

NIIT TECHNOLOGIES LTD.

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
AND
REPORT OF CERTIFIED PUBLIC ACCOUNTANT**

CORPORATE SERVICES LTD.

บริษัท คอร์ปอเรต เซอร์วิส จำกัด

CORPORATE SERVICES LTD.

Auditing, Accounting and Tax Consulting Services

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Report on the Financial Statements

To the Shareholders of NIIT Technologies Ltd.

Opinion

We have audited the financial statements of NIIT Technologies Ltd. which comprise the statement of financial position as at 31 March 2017, and the statements of income, changes in shareholders' equity and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management 's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards [for Non-Publicly Accountable Entities], and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

WIPAT BURAPAKUSOLSRI

C.P.A. (THAILAND)

Registration No. 2490

Bangkok

14 April 2017

NIT TECHNOLOGIES LTD.
STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2017

ASSETS

	Notes	2017 THB	2017 INR	2016 THB	2016 INR
CURRENT ASSETS					
Cash and cash equivalents	3	108,605,710	204,938,975	12,501,553	23,565,427
Trade accounts receivable – other companies, net	4	55,647,549	105,006,925	148,643,808	280,193,578
Withholding income tax		17,791,979	33,573,464	16,232,948	30,599,107
Prepaid expenses		28,037,545	52,906,847	36,908,551	69,572,619
Other current assets	5	1,855,810	3,501,913	20,658,757	38,941,757
Total Current Assets		211,938,593	399,928,125	234,945,617	442,872,488
NON – CURRENT ASSETS					
Intangible assets, net	6	7,760,360	14,643,799	10,036,893	18,919,543
Equipment, net	7	58,007,901	109,460,909	76,801,400	144,770,639
Deposits		1,067,360	2,014,108	3,231,368	6,091,129
Total Non – Current Assets		66,835,621	126,118,817	90,069,661	169,781,311
TOTAL ASSETS		278,774,214	526,046,942	325,015,278	612,653,799

The accompanying notes are an integral part of these financial statements.

NIT TECHNOLOGIES LTD.
STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	In Baht			
		2017 THB	2017 INR	2016 THB	2016 INR
CURRENT LIABILITIES					
Trade accounts payable – other companies		5,426,320	10239465.84	44,349,430	83,598,676
– related companies	15 (b)	9,458,437	17848070.62	48,471,172	91,368,159
Current portion of finance lease liabilities	8	445,258	840201.846	414,467	781,270
Other current liabilities	9	78,589,931	148299199.9	61,336,378	115,619,073
Total Current Liabilities		93,919,946	177,226,938	154,571,447	291,367,177
NON – CURRENT LIABILITIES					
Accrued employees benefit		7,299,480	13774118.76	-	-
Finance lease liabilities	8	351,878	663993.786	467,334	880,925
Total Non-Current Liabilities		7,651,358	14,438,113	467,334	880,925
Total Liabilities		101,571,304	191,665,051	155,038,781	292,248,102
SHAREHOLDERS' EQUITY					
Share capital	11	15,000,000	28,305,000	15,000,000	28,275,000

Retained earnings					
Appropriated – legal reserve	12	1,500,000	2,830,500	1,500,000	2,827,500
Unappropriated		160,702,910	303,246,390	153,476,497	289,303,197
Total Shareholders' Equity		177,202,910	334,381,890	169,976,497	320,405,697
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		278,774,214	526,046,941	325,015,278	612,653,799

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The accompanying notes are an integral part of these financial statements.

