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). These financial statements were authorised for issue in accordance with a resolution of the directors on May 05, 2020.

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 standalone 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 Company adopted Ind AS effective April 1,2015.

(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) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

Expected to be realised or intended to be sold or consumed in normal operating cycle.
Held primarily for the purpose of trading
Expected to be realised within twelve months after the reporting period, or
Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
It is expected to be settled in normal operating cycle
It is held primarily for the purpose of trading
It is due to be settled within twelve months after the reporting period, or
There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(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 Information Technology 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, plant and equipment and intangible assets, impairment of property, plant and equipment, intangibles and goodwill, valuation allowances for deferred tax assets, financial liability for future acquisition and other contingencies and commitments. Changes in estimates are reflected in the financial

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

statements in the period in which the changes are made. Actual results could differ from those estimates.
The outbreak of Coronavirus (COVID-19) pandemic globally is causing a slowdown of economic activity.

In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered disruptions to businesses worldwide, resulting in an economic slowdown and uncertainties pertaining to future operations.

The Company has considered the possible effects that may result from COVID 19 on the carrying amount of receivables, unbilled revenue, goodwill and intangible assets. In developing the assumption relating to the possible future uncertainties in the global conditions because of the pandemic, the Company, as on date of approval of these financial statements has used various information, as available. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.

(c) 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 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.

(d) Revenue from operations

The Company derives revenues primarily from business IT services comprising of software development and related services, consulting and package implementation and from the licensing of software products and platforms across our core and digital offerings ("together called as software related services").

Effective April 1, 2018, the Company adopted IndAS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018.

In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The Company presents revenues net of indirect taxes in its statement of Profit and loss.

Arrangements with customers for software related services are either on a time-and-material basis, fixed-price, fixed capacity/fixed monthly or on transaction based .

Revenue on time-and material contracts are recognized over time as the related services are performed.

Revenue from fixed-price, fixed-capacity/ fixed monthly contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance / warrantee revenue is recognized over the term of the underlying maintenance / warrantee arrangement.

Transaction based revenue is recognised by multiplying transaction rate to actual transaction take place during a period.

Revenues in excess of invoicing are treated as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are treated as contract liabilities (which we refer to as deferred revenues). The Company classifies amounts due from customer as receivable or unbilled revenue depending on whether the right to consideration is unconditional. If only the passage of time is required before payment of the consideration is due, the amount is classified as receivable. Otherwise, such amounts are classified as unbilled revenue.

In arrangements for software development and related services and maintenance services, the Company has

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

applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price.

For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. The cost for third party licenses are recorded as part of 'Other Production Costs'.

Arrangements to deliver software products generally have three elements: license, implementation and Annual Maintenance Services. The Company has applied the principles under IndAS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on the relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed.

The Company accounts for discounts and incentives to customers as a reduction of revenue based on the relatable allocation of the discounts/ incentives to each of the underlying performance obligation. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met then discount is not recognized until the payment is probable. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis. Services that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

(e) 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 Company 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

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

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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(f) Leases

Till March 31, 2019

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 Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company’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.

With effect from April 1, 2019

The Company has adopted Ind AS 116 “Leases” from April 01, 2019, which resulted in changes in accounting policies in the financial statements.

The Company as a lessee

The Company’s lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The 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 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 Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company'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.

(g) Impairment of non-financial 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 compared 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 Company 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.

(h) 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.

(i) 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.

(j) Inventories

Inventories represent items of traded 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.

(k) Investments and other financial assets

(i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Notes to the financial statements

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

ii) *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

►Debt instruments at amortised cost

►Debt instruments at fair value through other comprehensive income (FVTOCI)

►Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

►Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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: A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Fair value through other comprehensive income (FVOCI): A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Fair value through profit or loss: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

iii) *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

►The rights to receive cash flows from the asset have expired, or

►The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither

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

transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(iv) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

►Trade receivables or contract revenue receivables; and

►All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an Company is required to consider:

► All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument

►Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

(v) Investment in subsidiaries

Investment in subsidiaries are accounted for at cost.

(l) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments

(ii) Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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

(m) Derivatives and hedging activities

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(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 accumulated depreciation less impairment losses. 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.

The cost of assets not ready to used before balance sheet date are disclosed under capital work in progress.

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.

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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 income/expenses as applicable.

(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 a Company include the carrying amount of goodwill relating to the Company 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) 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.

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

(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) 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.

(s) Provisions

Provisions for legal claims, service warranties 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. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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.

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.

(t) 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 comprising of as a result of experience adjustments and changes in actuarial assumptions are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through statement of profit and loss in the period in which they occur.

The obligations are presented as current liabilities in the balance sheet if the Company 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/

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

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 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. Past service costs are recognised in profit or loss on the earlier of:

►The date of the plan amendment or curtailment, and

►The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

►Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

►Net interest expense or income.

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 Company 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 Company 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.

(u) Dividends

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders.

Notes to the financial statements

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

(v) 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.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised 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 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 Company'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.

(w) Business combinations

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 ".

(x) Fair value measurement

The Company measures financial instruments, such as investment in mutual funds and derivatives, 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. There are no such instruments which are valued using a level 3 hierarchy.

(y) Assets held for sale

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through containing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write –down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increase in fair value less costs sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non –current asset (or disposal group) is recognized at the date of de-recognition.

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

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in balance sheet.

A discontinued operations is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

(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, unless otherwise stated.

(aa) New and amended standards adopted by the Company

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

a) Ind AS 116, Leases (Refer note 1(f))

b) Uncertainty over Income Tax Treatments – Appendix C to Ind AS 12, Income Taxez

According to the appendix, Companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the Companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effect on adoption of Ind AS 12 Appendix C is insignificant in the financial statements.

c) Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, Employee Benefits

The amendments require an entity : i) to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and ii) to recognise in profit or loss as part of past service cost, or again or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The Company does not have any impact on account of this amendment.

d) Amendment to Ind AS 12, Income Taxes

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not have any impact on account of this amendment.

The Company had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in note 31. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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 and judgments are:

- Estimated goodwill impairment – Note 4
- Estimated useful life of intangible asset – Note 4
- Estimation of defined benefit obligation – Note 14
- Estimation of provision for customer contracts – Note 14
- Impairment of trade receivables – Note 5 (iv)

Areas involving significant judgements are:

- Determining the lease term of contracts with renewal and termination options – Company as lessee - Note 1 (f)
- Identifying performance obligations in arrangements for software development and related services and maintenance services - Note 1(d)
- Identifying performance obligations satisfied over time or at a point in time for sale of licenses- Note 1(d)

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 Company and that are believed to be reasonable under the circumstances.

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(CIN: L65993DL1992PLC048753),
Notes to the financial statements

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

3. Property, plant and equipment

Year ended 31 March 2019	Freehold Land	Lease Hold Land	Buildings	Plant and Machinery -Computers and Peripherals **	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 as on April 1,2018	-	274	2,374	987	148	1,220	512	5	306	5,826	7
Additions	-	-	1	114	5	23	12	7	91	253	14
Disposals	-	-	-	2	-	83	1	-	68	154	-
Transfers	-	-	-	-	-	-	-	-	-	-	(7)
Closing gross carrying amount	**-**	**274**	**2,375**	**1,099**	**153**	**1,160**	**523**	**12**	**329**	**5,925**	**14**
Accumulated depreciation											
Opening accumulated depreciation	-	9	110	701	83	398	188	3	94	1,586	-
Depreciation charge during the year	-	3	41	161	24	149	73	3	43	497	-
Disposals	-	-	-	1	-	80	1	-	32	114	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	**-**	**12**	**151**	**861**	**107**	**467**	**260**	**6**	**105**	**1,969**	**-**
Net carrying amount	**-**	**262**	**2,224**	**238**	**46**	**693**	**263**	**6**	**224**	**3,956**	**14**

Year ended 31 March 2020	Freehold Land	Lease Hold Land	Buildings	Plant and Machinery -Computers and Peripherals **	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 as on April 1, 2019	-	274	2,375	1,099	153	1,160	523	12	329	5,925	14
Additions	-	-	-	213	1	19	37	10	88	368	26
Disposals	-	-	-	2	-	2	4	-	58	66	-
Transfers	-	-	-	-	-	-	-	-	-	-	(37)
Closing gross carrying amount	**-**	**274**	**2,375**	**1,310**	**154**	**1,177**	**556**	**22**	**359**	**6,227**	**3**
Accumulated depreciation											
Opening accumulated depreciation	-	12	151	861	107	467	260	6	105	1,969	-
Depreciation charge during the year	-	4	41	174	23	145	68	4	44	503	-
Disposals	-	-	-	2	-	1	4	-	30	37	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	**-**	**16**	**192**	**1,033**	**130**	**611**	**324**	**10**	**119**	**2,435**	**-**
Net carrying amount	**-**	**258**	**2,183**	**277**	**24**	**566**	**232**	**12**	**240**	**3,792**	**3**

*Includes vehicles financed through loans Gross Block Rs. 104 Mn (31 March 2019 Rs 156 Mn), Net block Rs. 64 Mn (31 March 2019 Rs.109 Mn), hypothecated to financial institutions/banks against term loans (Refer Note No. 13)

** Plant and Machinery includes Rs.128 Mn (31 March 2019 - Rs. 167 Mn) [net block] installed in the premises of the customer under the cancellable operating lease arrangement.

Notes to the financial statements

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

4 Intangible Assets

	Other Intangible Assets Software-External	Goodwill
Year ended 31 March 2019		
Opening gross carrying amount	1,305	21
Additions	193	-
Disposals	2	-
Transfers	-	-
Closing gross carrying amount	**1,496**	**21**
Accumulated amortization and impairment		
Opening accumulated amortization	926	-
Amortization charge for the year	284	-
Disposals	2	-
Closing accumulated amortization	**1,208**	**-**
Closing net carrying amount	**288**	**21**
Year ended 31 March 2020		
Opening gross carrying amount	1,496	21
Additions	218	-
Disposals	-	-
Transfers	-	-
Closing gross carrying amount	**1,714**	**21**
Accumulated amortization and impairment		
Opening accumulated amortization	1,208	-
Amortization charge for the year	350	-
Disposals	-	-
Closing accumulated amortization	**1,558**	**-**
Closing net carrying amount	**156**	**21**

Notes to the financial statements

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

	31 March 2020	31 March 2019
5 Financial Assets		
5 (i) Non-current investments		
Investments in equity instruments (fully paid)		
Unquoted in Subsidiary Companies:		
2,837,887 (31 March 2019: 2,837,887) Shares having no par value in NIIT Technologies Inc. USA	156	156
16,614,375 (31 March 2019: 16,614,375) Shares of 1 Singapore $ each fully paid-up in NIIT Technologies Pacific Pte Ltd., Singapore	703	703
3,276,427 (31 March 2019: 3,276,427) Shares of 1 UK Pound each fully paid-up in NIIT Technologies Ltd., UK	204	204
537,900 (31 March 2019: 537,900) Equity Shares of Euro 1 each fully paid-up in NIIT Technologies GmbH, Germany	185	185
50,000,000 (31 March 2019: 50,000,000) Equity Shares of Rs 10/- each fully paid-up in NIIT SmartServe Limited	500	500
1,000,000 (31 March 2019: 1,000,000) Equity Shares of Euro 1 each fully paid-up in NIIT Airline Technology GmbH Germany	224	224
5,000 (31 March 2019: 5,000) Ordinary Shares of 1000 AED each fully paid in NIIT Technologies FZ LLC Dubai	63	63
5,000,000 (31 March 2019: 5,000,000) Equity Shares of Rs. 10 each in NIIT Technologies Services Limited	25	25
4,047,631 (31 March 2019: 3,642,868) Equity Shares of Rs. 2 each in NIIT Incessant Private Limited (Formerly known Incessant Technologies Private Limited) [Refer Note 34]	4,701	3,748
Nil (31 March 2019: Nil) Shares of Peso 100 each in NIIT Technologies Philippines Inc*	-	-
135,682 (31 March 2019: NIL) Equity Shares of Rs. 10 each in Whishworks IT Consulting Private Limited [Refer Note 35]	1,494	-
Total equity instruments	**8,255**	**5,808**
Total non- current investments	**8,255**	**5,808**
Aggregate amount of unquoted investments	8,255	5,808
Aggregate amount of impairment in value of investment	-	-

* During the year ended March 31,2018 the Board of Directors has approved the proposal for closure of NIIT Technologies Philippines Inc and accordingly the Company has impaired the investment in the subsidiary amounting to Rs 39 Mn.

