

NIIT Airline Technologies GmbH
Lina-Ammon-Straße 19 b
90471 Nürnberg

Annual Financial Statements

as on

31. March 2020

NIIT Airline Technologies GmbH
Nürnberg

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NIIT Airline Technologies GmbH

Nürnberg

1. Order and Execution of Order

Mr. Ashok Kumar Talwar Managing Director of

NIIT Airline Technologies GmbH

Nürnberg

(hereinafter referred to as "Company" or "GmbH")

appointed us to audit the Financial Statements of the Company for the Financial Year from 01 April 2019 to 31 March 2020 prepared in accordance with principles of the German Commercial Code, on the basis of the books of account, the information/evidences provided to us.

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2. Subject, Type and Scope of our Work

Objective of our work was the audit of Annual Financial Statements based on the books of Account of the company.

The company has demonstrated to us the assets and liabilities as follows:

The existing assets and liabilities of the company on the balance sheet date are as demonstrated by the books of account of the company.

The other assets and liabilities of the company are as demonstrated by the bookkeeping, correspondence, reports, bank statements, contracts and other documents provided to us.

The requested information has been willingly provided to us by the management and authorised employees of the Company.

3. Economic Situation

Items in the Financial Statements are detailed hereinafter. Providing further explanations was not within the scope of our engagement.

NIIT Airline Technologies GmbH
Nürnberg

Details of accounts to Balance Sheet as on 31.03.2020

Assets		31-03-2020	31-03-2020	31-03-2019	31-03-2019
Account	Particulars	€	INR	€	INR
Fixed Assets					
Intangible Assets					
0026 00	Software Licence - Monalisa	51,739	42,98,483	57,431	44,64,693
0027 00	EDV Software	-	-	11,140	8,65,988
		<u>51,739</u>	<u>42,98,483</u>	68,571	<u>53,30,681</u>
Tangible Assets					
0200 00	Computers	6,287	5,22,332	12,833	9,97,609
Investments					
0505 00	Loans to Associated Companies	-	-	-	-
Current Assets					
Inventories					
1719 00	Unbilled Revenue	-	-	43,888	34,11,814
Sundry Debtors					
1400 00	Trade Receivables	8,92,999	7,41,90,348	8,68,581	6,75,23,483
0998 00	Provision for Bad & Doubtful Debts	<u>- 4,53,931</u>	<u>- 3,77,12,589</u>	<u>- 5,28,704</u>	<u>- 4,11,01,444</u>
		4,39,068	3,64,77,759	3,39,877	2,64,22,039
Other Assets					
1525 00	Security Deposit	-	-	-	-
1530 00	Staff Advances	2,000	1,66,160	2,900	2,25,446
1540 00	Advance Taxes	9,56,897	7,94,99,022	6,60,475	5,13,45,304
1549 10	Tax Recoverable	-	-	-	-
1571 00	Input VAT -7%	65	5,436	190	14,760
1576 00	Input VAT -19%	41,984	34,88,004	50,804	39,49,475
1577 10	Input VAT (§13b Abs 2 UStG) -19%	-	-	47,408	36,85,497
1578 10	Input VAT (§13b Abs 1 UStG) -19%	216	17,945	22,884	17,79,025
1776 00	Output VAT -19%	<u>- 30,367</u>	<u>- 25,22,927</u>	<u>- 28,085</u>	<u>- 21,83,337</u>
1776 10	Output VAT Recoverable on Bad Debts	31,143	25,87,365	41,533	32,28,775
1781 00	VAT Security Deposit -1/11	-	-	-	-
1785 10	Output VAT (§13b Abs 1 UStG) -19%	<u>- 216</u>	<u>- 17,945</u>	<u>- 22,884</u>	<u>- 17,79,025</u>
1787 10	Output VAT (§13b Abs 2 UStG) -19%	-	-	47,408	36,85,497
1789 00	VAT paid (-Received)	- 3,459	- 2,87,344	- 9,407	- 7,31,312
1790 00	VAT earlier years	<u>6,630</u>	<u>5,50,858</u>	<u>- 2,743</u>	<u>- 2,13,241</u>
		10,04,894	8,34,86,574	7,15,666	5,56,35,870
Cash and Bank Balances					
1000 00	Cash in Hand	376	31,233	188	14,580
1210 00	Bank Balance -Hypovereinsbank A/C 3239551	18,74,580	15,57,40,111	18,11,735	14,08,44,310
1360 00	Cash-in-Transit	-	-	3,250	2,52,655
		<u>18,74,956</u>	<u>15,57,71,344</u>	<u>18,15,173</u>	<u>14,11,11,545</u>
Prepaid Expenses					
0980 00	Prepaid Expenses	39,810	33,07,441	48,501	37,70,456
Total		34,16,754	28,38,63,932	30,44,508	23,66,76,060

