

Registered Number: 2503575

NIIT Insurance Technologies Limited

Annual Report and Financial Statements
For the year ended 31 March 2016

NIIT Insurance Technologies Limited

Annual Report and Financial Statements for the year ended 31 March 2016

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NIIT Insurance Technologies Limited

Directors and Advisors

Directors

Arvind Thakur
Rajendra S Pawar
Arvind Mehrotra
Amit Sharma

Company secretary

Abogado Nominees Limited

Registered office

100 New Bridge Street
London
EC4V 6JA

Registered number

2503575

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bankers

Natwest Bank
Reading Market Place
13 Market Place
Reading Berks
RG1 2EG

Business address

2nd Floor
47 Mark Lane
London
EC3R 7QQ

NIIT Insurance Technologies Limited

Strategic report for the year ended 31 March 2016

The directors present their strategic report for the year ended 31 March 2016

Principal activities

The principal activity of the Company is the provision of software and services to the London and International Insurance Markets.

Business review and future developments

The results for the Company show a profit on ordinary activities before taxation of £4.5m (2015: £2.4m) for the year and turnover of £18.7m (31 March 2015: £16.5m), hence delivering a growth of 93.1% on profit before tax and 13.2% on turnover. The Company has net assets of £4.2m (2015: £3.8m). The year saw the first implementation of the Company's flagship product Navigator in Europe following the launch in October 2014. Besides Navigator implementation, a number of existing customers upgraded to new version of exposure management software.

An interim dividend has been paid during the year of £3.0m at the rate of £2.389 per share (2015: £2.0m). The directors do not recommend payment of a final dividend (2015: Nil).

2016-17 starts with a very strong pipeline of business and active conversations around existing customers upgrading to new version of Navigator. The Company intends to focus on expanding the reach of its products to other geographies like USA and APAC.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. Turnover and profit on ordinary activities before taxation as presented in the business review are the key measures considered by the directors.

Principal risks and uncertainties facing the Company

The insurance market in London is undergoing a major change called 'Target Operating Model'. Its output may have an impact on company's future products and services. Internet of things and digital disruption is looming at the traditional commercial insurance sector and the Company needs to remain vigilant and aligned with technological advancements.

On behalf of the Board

Arvind Thakur
Director
31 May 2016

NIIT Insurance Technologies Limited

Directors' Report for the year ended 31 March 2016

The directors present their report and the audited financial statements of NIIT Insurance Technologies Limited ('the Company') for the year ended 31 March 2016.

Financial risk management

The Company's operations expose it to a variety of limited financial risks including the effects of changes in interest rates on debt, foreign currency exchange rates, credit risk and liquidity risk.

The Company does not use derivative instruments to manage these exposures.

The Company's principal financial instruments comprise sterling bank deposits and other loans together with trade receivables and trade payables that arise directly from its operations.

The main risks arising from the Company's financial instruments can be analysed as follows:

Price risk

Due to the nature of its business, the Company is not exposed to any major price risks. Due consideration is given for annual salary increases in line with the growth in business in terms of both price and volumes inter dependent on contract negotiations.

Credit risk

The Company's principal financial assets are bank balances and trade receivables, which represent the Company's maximum exposure to credit risk in relation to financial assets.

The Company's credit risk is primarily attributable to its trade receivables. This risk is not felt to be significant as the market place which it addresses consists of blue chip insurance companies and Lloyd's Syndicates.

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The Company has adequate capital to support its working capital requirements. Proactive receivables management results in prompt collections. Management continue to focus on this area.

Foreign Exchange risk

A proportion of the Company's trading is conducted in Euros and US Dollars. However, any exposure to foreign exchange risk is in the normal course of business and is deemed to be immaterial.

Interest rate and cash flow risk

The Company's favourable liquidity situation did not warrant any significant borrowing in the current year. Policies in this regard will be in review regularly by the Directors.

The Company's proactive collection initiatives ensure that it can meet its commitments.

Qualifying third party indemnity provision

The Company has a Directors and Officers Liability insurance policy. This is in force at the date of the statement of financial position and also at the date of signing of the financial statements.