5 (ii) Current investments

	As on 31 March 2020		As on 31 March 2019	
	Units	Value	Units	Value
ICICI Prudential Fixed Maturity Plan Series 82 - 1223 days Plan E Direct Plan	5,000,000	59	5,000,000	55
UTI -Fixed Term income Fund - Series XXVIII-VI (1190 Days) Direct Growth	5,000,000	58	5,000,000	55
Kotak Equity Arbitrage Fund - Direct Plan- Monthly Dividend	-	-	28,182,611	310
ICICI Prudential Equity Arbitrage Fund Direct Plan- Dividend	-	-	21,399,945	310
Aditya Birla Sun Life Corporate Bond Fund Growth Regular	-	-	3,162,989	227
IDFC Arbitrage Fund Growth Direct	-	-	9,014,063	217
Aditya Birla Sun Life Arbitrage Fund Growth Direct	-	-	11,092,799	217
HDFC Arbitrage Fund WP Growth Direct	-	-	15,462,196	216
HDFC Short Term Debt Fund Regular Growth	-	-	9,601,494	198
Reliance Arbitrage Fund Direct Monthly Dividend Plan	-	-	16,754,932	184
IDFC Arbitrage Fund- Monthly Dividend- Direct Plan	-	-	14,000,932	184
HDFC Corporate Bond Fund Direct Plan Growth	-	-	8,534,304	179
Kotak Bond Short Term Fund-Growth - Regular Plan	-	-	5,030,207	175
Reliance Short Term Fund Growth Plan Growth Option	-	-	3,348,670	116
Axis Arbitrage Fund- Direct Dividend (EAD1R)	-	-	9,232,125	102
ICICI Prudential Liquid Fund - Direct Plan-Growth	-	-	217,717	60
Axis Liquid Fund, Direct Growth	-	-	20,123	42
Total current investments		**117**		**2,847**

	31 March 2020	31 March 2019
Aggregate amount of quoted investments and market value thereof	117	2,847
Aggregate book value of quoted investments	100	2,663
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)

5(iii) Other Financial Assets

	31 March 2020 Current	31 March 2020 Non- Current	31 March 2019 Current	31 March 2019 Non- Current
(i) Derivatives				
Foreign exchange forward contracts	12	-	221	-
(ii) Others				
Security deposits				
Considered good	48	34	11	69
Considered doubtful	-	2	-	2
	48	36	11	71
Less : Provision for doubtful security deposits	-	(2)	-	(2)
Net security deposits	48	34	11	69
Long term deposits with bank with maturity period more than 12 months [Refer Note (a) below]	-	81	-	81
Interest accrued on above deposits	25	8	-	21
Finance lease recoverable	9	39		
Unbilled revenue*	379	110	332	5
Less: Provision for doubtful unbilled revenue* [refer Note 1 (b)]	(28)		(28)	-
Net unbilled revenue	351	110	304	5
Total other financial assets	**445**	**272**	**536**	**176**

(a) Held as margin money by bank against bank guarantees.

*As at March 31, 2020, the Company has outstanding unbilled revenue of Rs 435 Mn(Previous year Rs. 219 Mn) relating to Government customers in India [net of provision of Rs. 28 Mn (Previous year Rs. 28)]. The appropriateness of the allowance for doubtful unbilled revenue is subjective due to the high degree of significant judgment applied by management in determining the impairment provision.

5 (iv) Trade receivables

	31 March 2020 Current	31 March 2020 Non- Current	31 March 2019 Current	31 March 2019 Non- Current
Trade receivables	2,035	-	1,549	11
Receivables from related parties [Refer note 28]	2,559	-	2,147	-
Less: Allowance for doubtful debts [refer Note 1 (b)]	582	-	531	-
Total receivables	**4,012**	**-**	**3,165**	**11**
Break-up of security details				
Trade Receivables considered good - Secured	-	-	-	-
Trade Receivables considered good - Unsecured*	4,012	-	3,165	11
Trade Receivables which have significant increase in Credit Risk	-	-	-	-
Trade Receivables - credit impaired* [refer Note 1 (b)]	582	-	531	-
Total	**4,594**	**-**	**3,696**	**11**
Allowance for doubtful debts*	(582)	-	(531)	-
Total trade receivables	**4,012**	-	**3,165**	11

*As at March 31, 2020, the Company has outstanding trade receivables of Rs 810 Mn (Previous year Rs. 717 Mn) relating to Government customers in India [net of provision of Rs. 546 Mn (Previous year Rs. 509 Mn)]. The appropriateness of the allowance for doubtful trade receivables is subjective due to the high degree of significant judgment applied by management in determining the impairment provision. Above trade receivables pertain to contract with customers as defined under Ind AS 115 on Revenue from contract with customers.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Refer note 28

5 (v) Cash and cash equivalents

	31 March 2020	31 March 2019
Balances with Banks		
in current accounts	1,703	533
in EEFC accounts	353	237
	2,056	**770**
Deposits with maturity less than 3 months	2,080	350
Cash on hand	-	-
Cheques, drafts on hand	2	7
	2	**7**
Total cash and cash equivalents	**4,138**	**1,127**

5 (vi) Bank Balances other than above

	31 March 2020	31 March 2019
Deposits with maturity more than 3 months but less than 12 months	280	250
Unpaid dividend account	16	17
Total Bank Balances other than 5 (v) above	**296**	**267**

Notes to the financial statements

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

		31 March 2020	31 March 2019
6	**Deferred tax assets (Net)**	**1,095**	**873**
	Deferred tax assets		
	The balance comprise temporary differences attributable to:		
	Provisions	296	278
	Employee benefit obligations	158	200
	Minimum alternate tax credit entitlement	767	758
	Gross deferred tax assets (A)	**1,221**	**1,236**
	Tax impact of difference between carrying amount of Property, plant and equipments in the financial statements and as per the income tax calculation	(197)	(225)
	Impact due to provisions and others	13	(76)
	Derivatives	64	(56)
	Others	(6)	(6)
	Gross deferred tax liabilities (B)	**(126)**	**(363)**
	Net Deferred tax assets (A-B)	**1,095**	**873**

Movement in deferred tax assets

	Property, plant and equipment	Derivatives	Employee benefits	Provisions	Minimum alternate tax credit entitlement	Other items	Total
At 31 March 2018	**(260)**	**12**	**245**	**314**	**691**	**(67)**	**935**
(charged)/credited:							
- to profit or loss - deferred tax	35	-	(38)	(36)	-	(15)	(54)
- MAT movement charged to current tax expenses	-	-	-	-	67	-	67
- to profit or loss - exchange gain / (loss)	-	-	4	-	-	-	4
- to other comprehensive income	-	(68)	(11)	-	-	-	(79)
At 31 March 2019	**(225)**	**(56)**	**200**	**278**	**758**	**(82)**	**873**
Transition of Ind AS 116	-	-	-	-	-	15	15
(charged)/credited:							
- to profit or loss - deferred tax	28	-	(49)	18	-	73	70
- MAT movement charged to current tax expenses	-	-	-	-	9	-	9
- to profit or loss - exchange gain / (loss)	-	-	5	-	-	1	6
- to other comprehensive income	-	120	2	-	-	-	122
At 31 March 2020	**(197)**	**64**	**158**	**296**	**767**	**7**	**1,095**

		31 March 2020	31 March 2019
7	**Other non current assets**		
	Capital Advances	14	-
	Advances other than capital advances	62	32
	Derivative Valuation associated with Subsidiaries	15	-
	Prepayments	16	14
	Deferred contract cost	10	20
	Total other non-current assets	**117**	**66**
8	**Current tax assets**		
	Advance Income Tax	5,654	4,763
	Less: Provision for income tax	4,836	3,991
	Less: Tax expense for the year	718	660
	Total current tax assets	**100**	**112**
9	**Other current assets**		
	Prepayments	262	362
	Deferred contract cost	25	22
	Value added tax recoverable	30	30
	Goods and Services Tax (GST) - input credit	113	100
	Other advances	61	70
	Total other current assets	**491**	**584**

Notes to the financial statements

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

10 Equity share capital and other equity

(a) Equity share capital

Authorized equity share capital

	Number of shares	Amount
As at 31 March 2018	**75,000,000**	**750**
Increase during the year	2,000,000	20
As at 31 March 2019	**77,000,000**	**770**
Increase during the year	-	-
As at 31 March 2020	**77,000,000**	**770**

(i) Movements in equity share capital

	Number of shares	Equity share capital (par value)
As at 31 March 2018	**61,456,124**	**615**
Exercise of options - proceeds received	327,750	3
As at 31 March 2019	**61,783,874**	**618**
Exercise of options - proceeds received	710,685	7
As at 31 March 2020	**62,494,559**	**625**

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 31.

(ii) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	Equity Shares			
	31 March 2020		31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Hulst B.V. *	43,807,297	70.10	-	-
NIIT Limited	-	-	14,493,480	23.49
HDFC Mutual Fund	-	-	5,476,530	8.88

*Pursuant to the Share Purchase Agreement(s) dated April 6, 2019; on May 17, 2019, Hulst B.V. acquired 18,848,118 equity shares from certain existing shareholders of the Company. Accordingly, Hulst B.V. also triggered open offer under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 during the period July 15 2019 to July 26, 2019. The process of open offer was completed in August 2019 and necessary intimations were made to the Statutory/ Regulatory Authorities in this regard.

Pursuant to the stake sale by the erstwhile Promoters, all the erstwhile Promoters were reclassified as Public. As at March 31, 2020, Hulst B.V. is the only Promoter of the Company as per the approval granted by the Stock Exchanges.