NIIT TECHNOLOGIES LTD.
STATEMENT OF INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 THB	2017 INR	2016 THB	2016 INR
Service income		369,960,980	706,625,472	453,433,798	852,908,974.04
Cost of services		(299,033,316)	(571,153,634)	(309,166,985)	-581,543,099.71
Gross profit		70,927,664	135,471,838	144,266,813	271,365,874
Marketing Expenses		(15,888,588)	(30,347,203)	(16,127,343)	-30,335,531.34
Administrative expenses		(44,190,045)	(84,402,986)	(55,953,776)	-105,249,052.98
Operating profit		10,849,031	20,721,649	72,185,694	135,781,290
Interest income		233,361	445,720	1,415,868	2,663,247.71
Gain (loss) on exchange rate		9,394	17,943	(1,195,429)	-2,248,601.95
Gain on sales of fixed assets		76,947	146,969	-	-
Other income		220,309	420,790	-	-
Profit before interest expenses		11,389,042	21,753,070	72,406,133	136,195,936
Interest expenses		(59,523)	(113,689)	(60,736)	-114,244.42
Profit before income tax		11,329,519	21,639,381	72,345,397	136,081,691
Income tax	17	(4,103,106)	(7,836,933)	(16,028,473)	(30,149,558)
Net profit for the year		7,226,413	13,802,448	56,316,924	105,932,134
Basic earnings per share	14	56	107	435	817

The accompanying notes are an integral part of these financial statements.

NIIT TECHNOLOGIES LTD.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Share capital In THB	Share capital In INR	Legal reserve In THB	Legal reserve In INR	Unappropriated retained earnings In THB	Unappropriated retained earnings In INR	Total In THB	Total In INR
	(Note 8)	(Note 8)	(Note 9)	(Note 9)				
Balance as at 1 April 2016	15,000,000	28,275,000	1,500,000	2,827,500	153,476,497	289,303,197	169,976,497	320,405,697
Net profit (loss) for the year	-	-	-	-	7,226,413	13,802,448	7,226,413	13,802,448
Currency translation reserve	-	30,000	-	3,000	-	140,746	-	173,746
Balance as at 31 March 2017	15,000,000	28,305,000	1,500,000	2,830,500	160,702,910	303,246,390	177,202,910	334,381,890
Balance as at 1 April 2015	15,000,000	28,722,000	1,500,000	2,872,200	97,159,573	186,041,150	113,659,573	217,635,350
Net profit (loss) for the year	-	-	-	-	56,316,924	105,932,134	56,316,924	105,932,134
Currency translation reserve	-	(447,000)	-	(44,700)	-	(2,670,088)	-	(129,091,130)
Balance as at 31 March 2016	15,000,000	28,275,000	1,500,000	2,827,500	153,476,497	289,303,197	169,976,497	194,476,355

The accompanying notes are an integral part of these financial statements.

NIIT TECHNOLOGIES LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	2017 THB	2017 INR	2016 THB	2016 INR
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	7,226,413	13,802,448	56,316,924	105,932,134
Adjustments to reconcile net income (loss) to income(loss) from operating activities before changes in operating assets and liabilities				
Depreciation and amortization	25,871,045	49,413,696	20,444,928	38456909.57
Loss (gain) on disposal of fixed assets	(76,947)	(146,969)	-	-
Income from operating activities before changes in operating assets and liabilities	33,020,511	63,069,175	76,761,852	144,389,043
Decrease (increase) in operating assets				
Accounts receivable – trade	92,996,259	175,483,941	(90,425,096)	(170,451,306)
Withholding income tax	(1,559,031)	(2,941,891)	15,872,290	29,919,267
Prepaid expenses	8,871,006	16,739,588	(29,884,720)	(56,332,697)
Other current assets	18,802,947	35,481,161	5,447,064	10,267,716
Currency translation reserve	0	(759,471)	0	307,048
Increase (decrease) in operating liabilities				
Payable to related companies	(39,012,735)	(73,617,031)	(6,868,748)	(12,947,590)
Account payables	(38,923,110)	(73,447,909)	42,693,336	80,476,938
Finance lease liabilities	30,791	58,103	(27,577)	(51,983)
Other current liabilities	17,253,553	32,557,455	2,553,177	4,812,739
Net cash provided by (used in) operating activities	91,480,191	172,623,120	16,121,578	30,389,175

The accompanying notes are an integral part of these financial statements.