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Details of accounts to Balance Sheet as on 31.03.2020

LIABILITIES

Account	Particulars	31-03-2020		31-03-2019	
		€	INR	€	INR
0800 00	Subscribed and Paid-UP Capital Paid-UP Capital	10,00,000	8,30,80,000	10,00,000	7,77,40,000
0860 00	Net Profits brought forward PAT brought forward	13,67,590	11,36,19,352	10,52,918	8,18,53,845
0000 00	Net Profit for the Year Net Profit for the Year	3,58,929	2,98,19,782	3,14,672	2,44,62,562
0957 00	Provision for Taxation Provision for Trade Tax	2,38,200	1,97,89,656	1,56,200	1,21,42,988
0963 00	Provision for Corporate Tax	<u>2,41,000</u>	<u>2,00,22,280</u>	<u>1,57,950</u>	<u>1,22,79,033</u>
		4,79,200	3,98,11,936	3,14,150	2,44,22,021
	Provision for Expenses				
0970 00	Provision for other Expenses	54,260	45,07,902	54,031	42,00,370
0971 00	Provision for Leave Encashment	15,000	12,46,200	15,000	11,66,100
0977 00	Provision for Professional Fees	<u>35,004</u>	<u>29,08,132</u>	<u>27,664</u>	<u>21,50,599</u>
		1,04,264	86,62,234	96,695	75,17,069
	Sundry Creditors				
1600 00	Creditors for supplies and services rendered	11,765	9,77,461	53,321	41,45,175
1600 00	Payable to associated concerns	35,578	29,55,823	1,59,639	<u>1,24,10,336</u>
		47,343	39,33,284	2,12,960	1,65,55,510
	Other Liabilities				
1588 00	Import Duty -19%	-	-	-	-
1732 00	Security Deposits	14,580	12,11,306	14,580	11,33,449
1734 00	Corporate Tax Payable	-	-	-	-
1740 00	Salary Payable	-	-	-	-
1741 00	Wage Tax Payable	15,277	12,69,196	9,917	7,70,909
1742 00	Social Security Payable	-	-	-	-
1746 00	Other Recoveries Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		29,857	24,80,502	24,497	19,04,358
	Deferrals and Accruals				
0990 00	Deferred Revenue	29,572	24,56,842	28,617	22,24,686
	Total	34,16,754	28,38,63,932	30,44,508	23,66,76,060

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Details of accounts to Profit & Loss Account for the year ended 31.03.2020