NIIT Insurance Technologies Limited

Directors' Report for the year ended 31 March 2016 (continued)

Research and development

During the reporting period, the predominant focus of the Company's technology teams has been to enhance the Company's core software. This has enabled new capabilities to be realised, such as better performance, improved flexibility and integration capabilities against a wider range of potential client interfaces, and improved scalability through the implementation of a service-oriented architecture.

The Company's flagship software suite "+ADVANTAGEsuite" provides ready-to-deploy commercial insurance solutions for policy administration, claims management, reinsurance and exposure management. The product suite includes:

- Navigator – provides sophisticated capabilities for underwriting, policy administration and claims management;
- Exact - an enterprise-wide exposure management system that allows insurers the ability to quickly and easily visualise and manage risk exposure across all lines of business; and
- Acumen – an analytics engine and data management system that works across the entire suite of the Company's products.

The Company continues to invest in research and development by creating new and enhanced products to help improve business efficiency and forecasting for the insurance market.

Directors

The current directors of the Company are set out on page 1. All of the directors serving during the year and up to the date of signing the financial statements are listed below:

Arvind Thakur
Rajendra S Pawar
Arvind Mehrotra
Amit Sharma

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

NIIT Insurance Technologies Limited

Directors' Report for the year ended 31 March 2016 (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

At the date of approving this report, each of the Company's directors, as set out on page 1, confirm the following:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Board Meeting.

Post Statement of Financial Position Events

There have been no significant events affecting the Company since the year end.

Approved on behalf of the Board of Directors

Arvind Thakur
Director
31 May 2016

NIIT Insurance Technologies Limited

Independent Auditors' Report to the Members of NIIT Insurance Technologies Limited

Report on the financial statements

Our opinion

In our opinion, NIIT Insurance Technologies Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 March 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

NIIT Insurance Technologies Limited

Independent Auditors' Report to the Members of NIIT Insurance Technologies Limited (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

NIIT Insurance Technologies Limited

Independent Auditors' Report to the Members of NIIT Insurance Technologies Limited (continued)

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Kevin McGhee (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
31 May 2016

NIIT Insurance Technologies Limited

Statement of Comprehensive Income for the year ended 31 March 2016

	Note	2016		2015	
		£	INR	£	INR
Turnover	4	1,87,39,011	1,84,24,00,823	1,65,48,017	1,64,19,15,345
Cost of sales		-3,24,725	-3,19,26,637	-2,68,046	-2,65,95,866
Gross profit		1,84,14,286	1,81,04,74,185	1,62,79,971	1,61,53,19,480
Administrative expenses		-1,38,76,041	-1,36,42,78,475	-1,39,62,610	-1,38,53,87,967
Operating profit	5.9	45,38,245	44,61,95,710	23,17,361	22,99,31,513
Interest receivable and similar income	6	6,211	6,10,659	36,052	35,77,125
Profit on ordinary activities before taxation	7	45,44,456	44,68,06,369	23,53,413	23,35,08,638
Tax on profit on ordinary activities	7	-11,61,427	-11,41,90,341	-5,16,697	-5,12,67,335
Profit for the financial year	17	33,83,029	33,26,16,028	18,36,716	18,22,41,303
Total comprehensive income for the reporting period	17	33,83,029	33,26,16,028	18,36,716	18,22,41,303

NIIT Insurance Technologies Limited

Statement of Financial Position as at 31 March 2016

	Note	2016		2015	
		£	INR	£	INR
Fixed assets					
Intangible assets	12	41,50,190	39,49,40,381	28,97,009	26,81,07,174
Tangible assets	13	2,95,759	2,81,45,018	5,97,323	5,52,79,974
		44,45,949	42,30,85,399	34,94,332	32,33,87,148
Current assets					
Debtors	14	47,87,237	45,55,63,047	52,82,988	48,89,20,464
Cash at bank and in hand		4,71,215	4,48,41,762	19,64,666	18,18,22,373
Total assets		52,58,452	50,04,04,809	72,47,654	67,07,42,837
Creditors: amounts falling due within one year	15	-55,50,462	-52,81,93,065	-69,71,076	-64,51,46,594
Net current (liabilities) / assets		-2,92,010	-2,77,88,256	2,76,578	2,55,96,243
Total assets less current liabilities		41,53,939	39,52,97,143	37,70,910	34,89,83,391
Net assets		41,53,939	39,52,97,143	37,70,910	34,89,83,391
Equity					
Called up share capital	16	12,557	11,94,949	12,557	11,62,103
Share premium account		17,49,257	16,64,62,795	17,49,257	16,18,87,088
Profit and loss account		23,92,125	22,76,39,399	20,09,096	18,59,34,200
Total shareholder's funds		41,53,939	39,52,97,143	37,70,910	34,89,83,391