NIIT TECHNOLOGIES LTD.
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED 31 MARCH 2017

	2017 THB	2017 INR	2016 INR	2016 INR
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in deposits	2,164,008	4,083,483	(1,027,753)	(1,937,314)
Purchase of fixed assets	(4,805,172)	(9,067,360)	(92,482,201)	(174,328,949)
Sales of fixed assets	81,106	153,047	-	-
Loan to related company	-	-	31,251,785	58,909,615
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(2,560,058)	(4,830,829)	(62,258,169)	(117,356,649)

CASH FLOWS FROM FINANCING ACTIVITIES				
Accrued employees benefit	7,299,480	13,774,119	-	-
Finance lease liabilities	(115,456)	(217,865)	(21,257)	(40,069)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	7,184,024	13,556,253	(21,257)	(40,069)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	96,104,157	181,348,544	(46,157,848)	(87,007,543)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	12,501,553	23,565,427	58,659,401	112,321,021
Currency translation reserve		25,003		(1,748,050)
CASH AND CASH EQUIVALENTS AT END OF YEAR	108,605,710	204,938,975	12,501,553	23,565,427

The accompanying notes are an integral part of these financial statements.

1. GENERAL INFORMATION

NIIT Technologies Ltd. ("The Company") is a limited company and is incorporated and resident in Thailand. The address of the Company's registered office is as follows:

209/1 K Tower, Tower B 19th Floor, Sukhumvit 21 (Asoke) Klongtoey Nua Sub-district, Wattana District, Bangkok.

The principal business activities of the Company are providing outsourcing information technology system, rendering consultancy services of software development and other services related to the software business.

As at 31 March 2017 the Company employed 139 persons (2016: 155 persons).

These financial statements were authorised for issue by the management on 14 April 2017.

2. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of Preparation

The Company is considered as a Non-publicly Accountable Entity.

On 6 May 2011, the Federation of Accounting Professions (FAP) published the 'Thai Financial Reporting Standard for Non-publicly Accountable Entities' (TFRS for NPAEs). TFRS for NPAEs is effective for financial statements which periods beginning on or after 1 January 2011.

Changes in accounting policy from the application of TFRS for NPAEs.

● Component approach

Under previous accounting policy, the company did not separately depreciate each significant part of an item of property, plant and equipment. The Company separately depreciates each significant part of items that are acquired on or after 01 January 2011 onwards. For the items acquired before the beginning of the first period under the TFRS for NPAEs, the Company continues depreciating them as a single unit. However, the Company reviewed residual values, useful lives and depreciation method of those assets.

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods.

Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

An English version of the financial statements have been prepared from the statutory financial statement that are issued in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Foreign currency translation

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities outstanding at the statements of financial position date denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at that statements of financial position date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of income.

2.3 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are recognised in the income statement within services and administrative expenses.

2.4 Equipment

Equipment is stated at cost less accumulated depreciation.

Depreciation is calculated on the straight-line basis to write off the cost of each assets to its residual value over the estimated useful

life as follows:

Computer equipment	3-5	years
Furniture and fixtures	5	years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the company. Major renovations are depreciated over the remaining useful life of the related asset.

Gain and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

2.5 Leases – where the company is the lessee

Finance lease

Leases of assets to the Company, as a lessee, which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Operating lease

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases.

Payments made under operating leases (net of any incentive received from lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

2.6 Provisions

Provisions, excluding the provisions for employee benefits, are recognised 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 a reliable estimate of the amount can be made. Where the company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when reimbursement is virtually certain.

The Company recognises the estimated liability in respect of outstanding annual leave of staff at the Statement of financial position date. The provision for outstanding annual leave is calculated based on the outstanding annual leave days and salary rate of staff and presented in the Statement of financial position under other current liabilities.

