

NIIT TECHNOLOGIES PHILIPPINES, INC

NIIT TECHNOLOGIES PHILIPPINES, INC						
Statements of Financial Position						
March 31, 2017 and 2016						
(All amounts in Philippine Peso)						
	Notes	2017 PHP	2017 INR	2016 PHP	2016 INR	
ASSETS						
CURRENT ASSETS						
Cash	2	26,607,256	34,323,360	12,627,032	18,184,189	
Due from related parties	15	2,420,959	3,123,037	8,945,944	12,883,054	
Prepayments and other current assets	3	492,772	635,676	1,443,643	2,078,990	
Total current assets		29,520,987	38,082,073	23,016,619	33,146,233	
NON-CURRENT ASSETS						
Property and equipment, net	4	1,352,360	1,744,544	3,510,065	5,054,845	
Deferred income tax assets, net	14	1,290,445	1,664,674	1,780,793	2,564,520	
Other assets	5	16,510,146	21,298,088	14,383,669	20,713,922	
Total non-current assets		19,152,951	24,707,307	19,674,527	28,333,286	
Total assets		48,673,938	62,789,380	42,691,146	61,479,519	
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts payable and other liabilities	6	10,611,755	13,689,164	16,147,616	23,254,182	
Income tax payable		2,197,657	2,834,978	981,689	1,413,730	
Total current liabilities		12,809,412	16,524,141	17,129,305	24,667,912	
NON-CURRENT LIABILITY						
Retirement benefit obligation	9	836,431	1,078,996	2,237,909	3,222,813	
Total liabilities		13,645,843	17,603,137	19,367,214	27,890,725	
EQUITY						
Share capital	7	1,000,000	1,290,000	1,000,000	1,440,100	
Retained earnings	7	34,028,095	43,896,243	22,323,932	32,148,694	
Total equity		35,028,095	45,186,243	23,323,932	33,588,794	
Total liabilities and equity		48,673,938	62,789,380	42,691,146	61,479,519	
n pages 1 to 22 are an integral part of these financial statements.)						
NIIT Technologies Philippines, Inc.						
wholly-owned subsidiary of NIIT Technologies Limited)						
Statements of Total Comprehensive Income						
For the years ended March 31, 2017 and 2016						
(All amounts in Philippine Peso)						
	Notes	2017 PHP	2017 INR	2016 PHP	2016 INR	
SERVICE REVENUE	15	57,296,490	80,043,197	97,994,386	138,564,062	
COST OF SERVICES	10	-34,216,985	-47,801,128	-72,831,853	-102,984,240	
GROSS INCOME		23,079,505	32,242,068	25,162,533	35,579,822	
OPERATING EXPENSES	11	-10,612,407	-14,825,533	-15,647,179	-22,125,111	
INCOME FROM OPERATIONS		12,467,098	17,416,536	9,515,354	13,454,711	
OTHER INCOME (EXPENSES), NET	12	4,396,757	6,142,270	-932,534	-1,318,603	
INCOME BEFORE INCOME TAX		16,863,855	23,558,805	8,582,820	12,136,107	
INCOME TAX EXPENSE	14	-5,159,692	-7,208,090	-3,045,815	-4,306,782	
NET INCOME FOR THE YEAR		11,704,163	16,350,716	5,537,005	7,829,325	
OTHER COMPREHENSIVE INCOME		-	-	-	-	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		11,704,163	16,350,716	5,537,005	7,829,325	
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NIIT Technologies Philippines, Inc.						
wholly-owned subsidiary of NIIT Technologies Limited)						
Statements of Changes in Equity						

For the years ended March 31, 2017 and 2016 (All amounts in Philippine Peso)						
	Share capital PHP	Share capital	Retained earnings (Note 7)			
	(Note 7)	INR	Appropriated PHP	Appropriated INR	Unappropriated PHP	Unappropriated INR
BALANCES, APRIL 1, 2015	1,000,000	1,396,600	10,470,179	14,622,652	6,316,748	8,821,970
COMPREHENSIVE INCOME						
Net income for the year	-	-	-	-	5,537,005	7,829,325
Other comprehensive income	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	5,537,005	7,829,325
Foreign Exchange Translation Diff.	0	43,500		455,453		419,294
BALANCES, MARCH 31, 2016	1,000,000	1,440,100	10,470,179	15,078,105	11,853,753	17,070,590
COMPREHENSIVE INCOME						
Net income for the year	-	-	-	-	11,704,163	16,350,716
Other comprehensive income	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	11,704,163	16,350,716
Foreign Exchange Translation Diff.	0	-150,100		-1,571,574		-3,031,594
BALANCES, MARCH 31, 2017	1,000,000	1,290,000	10,470,179	13,506,531	23,557,916	30,389,712
The accompanying notes on pages 1 to 22 are an integral part of these financial statements.)						