The financial statements on pages 9 to 22 were approved by the Board on 31 May 2016 and signed on its behalf by:

Arvind Thakur

Director

Registered Number: **2503575**

NIIT Insurance Technologies Limited

Statement of Changes in Equity as at 31 March 2016

	Share Capital		Share Premium		Retained Earnings		Total Equity	
	£	INR	£	INR	£	INR	£	INR
At 1 April 2014	12,557	1,257,403	1,749,257	175,162,899	2,172,380	217,532,575	3,934,194	393,952,877
Profit for the year	-	-	-	-	1,836,716	182,241,303	1,836,716	182,241,303
Dividends paid during the year	-	-	-	-	-2,000,000	-198,442,550	2,000,000	-198,442,550
Currency Translation reserve	-	-95,300	-	-13,275,811	-	-15,397,128	-	-28,768,239
At 31 March 2015	12,557	1,162,103	1,749,257	161,887,088	2,009,096	185,934,200	3,770,910	348,983,391
At 1 April 2015	12,557	1,162,103	1,749,257	161,887,088	2,009,096	185,934,200	3,770,910	348,983,391
Profit for the year	-	0	-	0	3,383,029	332,616,028	3,383,029	332,616,028
Dividends paid during the year	-	0	-	0	-3,000,000	-294,957,000	3,000,000	-294,957,000
Currency Translation reserve	-	32,847	-	4,575,706	-	4,046,171	-	8,654,724
At 31 March 2016	12,557	1,194,949	1,749,257	166,462,795	2,392,125	227,639,399	4,153,939	395,297,143

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2016

1 General information

NIIT Insurance Technologies Limited ('the Company') is wholly owned subsidiary of NIIT Technologies Limited, UK. The ultimate parent company and controlling party is NIIT Technologies Limited, India, a Company registered in India. The principal activity of the Company is the provision of software and services to the London and International Insurance Markets.

The Company is a private company limited by shares and is incorporated in England and Wales under registration number 2503575. The address of its registered office is 100 New Bridge Street, London, EC4V 6JA.

2 Statement of compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) and the Companies Act 2006.

This is the first year that the Company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014. There are no changes in the basis of measurement, arising due to the transition there are however changes relating to presentation and disclosures and minor adjustments to certain balances which are appropriately disclosed in the respective notes below.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102.

3 Accounting policies

Basis of accounting

The financial statements are prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently with the prior year, are set out below.

Turnover

Turnover represents sales to customers, net of value added tax. Turnover is derived from the company's principal activity. All turnovers relates to business activities in the United Kingdom.

Recognition of turnover

Revenue may be recognised in respect of a contract, which is defined herein to be either a single contract taken as a whole or an unbundled part of a contract. However an unbundled part may be considered only if the contractual obligations for completion of it can be met without any material dependency on other components of the bundled contract.

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

3 Accounting policies (continued)

Some contracts are determined at the outset to be short term in nature. These generally relate to short studies, the supply of professional services on a time and materials basis, or the supply of products that are sold in a standard form without any material modification. All other contracts are deemed to be long-term contracts.

For any contract, revenue is recognised only when a signed contract exists and the collection of the associated receivable is considered probable.

For a short term contract, revenue is recognised when there is a right to consideration, when delivery to the customer has occurred and there are no significant vendor obligations remaining.

For long term maintenance contracts, revenue is recognised in equal instalments over the period of the contract.

For all other long term contracts revenue is recognised on a 'percentage of completion' basis at the statement of financial position date, with 'percentage completion' being measured by the costs to date as a percentage of the estimated costs to completion. Any loss on a contract is recognised in full as soon as a loss is foreseen by reference to the estimated cost to completion.

The amount by which turnover exceeds payments on account is shown under receivables as amounts recoverable on contracts.