(ii) Buy back of equity shares

The Board in its meeting held on December 23, 2019 and the shareholders by way of postal ballot by means of a special resolution through postal ballot on February 13, 2020, has approved buy-back of up to 19,56,290 fully paid equity shares of a face value of Rs. 10/- each at a price of up to INR 1,725 per share aggregating up to INR 337,46,00,250 which represents 20.23% of the paid-up equity share capital and free reserves of the Company. The Buyback is proposed to be made from the shareholders of the Company as on March 12, 2020, Record Date on a proportionate basis under the Tender Offer route through Stock Exchange mechanism in accordance with the provisions of the SEBI (Buyback of Securities) Regulations, 2018 read with SEBI Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and the SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016. Due to the COVID-19 nationwide lockdown, the Company sought an extension from SEBI for dispatching the letter of offer and tender form. SEBI has provided an extension for dispatching the letter of offer and tender form within 15 days from the end of the 'lockdown' as announced by the Government.

Notes to the financial statements

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

		31 March 2020	31 March 2019
11	**Reserves and Surplus**		
	Capital redemption reserve	17	17
	Capital reserve	6	6
	Securities premium	1,053	614
	Share options outstanding	83	180
	General reserve	1,873	1,873
	Retained earnings	16,284	13,575
	Total reserve and surplus	**19,316**	**16,265**
(i)	**Capital Redemption Reserve**		
	Opening balance	17	17
	Increase/ decrease during the year	-	-
	Closing Balance	**17**	**17**
(ii)	**Capital Reserve**		
	Opening Balance	6	5
	Increase/ decrease during the year	-	1
	Closing Balance	**6**	6
(iii)	**Securities Premium**		
	Opening Balance	614	443
	Add: Transferred from employee stock option	160	86
	Add: Premium on shares issued for exercised options	279	85
	Closing balance	**1,053**	**614**
(iv)	**Employee stock option**		
	Options granted till date	180	191
	Less: Transferred to securities premium	(160)	(86)
	Add: Impact of fair valuation on employee stock options	63	75
	Closing balance	**83**	**180**
(v)	**General reserve**		
	Opening balance	1,873	1,873
	Add: Other adjustments	-	-
	Closing balance	**1,873**	**1,873**
(vi)	**Retained earnings**		
	Opening balance	13,575	11,625
	Net profit for the period	4,225	2,990
	Less: Impact of initial application of Ind AS 116	(32)	-
	Less: Buy back expenses transfer to reserve	(11)	-
	Items of other comprehensive income recognized directly in retained earnings		
	Add / (Less): Remeasurement gains on defined benefit plans	(5)	21
	Less: Appropriations		
	Dividends paid	(1,249)	(912)
	Corporate Dividend Tax *	(219)	(149)
	Closing balance	**16,284**	**13,575**

* Subsidiary has declared the dividend on which Dividend distribution tax was paid by the subsidiary which has been adjusted with dividend tax liability to be payable on dividend distributed by the Company pursuant to the provisions of Income Tax Act, 1961.

General reserve

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.

Securities premium

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.

Employee stock option

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.

12.	**Other Reserves**	
	Cash flow hedging reserve	
	As at 31 March 2018	(30)
	Change in fair value of hedging instruments	254
	Deferred tax	(68)
	As at 31 March 2019	156
	Change in fair value of hedging instruments	(466)
	Deferred tax	(120)
	As at 31 March 2020	**(190)**

Notes to the financial statements

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

Nature and purpose of other reserves

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 25. 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 i.e., revenue effects profit and loss.

		31 March 2020	31 March 2019
13	**Financial liabilities**		
(a)	**Non Current Financial liabilities**		
(i)	**Borrowings**		
	Secured Loans		
	Term loans		
	From Bank	-	1
	From Financial Institutions	32	67
	Deferred Payment Liabilities		
	Property Plant & Equipments	32	61
	Total borrowings	64	129
	Less: Current maturities of long term debt [included in note 13(iii)]	19	32
	Less: Interest accrued [included in note 13(iii)]	-	-
	Total Non - current borrowings	**45**	**97**

(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 4 years (equal monthly instalments) from the date of sanction of loan. The interest rate on above loans are within the range of 8.63% to 12.58%.

(b) The carrying amount of assets pledged as security for current and non-current borrowings are disclosed in note 3.

		31 March 2020	31 March 2019
(ii)	**Trade Payables**		
	Trade payables		
	total outstanding dues of micro enterprises and small enterprises	-	-
	total outstanding dues of creditors other than micro enterprises and small enterprises	118	-
		118	-
(iii)	**Other financial liabilities**		
	Lease liability	143	-
	Total other financial liabilities	**143**	-
(b)	**Current Fiancial Liabilities**		
(i)	**Trade Payables**		
	Trade payables		
	total outstanding dues of micro enterprises and small enterprises	56	-
	total outstanding dues of creditors other than micro enterprises and small enterprises	1,326	831
	Trade payables to related parties	-	19
	Total trade payables	**1,382**	**850**

There are no overdue amount outstanding on Micro Enterprises & Small Enterprises as on Mar 31, 2020. There is no interets due or outstanding on the same. This information is 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 2020	31 March 2019
(ii)	**Other Financial Liabilities**		
	Capital creditors	89	108
	Current maturities of term loan [Refer Note 13 (i) above]		
	From Bank	-	1
	From Financial Institutions	19	31
	Lease liability	57	
	Unclaimed dividend [Refer Note (a) below]	16	17
	(i) Derivatives		
	Foreign exchange forward contracts	266	9
	Total other current financial liabilities	**447**	**166**

(a) There are no amounts due for payment to the Investors Education and Protection Fund under Section 125 (2) (c) of the Companies Act, 2013.

Notes to the financial statements

(All amounts in Rs. Mn unless otherwise stated)

14 Provisions

	31 March 2020			31 March 2019		
	Current	Non- Current	Total	Current	Non- Current	Total
Provision for customer contracts [Refer note i below]	90	-	90	181	6	187
Employee benefit obligations [Refer note ii below]	37	470	507	65	510	575
Total provisions	**127**	**470**	**597**	**246**	**516**	**762**

(i)

Provision for customer contracts	90	-	90	181	6	187
Total provisions	**90**	**-**	**90**	**181**	**6**	**187**

(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 2020	Year ended 31 March 2019
Balance as at the beginning of the year	187	402
Charged/(credited) to profit or loss		
additional provisions recognized	-	13
unused amounts reversed / transferred	-	-
Amount used	(97)	(235)
unwinding of discount	-	7
Balance as at end of the year	**90**	**187**

(ii) Employee benefit obligations

	31 March 2020			31 March 2019		
	Current	Non- Current	Total	Current	Non- Current	Total
Leave obligations (i)	37	314	351	65	388	453
Gratuity (ii)	-	156	156	-	122	122
	37	**470**	**507**	**65**	**510**	**575**

(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.

	31 March 2020	31 March 2019
Current leave obligations expected to be settled within next 12 months	37	65

(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.

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 2018	**390**	**(301)**	**89**
Current Service Cost	61	-	61
Interest expense/ (income)	27	(22)	5
Total amount recognized in profit or loss	**88**	**(22)**	**66**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(8)	-	(8)
Experience (gains)/losses	(24)	-	(24)
Total amount recognized in other comprehensive income	**(32)**	**-**	**(32)**
Employer's Contributions	-	(1)	(1)
Benefit payments	(39)	39	-
31 March 2019	**407**	**(285)**	**122**

	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
1 April 2019	**407**	**(285)**	**122**
Current Service Cost	66	-	66
Interest expense/ (income)	30	-23	7
Total amount recognized in profit or loss	**96**	**(23)**	**73**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	2	2
(Gain)/loss from change in financial assumptions	(21)	-	(21)
Experience (gains)/losses	8	-	8
Total amount recognized in other comprehensive income	**(13)**	**2**	**(11)**
Employer's Contributions	-	(28)	(28)
Benefit payments	(86)	86	-
31 March 2020	**404**	**(248)**	**156**

The net liability disclosed above relates to funded and unfunded plans as follows:

	31-Mar-20	31-Mar-19
Present value of funded obligations	404	407
Fair value of plan assets	(248)	(285)
(Deficit)/ Surplus of funded plan	**156**	**122**

(b) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	31-Mar-20	31-Mar-19
Discount rate	6.7% p.a	7.50%p.a.
Salary growth rate	0% for 1st year, 7% for next 3 years and 5% thereafter	7% for first 3 years and 6% thereafter
Life expectancy	11.78 Years	11.7 years
Expected rate of return on plan assets	6.7% p.a	7.50% p.a.

(c) 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-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Discount rate	50 Basis Points	50 Basis Points	(18)	(19)	21	21
Salary growth rate	50 Basis Points	50 Basis Points	23	23	(20)	(20)

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 2020			31 March 2019		
	Quoted	**Total**	**in %**	**Quoted**	**Total**	**in %**
Insurance Company Products	248	248	100%	285	285	100%

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 2020	24	29	109	364	**527**
31 March 2019	26	45	114	349	**534**

(e) Risk Exposure

Through its defined benefit plans, the Company 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.

(iii) 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.

(iv) 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	31 March 2020	31 March 2019
Superannuation fund paid to the Trust	19	23
Contribution plans (branches outside India)	125	103
Employees state insurance fund paid to the authorities	4	6
Pension fund paid to the authorities	98	71
	246	**203**

(v) 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 Company contributed Rs. 130 Mn (31 March 2019 Rs.103 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 2020	31 March 2019
Present value of obligation as at the beginning of the year	2,822	2,418
Interest cost	255	224
Current service cost	222	191
Benefits paid	(501)	(236)
Plan Participant's Contributions	405	337
Transfer In	113	96
Actuarial (gain) / loss on obligation	(108)	(208)
Present value of obligation as at the end of the year*	**3,208**	**2,822**

Notes to the financial statements

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

(b) Change in Plan Assets :	**31-Mar-20**	**31-Mar-19**
Description		
Plan assets at beginning at fair value	2,822	2,418
Expected return on plan assets	255	224
Employer contributions	222	191
Plan Participant's Contributions	(501)	(236)
Benefits paid	405	337
Transfers In	113	96
Actuarial gain / (loss) on plan assets	(108)	(208)
Plan assets at year end at fair value	**3,208**	**2,822**

(c) Amount of the obligation recognised in Balance Sheet :		
Description		
Present value of the defined benefit obligation as at the end of the year	3,208	2,822
Fair value of plan assets at the end of the year	3,208	2,822
(Assets) recognized in the Balance Sheet	-	-

The fair value of the plan assets is in surplus, assets are set equal to the liabilities to ensure consistency with the PF trust act.