NIIT Technologies Philippines, Inc.						
(wholly-owned subsidiary of NIIT Technologies Limited)						
Statements of Cash Flows						
For the years ended March 31, 2017 and 2016						
(All amounts in Philippine Peso)						
	Notes	2017 PHP	2017 INR	2016 PHP	2016 INR	
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax		16,863,855	23,558,805	8,582,820	12,136,107	
Adjustments for:						
Depreciation	4	2,157,705	3,014,314	5,066,515	7,164,052	
Provision for utility expenses	6	1,201,988	1,247,141	2,021,473	2,911,123	
Retirement benefit expense (pension income)	9	539,740	754,017	-1,402,072	-1,982,530	
Reversal of accruals	12	-3,911,982	-5,465,039	-	0	
Unrealized foreign exchange (gain) loss	12	-123,207	-172,120	1,361,851	1,925,657	
Interest income	12	-1,220	-1,704	-1,177	-1,664	
Gain on disposal of property and equipment	12	-	-	-170,109	-240,534	
Provision for non-recoverability of input value-added tax	5	-	-	1,500,000	2,121,000	
Operating income before changes in operating assets and liabilities		16,726,879	22,935,414	16,959,301	24,033,212	
Changes in assets and liabilities						
Decrease (increase) in:						
Due from related parties		6,356,097	8,879,468	-2,413,322	-3,412,437	
Prepayments and other current assets		950,871	1,328,367	2,172,882	3,072,455	
Other assets		-2,126,477	-2,970,688	-2,191,832	-3,099,250	
Decrease in accounts payable and other liabilities		-2,825,865	-3,947,733	-525,799	-743,480	
Cash generated from operations		19,081,505	26,224,827	14,001,230	19,850,500	
Income taxes paid		-3,453,378	-4,824,369	-3,690,360	-5,218,169	
Retirement benefits paid	9	-1,941,218	-2,711,882	-736,115	-1,040,867	
Interest received		1,220	1,704	1,177	1,664	
Net cash from operating activities		13,688,129	18,690,280	9,575,932	13,593,128	
CASH FLOW FROM INVESTING ACTIVITIES						
Acquisition of property and equipment	4	-	0	-2,292,919	-3,242,187	
Proceeds from disposal of property and equipment	4	-	0	377,153	533,294	
Net cash used in investing activities		-	0	-1,915,766	-2,708,893	
NET INCREASE IN CASH		13,688,129	18,690,280	7,660,166	10,884,235	
CASH						
At April 1		12,627,032	18,184,189	5,967,765	8,334,581	
Effects of exchange rate changes		292,095	408,057	-1,000,899	-1,415,271	
Foreign Exchange Translation Diff.		-	-2,959,166	-	380,644	
At March 31		26,607,256	34,323,360	12,627,032	18,184,189	

2	Cash						
The account as at March 31 consists of:							
			2017 PHP	2017 INR	2016 PHP	2016 INR	
	Cash on hand		30,000	38,700	30,000	43,203	
	Cash in bank		26,577,256	34,284,660	12,597,032	18,140,986	
			26,607,256	34,323,360	12,627,032	18,184,189	
3	Prepayments and other current assets						
The account as at March 31 consists of:							
			2017 PHP	2017 INR	2016 PHP	2016 INR	
	Prepaid insurance		492,772	635,676	1,437,393	2,069,990	
	Advances to employees		-	0	6,250	9,001	
			492,772	635,676	1,443,643	2,078,990	
4	Property and equipment, net						
The account as at March 31 consists of:							
		Office Equipment PHP	Office Equipment INR	Furniture and Fixture PHP	Furniture and Fixture INR	Leasehold Improvements PHP	Leasehold Improvements INR
Cost							
	At April 1, 2015	24,646,394	34,421,154	8,551,478	11,942,994	21,528,702	30,066,985
	Additions	-	0	-	-	2,292,919	3,242,187
	Disposals	-1,390,690	-1,966,436	-3,940,104	-5,571,307	-7,062,841	-9,986,857
	Foreign Exchange Translation Differenece	0	1,035,820		269,153		812,004
	At March 31, 2016	23,255,704	33,490,539	4,611,374	6,640,840	16,758,780	24,134,319
	Additions						
	Foreign Exchange Translation Differenece	0	-3,490,681		-692,167		-2,515,493
	At March 31, 2017	23,255,704	29,999,858	4,611,374	5,948,672	16,758,780	21,618,826
Accumulated depreciation							
	At April 1, 2015	18,418,579	25,723,387	8,454,818	11,807,999	21,362,471	29,834,827