Account	Particulars	01.04.2019-31.03.2020 €	01.04.2019-31.03.2020 INR	01.04.2018-31.03.2019 €	01.04.2018-31.03.2019 INR
	Sales Turnover				
8338 00	VAT Exempt Sales Non-EU	8,41,074	6,59,90,650	8,61,432	6,96,64,041
8339 00	VAT Exempt Services EU (§18b Satz 1 Nr. 2 UStG)	6,52,306	5,11,79,890	7,08,402	5,72,88,508
8400 00	Taxable Turnover -19% VAT	1,52,282	1,19,48,061	1,40,934	1,13,97,339
8611 00	Car Perquisite -19% VAT	<u>7,546</u>	<u>5,92,066</u>	<u>6,882</u>	<u>5,56,566</u>
		16,53,208	12,97,10,668	17,17,651	13,89,06,453
	Increase in Inventories -Unbilled Jobs				
8970 00	Changes in Finished/Unfinished Inventories	- 43,888	- 34,43,413	43,888	35,49,182
	Sales/Write off of Fixed Assets				
2320 00	Fixed Assets write offs	-	-	-	-
	Misc. Income				
2650 00	Interest and similar Income	-	-	329	26,588
2660 00	Gain from Difference in Exchange	1,642	1,28,841	27,717	22,41,487
2709 00	Misc. Receipts	-	-	-	-
8700 00	Excess provisions written back (Deferred Revenue)	<u>- 955</u>	<u>- 74,893</u>	<u>- 2,293</u>	- 1,85,437
		688	53,948	25,753	20,82,637
	Cost of Raw Materials, Supplies and services purchased				
3099 00	Outside services -19% VAT	-	-	-	-
3100 00	Cost of services	-	-	-	-
3123 00	Cost of services within EU (§13b Abs 1 UStG)	- 1,137	- 89,197	- 1,20,444	- 97,40,279
3125 00	Cost of services outside EU (§13b Abs. 2 UStG)	- 1,97,587	- 1,55,02,672	- 2,49,516	- 2,01,78,335
		<u>- 1,96,450</u>	<u>- 1,54,13,475</u>	<u>- 3,69,959</u>	<u>- 2,99,18,613</u>
	Salaries & Wages				
4120 00	Salaries	- 4,88,257	- 3,83,08,613	- 4,79,936	- 3,88,12,415
4149 00	Tax on perquisites	- 118	- 9,293	- 118	- 9,578
4170 00	Contribution to Staff Capital Accum Benefits	- 319	- 25,035	- 319	- 25,804
4175 00	Residence-Work Travel Costs	- 8,980	- 7,04,561	- 8,190	- 6,62,316
4198 00	Relocation Costs	<u>-</u>	<u>-</u>	<u>- 744</u>	<u>- 60,192</u>
		- 4,97,674	- 3,90,47,502	- 4,89,308	- 3,95,70,305
	Employer's Contribution to German Social Security				
4130 00	Employer's Contribution to Social Security	- 92,789	- 72,80,256	- 88,736	- 71,76,071
4138 00	Employees' State Insurance Premium	<u>- 1,800</u>	<u>-</u>	<u>- 1,800</u>	<u>- 1,45,566</u>
		- 94,589	- 74,21,484	- 90,536	- 73,21,637
0000 00	Carried Forward		8,20,157		6,77,27,717
			6,43,49,544	8,37,489	

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Details of accounts to Profit & Loss Account for the year ended 31.03.2020