(d) Principal actuarial assumptions at the Balance Sheet date		
Discount Rate	6.70%	7.50%
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	-	-
2014-15	9.19%	9.19%
2015-16	9.28%	9.28%
2016-17	9.02%	9.02%
2017-18	8.58%	8.58%
2018-19	8.31%	8.31%
2019-20	7.53%	-
Long term EPFO Rate		
2012-13	-	-
2013-14	8.75%	8.75%
2014-15	8.75%	8.75%
2015-16	8.80%	8.80%
2016-17	8.65%	8.65%
2017-18	8.55%	8.55%
2018-19	8.65%	8.65%
2019-20	8.50%	-

(e) Description		
Experience Gain/(Loss) adjustments on Plan Liabilities	108	208
Experience Gain/(Loss) adjustments on Plan assets	(108)	(208)

(f) Expected Contribution to the fund in the next year	241	214

Note:

Disclosures included are limited to the extent of disclosures provided by the actuary

Notes to the financial statements

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

		31-Mar-20	31-Mar-19
15	**Other non-current liabilities**		
	Deferred revenue	-	12
	Total other non- current liabilities	**-**	**12**
16	**Other current liabilities**		
	Advances from customers	-	1
	Payroll taxes	74	70
	Statutory dues including provident fund and tax deducted at source	158	97
	Deferred revenue	97	32
	Employee benefits payable	649	734
	Total other current liabilities	**978**	**934**
17	**Revenue from operations**		
	Sales of products		
	Traded goods	179	68
	Sale of services	22,131	19,924
	Total revenue from continuing operations	**22,310**	**19,992**
	Timing of revenue recognition		
	Goods transferred at a point in time	179	68
	Services transferred over time	22,131	19,924
	Total revenue from contracts with customers	**22,310**	**19,992**
	Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
	Revenue as per contracted price	22,076	20,198
	Hedge (loss) / gain	235	(205)
	Volume discount	(1)	(1)
	Total Revenue from contract with customers	**22,310**	**19,992**

Note : The Company deals in number of software and hardware items whose selling price vary from item to item. In view of voluminous data information relating to major items of sales have not been disclosed in the financial statements.

		31-Mar-20	31-Mar-19
18	**Other income**		
	Dividend Income from investment in subsidiaries	1,239	919
	Dividend Income from investment in mutual funds	7	41
	Profit on sales of long term Investment	933	-
	Interest income from financial assets at amortized cost	48	114
	Income on Financial Investments at fair value through profit and loss		
	Mutual funds	156	154
	Net foreign exchange gains	180	87
	Other items		
	Recovery from subsidiaries for common corporate expenses	234	183
	Miscellaneous income*	49	44
	Total other income	**2,846**	**1,542**

* Includes Rs. 4 Mn (31 March 2019 Rs. 4 Mn) on account of recovery of bank guarantee charges from subsidiaries.

		31-Mar-20	31-Mar-19
19	**Employee benefits expense**		
	Salaries, wages and bonus	13,476	11,521
	Contribution to provident and other funds [Refer note 14 (ii)(a)]	377	304
	Employee share-based payment expense [Refer note 31 (iii)(b)]	63	74
	Gratuity [Refer note 14)(a)]	73	66
	Staff welfare expenses	186	181
	Total employee benefit expense	**14,175**	**12,146**

Notes to the financial statements

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

		Year ended 31 March 2020	Year ended 31 March 2019
20	**Depreciation and amortization expense**		
	Depreciation of property, plant and equipment [Refer Note 3]	503	497
	Depreciation of right of use assets [Refer note - 31]	49	-
	Amortization of intangible assets [Refer Note 4]	350	284
	Total depreciation and amortization expense	902	**781**
21	**Other expenses**		
	Rental charges [Refer note 31]	76	131
	Rates and taxes	10	2
	Electricity and water charges	135	136
	Telephone and communication charges	112	107
	Legal and professional fees	539	415
	Travelling and conveyance	747	673
	Recruitment	146	88
	Insurance	33	32
	Repairs and maintenance		
	Plant and machinery	178	158
	Buildings	1	3
	Others	127	128
	Allowance for doubtful debts and unbilled revenue [Refer note 25 (ii)]	49	20
	Payment to auditors [Refer note 21(a) below]	13	10
	Advertisement and publicity	52	72
	Business promotion	47	32
	Professional charges	1,895	2,233
	Equipment hiring	13	10
	Consumables	3	2
	Other production expenses (incl. third party license cost)	265	386
	Loss on sales of tangible / intangible assets (net)	11	13
	Corporate social responsibility expenditure [Refer note 21 (b) below]	47	50
	Miscellaneous expenses	94	96
	Total other expenses	**4,593**	**4,797**
21 (a)	**Details of payments to auditors**		
	Payments to auditors (excluding taxes)		
	As auditor:		
	Audit Fee	11	8
	Tax audit Fee	0	0
	In other capacities:		
	Certification fees	1	1
	Re-imbursement of expenses	1	1
	Total payments to auditors	**13**	**10**

Notes to the financial statements

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

		Year ended 31 March 2020	Year ended 31 March 2019
21 (b)	**Corporate social responsibility expenditure**		
	Contribution to NIIT University	40	44
	Contribution to NIIT Foundation	5	3
	Contribution to Government Schools	2	3
	Total	**47**	**50**
	Amount required to be spent as per Section 135 of the Companies Act, 2013	44	38
	Amount spent during the year on:		
	On purpose other than Construction/ acquisition of an asset	47	50

21 (c) Expenses recognized during the year are net of recoveries towards common services at cost from domestic subsidiaries amounting to Rs 12 Mn (31 March 2019 - Rs. 34 Mn).

22 Finance costs

	Year ended 31 March 2020	Year ended 31 March 2019
Interest and finance charges on financial liabilities not at fair value through profit or loss:		
on term loans from Bank / Financial Institution	10	10
on loans from a related party	-	-
Bank and financial charges	16	12
Unwinding of discounts	52	32
Finance costs expensed in profit or loss	**78**	**54**

23 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

	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
Current tax on operating profits of the year	724	703
Adjustments for current tax of prior periods	3	24
Decrease (increase) in Minimum Alternate Tax Credit	(9)	(67)
Total current tax expense	**718**	**660**
Deferred tax		
Decrease in deferred tax assets (Employee benefits and provisions)	27	70
(Decrease) in deferred tax liabilities (PPE)	(28)	(35)
Exchange fluctuations	4	4
Tax on income/(expense) during the period recognized on Ind AS adjustments	(73)	15
Total deferred tax expense/(benefit)	**(70)**	**54**
Income tax expense	**648**	**714**

Refer note 6 for Deferred tax movement

Notes to the financial statements

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

		Year ended 31 March 2020	Year ended 31 March 2019
(b)	**Amount recognised directly in equity**		
	Deferred tax Asset/(liability) on other comprehensive income	122	(79)
(c)	**Tax Losses**		
	Unused tax losses for which no deferred tax asset has been recognised due to no reasonable certainity of realisation	-	13
	Potential tax benefit	-	3
(d)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**		
	Profit from continuing operations before income tax expense	4,873	3,704
	Tax at the Indian tax rate of 34.944% (for FY 2018-19: 34.944%)	**1,703**	**1,294**
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Impact of permanent differences		
	Expenses on corporate social responsibility to the extent disallowable	9	10
	Differential tax due to lower rate of tax on LTC Gain	(310)	-
	Withholding tax on dividend received from overseas subsidiaries adjusted against dividend distribution tax in India (Refer note 35)	(433)	(274)
	Adjustments for taxes of prior periods incl. overseas branches	3	16
	Impairment of investments in Philippines Subsidiary	(9)	-
	Decrease/(Increase) on Other Comprehensive (Income)/Expense	(2)	(11)
	Capital Receipts - M2M Gain with respect to Wishworks	(5)	-
	Disallowance of expenses related to exempted income - under section 14A	-	1
	Impact of deductions/exemptions		
	Deduction under section 10AA	(369)	(343)
	Deduction under section 80IAB	(71)	(36)
	Dividend Income exempted under section 10	(2)	(61)
	Increase/(Decrease) in Deferred Tax Liability on Fixed Assets, pertaining to tax holiday period	32	18
	Taxes paid branches at overseas - net of relief under section 90	104	102
	Others	(2)	(2)
	Income tax expense	**648**	**714**

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. 767 mn (Previous Year Rs.758 mn) has been shown under "Deferred tax assets". Further, during the year, the Company has created MAT credit of Rs. 9 mn (Previous Year created Rs. 67mn).

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)

24 Fair value measurements

Financial instruments by category:

	31 March 2020			31 March 2019		
	FVTPL	**FVTOCI**	**Amortized Cost**	**FVTPL**	**FVTOCI**	**Amortized Cost**
Financial assets						
Investments in Mutual funds	117	-	-	2,847	-	-
Trade and other receivables	-	-	4,012	-	-	3,176
Cash and cash equivalents	-	-	4,138	-	-	1,127
Other Bank Balances	-	-	296	-	-	267
Long term deposits with bank with maturity period more than 12 months	-	-	81	-	-	81
Foreign Exchange Forward Contracts	-	12	-	-	221	-
Security deposits	-	-	82	-	-	80
Finance Lease Recoverable	-	-	48	-	-	-
Unbilled revenue	-	-	461	-	-	309
Interest accrued on deposits with Banks	-	-	33	-	-	21
Total Financial assets	**117**	**12**	**9,151**	**2,847**	**221**	**5,061**
Financial liabilities						
Borrowings	-	-	64	-	-	129
Lease Liabilty	-	-	200			
Trade and other payables	-	-	1,500	-	-	850
Capital creditors	-	-	89	-	-	108
Unclaimed dividend	-	-	16	-	-	17
Derivative instruments	-	266	-	-	9	-
Total Financial liabilities	**-**	**266**	**1,869**	**-**	**9**	**1,104**

The carrying amounts of trade receivables, capital creditors, unbilled revenue, Security deposits, unpaid dividend account, Long term deposits with bank, cash and cash equivalents, Borrowings, obligation under finance lease, Trade and other payables, unclaimed dividend are considered to be the same as their fair values, due to their short term nature.

Investments in equity instruments (Unquoted) are carried at cost

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.

(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 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial Investments at FVTPL				
Mutual funds	117	-	-	117
Financial Investments at FVOCI				
Foreign exchange forward contracts	-	12	-	12
Total financial assets	**117**	**12**	**-**	**129**
Financial Liability				
Financial Investments at OCI				
Derivatives designated as hedges				
Foreign Exchange Forward Contracts	-	(266)	-	(266)
Total financial Liability	**-**	**(266)**	**-**	**(266)**

Notes to the financial statements

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

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31 March 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Mutual funds	2,847	-	-	2,847
Financial Investments at FVOCI				
Foreign exchange forward contracts	-	221	-	221
Total financial assets	**2,847**	**221**	**-**	**3,068**
Financial Liability				
Financial Investments at OCI				
Derivatives designated as hedges				
Foreign Exchange Forward Contracts	-	(9)	-	(9)
Total financial Liability	**-**	**(9)**	**-**	**(9)**

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 Company-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.