	Depreciation	4,451,653	6,294,637	8,164	11,544	606,698	857,871
	Disposals	-1,372,062	-1,940,096	-3,857,523	-5,454,538	-6,957,005	-9,837,205
	Foreign Exchange Translation Differenece	0	881,586	0	267,317	0	763,524
	At March 31, 2016	21,498,170	30,959,515	4,605,459	6,632,322	15,012,164	21,619,017
	Depreciation	1,322,537	1,847,584	5,915	8,263	829,253	1,158,466
	Foreign Exchange Translation Differenece		-3,368,387		-691,912		-2,342,056
	At March 31, 2017	22,820,707	29,438,712	4,611,374	5,948,672	15,841,417	20,435,428
Net book value							
	At March 31, 2016	1,757,534	2,531,025	5,915	8,518	1,746,616	2,515,302
	At March 31, 2017	434,997	561,146	-	-	917,363	1,183,398
Total depreciation presented in the statement of total comprehensive income is allocated as follows:							
			Notes		2017 PHP	2017 INR	2016 PHP
	Cost of services		10		1,722,096	2,405,768	4,719,916
	Operating expenses		11		435,609	608,546	346,599
					2,157,705	3,014,314	5,066,515
5	Other assets						
The account as at March 31 consists of:							
		Note	2017 PHP	2017 INR	2016 PHP	2017 INR	
	Input value-added tax (VAT)		20,292,241	26,176,991	18,253,358	26,286,661	
	Allowance for non-recoverability of input VAT		-5,621,675	-7,251,961	-5,621,675	-8,095,774	
	Total		14,670,566	18,925,030	12,631,683	18,190,887	
	Refundable security deposit	8	1,839,580	2,373,058	1,751,986	2,523,035	
			16,510,146	21,298,088	14,383,669	20,713,922	
Movement analysis of allowance for non-recoverability of input VAT are as follows:							
			2017 PHP	2017 INR	2016 PHP	2017 INR	
	At April 1		5,621,675	8,095,774	4,121,675	5,756,331	
	Provision for non-recoverability of input VAT		-	0	1,500,000	2,121,000	
	Foreign exchange Tranlation diff		0	-843,813	0	218,443	

At March 31		5,621,675	7,251,961	5,621,675	8,095,774
6 Accounts payable and other liabilities					
The account as at March 31 consists of:					
		2017 PHP	2017 INR	2016 PHP	2016 INR
Accrued expenses		4,132,173	5,330,503	10,271,930	14,792,606
Provision for utility expenses		3,223,461	4,158,265	2,021,473	2,911,123
Trade payable		2,937,694	3,789,625	3,365,131	4,846,125
Payable to government agencies		237,585	306,485	403,342	580,853
Payable to employees		80,842	104,286	85,740	123,474
		10,611,755	13,689,164	16,147,616	23,254,182
Accrued expenses primarily consist of accrual of professional fees, employee bonuses and other consultancy fees.					
Payable to government agencies include withholding taxes and contributions payable to SSS, PHIC and HDMF.					
7 Share capital; Retained earnings					
<i>Share capital</i>					
Share capital as at March 31, 2017 and 2016 follows:					
		Amount PHP	Amount INR		
Common shares - P100 par value per share					
Authorized - 30,000 shares		3,000,000	3,870,000		
Issued and outstanding - 10,000 shares		1,000,000	1,440,100		
Balance as on 31.03.2016		1,000,000	1,440,100		
Foreign Exchange Translation Diff.		0	-150,100		
Balance as on 31.03.2017		1,000,000	1,290,000		
As at March 31, 2017 and 2016, the Company has only one stockholder owning 100 or more shares of the Company's outstanding common shares.					
8 LEASE					
		2017 PHP	2017 INR	2016 PHP	2016 INR
Not later than one year		9,459,058	12,202,185	9,087,029	13,086,230
Later than one year but not later than five years		1,149,705	1,483,119	10,645,581	15,330,701
		10,608,763	13,685,304	19,732,610	28,416,932
Rent expense charged to profit or loss follows:					
	Notes	2017 PHP	2017 INR	2016 PHP	2016 INR
Cost of services	10	7,305,637	10,205,975	8,611,524	12,176,695
Operating expenses	11	1,832,863	2,560,510	1,175,969	1,662,820
		9,138,500	12,766,485	9,787,493	13,839,515
The lease rentals include payments of parking slots, common utilities, services and other fixed charges by the lessor.					