Konto	Bezeichnung	01.04.2019-31.03.2020		01.04.2018-31.03.2019	
		€	INR	€	INR
	brought forward	82,04,156	64,36,98,062	8,37,489	6,77,27,717
	Depreciation of Intangible Assets, Fixed Assets, Plat and of capitalised start-up/expansion costs				
4822 00	Depreciation of Intangible Assets	- 16,832	- 13,20,603	- 40,700	- 32,91,436
4830 00	Depreciation of Tangible Assets	- <u>6,546</u>	- <u>5,13,563</u>	- <u>8,420</u>	- <u>6,80,937</u>
		- 23,377	- 18,34,166	- 49,120	- 39,72,372
	Rent and related Expenses				
4210 00	Rent and related Expenses	- 45,561	- 35,74,707	- 50,327	- 40,69,924
4240 00	Gas, Electricity and Water	- 2,370	- 1,85,924	- 2,107	- 1,70,377
4250 00	Cleaning Expenses	- 5,529	- 4,33,807	- 5,386	- 4,35,528
4260 00	Repairs to Buildings	-	-	-	-
		- 53,460	- 41,94,439	- 57,819	- 46,75,829
	Insurance, subscriptions and other charges				
4360 00	Insurance, subscriptions and other charges	- 5,972	- 4,68,582	- 8,452	- 6,83,487
4380 00	Subscriptions	- <u>28,901</u>	- <u>22,67,582</u>	- <u>15,612</u>	- <u>12,62,522</u>
		- 34,873	- 27,36,164	- 24,063	- 19,46,009
	Other operating expenses				
2400 00	Provision for Bad and Doubtful Debts	39,297	30,83,265		4,425
4510 00	Car Tax	- 527	- 41,361	- 278	- 22,482
4520 00	Car Insurance	-	-	- 585	- 47,326
4530 00	Car Running Expenses	- 1,544	- 1,21,114	- 1,368	- 1,10,624
4535 00	Car Leasing	- 8,412	- 6,60,009	- 7,334	- 5,93,094
4540 00	Car Repair Expenses	- 791	- 62,044	- 254	- 20,528
4610 00	Advertisement	92	7,221	- 35	- 2,812
4611 00	Exhibition Expenses	-	-	- 8,612	- 6,96,442
4630 00	Gifts upto 35€	-	-	- 316	- 25,561
4650 00	Entertainment Expenses	- 262	- 20,534	- 302	- 24,460
4653 00	Office Refreshments	- 671	- 52,609	- 91	- 7,355
4655 00	Non-deductible expenses	- 103	- 8,043	- 173	- 13,997
4660 00	Staff Travel Expenses	- 38,808	- 30,44,847	- 42,350	- 34,24,823
4800 00	Repairs to Equipment & Machinery	-	-	-	-
4807 00	Software Expenses	- <u>68,978</u>	- <u>54,12,041</u>	- 83,034	- <u>67,14,988</u>
		- 80,705	- 63,32,116	- 1,40,307	- <u>1,13,46,642</u>
0000 00	Carried forward	7,08,447	5,55,84,775	7,06,486	5,71,33,507

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Details of accounts to Profit & Loss Account for the year ended 31.03.2020

Account	Particulars	01.04.2019-31.03.2020	01.04.2019-31.03.2020	01.04.2018-31.03.2019	01.04.2018-31.03.2019
		€	INR	€	INR
		7,08,447	5,55,84,775	7,06,486	5,71,33,507
	brought forward	<u>-80,705</u>	<u>-63,32,116</u>	<u>-1,40,307</u>	<u>-1,13,46,642</u>
		6,27,742	4,92,52,659	5,66,179	<u>4,57,86,865</u>
4900 00	Other operating expenses	-3,149	-2,47,078	-1,725	-1,39,472
4910 00	Postage/Courier	-897	-70,376	-296	-23,933
4920 00	Telephone Expenses	-15,259	-11,97,259	-14,710	-11,89,607
4930 00	Office Materials	-2,474	-1,94,143	-2,861	-2,31,367
4940 00	Books and Periodicals	-769	-60,366	-1,967	-1,59,065
4945 00	Training Costs	0	0	0	0
4950 00	Legal and Advisory Fees	-8,247	-6,47,020	-14,077	-11,38,432
4950 02	Management Expenses	-10,693	-8,38,969	-10,000	-8,08,706
4955 00	Accounting, Financials and Tax Returns	-42,575	-33,40,442	-41,939	-33,91,623
4957 00	Audit Fees	-7,280	-5,71,189	-7,280	-5,88,734
4960 00	Machine Rent	-2,880	-2,25,965	-2,880	-2,32,906
4970 00	Bank Charges	<u>-9,540</u>	<u>-7,48,497</u>	<u>-9,492</u>	<u>-7,67,603</u>
		-1,03,764	-81,41,304	-1,07,227	<u>-86,71,447</u>
	Interest and similar Expenses				
2107 00	Interest on Short Term Loans				
2150 00	Difference in Exchange -Loss				
	Taxes on Income and Earnings				
2200 00	Corporate Tax	-78,700	-61,74,802	-68,580	-55,46,089
2201 00	Surcharge on Corporate Tax	-4,350	-3,41,301	-3,800	-3,07,306
4320 00	Trade Tax	<u>-82,000</u>	<u>-64,33,720</u>	<u>-71,900</u>	<u>-58,14,553</u>
		-1,65,050	-1,29,49,823	-1,44,280	<u>-1,16,67,948</u>
	Net Profit for the year				
0000 00	Profit after Taxes	3,58,929	2,81,61,532	3,14,671	2,54,47,470