25. (i) Hedging activities and derivatives

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries. The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

At March 31, 2020, the Company hedged 75% (March 31, 2019: 75%), of its expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

The Company is holding the following foreign exchange forward contracts (highly probable forecasted sales)

As at March 31, 2020

Particulars	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 month	Total
USD /INR						
Notional amount	507	1,082	1,397	1,347	1,139	5,472
Average forward rate	72	73	74	74	76	74
GBP /INR						
Notional amount	121	411	472	428	366	1,798
Average forward rate	95	93	93	97	97	95
EUR /INR						
Notional amount	37	120	141	100	89	487
Average forward rate	83	83	84	84	85	84

Notes to the financial statements

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

As at March 31, 2019

Particulars	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 month	Total
USD /INR						
Notional amount	463	991	993	1,232	1,303	4,982
Average forward rate	70	71	73	75	73	73
GBP /INR						
Notional amount	126	249	223	314	347	1,259
Average forward rate	96	95	96	99	96	97
EUR /INR						
Notional amount	39	76	69	97	107	388
Average forward rate	86	85	86	89	85	86

The impact of the hedging instruments on the balance sheet is, as follows:

Foreign exchange forward contracts	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
At 31 March 2020	7,757	(254)	Derivative instruments under current financial assets / liabilities	-
At 31 March 2019	6,629	212	Derivative instruments under current financial assets / liabilities	-

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position:

31 March 2020

Type of hedge and risks	31 March 2020			31 March 2019		
	Carrying amount of hedging instrument		Maturity date	Carrying amount of hedging instrument		Maturity date
	Assets	Liabilities		Assets	Liabilities	
Cash flow hedge Foreign exchange risk Foreign exchange forward contracts	12	266	April 2020 to March 2021	221	9	April 2019 to March 2020

(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-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Cash flow hedge Foreign exchange risk	(346)	186	235	(205)	Revenue	Revenue

*The resultant impact on the cash flow hedge reserve for the year ended March 31, 2020 and March 31, 2019; on account of changes in the fair value has been reconciled in Note No. 12

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.

25. (ii) Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The borrowing of the Company constitute loan taken only for vehicle purchased. All the finances are made out of internal accruals. 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.

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

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:

(a) 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.

Unhedged foreign currency exposure

Non-derivative foreign currency exposure as of 31 March, 2020 and 31 March 2019 in major currencies is as below:

Currencies	Net financial Assets		Net financial Liabilities	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
USD/INR	1,663	1,589	76	24
GBP/INR	503	235	-	-
EURO/INR	152	139	-	-

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-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
USD Sensitivity				
INR/USD - Increase by 1%*	13	14	2	1
INR/USD - Decrease by 1%*	(13)	(14)	(2)	(1)
EUR Sensitivity				
INR/EUR - Increase by 1% *	2	2	0	0
INR/EUR - Decrease by 1% *	(2)	(2)	(0)	(0)
GBP Sensitivity				
INR/GBP - Increase by 1% *	5	2	0	0
INR/GBP - Decrease by 1% *	(5)	(2)	(0)	(0)

*Holding all other variables constant

(b) Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade Receivables

The customers of the Company are primarily corporations based in the United States of America and Europe and accordingly, trade receivables are concentrated in the respective countries. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivables. 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. In calculating expected credit loss, the Company has also taken into account estimates of possible effect from the pandemic relating to COVID-19.

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 March 31, 2020:

	31-Mar-20	31-Mar-19
Balance at the beginning	559	542
Impairment loss recognized/(reversed)	51	20
Amounts written off	-	(3)
Balance at the end	**610**	**559**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(c) 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 13), 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.

Maturities of financial liabilities

Balances due within and after 12 months equal their carrying balances as the impact of discounting is not significant.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-8 Years	Total
Borrowings	19	42	3	-	64
Trade Payables	1,382	15	33	70	1,500
Lease Liability	57	50	93	-	200
Other Financial Liabilities (excluding Borrowings)	371	-	-	-	371
	1,829	**107**	**129**	**70**	**2,135**

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-8 Years	Total
Borrowings	32	22	71	4	129
Trade Payables	850	-	-	-	850
Other Financial Liabilities (excluding Borrowings)	134	-	-	-	134
	1,016	**22**	**71**	**4**	**1,113**

26 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 13), 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. The funding requirements are generally met through operating cash flows generated. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

b) Dividends

	31-Mar-20	31-Mar-19
(i) Equity Shares		
Final dividend paid for the year ended 31 March 2019 of Rs.15 per share	-	912
(ii)Interim dividend paid for the year ended 31 March 2020 of Rs. 20 (31 March 2019 - NIL) per share	1,249	
(iii) 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 Interim dividend of 11 per fully paid up equity share (31 March 2019 - Rs. Nil).	687	-

Notes to the financial statements

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

27 Related parties where control exists

(i) Interest in Subsidiaries

The Company's subsidiaries at 31 March 2020 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-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	
	Direct subsidiaries						
1	ESRI India Technologies Limited (till May 13, 2019)	India	-	88.99	-	11.01	Software development
2	NIIT SmartServe Limited	India	100	100	-	-	Software development
3	NIIT Technologies Services Limited	India	100	100	-	-	Software development
4	NIIT Technologies Limited	United Kingdom	100	100	-	-	Software development
5	NIIT Technologies Pacific Pte Limited	Singapore	100	100	-	-	Software development
6	NIIT Incessant Private Limited (Formerly known as Incessant Technologies Private Limited)	India	100	90	-	10	Software development
7	NIIT Technologies GmbH	Germany	100	100	-	-	Software development
8	NIIT Technologies Inc	USA	100	100	-	-	Software development
9	NIIT Airline Technologies GmbH	Germany	100	100	-	-	Software development
10	NIIT Technologies FZ LLC	Dubai	100	100	-	-	Software development
11	NIIT Technologies Philippines Inc (under liquidation)	Philippines	100	100	-	-	Software development
12	Wishworks IT Consulting Private Limited, India (w.e.f. June 14, 2019)	India	57.60	-	42.40	-	Software development
	Stepdown subsidiaries						
13	NIIT Technologies BV (Wholly owned by NIIT Technologies, UK)	Netherlands	100	100	-	-	Software development
14	NIIT Technologies Ltd (Wholly owned by NIIT Technologies, Singapore)	Thailand	100	100	-	-	Software development
15	NIIT Technologies Pty Ltd (Wholly owned by NIIT Technologies, Singapore)	Australia	100	100	-	-	Software development
16	NIIT Insurance Technologies Limited (Wholly owned by NIIT Technologies Limited, UK)	United Kingdom	100	100	-	-	Software development
17	NIIT Technologies S.A. (Wholly owned by NIIT Technologies Limited, UK)	Spain	100	100	-	-	Software development
18	RuleTek LLC (Partially owned by NIIT Incessant Private Limited)	USA	80	67.50	20	32.50	Software development
19	Incessant Technologies. (UK) Limited (Wholly owned by NIIT Incessant Private Limited)	United Kingdom	100	90	-	10	Software development
20	Incessant Technologies Ltd., (Ireland) (Wholly owned by NIIT Incessant Private Limited)	Ireland	100	90	-	10	Software development
21	Incessant Technologies (Australia) Pty Ltd. (Wholly owned by NIIT Incessant Private Limited)	Australia	100	90	-	10	Software development
22	Incessant Technologies NA Inc. (Wholly owned by NIIT Incessant Private Limited)	USA	100	90	-	10	Software development
23	Wishworks Limited, UK (w.e.f. June 14, 2019)	United Kingdom	57.60	-	42.40	-	Software development
24	NIIT Technologies Spółka Z Ograniczona Odpowiedzialnoscia (Wholly owned by NIIT Technologies Limited, UK, Consolidated w.e.f., January 01, 2020)	Poland	100	-	-	-	Software development

Notes to the financial statements

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

28 Related party transactions

NIIT Technologies Limited's principal related parties consist of holding Company Hulst B.V., Netherlands, its own subsidiaries and key managerial personnel. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business Transactions and balances with its own subsidiaries are eliminated on consolidation.

Ultimate Holding Company

Baring Private Equity Asia GP VII, LP, Cayman (w.e.f. May 17, 2019)

Holding Company

Hulst B.V., Netherlands (w.e.f. May 17, 2019)

Interest in Subsidiaries

Refer note 27

A List of related parties with whom the Company has transacted:

a Parties of whom the Company is an associate and their subsidiaries/associates (till May 17, 2019)

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

b) Key Managerial personnel

Rajendra S Pawar, Chairman (till May 17,2019)
Vijay K Thadani, Non Executive Director (till May 17,2019)
Arvind Thakur, Vice Chairman and Managing Director (till May 17,2019)
Sudhir Singh, Chief Executive Officer
Sanjay Mal, Chief Financial Officer (till November 12, 2019)
Ajay Kalra, Chief Financial Officer (w.e.f November 12, 2019)
Lalit Kumar Sharma, Company Secretary & Legal Counsel

Non Executive Director

Patrick John Cordes (w.e.f. May 17, 2019)
Kenneth Tuck Kuen Cheong (w.e.f. May 17, 2019)
Hari Gopalakrishnan (w.e.f. May 17, 2019)
Ashwani Puri
Basab Pradhan
Holly J. Morris
Kirti Ram Hariharan (w.e.f. May 17, 2019)

(All amounts in Rs Mn unless otherwise stated)

c) Parties in which the key managerial personnel or the relatives of the key managerial personnel are interested (till May 17, 2019)

Naya Bazar Novelties Private Limited
NIIT Institute of Information Technology
Indian School of Business
NIIT University
NIIT Foundation

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 14 (ii) for information and transactions with post-employment benefit plans mentioned above

Notes to the financial statements

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

C. Transaction with related parties

Nature of Transactions	Holding Co.	Subsidiaries	Parties of whom the Company is an associate	Parties in which Key Managerial Personnel of the Company are interested	Total
Rendering of services	-	19,701	-	-	19,701
	-	(18,090)	(21)	-	(18,111)
Receiving of services	-	47	-	-	47
	-	(64)	(3)	-	(67)
Recovery of expenses by the Company	-	153	-	-	153
(Including those from overseas subsidiaries)	-	(171)	-	(1)	(172)
Recovery of expenses from the Company	-	75	-	-	75
	-	(101)	-	-	(101)
Donation	-	-	-	1	1
	-	-	-	(47)	(47)
Investments made	-	2,447	-	-	2,447
	-	(1,362)	-	-	(1,362)
Recovery for common corporate expenses	-	234	-	-	234
	-	(183)	-	-	(183)
Other Income	-	14	-	-	14
	-	(27)	-	-	(27)
Recovery of bank guarantee charges from subsidiaries	-	4	-	-	4
	-	(4)	-	-	(4)
Other expenses	-	-	-	-	-
	-	-	-	(1)	(1)
Fixed Asset Purchase	-	1	-	-	1
	-	-	-	-	-
Dividend paid	876	-	-	-	876
	-	-	-	-	-
Dividend received	-	1,239	-	-	1,239
	-	(919)	-	-	(919)
Guarantees given to the banks during the year against lines of credit sanctioned to the wholly owned overseas subsidiaries	-	-			-
	-	(50)	-	-	(50)
Guarantees given the year, which were earlier given to the customers on behalf of wholly owned overseas subsidiaries	-	-			-
	-	(9)	-	-	(9)

Figures in parenthesis represent Previous Year's figure.