9 Retirement benefit obligation					
		2017		2016	
Present value of retirement benefit obligation		836,431	1,078,996	2,237,909	3,222,813
Fair value of plan assets		-	-	-	-
Liability recognized		836,431	1,078,996	2,237,909	3,222,813
The movement in the present value of the retirement benefit obligation as at March 31 follows:					
		2017 PHP	2017 INR	2016 PHP	2016 INR
At April 1		2,237,909	3,222,813	4,376,096	6,111,656
Current service cost		443,462	619,516	917,496	1,297,339
Interest cost		130,246	181,954	251,626	355,799
Benefits paid		-1,941,218	-2,711,882	-736,115	-1,040,867
Gain arising from:			0		0
Net remeasurement gain		-33,968	-47,453	-856,888	-1,211,640
Curtailement gain		-	-	-1,714,306	-2,424,029
Foreign Exchange Difference			-185,952		134,553
At March 31		836,431	1,078,996	2,237,909	3,222,813
Retirement benefit expense (pension income) recognized in the statement of total comprehensive income for the years ended March 31 follows:					
		2017 PHP	2017 INR	2016 PHP	2016 INR
Current service cost		443,462	619,516	917,496	1,297,339
Interest cost		130,246	181,954	251,626	355,799
Net remeasurement gain recognized during the year		-33,968	-47,453	-856,888	-1,211,640

Curtailment gain		-		-1,714,306	-2,424,029	
		539,740	754,017	-1,402,072	-1,982,530	
The principal actuarial assumptions used as at March 31 are as follows:						
		2017		2016		
Discount rate		5.82%		5.75%		
Salary increase rate		4.90%		5.50%		
10 Cost of services						
The account for the years ended March 31 consists of:						
	Notes	2017 PHP	2017 INR	2016 PHP	2016 INR	
Salaries and employee benefits	13	16,239,611	22,686,737	43,539,445	61,564,775	
Utilities		7,595,343	10,610,694	13,088,387	18,506,979	
Rent	8	7,305,637	10,205,975	8,611,524	12,176,695	
Depreciation	4	1,722,096	2,405,768	4,719,916	6,673,961	
Transportation and travel		1,170,722	1,635,499	2,456,534	3,473,539	
Outside services		-	0	327,116	462,542	
Others		183,576	256,456	88,931	125,748	
		34,216,985	47,801,128	72,831,853	102,984,240	
Others include insurance expenses, supplies and training costs.						
11 Operating expenses						
The account for the years ended March 31 consists of:						
	Notes	2017 PHP	2017 INR	2016 PHP	2016 INR	
Salaries and employee benefits	13	4,657,854	6,507,022	5,955,364	8,420,885	
Rent	8	1,832,863	2,560,510	1,175,969	1,662,820	
Taxes and licenses		1,681,482	2,349,030	1,183,906	1,674,043	
Utilities		1,039,106	1,451,631	1,894,413	2,678,700	
Outside services		721,006	1,007,245	3,293,065	4,656,394	
Depreciation	4	435,609	608,546	346,599	490,091	
Transportation and travel		115,768	161,728	121,548	171,869	
Impairment losses	5	-	0	1,500,000	2,121,000	
Others		128,719	179,820	176,315	249,309	
		10,612,407	14,825,533	15,647,179	22,125,111	
12 Other income (expenses), net						
The account for the years ended March 31 consists of:						
	Note	2017 PHP	2017 INR	2016 PHP	2016 INR	
Reversal of accruals		3,911,982	5,465,039	-	0	
Realized foreign exchange gain, net		494,030	690,160	399,672	565,136	
Unrealized foreign exchange (gain) loss, net		123,207	172,120	-1,361,851	-1,925,657	
Interest income		1,220	1,704	1,177	1,664	
Bank charges		-133,682	-186,754	-141,641	-200,280	
Gain on disposal of assets	4	-	170,109	170,109	240,534	
		4,396,757	6,142,270	-932,534	-1,318,603	
13 Salaries and employee benefits						
The account for the years ended March 31 consists of:						
	Salaries and wages PHP	Salaries and wages INR	Other employee benefits PHP	Other employee benefits INR	Total PHP	Total INR
2017						
Cost of services	13,225,037	18,475,377	3,014,574	4,211,360	16,239,611	22,686,737
Operating expenses	3,734,415	5,216,978	923,439	1,290,044	4,657,854	6,507,022
	16,959,452	23,692,354	3,938,013	5,501,404	20,897,465	29,193,759
2016						
Cost of services	35,792,725	50,610,913	7,746,720	10,953,862	43,539,445	61,564,775
Operating expenses	4,938,424	6,982,932	1,016,940	1,437,953	5,955,364	8,420,885
	40,731,149	57,593,845	8,763,660	12,391,815	49,494,809	69,985,660
14 Income tax expense						
Income tax expense for the years ended March 31 consists of the following:						
		2017 PHP	2017 INR	2016 PHP	2016 INR	