The amount by which billings are made in advance, and revenue taken subsequently in line with other accounting policies is shown under payables as deferred income.

Development costs (Intangible assets)

Development costs are stated at cost less a provision for amortisation and any provision for impairment.

Costs incurred during the development period of new software products, which substantially improve those products already offered by the company, are treated as development costs. These costs are capitalised and amortised over the life of the product. Costs that are capitalised comprise directly attributable incremental costs incurred during the development period, including wages and salaries of staff employed solely for the purpose of developing the new product, and third party costs.

Amortisation of the development costs occurs on a straight line basis over five years. Impairment reviews are performed annually to ensure the present value of estimated future income streams from the associated products exceeds the capitalised cost.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected economic useful lives. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down would be charged to operating profit. The principal annual rates used are as follows:

Furniture and equipment	- 20%
Plant and machinery	- 33%

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

3 Accounting policies (continued)

Leases

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the full terms of the leases.

The Company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 and continues to credit such lease incentives to the statement of comprehensive income over the period to the first review date on which the rent is adjusted to market rates.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the statement of financial position date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Pensions

Pension contributions to the defined contribution NIIT Insurance Technologies Limited Group Personal Pension Scheme are charged to the statement of comprehensive income in the period in which contributions are incurred. Assets of the scheme are held separately from those of the company in an independently administered fund.

Foreign currency

The company's functional and presentational currency is GBP.

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

3 Accounting policies (continued)

Foreign currency transactions during the year are converted into sterling using the rate at the beginning of the month in which they occur. At the year-end monetary assets and liabilities in foreign currency amounts have been converted at the exchange rate on the statement of financial position date. All foreign exchange differences are taken to the statement of comprehensive income in the period in which they arise.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial Reporting Standard 102 – Reduced Disclosure Exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv) in respect of reconciliation of the number of shares outstanding at the beginning and end of the period;
- the requirements of Section 7 Statement of Cash Flows in respect of preparation of statement of cash flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d) in respect of presentation of statement of cash flows in the financial statements;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7 in respect of the non-disclosure of key management personnel compensation in total.

The Company is a wholly owned subsidiary of a group headed by NIIT Technologies Limited, India. NIIT Technologies Limited, India prepares consolidated financial statements and copies can be obtained from 8 Balaji Estate, First Floor, Guru Ravidas Marg, Kalkaji, New Delhi – 110019, India. Full consolidated financials can also be obtained for NIIT Technologies Limited, India, from that Company's website at the following address, <http://www.niit-tech.com/investors/financial-reports>

4 Turnover

The turnover of the Company has been derived from its principal activity for which a geographical analysis by destination is given below. The Company has only one main class of business relating to sale of software products and services.

Geographical area	By Origin		By Destination	
	2016	2015	2016	2015
	£	£	£	£
UK	18,739,011	16,548,017	15,399,438	15,491,999
Europe	-	-	368,132	676,321
Rest of the world	-	-	2,971,441	379,697
	18,739,011	16,548,017	18,739,011	16,548,017

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

5 Operating profit

Operating profit is arrived at after charging/(crediting)

	2016		2015	
	£	INR	£	INR
Fees payable to company auditors for :				
The audit of the company pursuant to legislation	30,829	30,31,076.45	32,050	31,80,042
Tax services	8,890	8,74,055.91	3,545	3,51,739
Other services	3,000	2,94,957.00	3,000	2,97,664
Depreciation and amortisation:				
Owned tangible fixed assets	3,72,007	3,65,75,356.23	3,52,602	3,49,85,620
Research and development	5,02,261	4,93,81,799.26	2,50,442	2,48,49,175
Rentals under operating leases:				
Land and buildings	3,24,576	3,19,11,987.74	3,22,252	3,19,74,254
Plant and machinery	17,702	17,40,442.94	17,107	16,97,378
Loss on disposal of fixed assets				
Foreign exchange loss/(gain)	3,789	3,72,530.69	-626	-62,113

6 Interest receivable and similar income

	31st March,2015		31st March,2015	
	£	INR	£	INR
Bank interest	6,211	6,10,659	9,093	9,02,219
Loan interest from group companies	-		26,959	26,74,906
	6,211	6,10,659	36,052	35,77,125