D. Key management personnel compensation

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Short term employee benefits*	224	175
Sitting fees	27	3
Post employment benefits**	42	11
Remuneration paid	**293**	**189**
Share based payment transactions ***	40	51
Total of compensation	**333**	**240**

* Short term employee benefit expenses does not include value of taxable perquisites amounting to Rs. 587 Mn.

**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 has been charged to statement of profit and loss

Notes to the financial statements

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

E. Details of balances with related parties:

Particulars	Receivables as at March 31, 2020	Payables as at March 31, 2020	Receivables as at March 31, 2019	Payables as at March 31, 2019
Subsidiaries				
Amount receivable / payable	2,559	5	2,134	19
Outstanding guarantees to banks against lines of credit sanctioned to wholly owned overseas subsidiaries	-	904	-	831
Outstanding guarantees to customers on behalf of wholly owned overseas subsidiaries	-	895	-	719
Parties of whom the Company is an associate	-		13	-
Key Managerial Personnel	-		-	-
Parties in which Key Managerial Personnel are interested	-		-	-

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.

f. Key Managerial Personnel interests in the Senior Executive Plan

Share options held by Key Managerial Personnel of the Company's Stock Option Plan 2005 to purchase Equity shares have the following expiry dates and exercise prices:

			Closing option as at	
Grant date	**Expiry date**	**Exercise price**	**31-Mar-20**	**31-Mar-19**
9-May-14	9-May-20	409.75	-	20,000
9-May-14	9-May-21	409.75	-	20,000
9-May-14	9-May-22	409.75	-	20,000
15-Oct-14	15-Oct-20	393.70	-	20,000
15-Oct-14	15-Oct-21	393.70	-	20,000
15-Oct-14	15-Oct-22	393.70	-	20,000
19-Oct-15	20-Oct-19	493.60	-	40,000
19-Oct-15	19-Oct-20	493.60	-	40,000
19-Oct-15	19-Oct-21	493.60	-	40,000
19-Oct-15	19-Oct-22	493.60	-	40,000
19-Oct-15	20-Oct-23	493.60	-	40,000
20-Jun-16	20-Jun-20	10.00	-	10,000
20-Jun-16	20-Jun-21	10.00	-	10,000
20-Jun-16	20-Jun-22	10.00	-	10,000
20-Jun-16	21-Jun-23	10.00	-	10,000
20-Jun-16	20-Jun-24	10.00	-	10,000
20-Jun-16	20-Jun-20	534.30	-	40,000
20-Jun-16	20-Jun-21	534.30	-	40,000
20-Jun-16	20-Jun-22	534.30	-	40,000
20-Jun-16	21-Jun-23	534.30	-	40,000
20-Jun-16	20-Jun-24	534.30	-	40,000
14-Jul-16	14-Jul-20	503.65	-	7,420
14-Jul-16	14-Jul-21	503.65	2,580	7,420
14-Jul-16	17-Jul-22	503.65	7,420	7,420
23-Jun-17	22-Jun-22	10.00	-	58,000
23-Jun-17	22-Jun-24	10.00	40,000	40,000
23-May-18	22-May-22	1,048.90	5,010	5,010
23-May-18	23-May-23	1,048.90	5,010	5,010
23-May-18	22-May-24	1,048.90	5,010	5,010
5-Sep-18	4-Sep-22	1,364.40	5,400	5,400
5-Sep-18	5-Sep-23	1,364.40	5,400	5,400
5-Sep-18	4-Sep-24	1,364.40	5,400	5,400
5-Sep-18	4-Sep-22	10.00	2,000	2,000
5-Sep-18	5-Sep-23	10.00	2,000	2,000

Notes to the financial statements

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

Grant date	Expiry date	Exercise price	Closing option as at 31-Mar-20	Closing option as at 31-Mar-19
5-Sep-18	4-Sep-24	10.00	2,000	2,000
16-Mar-20	31-Dec-21	10.00	49,099	-
16-Mar-20	31-Dec-21	10.00	49,099	-
16-Mar-20	31-Dec-22	10.00	49,099	-
16-Mar-20	31-Dec-23	10.00	49,100	-
16-Mar-20	31-Dec-21	10.00	17,274	-
16-Mar-20	31-Dec-21	10.00	8,638	-
16-Mar-20	31-Dec-22	10.00	17,275	-
16-Mar-20	31-Dec-23	10.00	17,275	-
16-Mar-20	31-Dec-24	10.00	8,637	-
31-Mar-20	31-Dec-24	10.00	49,100	-
31-Mar-20	31-Dec-27	10.00	251,184	-
10-Apr-20	31-Dec-21	10.00	8,638	-
10-Apr-20	31-Dec-24	10.00	8,637	-
16-Mar-20	31-Mar-24	10.00	15,065	-
16-Mar-20	30-Sep-24	10.00	7,532	-
16-Mar-20	30-Sep-25	10.00	15,065	-
16-Mar-20	30-Sep-26	10.00	15,065	-
16-Mar-20	30-Sep-27	10.00	7,533	-
31-Mar-20	30-Sep-29	10.00	7,532	-
31-Mar-20	31-Jul-30	10.00	7,533	-
31-Mar-20	31-Jul-30	10.00	25,108	-
			770,718	**727,490**

No share options have been granted to the non-executive members of the Board of Directors under this scheme. Refer to Note 32 for further details on the scheme.

g. Terms and Conditions

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The recovery of bank guarantee charges from subsidiaries are made on terms equivalent to those that prevail in arm's length transactions.

Transactions relating to dividends, subscriptions for new equity shares were on the same terms and conditions that applied to other shareholders.

29 Contingent liabilities and contingent assets

(a) Contingent liabilities

The Company had contingent liabilities in respect of:

i) Claims against the Company not acknowledged as debts:

Income tax matters pending disposal by the tax authorities Rs 126 Mn (Previous Year Rs 279 Mn)

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 March 31,2020 include demand from the Indian Income-tax authorities for payment of tax of Rs. 126 Mn (31 March 2019 - Rs. 279 Mn), upon completion of the tax assessment for the financial years starting from 2006-07 to 2010-11, 2012-13 and 2015-16.

The tax demand for the financial years starting from 2008-09 to 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 disallowances arose mainly due the fact that tax authority had considered all units as one for computation of tax deduction/exemption instead of calculating each unit's eligibility separately. Tax demand for financial years starting from 2006-07 to 2010-11, 2012-13 and 2015-16 also includes disallowances on account of brought forward unabsorbed depreciation on demerger, Bad debts written-off, Section 14A read with Rule 8D,One time lease rent, Bank's Guarantee Commission and towards transfer pricing.

(b) Contingent assets

The Company does not have any contingent assets as at 31 March 2020 and 31 March 2019.

Notes to the financial statements

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

30 Commitments

(a) Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

	31-Mar-20	31-Mar-19
Property, plant and equipment	62	52
Intangible assets	48	50

31 Leases

The Company has adopted Ind AS 116 "Leases" from April 01, 2019, which resulted in changes in accounting policies in the financial statements.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right to use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the Financial Statements for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 196 Mn and a lease liability of Rs. 242 Mn. The cumulative effect of applying the standard resulted in Rs. 31 Mn being debited to retained earnings, net of taxes of Rs. 15 Mn. The effect of this adoption is insignificant on the profit for the year and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 36 (b) of the 2018-19 Financial Statement and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9.4%.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Buildings
Balance as of April 1, 2019	196
Additions	12
Deletions	(8)
Depreciation	(49)
Balance as of March 31, 2020	**151**

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Year ended 31 March 2020
Balance at the beginning	242
Additions	12
Deletions	(8)
Finance cost accrued during the period	20
Payment of lease liabilities	(69)
Translation difference	3
Balance at the end	**200**

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

The following is the break-up of current and non-current lease liabilities as of March 31, 2020

Particulars	Amount
Current lease liabilities	57
Non-current lease liabilities	143
Total	**200**

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2020 on an undiscounted basis:

Particulars	Amount
Less than one year	72
One to five years	165
More than five years	-
Total	**237**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases (including low-value lease assets) was Rs. 76 Mn for the year ended March 31,2020.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

32 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 May 18, 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. Further this limit is increased by 900,000 by Board of Directors in their meeting held on February 21, 2020 which has been approved through Postal Ballot on March 28, 2020. 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 five years.

i) Set out below is a summary of options granted under the plan:

	31-Mar-20		31-Mar-19	
	Average exercise price per share	**Number of options**	**Average exercise price per share**	**Number of options**
Opening balance	436.32	968,340	353.84	1,202,420
Granted during the year	10.00	1,532,230	818.65	204,070
Exercised during the year *	401.96	710,685	251.65	327,750
Forfeited/ lapsed during the year	474.14	70,655	743.33	110,400
Closing balance	**69.02**	**1,719,230**	**436.32**	**968,340**
Vested and exercisable		98,520		383,980

* The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2020 was Rs. 1,451.95 (31 March 2019 - INR 1,222.28)

No options expired during the periods covered in the above tables.