2.7 Income tax

The Company does not recognise income tax payable or receivable in future periods with respect to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from tax losses carry forward, allowance for doubtful debt and depreciation rate for equipment.

2.8 Revenue recognition

Revenue comprises the invoiced value for the services net of output tax, rebates and discounts. Each type of revenue is recognised as follows:

- In respect of software project and service are recognised based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed. When it is probable that total contract costs will exceed total

contract revenue, the expected loss is recognised as an expense immediately.

- In respect of agreements requiring provision of professionals, income is recognised over the period the service is provided as per the terms of the agreements.

	2017 THB	2017 INR	2016 THB	2016 INR
3. CASH AND CASH EQUIVALENTS				
Cash in bank				
Current account	(1,057,912)	(1,996,280)	(1,405,553)	(2,649,467)
Saving account	109,663,622	206,935,255	13,907,106	26,214,895
Total	108,605,710	204,938,975	12,501,553	23,565,427

4. TRADE ACCOUNTS RECEIVABLE - OTHER COMPANIES, NET

	2017 THB	2017 INR	2016 THB	2016 INR
Trade accounts receivable	57,405,287	108,323,776	149,193,808	281,230,328
Less Allowance for doubtful debts	(1,757,738)	(3,316,852)	(550,000)	(1,036,750)
Total	55,647,549	105,006,925	148,643,808	280,193,578

5. OTHER CURRENT ASSETS

	2017 THB	2017 INR	2016 THB	2016 INR
Account receivable				
- Other	-	-	438,511	826,593
Advance payment	125,892	237,558	(48,418)	(91,268)
Input vat	-	-	368,508	694,638
Accrued income	-	-	19,900,156	37,511,794
Deposits	1,729,918	3,264,355	-	-
Total	1,855,810	3,501,913	20,658,757	38,941,757

6. INTANGIBLE ASSETS, NET

	2017 THB	2017 INR	2016 THB	2016 INR
Application software - at cost	26,847,829	51,089,116	16,139,548	30,904,007
Add (Deduct) Purchased	505,159	953,235	10,708,281	20,185,110
Write off	(16,128,398)	(30,805,240)	-	-
Less Accumulated amortisation	(3,464,230)	(6,530,074)	(16,810,936)	(31,688,614)
Currency translation reserve		(63,238)		(480,959)
Net book value	7,760,360	14,643,799	10,036,893	18,919,543
Amortisation charge for the year	2,777,533	5,305,088	697,150	1,311,339

7. EQUIPMENT, NET

	THB			INR		
	Computer equipment	Furniture and fixtures	Total	Computer equipment	Furniture and fixtures	Total
At 31 March 2016						
Cost	96,195,373	353,805	96,549,178	181,328,278	666,922	181,995,201
Less Accumulated depreciation	(19,693,608)	(54,170)	(19,747,778)	(37,122,451)	(102,110)	(37,224,562)
Net book amount	76,501,765	299,635	76,801,400	144,205,827	564,812	144,770,639
For the year ended 31 March 2017						
Opening net book amount	76,501,765	299,635	76,801,400	144,205,827	564,812	144,770,639
Additions	4,300,013	-	4,300,013	8,213,025	-	8,213,025
Sales of scrap	-	-	-	-	-	-
Depreciation charge	(23,021,209)	(72,303)	(23,093,512)	(43,970,509)	(138,099)	(44,108,608)
Currency translation reserve				583,591	2,262	585,853
Closing net book amount	57,780,569	227,332	58,007,901	109,031,934	428,975	109,460,909

At 31 March 2017						
Cost	145,005,994	2,572,554	147,578,548	273,626,311	4,854,409	278,480,720
Less Accumulated depreciation	(87,225,425)	(2,345,222)	(89,570,647)	(164,594,377)	(4,425,434)	(169,019,811)
Net book amount	57,780,569	227,332	58,007,901	109,031,934	428,975	109,460,909

Leased assets included above, where the Company is a lessee under a finance lease, comprise computer equipment.