Schedule of Fixed Assets as on
31.03.2020

NIIT Airline Technologies GmbH
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Fixed Assets																							
Account	Particulars	Cost of Acquisition							Depreciation							Book Balance							
		Balance as on 01.04.2019	Balance as on 01.04.2019 INR	Additions during the year	Additions during the year INR	Reductions during the year	Reductions during the year INR	Currency Translation Reserve	Balance as on 31.03.2020	Balance as on 31.03.2020 INR	Balance as on 01.04.2019	Balance as on 01.04.2019 INR	Additions during the year	Additions during the year INR	Reductions during the year	Reductions during the year INR	Currency Reserve	Balance as on 31.03.2020	Balance as on 31.03.2020 INR	Balance as on 31.03.2020	Balance as on 31.03.2020 INR	Balance as on 31.03.2019	Balance as on 31.03.2019 INR
<u>Intangible Assets</u>																							
-																							
S00260	Licence-Monalisa	1,20,000	93,28,800	0	0	0	0	6,40,800	1,20,000	99,69,600	62,569	48,64,107	5,692	4,46,595	0	0	3,60,415	68,261	56,71,117	51,739	42,98,483	57,431	44,64,693
S00270	EDV-Software	1,26,826	98,59,480	0	0	0	0	6,77,253	1,26,826	1,05,36,732	1,15,687	89,93,492	11,140	8,74,008	0	0	6,69,232	1,26,826	1,05,36,732	0	0	11,140	8,65,988
	a. Sub-Total	2,46,826	1,91,88,280	0	0	0	0	13,18,053	2,46,826	2,05,06,332	1,78,256	1,38,57,599	16,832	13,20,603	0	0	10,29,647	1,95,087	1,62,07,850	51,739	42,98,483	68,571	53,30,681
<u>Tangible Assets</u>																							
S02000	Computers	2,49,038	1,93,60,202	0	0	0	0	13,29,862	2,49,038	2,06,90,065	2,36,205	1,83,62,593	6,546	5,13,563	0	0	12,91,576	2,42,751	2,01,67,732	6,287	5,22,332	12,833	9,97,609
S02400	Equipments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
S03000	Other Equipment and assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
S04500	Constructions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Sub-Total	2,49,038	1,93,60,202	0	0	0	0	13,29,862	2,49,038	2,06,90,065	2,36,205	1,83,62,593	6,546	5,13,563	0	0	12,91,576	2,42,751	2,01,67,732	6,287	5,22,332	12,833	9,97,609
S04800	Small Value Items < 410 €	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
S04850	Small Value Items 411 €-1.000 €	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	4,95,864	3,85,48,482	0	0	0	0	26,47,915	4,95,864	4,11,96,397	4,14,461	3,22,20,192	23,377	18,34,166	0	0	23,21,223	4,37,838	3,63,75,582	58,026	48,20,815	81,403	63,28,290
	Previous Year	4,86,553	3,78,24,630	9,311	7,30,541	0	0	-82,02,724	3,65,340	3,03,52,447	49,120	38,18,589	0	0	0	0	0	49,120	38,18,589	81,403	63,28,269	1,21,213	94,23,099