(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 as at	
						31-Mar-20	31-Mar-19
Grant XXV							
Tranche II	09/May/14	09/May/16	09/May/19	410	109	-	6,000
Grant XXVI							
Tranche III	09/May/14	09/May/17	09/May/20	410	135	-	20,000
Tranche IV	09/May/14	09/May/18	09/May/21	410	135	-	20,000
Tranche V	09/May/14	09/May/19	09/May/22	410	135	-	20,000
Grant XXVIII							
Tranche II	05/Aug/14	05/Aug/16	05/Aug/19	374	102	-	9,000
Grant XXXII							
Tranche III	15/Oct/14	15/Oct/17	15/Oct/20	394	125	-	20,000
Tranche IV	15/Oct/14	15/Oct/18	15/Oct/21	394	125	-	20,000
Tranche V	15/Oct/14	15/Oct/19	15/Oct/22	394	125	-	20,000
Grant XXXV							
Tranche I	19/Oct/15	19/Oct/16	19/Oct/19	494	125	-	40,000
Tranche II	19/Oct/15	19/Oct/17	19/Oct/20	494	142	-	40,000
Tranche III	19/Oct/15	19/Oct/18	19/Oct/21	494	160	-	40,000
Tranche IV	19/Oct/15	09/Aug/19	19/Oct/22	494	170	-	40,000
Tranche V	19/Oct/15	09/Aug/19	19/Oct/23	494	187	-	40,000
Grant XXXIX							
Tranche I	20/Jun/16	20/Jun/17	20/Jun/20	534	147	4,890	11,570
Tranche II	20/Jun/16	20/Jun/18	20/Jun/21	534	160	4,890	11,570
Tranche III	20/Jun/16	20/Jun/19	20/Jun/22	534	176	8,350	15,030
Grant XL							
Tranche I	20/Jun/16	20/Jun/17	20/Jun/20	10	487	-	10,000
Tranche II	20/Jun/16	20/Jun/18	20/Jun/21	10	472	-	10,000
Tranche III	20/Jun/16	20/Jun/19	20/Jun/22	10	458	-	10,000
Tranche IV	20/Jun/16	20/Jun/20	20/Jun/23	10	445	-	10,000
Tranche V	20/Jun/16	20/Jun/21	20/Jun/24	10	432	-	10,000
Grant XLI							
Tranche I	20/Jun/16	20/Jun/17	20/Jun/20	534	147	-	40,000
Tranche II	20/Jun/16	20/Jun/18	20/Jun/21	534	160	-	40,000
Tranche III	20/Jun/16	20/Jun/19	20/Jun/22	534	176	-	40,000
Tranche IV	20/Jun/16	20/Jun/20	20/Jun/23	534	191	-	40,000
Tranche V	20/Jun/16	20/Jun/21	20/Jun/24	534	200	-	40,000
Grant XLIII							
Tranche I	14/Jul/16	14/Jul/17	14/Jul/20	504	136	-	7,420
Tranche II	14/Jul/16	14/Jul/18	14/Jul/21	504	149	2,580	7,420
Tranche III	14/Jul/16	14/Jul/19	14/Jul/22	504	164	7,420	7,420
Grant XLIV							
Tranche I	25/Oct/16	25/Oct/17	25/Oct/20	10	388	-	7,000
Tranche II	25/Oct/16	25/Oct/18	25/Oct/21	10	377	-	7,000
Tranche III	25/Oct/16	25/Oct/19	25/Oct/22	10	366	7,000	7,000
Grant XLVII							
Tranche II	23/Jun/17	23/Jun/19	23/Jun/22	10	510	-	58,000
Grant XLVIII							
Tranche II	23/Jun/17	23/Jun/21	23/Jun/24	10	482	40,000	40,000
Grant XLIX							
Tranche I	23/Jun/17	23/Jun/18	23/Jun/21	573	176	3,000	3,000
Tranche II	23/Jun/17	23/Jun/19	23/Jun/22	573	196	6,700	6,700
Tranche III	23/Jun/17	23/Jun/20	23/Jun/23	573	193	3,000	6,700
Grant L							
Tranche II	23/Jun/17	23/Jun/19	23/Jun/22	10	510	2,250	2,250
Tranche III	23/Jun/17	23/Jun/20	23/Jun/23	10	496	-	2,250
Grant LI							
Tranche I	17/Oct/17	17/Oct/18	17/Oct/21	10	574	-	5,000
Grant LII							
Tranche I	18/Jan/18	18/Jan/19	18/Jan/22	10	667	-	4,000
Tranche II	18/Jan/18	18/Jan/20	18/Jan/23	10	656	4,000	4,000
Tranche III	18/Jan/18	18/Jan/21	18/Jan/24	10	645	4,000	4,000
Grant LIII							
Tranche I	18/Jan/18	18/Jan/19	18/Jan/22	706	189	5,000	5,000
Tranche II	18/Jan/18	18/Jan/20	18/Jan/23	706	223	5,000	5,000
Tranche III	18/Jan/18	18/Jan/21	18/Jan/24	706	256	5,000	5,000
Grant LIV							
Tranche I	23/May/18	23/May/19	23/May/22	10	1,010	-	3,000
Tranche II	23/May/18	23/May/20	23/May/23	10	998	3,000	3,000
Tranche III	23/May/18	23/May/21	23/May/24	10	987	3,000	3,000
Grant LV							
Tranche I	23/May/18	23/May/19	23/May/22	1,049	297	15,240	15,240
Tranche II	23/May/18	23/May/20	23/May/23	1,049	369	15,240	15,240
Tranche III	23/May/18	23/May/21	23/May/24	1,049	422	15,240	15,240
Grant LVI							
Tranche I	05/Sep/18	05/Sep/19	05/Sep/22	1,364	376	5,400	5,400
Tranche II	05/Sep/18	05/Sep/20	05/Sep/23	1,364	490	5,400	5,400
Tranche III	05/Sep/18	05/Sep/21	05/Sep/24	1,364	556	5,400	5,400

(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-Mar-20	Share options outstanding as at 31-Mar-19
Grant LVII							
Tranche I	05/Sep/18	05/Sep/19	05/Sep/22	10	1,319	2,000	2,000
Tranche II	05/Sep/18	05/Sep/20	05/Sep/23	10	1,305	2,000	2,000
Tranche III	05/Sep/18	05/Sep/21	05/Sep/24	10	1,291	2,000	2,000
Grant LVIII							
Tranche I	17/Jan/19	17/Jan/20	17/Jan/23	10	1,164	-	1,560
Tranche II	17/Jan/19	17/Jan/21	17/Jan/24	10	1,150	-	1,560
Tranche III	17/Jan/19	17/Jan/22	17/Jan/25	10	1,137	-	1,560
Grant LIX							
Tranche I	17/Jan/19	17/Jan/20	17/Jan/23	1,210	333	-	6,450
Tranche II	17/Jan/19	17/Jan/21	17/Jan/24	1,210	420	-	6,450
Tranche III	17/Jan/19	17/Jan/22	17/Jan/25	1,210	471	-	6,450
Grant LX							
Tranche I	17/Jan/19	17/Jan/20	17/Jan/23	10	1,164	-	1,375
Tranche II	17/Jan/19	17/Jan/22	17/Jan/25	10	1,137	-	1,375
Grant LXII							
Tranche I	18/Feb/19	18/Feb/20	18/Feb/23	10	1,219	-	870
Tranche II	18/Feb/19	18/Feb/21	18/Feb/24	10	1,205	-	870
Tranche III	18/Feb/19	18/Feb/22	18/Feb/25	10	1,192	-	870
Grant LXIII							
Tranche I	18/Feb/19	18/Feb/20	18/Feb/23	1,264	347	-	4,050
Tranche II	18/Feb/19	18/Feb/21	18/Feb/24	1,264	435	-	4,050
Tranche III	18/Feb/19	18/Feb/22	18/Feb/25	1,264	492	-	4,050
Grant LXIV							
Tranche I	20/Mar/19	20/Mar/20	20/Mar/23	10	1,287	-	7,680
Tranche II	20/Mar/19	20/Mar/21	20/Mar/24	10	1,273	-	7,680
Tranche III	20/Mar/19	20/Mar/22	20/Mar/25	10	1,259	-	7,680
Grant LXV							
Tranche I	20/Mar/19	20/Mar/20	20/Mar/23	10	1,287	-	1,920
Tranche II	20/Mar/19	20/Mar/21	20/Mar/24	10	1,273	-	1,920
Tranche III	20/Mar/19	20/Mar/22	20/Mar/25	10	1,259	-	1,920
Grant LXVI							
Tranche I	20/Mar/19	20/Mar/20	20/Mar/23	10	1,287	-	1,875
Tranche II	20/Mar/19	20/Mar/22	20/Mar/25	10	1,259	-	1,875
Grant LXVII							
Tranche I	17/Mar/20	31/Mar/21	31/Dec/21	10	1,183	141,444	-
Tranche II	17/Mar/20	30/Sep/21	31/Dec/21	10	1,175	70,722	-
Tranche III	17/Mar/20	30/Sep/22	31/Dec/22	10	1,144	141,444	-
Tranche IV	17/Mar/20	30/Sep/23	31/Dec/23	10	1,113	141,444	-
Tranche V	17/Mar/20	30/Sep/24	31/Dec/24	10	1,083	70,720	-
Grant LXVIII							
Tranche I	17/Mar/20	31/Mar/21	31/Mar/24	10	1,147	62,346	-
Tranche II	17/Mar/20	30/Sep/21	30/Sep/24	10	1,132	31,173	-
Tranche III	17/Mar/20	30/Sep/22	30/Sep/25	10	1,102	62,346	-
Tranche IV	17/Mar/20	30/Sep/23	30/Sep/26	10	1,072	62,346	-
Tranche V	17/Mar/20	30/Sep/24	30/Sep/27	10	1,043	31,171	-
Grant LXIX							
Tranche I	17/Mar/20	31/Mar/21	31/Dec/21	10	1,183	17,274	-
Tranche II	17/Mar/20	30/Sep/21	31/Dec/21	10	1,175	8,637	-
Tranche III	17/Mar/20	30/Sep/22	31/Dec/22	10	1,144	17,274	-
Tranche IV	17/Mar/20	30/Sep/23	31/Dec/23	10	1,113	17,274	-
Tranche V	17/Mar/20	30/Sep/24	31/Dec/24	10	1,083	8,640	-
Grant LXX							
Tranche I	31/Mar/20	31/Mar/21	31/Dec/21	10	1,096	389	-
Tranche II	31/Mar/20	30/Sep/21	31/Dec/21	10	1,088	1,409	-
Tranche III	31/Mar/20	30/Sep/22	31/Dec/22	10	1,059	2,819	-
Tranche IV	31/Mar/20	30/Sep/23	31/Dec/23	10	1,031	2,820	-
Tranche V	31/Mar/20	30/Sep/24	31/Dec/24	10	1,003	1,410	-
Grant LXXI							
Tranche I	31/Mar/20	31/Mar/21	31/Mar/26	10	1,096	387	-
Tranche II	31/Mar/20	30/Sep/21	30/Sep/26	10	1,088	1,401	-
Tranche III	31/Mar/20	30/Sep/22	30/Sep/27	10	1,059	2,802	-
Tranche IV	31/Mar/20	30/Sep/23	30/Sep/28	10	1,031	2,804	-
Tranche V	31/Mar/20	30/Sep/24	30/Sep/29	10	1,003	1,402	-
Grant LXXII							
Tranche I	31/Mar/20	30/Sep/23	30/Sep/28	10	967	30,130	-
Grant LXXIII							
Tranche I	31/Mar/20	30/Sep/24	31/Dec/24	10	1,003	72,135	-
Tranche II	31/Mar/20	30/Sep/25	31/Dec/25	10	977	72,135	-
Grant LXXIV							
Tranche I	31/Mar/20	30/Sep/24	30/Sep/29	10	941	32,576	-
Tranche II	31/Mar/20	30/Sep/25	30/Sep/30	10	916	32,576	-
Grant LXXV							
Tranche I	31/Mar/20	29/Mar/27	31/Dec/27	10	931	337,426	
Grant LXXVI							
Tranche I	31/Mar/20	29/Mar/27	29/Mar/32	10	879	53,354	-
Total						**1,719,230**	**968,340**