Current		4,669,344	6,523,074	3,262,807	4,613,609	
Deferred		490,348	685,016	-216,992	-306,827	
		5,159,692	7,208,090	3,045,815	4,306,782	

Entities under common control	PHP	INR	PHP	INR		
NIIT Technologies Limited	434,323	614,133	-197,385	-284,254	- Unguaranteed and unsecured	
					- Non-interest bearing	
NIIT Smart Serve Limited	1,157,361	1,636,508	-255,040	-367,283	- Payable in cash at gross amount with standard term of 30 days	
	1,591,684	2,250,641	-452,425	-651,537		
Salaries and employee benefits						
Key management	1,243,784	1,758,711	-		- Unsecured	
					- Non-interest bearing	
					- Due and collectible on demand	
<i>Service fees</i>						
18 Supplementary information required by Bureau of Internal Revenue						
<i>Output value-added tax (VAT)</i>						
Output VAT declared for the year ended March 31, 2017 and the revenues upon which the same was based consist of:						
				Gross amount of revenues PHP	Gross amount of revenues INR	Output VAT
Sale of services						
Zero-rated				57,296,490	80,043,197	-
				57,296,490	80,043,197	-
Value-Added Tax Regulation of 2005).						
<i>Input VAT</i>						
Movements in input VAT for the year ended March 31, 2017 are as follows:						
		Amount PHP	Amount INR			
Beginning balance		18,253,358	26,286,661			
Add: Current year's domestic purchases/payments for:						
Capital goods		-				
Goods other than capital goods		23,914	33,408			
Services lodged under cost of services		2,014,969	2,814,912			
Foreign Exchange Translation Diff.		0	-2,957,990			
		20,292,241	26,176,991			
Excess input value added tax is included in prepayments and other current assets in the statement of financial position.						
<i>All other local and national taxes</i>						
All other local and national taxes paid as at and for the year ended March 31, 2017 consists of:						
				Amount PHP	Amount INR	
Municipal taxes				1,669,782	2,332,685	
Community tax				10,500	14,669	
Barangay clearance				700	977.9	
Annual registration fee				500	698.5	
				1,681,482	2,349,030	
All other local and national taxes are lodged in taxes and licenses in the statement of total comprehensive income.						
<i>Withholding taxes</i>						
Withholding taxes paid and accrued as at and for the year ended March 31, 2017 consists of:						
		Paid PHP	Paid INR	Accrued PHP	Accrued INR	Total PHP
Withholding tax on compensation		2,976,554	4,158,246	112,861	157,667	3,089,415
Expanded withholding tax		647,333	904,324	46,942	65,578	694,275
		3,623,887	5,062,570	159,803	223,245	3,783,690
Accrued withholding and other taxes are included in accounts payable and other liabilities in the statement of financial position.						
<i>Tax assessments</i>						

Statement of Retained Earnings Available for Dividend Declaration						
For the year ended March 31, 2017						
(All amounts in Philippine Peso)						
Items	Amount	INR				
Unappropriated Retained Earnings, beginning	11,853,753	17070589.7				
Adjustments:	-					
Unappropriated Retained Earnings, as adjusted, beginning	11,853,753	17070589.7				
Net Income based on the face of AFS	11,704,163	16350715.71				
Less: Non-actual/unrealized income net of tax						
	-					
• Equity in net income of associate/joint venture						
	-					
• Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)						
	-					
• Unrealized actuarial gain						
	-					
• Fair value adjustment (mark-to-market gains)						
	-					
• Fair value adjustment of Investment Property resulting to gain						
Adjustment due to deviation from PFRS/GAAP-gain						
	-					
• Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	11,704,163	16350715.71				
Add: Non-actual losses						
• Depreciation on revaluation increment (after tax)						
• Adjustment due to deviation from PFRS/GAAP - loss						
Loss on fair value adjustment of investment property (after tax)						
Net Income Actual/Realized						
	23,557,916	33421305.41				
Less:						
Dividend declarations during the period	-					
Appropriations of Retained Earnings during the period	-					
Unappropriated Retained Earnings, as adjusted, ending	23,557,916	33421305.41				