NIIT Airline Technologies GmbH
Nürnberg

5. Legal Situations

The Legal Situation of the Company is as follows:

Name:	NIIT Airline Technologies GmbH
Legal Form:	GmbH
Date of Incorporation :	22.09.1995
Seat:	Nürnberg
Adress:	Lina-Ammon-Straße 19 b 90471 Nürnberg
Entry in Commercial Register:	Nürnberg, HRB 13610
Fiscal Year:	1st April 2019 to 31st March 2020
Main Objects of the Company:	Software Development, consultancy for planning and installation of Telecommunication equipments as well as sale of specially developed Dataequipments
Shareholder:	Under an agreement dated 16th July 2009, the ownership was changed and it now rests with: NIIT Technologies Limited, India -100%
Subscribed Capital:	1,00,000.00 €
Management, Power of Representation:	Managing Director: Mr. Arunbir Singh Soin Mr. Ashok Kumar Talwar

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of
NIIT Airline Technologies GmbH

Report on the Financial Statements

1. We have audited the accompanying financial statements of NIIT Airline Technologies GmbH ("the Company") which comprise the balance sheet as at 31st March, 2020 and the Statements of Profit and Loss of the Company for the period from 1st April 2019 to 31st March 2020 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2020

- (b) in the case of the Statement of Profit and Loss, of the profit for the period from 1st April 2019 to 31st March 2020

For A. K. Verma & Associates

Chartered Accountants

Firm's Registration Number 013096N

Place: Frankfurt am Main

Date: 25-04-2020

Neha Verma

Partner

(Membership No. 535454)

NIIT Airline Technologies GmbH
Nürnberg

Balance Sheet as on 31.03.2020

Assets

Liabilities

	<u>31-03-2020</u>	<u>31-03-2020</u>	<u>31-03-2019</u>	<u>31-03-2019</u>		<u>31-03-2020</u>	<u>31-03-2020</u>	<u>31-03-2019</u>	<u>31-03-2019</u>
	€	INR	€	INR		€	INR	€	INR
A. Fixed Assets					A. Owned Capital				
I. Intangible Assets					I. Subscribed and Paid-up Capital	10,00,000	8,30,80,000	10,00,000	7,77,38,700
Concessions, Industrial and similar Rights and Assets and licences in such Rights and Values	51,739	42,98,483	68,571	53,30,592	II. Profit brought forward	13,67,590	11,36,19,352	10,52,918	8,18,52,505
II. Tangible Assets					III. Net Profit for the year	3,58,929	2,98,19,782	3,14,671	2,44,62,140
Operating Equipment	6,287	5,22,332	12,833	9,97,593	B. Provisions				
B. Investments	-	-		-	1. Provision for Taxation	4,79,200	3,98,11,936	3,14,150	2,44,21,613
C. Current Assets					2. Other Provisions	<u>1,04,264</u>	86,62,234	<u>96,695</u>	<u>75,16,944</u>
I. Inventories						5,83,464	4,84,74,170	4,10,845	3,19,38,556
Unbilled Jobs	-	-	43,888	34,11,757	C. Liabilities				
I. Sundry Debtors and other Assets					1. Sundry Creditors	11,765	9,77,461	53,321	41,45,105
1. Sundry Debtors	4,39,068	3,64,77,759	3,39,877	2,64,21,597	2. Liabilities towards associated Companies	35,578	29,55,823	1,59,639	1,24,10,128
2. Other Assets	<u>10,04,894</u>	<u>8,34,86,574</u>	<u>7,15,666</u>	5,56,34,943	3. Other Liabilities	<u>29,857</u>	24,80,502	<u>24,496</u>	<u>19,04,287</u>
II. Cash and Bank Balances	18,74,956	15,57,71,344	18,15,173	14,11,09,185		77,200	64,13,786	2,37,456	1,84,59,521
D. Prepaid Expenses	39,810	33,07,441	48,501	37,70,393	D. Deferrals and Accruals				
					Deferred Revenue	29,572	24,56,842	28,617	22,24,684
Total	34,16,754	28,38,63,932	30,44,508	23,66,76,060	Total	34,16,754	28,38,63,932	30,44,508	23,66,76,060