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

iiii) *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	Exercise Price	Volatility*	Average Life of the Options (in Years)	Risk Less Interest Rate	Dividend yield rate
Grant LXVII	I	1239.55	10.00	34.00%	1.42	5.41%	2.74%
	II	1239.55	10.00	36.64%	1.67	5.48%	2.74%
	III	1239.55	10.00	37.78%	2.67	5.74%	2.74%
	IV	1239.55	10.00	35.52%	3.67	5.95%	2.74%
	V	1239.55	10.00	37.94%	4.67	6.11%	2.74%
Grant LXVIII	I	1239.55	10.00	34.00%	2.54	5.69%	2.74%
	II	1239.55	10.00	37.03%	3.04	5.80%	2.74%
	III	1239.55	10.00	35.62%	4.04	5.99%	2.74%
	IV	1239.55	10.00	38.10%	5.04	6.14%	2.74%
	V	1239.55	10.00	38.09%	6.05	6.26%	2.74%
Grant LXIX	I	1239.55	10.00	34.00%	1.42	5.41%	2.74%
	II	1239.55	10.00	36.64%	1.67	5.48%	2.74%
	III	1239.55	10.00	37.78%	2.67	5.74%	2.74%
	IV	1239.55	10.00	35.52%	3.67	5.95%	2.74%
	V	1239.55	10.00	37.94%	4.67	6.11%	2.74%
Grant LXX	I	1147.75	10.00	34.00%	1.38	4.82%	2.74%
	II	1147.75	10.00	36.64%	1.63	4.94%	2.74%
	III	1147.75	10.00	37.78%	2.63	5.38%	2.74%
	IV	1147.75	10.00	35.52%	3.63	5.73%	2.74%
	V	1147.75	10.00	37.94%	4.63	6.00%	2.74%
Grant LXXI	I	1147.75	10.00	34.00%	1.38	4.82%	2.74%
	II	1147.75	10.00	36.64%	1.63	4.94%	2.74%
	III	1147.75	10.00	37.78%	2.63	5.38%	2.74%
	IV	1147.75	10.00	35.52%	3.63	5.73%	2.74%
	V	1147.75	10.00	37.94%	4.63	6.00%	2.74%
Grant LXXII	I	1147.75	10.00	41.64%	6.00	6.23%	2.74%
Grant LXXIII	I	1147.75	10.00	42.48%	4.63	6.00%	2.74%
	II	1147.75	10.00	41.44%	5.63	6.19%	2.74%
Grant LXXIV	I	1147.75	10.00	40.15%	7.00	6.36%	2.74%
	II	1147.75	10.00	39.42%	8.00	6.44%	2.74%
Grant LXXV	I	1147.75	10.00	39.67%	7.38	6.40%	2.74%
Grant LXXVI	I	1147.75	10.00	39.28%	9.5	6.53%	2.74%

* The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

(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:

	31-Mar-20	31-Mar-19
Total employee share-based payment expense	63	74

Employee stock option plan

Grant	Expenses accounted for during the year based on Fair value of options	
	31-Mar-20	31-Mar-19
Grant XXVI		
Tranche IV	-	0
Tranche V	0	1
Grant XXVIII		
Tranche II	-	(0)
Grant XXXII		
Tranche IV	-	0
Tranche V	0	0
Grant XXXIV		
Tranche III	-	0
Grant XXXV		
Tranche III	-	1
Tranche IV	1	2
Tranche V	2	1
Grant XXXVII		
Tranche III	-	(2)
Grant XXXIX		
Tranche I	0	-
Tranche II	0	0
Tranche III	0	0

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-Mar-20	31-Mar-19
Grant XL		
Tranche II	-	1
Tranche III	0	2
Tranche IV	1	1
Tranche V	2	1
Grant XLI		
Tranche II	-	1
Tranche III	1	2
Tranche IV	2	2
Tranche V	4	2
Grant XLII		
Tranche II	-	0
Grant XLIII		
Tranche II	0	0
Tranche III	0	0
Grant XLIV		
Tranche II	-	1
Tranche III	0	1
Grant XLVII		
Tranche I	-	7
Tranche II	3	15
Grant XLVIII		
Tranche I	-	2
Tranche II	5	5
Grant XLIX		
Tranche I	0	1
Tranche II	0	0
Tranche III	-	0
Grant L		
Tranche I	-	1
Tranche II	0	(0)
Tranche III	(1)	(0)
Grant LI		
Tranche I	-	-
Grant LII		
Tranche I	-	2
Tranche II	1	1
Tranche III	1	1
Grant LIII		
Tranche I	0	1
Tranche II	0	1
Tranche III	0	0
Grant LIV		
Tranche I	0	3
Tranche II	2	1
Tranche III	1	1
Grant LV		
Tranche I	1	4
Tranche II	3	2
Tranche III	2	2
Grant LVI		
Tranche I	1	1
Tranche II	2	1
Tranche III	2	1
Grant LVII		
Tranche I	1	2
Tranche II	2	1
Tranche III	2	0
Grant LVIII		
Tranche I	1	0
Tranche II	(0)	0
Tranche III	(0)	0
Grant LIX		
Tranche I	2	0
Tranche II	(0)	0
Tranche III	(0)	0

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-Mar-20	31-Mar-19
Grant LX		
Tranche I	1	0
Tranche II	(0)	0
Grant LXII		
Tranche I	-	0
Tranche II	(0)	0
Tranche III	(0)	0
Grant LXIII		
Tranche I	-	0
Tranche II	(0)	0
Tranche III	(0)	0
Grant LXIV		
Tranche I	(0)	0
Tranche II	(0)	0
Tranche III	(0)	0
Grant LXV		
Tranche I	(0)	0
Tranche II	(0)	0
Tranche III	(0)	0
Grant LXVI		
Tranche I	(0)	0
Tranche II	(0)	0
Grant LXVII		
Tranche I	5	-
Tranche II	2	-
Tranche III	2	-
Tranche IV	1	-
Tranche V	1	-
Grant LXVIII		
Tranche I	2	-
Tranche II	1	-
Tranche III	1	-
Tranche IV	1	-
Tranche V	0	-
Grant LXIX		
Tranche I	1	-
Tranche II	0	-
Tranche III	0	-
Tranche IV	0	-
Tranche V	0	-
Grant LXX		
Tranche I	0	-
Tranche II	0	-
Tranche III	0	-
Tranche IV	0	-
Tranche V	0	-
Grant LXXI		
Tranche I	0	-
Tranche II	0	-
Tranche III	0	-
Tranche IV	0	-
Tranche V	0	-
Grant LXXII		
Tranche I	0	-
Grant LXXIII		
Tranche I	0	-
Tranche II	0	-
Grant LXXIV		
Tranche I	0	-
Tranche II	0	-
Grant LXXV		
Tranche I	0	-
Grant LXXVI		
Tranche I	0	-
Total employee share-based payment expense	**63**	**74**

#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)

33 Earnings per Share

	31-Mar-20	31-Mar-19
(a) Basic earnings per equity share of Rs 10 each		
Attributable to the equity holders of the Company (Rs. Per share)	67.93	48.55
(b) Diluted earnings per equity share of Rs 10 each		
Attributable to the equity holders of the Company (Rs. Per share)	67.53	47.99
(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:	4,225	2,990
Diluted earnings per share		
Profit attributable to the equity holders of the Company used in calculating diluted earnings per share	4,225	2,990
(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	62,192,226	61,585,267
Adjustments for calculation of diluted earnings per share:		
Stock Options	370,803	716,092
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	**62,563,029**	**62,301,359**

(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 32.

34 Acquisition of third tranche in Incessant

As per the terms of share purchase agreement dated May 05,2015 and amendment agreement dated March 23,2018 signed between the Company and Shareholders of Incessant, the Company acquired 10% shareholding of Incessant in May 2019 for cash consideration of Rs 953 Mn. As at March 31,2020 the Company holds 100% shareholding in Incessant technologies private limited (Incessant).

35 Acquisition of Whishworks

On April 6, 2019, the Company executed a Share Purchase Agreement with shareholders of Whishworks IT Consulting Private Limited ("Whishworks") for acquisition of 57.6% stake in Whishworks against consideration of Rs 1,494 Mn. As per the terms of the agreement, the Company will acquire the remaining stake of in two tranches subject to certain conditions as specified in the agreement signed between the aforesaid parties

36 Pursuant to the Share Purchase agreement dated April 6, 2019, the Company has sold its entire stake of 88.99% shareholding in ESRI India Technologies Limited (ESRI India) to ESRI Inc., USA (existing 11.01% Shareholder of ESRI India) at a consideration of Rs. 897 Mn, on May 13, 2019 resulting in gain of Rs. 888 Mn.

37 Disclosure related to revenue from contract with customers

a Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography.

Geography	Year ended 31 March 2020	Year ended 31 March 2019
Americas	15,046	13,676
India	2,096	1,824
Asia Pacific	722	631
Europe, Middle East and Africa	4,446	3,861
Grand Total	**22,310**	**19,992**

b

Particulars pertaining Contract assets (unbilled revenue) (refer note 5 (iii))	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning	309	317
Unbilled revenue classified to trade receivable upon billing to customer out of opening unbilled revenue	125	134

c

Particulars Contract liabilities (deferred revenue) (refer note 15 &16)	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning	44	58
Revenue recognized during the year from opening deferred revenue	31	28

Notes to the financial statements

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

d. Refer note 17 for disclosure on revenue from contract with customers

e. **Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in IndAS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis, fixed monthly / fixed capacity basis and transaction basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, and adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2020, other than those meeting the exclusion criteria mentioned above, is Rs. 765 Mn . Out of this, the Company expects to recognize revenue of around Rs. 700 Mn within the next one year. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

38 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.

39 Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

Particulars	As at 1st April 2019	Cash Flow during the year			Finance Charges Accrued	Dividend Accrued	As at 31st March 2020
		Proceeds	Payment	Net Cash Flows			
Long term borrowings (including Current Maturities of long term debt)	68	-	(36)	(36)	-	-	32
Dividend Payable (including Corporate Dividend Tax)	17	-	(1,469)	(1,469)	-	1,468	16
Interest on borrowings	-		(10)	(10)	10		-
	85	**-**	**(1,515)**	**(1,515)**	**10**	**1,468**	**48**

Particulars	As at 1st April 2018	Cash Flow during the year			Finance Charges Accrued	Dividend Accrued	As at 31st March 2019
		Proceeds	Payment	Net Cash Flows			
Long term borrowings (including Current Maturities of long term debt)	120	3	(55)	(52)	-	-	68
Dividend Payable (including Corporate Dividend Tax)	15	-	(1,059)	(1,059)	-	1,061	17
Interest on borrowings	-	-	(10)	(10)	10	-	-
	135	**3**	**(1,124)**	**(1,121)**	**10**	**1,061**	**85**

40 Previous year figures have been reclassified to conform to current year's classification.

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration No.101049W/E300004

Yogender Seth
Partner
Membership No.094524
UDIN: 20094524AAAAAV7848

Place : Gurugram
Date : May 5, 2020

Sudhir Singh
CEO & Executive Director
DIN: 07080613

Place : New Jersey, USA
Date : May 5, 2020

Hari Gopalakrishnan
Director
DIN: 03289463

Place : Mumbai
Date : May 5, 2020

Ajay Kalra
Chief Financial Officer

Place : Gurugram
Date : May 5, 2020

Lalit Kumar Sharma
Company Secretary & Legal Counsel

Place : Noida
Date : May 5, 2020