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

7 Tax charge on profit on ordinary activities

	31st March,2016		31st March,2015	
	£	INR	£	INR
Current tax:				
UK Corporation tax at 20% (2015: 21%)	10,20,065	10,02,91,771	4,93,288	4,89,44,664
Adjustments in respect of prior years	-		-14,282	-14,17,078
Total current tax charge	10,20,065	10,02,91,771	4,79,006	4,75,27,586
Deferred tax:				
Origination and reversal of timing differences	-96,563	-94,93,978	39,576	39,26,781
Adjustments in respect of prior years	2,40,964	2,36,91,340	-	-
Changes in tax rates or laws	-3,039	-2,98,791	-1,885	-1,87,032
Total deferred tax	1,41,362	1,38,98,570	37,691	37,39,749
Tax charge on profit on ordinary activities	11,61,427	11,41,90,341	5,16,697	5,12,67,335

The tax assessed for the year is higher (2015: lower) than the standard rate of corporation tax in the United Kingdom 20% (2015: 21%). The differences are explained below:

Factors affecting tax charge for the year				
Profit on ordinary activities before tax	45,44,456	44,68,06,369.46	23,53,413	23,35,08,639
Profit on ordinary activities at the standard rate of UK corporation tax 20% (2015: 21%)	9,08,891	8,93,61,254.23	4,94,216	4,90,36,741.6
Expenses not included for tax purposes	14,611	14,36,538.91	38,648	38,34,703.84
Adjustments in respect of prior years	2,40,964	2,36,91,339.52	-14,282	-14,17,078.25
Effect of changes in tax rates	-3,039	-2,98,791.44	-1,885	-1,87,032.10
Tax charge for the year	11,61,427	11,41,90,341.21	5,16,697	5,12,67,335.13

The deferred taxation liability of £57,752 (2015: Deferred taxation asset £83,610) has been recognised and is disclosed within payables (see note 15).

	31 March 2016		31 March 2015	
	£	INR	£	INR
Accelerated capital allowances	-1,23,217	-1,21,14,572	25,975	25,77,273
Short-term timing differences	57,128	56,16,768	47,475	47,10,530
Pension provision	8,337	8,19,686	10,160	10,08,088
Deferred tax (liability)/asset	-57,752	-56,78,119	83,610	82,95,891

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Notes to the Financial Statements for the year ended 31 March 2016 (continued)

7 Tax on profit on ordinary activities (continued)

	31-Mar-16		31-Mar-15	
	£	INR	£	INR
Deferred tax asset as at 1 April	83,610	77,37,788	1,21,301	1,21,46,548
Deferred tax charge/(credit) to profit for the period	99,602	97,92,769	-37,691	-37,39,749
Adjustments in respect of prior years	-2,40,964	-2,36,91,340	-	-
Currency Translation Reserve	-	6,64,987	-	-6,69,012
Deferred tax (liability)/asset as at 31 March	-57,752	-54,95,796	83,610	77,37,788

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year.

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the company's profit for the reporting period is taxed at an effective rate of 25.56% (2015: 21.96%) and will be taxed at 19% in the future.

In addition to the change in rate of corporation tax disclosed above, changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015. At 31 March 2016, Management is of the opinion that the relevant deferred tax assets and liabilities included in these Financial Statements are based on the reduced rate of 19% having regard to their reversal profiles.

The Company has adopted the new R&D expenditure credit legislation introduced in 2013 that allows large companies to claim expenditure credits equal to 11% per cent of the qualifying research and development (R&D) expenditure. The operating profit for the current reporting period includes the effect of these tax credits.

8 Employees

	31st March,2016		31st March,2015	
	£	INR	£	INR
Staff costs during the year (including directors)				
Wages and salaries	46,14,815	45,37,23,996	44,32,678	43,98,15,963
Social security costs	4,99,456	4,91,06,014	4,74,299	4,70,60,552
Other pension costs	5,51,152	5,41,88,713	5,83,103	5,78,56,223
Other staff costs	1,58,690	1,56,02,242	1,61,822	1,60,56,185
Total	58,24,113	57,26,20,966	56,51,902	56,07,88,923

The average monthly number of persons (including executive directors) employed by the company during the year was:

	31 March 2016	31 March 2015
By activity		
Software development and support staff	66	68
Sales and marketing	7	8
Administrative Staff	7	7
	80	83

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

8 Employees (continued)

Pension costs

The Company operates a Defined Contribution Pension Scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the NIIT Insurance Technologies Limited Company Personal Pension Scheme and amounts to £551,152 (2015: £583,103). There is an accrual at the year-end for the Company Personal Pension Scheme of £43,880 (2015: £50,798).

9 Research and Development Expenditure Credit

The Company has claimed research and development expenditure credit as per the guidelines prescribed by the HMRC on an accrual basis in the statement of comprehensive income. A summary of the qualifying research and development expenditure and the gross RDEC is as follows:

Expenditure Category	2016		2015	
	£	INR	£	INR
Staffing costs	8,13,522	7,99,84,670	13,44,893	13,34,41,998
Connected externally provided workers (EPWs)	5,79,556	5,69,81,366	5,98,685	5,94,02,289
Total qualifying research and development expenditure	13,93,078	13,69,66,036	19,43,578	19,28,44,287
Gross RDEC @ 11% (2015: 10%)	1,53,239	1,50,66,305	1,94,358	1,92,84,449

Management is confident that the claims will be successful.

10 Directors Emoluments

The emoluments and any options granted in respect of share schemes of Arvind Thakur, Arvind Mehrotra, Rajendra S Pawar and Amit Sharma were paid by other group companies, and they are deemed to be wholly attributable to the services of those companies. Accordingly, their emoluments are not disclosed in these financial statements.

11 Dividends

	31-03-2016		31-03-2015	
	£	INR	£	INR
Declared and paid during the year				
Ordinary shares:				
Interim paid: 2.389 per 1p share (2015: 1.593 per 1p share)	3,000,000	294,957,000	2,000,000	198,442,550

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

12 Intangible assets

	Work-in-progress development costs		Development costs		TOTAL	
	£	INR	£	INR	£	INR
Cost						
At 1 April 2015	6,36,146	5,88,72,895	30,61,927	28,33,69,709	36,98,073	34,22,42,603
Additions	17,55,442	17,25,93,302	-	-	17,55,442	17,25,93,302
Transfer to development costs	-	-	-	-	-	-
Currency Translation reserve	-	-38,77,900	-	80,09,389	-	41,31,489
At 31 March 2016	23,91,588	22,75,88,297	30,61,927	29,13,79,097	54,53,515	51,89,67,394
Accumulated amortisation						
At 1 April 2015	-	-	8,01,064	7,41,35,429	8,01,064	7,41,35,429
Charged in the year	-	-	5,02,261	4,93,81,799	5,02,261	4,93,81,799
Currency Translation reserve	-	-	-	509,785	-	5,09,785
At 31 March 2016	-	-	13,03,325	12,40,27,014	13,03,325	12,40,27,014
Net book value						
At 31 March 2016	23,91,588	22,75,88,297	17,58,602	16,73,52,084	41,50,190	39,49,40,381
At 31 March 2015	6,36,146	5,88,72,895	22,60,863	20,92,34,279	28,97,009	26,81,07,174

NIIT Insurance Technologies Limited

13 Tangible assets

	Furniture and equipment		Plant and machinery		TOTAL	
	£	INR	£	INR	£	INR
Cost						
At 1 April 2015	5,25,067	4,85,92,955.60	26,65,567	24,66,88,096.70	31,90,634	29,52,81,052.29
Additions	950	93,403.05	69,493	68,32,482.27	70,443	69,25,885.32
Disposals	-	-	-6,678	-6,56,574.28	-6,678	-6,56,574.28
Currency Translation reserve	-	13,70,471.11	-	67,74,283.20	-	81,44,754.31
At 31 March 2016	5,26,017	5,00,56,830	27,28,382	25,96,38,288	32,54,399	30,96,95,118
Accumulated depreciation						
At 1 April 2015	3,93,539	3,64,20,539.00	21,99,772	20,35,80,539.47	25,93,311	24,00,01,078.47
Charged in the year	1,04,535	1,02,77,776.67	2,67,472	2,62,97,579.57	3,72,007	3,65,75,356.23
Disposals	-	-	-6,678	-6,56,574.28	-6,678	-6,56,574.28
Currency Translation reserve	-	6,99,402.32	-	49,30,836.94	-	56,30,239.26
At 31 March 2016	4,98,074	4,73,97,717.99	24,60,566	23,41,52,381.69	29,58,640	28,15,50,099.68
Net book value						
At 31 March 2016	27,943	26,59,112	2,67,816	2,54,85,906	2,95,759	2,81,45,018
At 31 March 2015	1,31,528	1,21,72,417	4,65,795	4,31,07,557	5,97,323	5,52,79,974

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

14 Receivables

	2016		2015	
	£	INR	£	INR
Trade debtors	33,07,705	31,47,67,823	41,63,152	38,52,83,898
Amounts owed by group undertakings	50	4,758	99,576	92,15,380
Amounts recoverable on contracts	8,62,972	8,21,22,141	3,16,680	2,93,07,531
Deferred tax asset (see note 7)	-	-	83,610	77,37,788
Other receivables	86,482	82,29,800	70,327	65,08,497
Prepayments and accrued income	5,30,028	5,04,38,525	5,49,643	5,08,67,371
	47,87,237	45,55,63,047	52,82,988	48,89,20,464

There are no loans to group undertakings (2015: Nil).

NIIT Insurance Technologies Limited

15 Payables: amounts falling due within one year

	2016		2015	
	£	INR	£	INR
Trade payables	2,93,321	2,79,13,013	3,93,296	3,63,98,050
Amount owed to group undertakings	2,42,210	2,30,49,188	7,85,220	7,26,69,127
Deferred tax liability (see note 7)	57,752	54,95,796	-	-
Corporation tax payable	1,44,745	1,37,74,224	1,58,698	1,46,86,897
Other taxation and social security	7,56,596	7,19,99,189	9,55,367	8,84,15,585
Other payables	8,482	8,07,164	20,196	18,69,063
Holiday pay accrual	93,016	88,51,589	-	-
Accruals	5,37,259	5,11,26,641	6,04,081	5,59,05,401
Deferred income	34,17,081	32,51,76,262	40,54,218	37,52,02,470
	55,50,462	52,81,93,065	69,71,076	64,51,46,594

Amounts owed to group undertakings represent trade balances and are unsecured, non-interest bearing within stipulated payment terms.

16 Called up, allotted and fully paid up share capital

	2016			2015		
	No of shares	£	INR	No of shares	£	INR
Authorised						
Ordinary shares of 1p each	50,00,000	50,000	47,58,100	50,00,000	50,000	46,27,310
Called up, allotted, and fully paid						
Ordinary shares of 1p each	12,55,720	12,557	11,94,949	12,55,720	12,557	11,62,103

17 Reserves

Retained earnings

The retained earnings includes all current and prior period retained profits and losses.

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

NIIT Insurance Technologies Limited

18 Financial commitments

At 31 March 2016 the company had total commitments under non-cancellable operating leases payable as follows:

	2016		2015	
	£	INR	£	INR
(i) Land and buildings				
Within one year	249,501	23,743,014	492,001	45,532,823
Within two to five years	1,968,004	187,279,197	-	-
	2,217,505	211,022,211	492,001	45,532,823
(ii) Others				
Within one year	15,900	1,513,076	16,387	1,516,555
Within two to five years	2,250	214,115	10,040	929,164
	18,150	1,727,190	26,427	2,445,718

19 Related party transactions

The company has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with group companies on the grounds that it is a wholly owned subsidiary and consolidated financial statements are prepared by the ultimate parent company, NIIT Technologies Limited, India. The consolidated financial statements published by the parent company are publicly available.

20 Ultimate holding company and controlling party

NIIT Technologies Limited, which is incorporated and registered in the UK, is the immediate parent company. The ultimate parent company and controlling party is NIIT Technologies Limited, India a Company registered in India, which is the parent of the smallest and largest group to consolidate these financial statements.

NIIT Technologies Limited, India prepares consolidated financial statements and copies can be obtained from 8 Balaji Estate, First floor, Guru Ravidas Marg, Kalkaji, New Delhi - 110019, India. Full consolidated financial statements can also be obtained for NIIT Technologies Limited, India, from that company's website at the following address, <http://www.niit-tech.com/investors/financial-reports>