NIIT Airline Technologies GmbH
Nürnberg

Profit and Loss Account for the year ended 31.03.2020

	01.04.2019-31.03.2020 €	01.04.2019-31.03.2020 INR	01.04.2018-31.03.2019 €	01.04.2018-31.03.2019 INR
1. Sales Turnover	16,53,207.60	12,97,10,668	17,17,651.21	13,89,06,453
2. Increase in Inventories of Unbilled Jobs	-43,887.50	-34,43,413	43,887.50	35,49,182
3. Loss on sale/write off of Fixed Assets	0	0	0	0
4. Other Operating Income	687.58	53,948	25,752.90	20,82,637
5. Bought out Services:				
a) Cost of Outside Services		0		0
b) Cost of Bought Out Services within EU -§13b Abs 1 UStG	-1,137	-89,197	-1,20,444	-97,40,306
c) Cost of Bought Out Services outside EU (§13b Abs 2-5 UStG)	-1,96,450	-1,54,13,475	-2,49,516	-2,01,78,359
6. Personnel Costs				
a) Salaries and Wages	-4,97,674	-3,90,47,502	-4,89,308	-3,95,70,338
b) Contributions to Social Security, Pensions and other employee Benefits	-94,589	-74,21,484	-90,536	-73,21,646
7. Depreciation				
Depreciation of Intangible Assets, Fixed Assets, Plat and of capitalised start-up/expansion costs	-23,377	-18,34,166	-49,120	-39,72,372
8. Occupancy Costs	-53,460	-41,94,439	-57,819	-46,75,829
9. Insurance, subscriptions and other charges	-34,873	-27,36,164	-24,063	-19,46,009
10. Other operating expenses	-1,84,469	-1,44,73,420	-2,47,534	-2,00,18,088
11. Interest and similar Expenses	0	0	0	0
12. Results from ordinary activities	5,23,979	4,11,11,355	4,58,950	3,71,15,325
13. Taxes on Income and Earnings	-1,65,050	-1,29,49,823	-1,44,280	-1,16,67,948
14. Net Profit for the year	3,58,929	2,81,61,532	3,14,670	2,54,47,377

NIIT Airline Technologies GmbH

Notes to Accounts

for the Fiscal Year from 1st April 2019 to 31st March 2020

1. General Information

The foregoing Financial Statements were prepared in accordance with the general review of provisions of § § 252-256 HGB and taking into account the specific recognition and measurement rules for corporations (§ § 269-274, 279-283 HGB). In addition, § 42 GmbHG was kept in view.

2. Information on accounting and valuation methods

The generally accepted accounting methods for Balancing and Valuation were retained in the foregoing Annual Financial Statements .

In particular, the evaluations are as follows:

Intangible assets which are acquired for a price are capitalised at cost and depreciated using the straight line method of depreciation.

Tangible fixed assets are recorded at cost, less depreciation to date.

Small value assets are 100% depreciated in the year of acquisition.

Receivables and other assets are stated at their recorded nominal values.

Existing debt risks are taken into account by appropriate specific and general provision for Bad and Doubtful debts.

Cash and cash equivalents are stated at cost.

The prepaid expenses are determined by time based accrual of expenses method.

The equity is reported at nominal value.

The provisions are measured in such a way that all the identifiable risks and contingent obligations are accounted for. They are stated at the amounts based on sound business judgment.

Liabilities are stated at the repayable amounts .