	2017 THB	2017 INR	2016 THB	2016 INR
Capitalised financial leases - at cost	7,016,976	13241033.71	6,621,576	12,481,671
Less Accumulated depreciation	(6,153,845)	(11,612,306)	(5,784,598)	(10,903,967)
Net book amount	863,131	1,628,728	836,978	1,577,704

8. FINANCE LEASE LIABILITIES

Finance lease liabilities are in respect of the purchase of computer equipment

Finance lease liabilities - minimum lease payments:

	2017 THB	2017 INR	2016 THB	2016 INR
Not later than 1 year	496,132	936,201	414,467	781,270
Later than 1 year but not later than 5 years	373,098	704,035	467,334	880,925
	869,230	1,640,236	881,801	1,662,195
Less Future finance charges on finance leases	72,094	136,041	-	-
Present value of finance lease liabilities	797,136	1,504,195	881,801	1,662,195
Representing lease liabilities:				
- current	445,258	840,202	414,467	781,270
- non-current	351,878	663,994	467,334	880,925
Total	797,136	1,504,196	881,801	1,662,195

9. OTHER CURRENT LIABILITIES

	2017 THB	2017 INR	2016 THB	2016 INR
Accrued expenses	38,475,676	72,603,601	29,226,454	55,091,866
VAT payable	1,008,072	1,902,232	-	-
Accrued employee benefit	5,183,428	9,781,129	13,795,867	26,005,209
Provision for leave encashment	3,521,368	6,644,821	3,522,679	6,640,250
Income tax payable	-	-	7,630,176	14,382,882
Deferred revenue	23,705,761	44,732,771	-	-
Other	6,695,626	12,634,646	7,161,202	13,498,866
Total	78,589,931	148,299,200	61,336,378	115,619,073

Provision for leave encashment represents outstanding annual leave of staffs as at 31 March 2017 which can carry forward to the following year.

10. REGISTERED PROVIDENT FUND PLAN

The Company established a contributory registered provident fund in accordance with the Provident Fund Act B.E. 2530. The registered

provident fund plan was approved by the Ministry of Finance on 16 January 2005. Under the plan, members contribute 3% of basic

salary. The contribution shall be capped at the maximum of Baht 5,000.00 or 2% of basic salary whichever is higher and the Company

contributes at the same rate of employee's contribution. The Company appointed a fund manager to manage the fund in accordance with

the terms and condition prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530.

The Company's contribution, which was charged to operations for the year, amounted to Baht 1,276,314 , Equivalent to INR-2437760

11. SHARE CAPITAL

	2017 THB	2017 INR	2016 THB	2016 INR
Authorised and fully paid – up				
129,600 ordinary shares of Baht 100 each	12,960,000	24,455,520	12,960,000	24,429,600
20,400 non-cumulative preference shares of Baht 100 each	2,040,000	3,849,480	2,040,000	3,845,400
Total	15,000,000	28,305,000	15,000,000	28,275,000

Shareholders of preference shares are entitled to receive dividends (non-cumulative) amounting to 3% of the paid-up amount.

12. LEGAL RESERVE

Under the provision of the Civil and Commercial Code, the Company is required to set aside as legal reserve at least 5% of its net income at each dividend declaration until the reserve reaches 10% of authorized share capital. The reserve is not available for dividend distribution.

13. OPERATING PROFIT (LOSS)

The following expenditure items, classified by nature, have been charged in arriving at operating profit (loss).

