No. / Client ID No. : | | | | | | | | | | | | | | | | |

I/We, being the member(s) of ………….. ………………………………………………Shares of the above named Company, hereby appoint:

Name:____________________ Address: ____________________

____________________ E-mail Id: ____________________

Signature: ____________________

or failing him/her

Name:____________________ Address: ____________________

____________________ E-mail Id: ____________________

Signature: ____________________

or failing him/her

Name:____________________ Address: ____________________

____________________ E-mail Id: ____________________

Signature: ____________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Friday, September 22, 2017, at 09:00 A.M. at Ocean Pearl Retreat, Satbari, Chattarpur Mandir Road, New Delhi – 110 074 and at any adjournment thereof in respect of such resolutions as are indicated below:

CIN:L65993DL1992PLC048753
Regd. Office : 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi - 110 019
Tel Nos. : +91 1141675000, Fax: +91 11 41407120, e-mail ID: investors@niit-tech.com, website: www.niit-tech.com

Proxy Form Cont....

Resolution Number	Resolution
Ordinary Business	
1	To receive, consider and adopt: (a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2017, together with 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 together with Report of the Auditors thereon
2	To declare dividend on Equity Shares of the Company.
3	To appoint a Director in place of Mr. Arvind Thakur (DIN 00042534), who retires by rotation and, being eligible, offers himself for re-appointment.
4	To appoint S R Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/ E300004) as Statutory Auditors of the Company in place of retiring auditors M/s Price Waterhouse, Chartered Accountants (FRN 301112E), to hold office from the conclusion of this Annual General Meeting until the conclusion of the 30th Annual General Meeting of the Company and fix their remuneration.
Special Business	
5	To appoint Ms. Holly Jane Morris (DIN 06968557) as Independent Director of the Company

Signed this ____________________ day of ____________________ 2017

Affix Revenue Stamp not less than Re.1.00

Signature of Member ______________________________

Signature of Proxy holder(s) ______________________________

Notes:

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, either in person or through post, not later than 48 hours before the commencement of the Annual General Meeting. Any undated, unstamped or inadequately stamped proxy form or upon which the stamps have not been cancelled shall not be considered as valid.
2. A proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding 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 person or shareholder.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes. In case, both the member and proxy attend the meeting, the proxy shall automatically stand revoked. A proxy later in date shall revoke any proxy/proxies dated prior to such proxy.
4. Proxy-holder shall carry his/her identity proof (Driving License/Adhaar Card/Voter ID Card/Passport/PAN card) in order to prove his/her identity at the Annual General Meeting.
5. In case the meeting gets adjourned, the proxy given for the adjourned meeting shall revoke the proxy for the original meeting.

NIIT Technologies Limited

CIN:L65993DL1992PLC048753
Regd. Office : 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi - 110 019
Tel Nos. : +91 1141675000, Fax: +91 11 41407120, e-mail ID: investors@niit-tech.com, website: www.niit-tech.com

ATTENDANCE SLIP
(to be presented at the entrance)
25th Annual General Meeting – September 22, 2017

DP ID:

Folio No. / Client ID No.:

No. of Shares held:

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 25th Annual General Meeting of the Company, to be held on Friday, September 22, 2017, at 09:00 A.M. at Ocean Pearl Retreat, Satbari, Chattarpur Mandir Road, New Delhi – 110 074.

Name of the Member : ____________________ Signature : ____________________

Name of the Proxy : ____________________ Signature : ____________________

Note: Please complete this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting hall. Members are requested to bring their copy of the Annual Report for reference at the meeting.

NORTH AMERICA

Principal Office:
NIIT Technologies Inc., USA
1050 Crown Pointe Parkway, 10th Floor
Atlanta, GA 30338, USA
Ph: +1 (770) 290-6100
Toll Free: +1 (888) 454 NIIT
Fax: +1 (770) 290-6101

NIIT Media Technologies LLC
699 Broad Street, Suite 800,
Augusta GA 30901

Incessant Technologies NA Inc
277 Fairfield Road, Suite 301D,
Fairfield, New Jersey 07004,
United States

Incessant Technologies (CA) Inc.
Branch of INcessant Technologies India
208.1077 North Service Road,
Mississauge, Ontario,
L4Y 1A6

Brazil
NIIT Technologies Brazil Ltda
Av. Monteiro Lobato, nº 4.550,
Ed. Airport Town II, Sala Comercial nº 02,
Asa 05, Jd. Cumbica, CEP 07180-000,
Guarulhos/SP

EUROPE

Belgium
NIIT Technologies Limited,
Belgium – Branch of NTL India
Culliganlaan 1B,
Vendôme - Suite 119,
1831, Diegem, Belgium
Ph: +32 2403 1140
Fax: +32 2403 114

Germany
NIIT Airline Technologies GmbH
Lina-Ammon-Str.19b
90471 Nürnberg
Germany
Phone: +49 (0) 911 988709 00
Fax: +49 (0) 911 988709 60

NIIT Technologies GmbH
Bockenheimer Landstraße 51-53
60325 Frankfurt
Germany
Ph: + 49 (0) 69 43 05 33 0
Fax: + 49 (0) 69 43 05 33 150

Ireland
Incessant Technologies (Ireland) Ltd.
Gateway House, 133 Capel Street,
Dublin 1.

Netherlands
NIIT Technologies BV
Regus WTC Zuidplein 36
1077 XV Amsterdam, Netherlands
Ph: +31 20-7997704

Switzerland
NIIT Technologies Limited,
Switzerland – Branch of NTL India
Tribschenstrasse 9, 6005 Luzern
Switzerland
Ph: +41 (0) 41/360 48 77
Fax: +41 (0) 41/360 21 64

United Kingdom
NIIT Technologies Limited
47, Mark Lane, London - EC3R7QQ, U.K.
Ph: +44 (0) 207 002 0700
Fax: +44 (0) 207 002 0701

NIIT Insurance Technologies Limited
47, Mark Lane, London - EC3R7QQ, U.K.
Ph: +44 (0) 207 667 8600
Fax: +44 (0) 207 667 8601

Incessant Technologies UK Ltd
204-226 Imperial Drive, Rayners Lane,
Harrow, Middlesex, HA2 7HH,
United Kingdom

Spain
NIIT Technologies S. A.
(Erstwhile Proyeta Systemas de Informacion S.A.)
Calle Menorca 3, Planta 4, Madrid, Spain
Ph: +34 91 400 82 12
Fax: +34 91 504 45 64

MIDDLE EAST

Dubai
NIIT Technologies FZ LLC
No. G04, Al Shaiba Building,
Dubai Outsourcing Zone
Near academic City,
Post Box No. 500822
Ph: +971 4 4355748
Fax: +34 91 400 82 12

ASIA

India
Delhi/NCR
Corporate Office
Tapasya Corporate Heights,
Plot No. EFGH,
Sector 126, Noida

Gurgaon
NIIT Technologies Services Limited
223 & 224 , Udyog Vihar, Phase -I
Gurgaon , Haryana -122002
Ph: +91 124 4002702
Fax: +91 124 4002701

NIIT Technologies Limited
223/224, Udyog Vihar, Phase – I,
Gurgaon, Haryana – 122002, India
Ph: +91 (124) 4002702
Fax: +91 (124) 4002701

NIIT SmartServe Limited
223 & 224 , Udyog Vihar, Phase -I
Gurgaon, Haryana -122002
Ph: +91 124 4002702
Fax: +91 124 4002701

Noida
NIIT Technologies Limited
Plot No. TZ-2 & 2A,
Sector Tech Zone, Greater Noida,
UP – 201 308

ESRI India Technologies Limited,
India (Erstwhile NIIT GIS Limited)
H-7, Sector-63, Noida
Ph: +91 (120) 428 5000

Bangalore
NIIT Technologies Limited
No. 31/2, Roopena Agrahara,
Begur Hobli, Hosur Main Road,
Bangalore – 560068

Kolkata
NIIT Technologies Limited
3B, 501, 5th floor,
Ecospace Business Park, Rajarhat,
New Town, Kolkata – 700160.

Hyderabad
Incessant Technologies Private Limited
Block B, 6th Floor, Q city,
sr. No. 109,110,111/2,
Nanakramguda Village,
Serlingampally Mandal,
Hyderabad Telangana – 500032, India

Chennai
NIIT Technologies Limited
606 & 607, Regus Millenia,
RMZ Millenia Business Park, level 6,
Phase II, campus 4b, unit 602a, no:143,
dr. M. G. R road, Perungudi, Chennai – 600096

Mumbai
NIIT Technologies Limited
4th Floor, Tower B, Marwah Center,
Krishanlal Marwah Marg,
Opp. Saki Vihar Road,
Andheri (East), Mumbai

Hong Kong
NIIT Technologies Limited
Unit 32, Level 15,
Admiralty Centre Tower 2,
18 Harcourt Road, Admiralty,
Hong Kong

Singapore
NIIT Technologies Pte. Limited
31 Kaki Bukit Road 3, #05-13 Techlink
Singapore 417818
Ph: +65 68488300
Fax: +65 68488322

Thailand
NIIT Technologies Limited
209/1 K TOWER, Tower B, 19 Floor, Unit 3
Sukhumvit 21 Road, (Asoke) Klongtoey Nua,
Wattana, Bangkok 10110
Tel: +66 (0)2 664-3036-8, +66 (0)2 664-3036-9

NIIT Philippines Management Inc.
(erstwhile Sabre International Phiippines Management, Inc.)
Units 501/503, 5th Floor
North Tower, Rockwell Business Centre,
Ortigas Avenue, Pasig City, Metro Manila,
Philippines
Ph: +632 6203122

Japan
NIIT Technologies K.K.
Saano Park Tower Level 4, 2-11-1
Nagato Cho, Chiyoda KU, Tokyo,
Japan, Postal Code- 100-6104

AUSTRALIA

Sydney
Incessant Technologies AUS Pty Ltd
Suite14,Level 14,Lumley House,
309 Kent street, Sydney,
NSW 2000.

Melbourne
NIIT Technologies Pty. Limited
Level 40, 140 William Street
Melbourne, VIC 3000, Australia
Ph: +61 (0) 3 9607 8264
Fax: +61(0) 3 9607 8282

NIIT technologies
New Ideas, More Value.™

Registered Office
NIIT Technologies Ltd.
8, Balaji Estate, First Floor,
Guru Ravi Das Marg, Kalkaji,
New Delhi – 110019
Tel: +91 11 41675000
Fax: +91 11 41407120