The deferred income include accrual of deferred revenue. Income thereof will be recognised when the revenue recognition criteria are met.

3. Notes to Balance Sheet

Movements in Fixed Assets

Schedule of Fixed Assets as on 31.03.2020 may be referred for movements in Fixed Assets during the year.

Investments

Loans to associate concerns amounted to 0,00 € as on 31.03.2020 (Previous Year: 0 €) and interest thereon was charged thereon during the yeat at arm´s length basis .

Liabilities´ Ageing

Liabilities outstanding as on 31.03.2020 are for a period of less than one year.

Liabiliies towards Associate Concerns

Liabilities towards associate companies as on 31.03.2020 amounted to 35.578,03 € (Previous Year: 159.639 €).

Other Liabilities

Tax Liabilities as on 31.03.2020 amounted to 15.276,79 € (Previous Year: 9.916 €). Liabilities for Social Security as on 31.03.2020 amounted to 0,00 € (Previous Year: 0 €)

4. Information relating to Ind AS 115 and 116:-

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, 2019, 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 April1, 2019. 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/warranty revenue is recognized ratably over the term of the underlying maintenance/warranty 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 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. 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.

Deferred contract costs are incremental costs of obtaining a contract which are recognised as assets and amortized over the term of the contract.

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.

New and amended standards and interpretations - Ind AS 115

The Company applied Ind AS 115 for the first time in the current financial year.

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under the modified retrospective approach there were no significant adjustments required to the retained earnings at April 1, 2019. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.

Disaggregate revenue information

Nil

Movement of unbilled revenue and deferred revenue

The following table discloses the movement in unbilled revenue during the year ended March 31, 2020

Particulars

Year ended
31 March 2020

Balance at the beginning

43,887

Add : Revenue recognized during the period

27,778

Less : Invoiced during the period

71,665

Balance at the end

0

The following table discloses the movement in deferred revenue during the year ended March 31, 2020

Particulars	Year ended 31 March 2019
Balance at the beginning	28,617
Less : Invoiced during the period but not recognized as revenues	3,97,173
Add : Revenue recognized during the period	
Add / (Loss) : Translation gain/(Loss)	0
Balance at the end	29,572

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 IndAS115, 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. Nil. Out of this, the Company expects to recognize revenue of around Nil within the next one year and the remaining thereafter. 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.

The impact on account of applying the erstwhile Ind AS 18 Revenue standard instead of Ind AS 115 Revenue from contract with customers on the financials results of the Company for the financial year ended March 31, 2020 is insignificant.

Recently issued accounting pronouncements

IND AS 116 Leases

The Ministry of Corporate Affairs on 30 March 2019 notified the new leasing standard, viz., Ind AS 116 Leases. Ind AS 116 is applicable for the financial year beginning on or after 1 April 2019. It replaces the existing standard for Leases i.e Ind AS 17.

Lessees will use a single accounting model for all leases, with limited exemptions. This will result in many leases to be recognised in the balance sheets as right to use asset with corresponding liability for future lease payments. Also, the expense associated with leases will be disclosed as amortisation of right to use asset and interest expense in the statement of profit and loss.

An entity has an option to adopt Ind AS 116 using either the full retrospective method or the modified retrospective method. An entity that elects the modified retrospective method would apply Ind AS 116 to only the current period by recognising the cumulative effect of initially applying Ind AS 116 as an adjustment to the opening balance of retained earnings (or other components of equity) at the date of initial application. An entity would need to disclose how it has applied the modified retrospective method.

The Company is under process to evaluate the impacts of the new standard on financial statements.

On an average 12 employees were during the Financial Year 2019-20.

For A. K. Verma & Associates
Chartered Accountants
Firm's Registration Number 013096N

For NIIT Airline Technologies GmbH

Ort: Frankfurt

Date: 25-04-2020

Neha Verma
Partner
(Membership No. 535454)

Ashok Kumar Talwar
Managing Director