	2017 THB	2017 INR	2016 THB	2016 INR
Staff costs	161,509,362	308,482,881	158,826,606	298,752,846
Depreciation (Note 6)	23,093,512	44,108,608	19,747,778	37,145,570
Repair and maintenance	35,210,183	67,251,450	32,060,959	60,306,664
Amortisation (Note 5)	2,777,533	5,305,088	697,150	1,311,339
Operating lease rental	5,235,641	10,000,074	5,889,118	11,077,431

14. BASIC EARNINGS (LOSS) PER SHARE

Basic earnings per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	2017 THB	2017 INR	2016 THB	2016 INR
Net profit (loss) attributable to shareholders (Baht)	7,226,413	13,802,448	56,316,924	105,932,134
Weighted average number of ordinary Share in issue during the year (shares)	129,600	129,600	129,600	129,600
Basic earnings (loss) per share (Baht)	55.76	106.50	434.54	817.38

15. RELATED PARTY TRANSACTIONS

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

The relationship between the Company and related companies are as follows:

Related companies	Relationship
NIT Technologies Limited India	Ultimate parent company
NIT Technologies Pte. Ltd., Singapore	Parent company
NIT Technologies Pty. Ltd., Australia	Fellow subsidiary company

NIT Technologies FZ LLC, Dubai	Fellow subsidiary company
NIT Benelux B.V. , Netherlands	Fellow subsidiary company
NIT Technologies Limited – UK	Fellow subsidiary company
NIT Technologies Inc., USA	Fellow subsidiary company
NIT Technologies Philippines. Inc	Fellow subsidiary company
NIT Airline Technologies GmbH, Germany	Fellow subsidiary company

a) Significant related party transactions can be summarised as follows:

	2017 THB	2017 INR	2016 THB	2016 INR
Services Rendered				
NIT Technologies Limited – UK	1,613,564	3,081,907	-	-
NIT Technologies Pty Ltd, Australia	94,208	179,937	-	-
NIT Technologies Inc., USA	43,100	82,321	-	-
Total	1,750,872	3,344,166	-	-
Services receiving				
NIT Technologies Limited – India				
Software development	18,781,651	35,872,953	29,096,135	54,729,830
Management fee expense	1,845,163	3,524,261	1,740,489	3,273,860
Other expense	850,900	1,625,219	1,567,114	2,947,741
NIT Technologies Pte. Ltd. – Singapore				
Sundry expenses	-	-	249,944	470,145
NIT Technologies Limited – UK				
Management fee expense	216,399	413,322	-	-
NIT Technologies Ltd – India				
Software Development	79,347,806	151,554,309	80,877,802	152,131,146
Other Expenses	517,243	987,934	524,191	986,003
NIT Technologies Philippines. Inc				
Other Expenses	46,465	88,748	-	-
NIT Technologies Inc., USA				
Other Expenses	474,307	905,926	-	-
NIT Airline Technologies GmbH, Germany				
Other Expenses	18,339	35,027	-	-
Total	102,098,273	195,007,701	114,055,675	214,538,725

b) Outstanding balances arising from service expense and other expenses

	2017 THB	2017 INR	2016 THB	2016 INR
Trade accounts receivable – related companies				
NIT Technologies Limited – UK	551,254	1,040,216	-	-
Total	551,254	1,040,216	-	-
Trade accounts payable – related companies				
NIT Technologies Limited – India	3,604,802	6802261.374	16,313,493	30,750,934
NIT Technologies Inc.	195,987	369827.469	-	-
NIT Technologies Ltd, SEZ unit	5,806,168	10956239.02	32,207,100	60,710,384
NIT Technologies Limited – UK	-	0	619,730	1,168,191
NIT Technologies Inc., USA	-	0	178,107	335,732
NIT Technologies Philippines. Inc	-	0	12,122	22,850
Amount revalued – year end exchange rate	(148,520)	-280257.24	(859,380)	(1,619,932)
Total	9,458,437	17,848,071	48,471,172	91,368,159

16. OPERATING LEASE COMMITMENTS

As at 31 March 2017, the Company has future lease payments under non-cancelable office rental leases and the management's house lease and equipment rental as follows: