

**NIIT TECHNOLOGIES B.V.
AMSTERDAM**

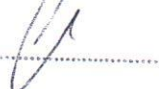
Annual Report 2012/2013
May 6, 2013

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date

06 MAY 2013

initials



INDEX

Page

INTRODUCTION

1	Auditor's report	2
2	General	2
3	Appropriated results	3
4	Financial position	4
5	Tax position	5

FINANCIAL REPORT

1	Report of the Managing Directors	8
---	----------------------------------	---

FINANCIAL STATEMENTS

1	Balance as per March 31, 2013	10
2	Profit & loss account for the year 2012/2013	11
3	Notes to the Statements	12
4	Notes to the balance sheet as per March 31, 2013	15
5	Notes to the profit & loss account over the year 2012/2013	19

OTHER INFORMATION

1	Provisions of the articles of association regarding the appropriation of profits and losses	23
2	Appropriation of the profit for 2012/2013	23
3	Post balance sheet events	23

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date 06 MAY 2013

Initials

INTRODUCTION ⁸

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date 06 MAY 2013

initials



Smit en de Wolf belastingadviseurs bv

Scheveningseweg 10, 2517 KT Den Haag
Telefoon 070 - 3560795, Telefax 070 - 3561437
E-mail info@smitwolf.nl
K.v.K. Den Haag nr. 27086955
B.T.W. NL.8106.55.366.B01

Members of the Management Board of
NIIT Technologies B.V.
Gustav Mahlerplein 60-T
1082 MA AMSTERDAM

<i>Reference</i>	<i>Processed by</i>	<i>€</i>	<i>Date</i>
10432.00	HB		May 6, 2013

Dear Sirs,

We hereby present the report of the annual accounts for 2012/2013 of NIIT Technologies B.V., of which the balance sheet accumulates a total assets value of € 1,521,548 and the profit and loss account concludes to a result after taxes of € 156,555.

1 AUDITOR'S REPORT

These annual accounts have been audited by BDO Audit & Assurance B.V. You will find the auditor's report following on chapter: 'Other information'.

2 GENERAL

2.1 Founding and activities

The company with limited liability NIIT Technologies B.V. has been formed on November 28, 1995 by NIIT Technologies Limited, established in England. The company's operations include IT-services.

2.2 Management

The Management Board include the following members:

- mr. Arvind Thakur (non-resident in the Netherlands);
- mr. Sunil Roshanlal Surya (non-resident in the Netherlands).

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date **06 MAY 2013**

initials



3 APPROPRIATED RESULTS

3.1 Development of income and expenses

The result after taxation for 2012/2013 amounts to € 157,000 compared to € 1,622,000 for 2011/2012. The results for both years can be summarized as follows:

	2012/2013		2011/2012	
	x € 1,000	%	x € 1,000	%
Net turnover	3,346	100.0	4,188	100.0
Cost of sales	1,214	36.2	1,713	40.8
Gross margin on turnover	2,132	63.8	2,475	59.2
Expenses				
Employee expenses	1,692	50.6	1,872	44.7
Depreciation	1	-	2	0.1
Other operating expenses	253	7.6	237	5.7
	1,946	58.2	2,111	50.5
Operating result	186	5.6	364	8.7
Financial income and expenses	11	0.3	22	0.5
Result on operating activities before taxes	197	5.9	386	9.2
Tax on result from operating activities	-40	-1.2	-88	-2.1
Dividend of participating interests	-	-	1,324	31.6
Result after taxation	157	4.7	1,622	38.7

3.2 Net turnover and gross margin

The net turnover decreased by 20.1% to € 3,346,151.

The gross margin decreased by 13.8% to € 2,131,207.

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date 06 MAY 2013

Initials



4 FINANCIAL POSITION

The balance sheets can be summarized as follows:

	3/31/2013		3/31/2012	
	x € 1,000	x € 1,000	x € 1,000	x € 1,000
Long term funds available				
Equity		1,077		921
Long term investments				
Tangible fixed assets	2		-	
Financial fixed assets	70		76	
		72		76
Working capital		1,005		845
This amount is applied as follows:				
Trade and other receivables	763		1,636	
Cash and cash equivalents	686		467	
		1,449		2,103
Less: Short term liabilities		444		1,258
Working capital		1,005		845

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date

06 MAY 2013

initials



5 TAX POSITION

5.1 Taxable amount 2012/2013

	2012/2013
	€
Result before taxation	196,632
<i>Tax differences:</i>	
Non-deductible expenses	4,400
Taxable amount 2012/2013	<u>201,032</u>

The calculated company tax amounts:

The company tax due amounts:

	2012/2013
	€
Corporate income tax 2012	
20.0% of € 200.000 x 275/365	30,137
25,0% of € 1,030 x 275/365	194
	<u>30,331</u>
Corporate income tax 2013	
20.0% of € 200,000 x 90/365	9,863
25.0% of € 1,030 x 90/365	63
	<u>9,926</u>
Corporate income tax 2012/2013	<u>40,257</u>

The corporate income tax to be received on the balance sheet date amounts to € 24,743. The analysis of this amount is as follows:

	2012/2013
	€
Balance as per April 1	-40,786
Corporate income tax 2012/2013	40,257
	<u>-529</u>
Received on provisional assessment 2011/2012	40,054
Adjustment withholding tax UK 2009/2010	912
Paid on provisional assessment 2012-2013	-65,000
Adjustment corporation income tax 2011/2012	-180
	<u>-24,214</u>
Balance as per March 31	<u>-24,743</u>

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date

06 MAY 2013

initials



Smit en de Wolf belastingadviseurs bv

5.2 Assessments

Final corporation income tax assessments have been levied to the company until the fiscal year 2011/2012.

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date

06 MAY 2013

initials

FINANCIAL REPORT

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date **06 MAY 2013**

initials

REPORT OF THE MANAGING DIRECTORS

In accordance with article 2:396 part 7 of the Dutch Civil Code no report of the Managing Directors for 2012/2013 has been prepared.

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date 06 MAY 2013

initials

FINANCIAL STATEMENTS

Balance as per March 31, 2013
Profit & loss account for the year 2012/2013
Notes to the Statements
Notes to the balance sheet as per March 31, 2013
Notes to the profit & loss account over the year 2012/2013

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date 06 MAY 2013

initials

1 BALANCE AS PER MARCH 31, 2013
(after appropriation of result)

	March 31, 2013		March 31, 2012	
	€	€	€	€
ASSETS				
Fixed assets				
Tangible fixed assets (1)				
Other tangible fixed assets		2,110		451
Financial fixed assets (2)				
Investments in group companies	61,973		61,973	
Other receivables	8,330		13,012	
		70,303		74,985
Current assets				
Trade and other receivables (3)				
Trade debtors	733,797		1,582,424	
Group and associated companies	2,217		8,164	
Corporate income tax	24,743		40,786	
Prepayments and accrued income	2,616		4,656	
		763,373		1,636,030
Cash and cash equivalents (4)		685,762		467,262

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date

06 MAY 2013

initiate

1,521,548

2,178,728

		March 31, 2013		March 31, 2012	
		€	€	€	€
LIABILITIES					
Shareholder's equity	(5)				
Issued share capital	€	18,151		18,151	
General reserve		1,059,294		902,739	
			1,077,445		920,890
Current liabilities	(6)				
Trade creditors		15,251		11,609	
Liabilities to group and associated companies		177,913		548,486	
Other taxes and social insurance payable		143,693		202,617	
Sundry payables, accruals and deferred income		107,246		495,126	
			444,103		1,257,838

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date **06 MAY 2013**

1,521,548

2,178,728

initials



2 PROFIT & LOSS ACCOUNT FOR THE YEAR 2012/2013

		2012/2013		2011/2012	
		€	€	€	€
Net turnover	(7)	3,346,151		4,188,192	
Cost of sales		1,214,944		1,714,440	
Gross margin on turnover			2,131,207		2,473,752
Expenses					
Wages and salaries	(8)	1,452,044		1,608,691	
Social security charges	(9)	160,199		167,041	
Management services	(10)	10,695		10,754	
Other employee expenses	(11)	68,720		85,026	
Depreciation of tangible fixed assets	(12)	951		2,170	
Accommodation expenses	(13)	29,458		31,814	
Office expenses	(14)	14,347		25,522	
Selling expenses	(15)	126,579		90,901	
General expenses	(16)	82,285		88,386	
			1,945,278		2,110,305
Operating result			185,929		363,447
Interest and similar income	(17)	12,557		23,897	
Interest and similar expenses	(18)	-1,854		-2,367	
Financial income and expenses			10,703		21,530
Result on operating activities before taxes			196,632		384,977
Tax on result from operating activities	(19)		-40,077		-87,648
Dividend of participating interests			-		1,324,470
Result after tax			156,555		1,621,799

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date **06 MAY 2013**

initials

3 NOTES TO THE STATEMENTS

GENERAL

The annual accounts are drawn up in accordance with the statutory provisions of Title 9 Book 2 BW. The annual accounts are compiled in euro.

Assets and liabilities are generally valued at acquisition or manufacturing cost or the current value. If no specific basis of valuation is mentioned, the valuation is made at acquisition cost. References are included in the balance and the profit and loss account which refer to the explanatory statement.

Group structure

The company is a member of a group of companies of which NIIT Technologies Limited, India is the head of the group. The financial figures of the company are included in the consolidated financial statements of the head of the group.

Consolidation

As Article 407, sub 2, section 9 Book 2 of the Netherlands Civil code applies, the company refrains from consolidation.

Estimates

It is the duty of the management, according to general accepted accounting principles, to make estimates and presuppositions which are determined for the presented financial figures. The real results can differ from these estimates.

Principles of currency conversion

Assets and liabilities in foreign currencies are converted into euro's at the exchange rate as per balance sheet date, except for forward rate transactions. In such cases, valuation is at the corresponding future exchange rate.

Profits and losses on exchange rates are stated in the profit and loss account. Foreign currency transactions during the year under review are converted at the expiration rate.

ACCOUNTING PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Tangible fixed assets

The tangible fixed assets are valued at the purchase price or the manufacturing costs minus the depreciations which are determined based on the estimated economic life, with any residual value taken into consideration. Depreciations are a fixed percentage of the purchase price or manufacturing costs.

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date 06 MAY 2013

initials

Financial fixed assets

Financial fixed assets in which no significant influence can be exerted are stated at purchase price.

The NIIT Group is a group with an international structure of which the ultimate parent company is located in India. The group companies have valued their subsidiaries at cost, as allowed by Indian Gaap, which is the applicable accounting standard for the NIIT Group. As Article 389, sub 9 section 9 Book 2 of The Netherlands Civil Code applies, the company does not have to value the subsidiary at net asset value as is common practice under Dutch Gaap. The 99,96% subsidiary NIIT Technologies N.V., Belgium is valued at cost.

Trade and other receivables

Trade and other receivables are valued at their nominal value, and where necessary, minus provisions for bad debts.

Cash and cash equivalents

The cash funds are valued at their nominal value.

Current liabilities

Current liabilities are valued at nominal value unless stated otherwise.

ACCOUNTING PRINCIPLES OF RESULT DETERMINATION

Net turnover

The net turnover refer to the amounts charged to third parties regarding providing of services, after deduction for discounts and value added tax in the year.

The revenue regarding providing service is processed in the profit and loss account in proportion to the service provided, if it's transaction can be considered reliable.

Cost of sales

The costs of sales are identified as the costs which can be directly related to the service rendered.

Depreciation

The depreciations on tangible fixed assets are calculated at fixed rates on the purchase price, on the basis of the expected economic life. Book profit and losses on sale of tangible fixed assets are included in the depreciation on tangible fixed assets.

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

Financial result

Interest profits and losses include interest profits and losses pertaining to the financial year under review from issued and outstanding loans.

Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date 06 MAY 2013

initials 

4 NOTES TO THE BALANCE SHEET AS PER MARCH 31, 2013

ASSETS

FIXED ASSETS

1. Tangible fixed assets

	Other tangible fixed assets
	€
<i>Book value as per April 1, 2012</i>	
Purchase price	10,323
Accumulated depreciation	-9,872
	451
<i>Changes</i>	
Investments	3,686
Disposals	-9,143
Accumulated depreciation desinvestments	7,735
Depreciation	-619
	1,659
<i>Book value as per March 31, 2013</i>	
Purchase price	4,866
Accumulated depreciation	-2,756
	2,110
 <i>Depreciation rates</i>	
Other tangible fixed assets	33 %

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date 06 MAY 2013

initials

2. Financial fixed assets

	3/31/2013	3/31/2012
	€	€
Investments in group companies		
NIIT Technologies N.V., Belgium	61,973	61,973

Represents a 99,96% participation in NIIT Technologies N.V., established in Brussels, Belgium. The NIIT Group is a group with an international structure of which the ultimate parent company is located in India. The group companies have valued their subsidiaries at cost, as allowed by Indian Gaap, which is the applicable accounting standard for the NIIT Group. As Article 389, sub 9 section 9 Book 2 of The Netherlands Civil Code applies, the company does not have to value the subsidiary at net asset value as is common practice under Dutch Gaap. The 99,96% subsidiary NIIT Technologies N.V., Belgium is valued at cost. The net asset value of NIIT Technologies N.V., Belgium as at March 31, 2013 amounts to € 291.770.

Other receivables

Security deposits	8,330	13,012
-------------------	-------	--------

CURRENT ASSETS

3. Trade and other receivables

Trade debtors

Trade debtors	733,797	1,582,424
---------------	---------	-----------

Group and associated companies

NIIT Technologies Inc., USA	-	7,050
NIIT Technologies Limited, UK	2,217	1,114
	2,217	8,164

Prepayments and accrued income

Prepaid expenses	68	2,244
Various	2,548	2,412
	2,616	4,656

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance S.V.

date **06 MAY 2013**

initials

	3/31/2013	3/31/2012
	€	€
4. Cash and cash equivalents		
Rabobank, EUR	18,584	30,318
Rabobank, Call Account EUR	667,178	394,689
Lloyds TSB	-	42,255
	685,762	467,262

EQUITY AND LIABILITIES

5. Shareholder's equity

Issued share capital

Subscribed and paid up 400 ordinary shares ad valorem € 45.38 each	18,151	18,151
--	--------	--------

The authorised share capital amounts to € 90.756, consisting of 2.000 common shares of € 45,38 each.

The shares of NIIT Technologies B.V. have been issued to NIIT Technologies Limited, established in England.

	2012/2013	2011/2012
	€	€
General reserve		
Balance as per April 1	902,739	880,940
Appropriation of the net result	156,555	1,621,799
	1,059,294	2,502,739
Dividend paid	-	-1,600,000
Balance as per March 31	1,059,294	902,739

The retained part of the result for 2012/2013 amounts to € 156,555.

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date **06 MAY 2013**

Initials

6. Current liabilities

	3/31/2013	3/31/2012
	€	€
Liabilities to group and associated companies		
NIIT Technologies Limited, India	171,404	538,027
NIIT Technologies N.V., Belgium	6,509	8,330
NIIT SmartServe Limited, India	-	1,325
NIIT Technologies Limited, Thailand	-	804
	177,913	548,486
 Other taxes and social insurance payable		
Value added tax payable	102,579	153,077
Wage tax payable	41,114	49,540
	143,693	202,617
 Sundry payables, accruals and deferred income		
Vacation accruals	26,700	25,055
Other outstanding expenses	80,546	48,023
Deferred income	-	422,048
	107,246	495,126

OFF BALANCE SHEET COMMITMENTS

Long term liabilities

Lease liabilities accommodation

The company has lease liabilities for the accommodation until 31. March 2015. Standard fee:

- 1. April 2013 until 31. August 2013: € 12.700
- 1. September 2013 until 31. August 2014: € 33.000
- 1. September 2014 until 31. March 2015: € 22.167

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date **06 MAY 2013**

initials

5 NOTES TO THE PROFIT & LOSS ACCOUNT OVER THE YEAR 2012/2013

7. Net turnover

The net sales have decreased in 2012/2013 comparing with 2011/2012 by 20.1% .

Employee expenses

	2012/2013	2011/2012
	€	€
8. Wages and salaries		
Gross wages and salaries	1,452,044	1,608,691
9. Social security charges		
Employees' insurances	93,680	99,896
Compensation medical insurance	66,519	67,145
	160,199	167,041
10. Management services		
Management services	10,695	10,754
11. Other employee expenses		
Travel expenses	38,459	57,993
Seminar and conference expenses	2,254	2,634
Relocation expenses	9,453	21,203
Recruitment	12,501	457
Staff training	1,467	-
Work permit fee	4,586	2,739
	68,720	85,026

Staff

The average number of employees in 2012/2013 was 22 (2011/2012: 25)

Depreciation

12. Depreciation of tangible fixed assets

Other tangible fixed assets	619	1,153
Book result	332	1,017
	951	2,170

Other operating expenses

13. Accommodation expenses

Office and building rent	29,458	31,814
--------------------------	--------	--------

FOR IDENTIFICATION PURPOSES ONLY
DDO Audit & Assurance B.V.

date

06 MAY 2013

initials

	2012/2013	2011/2012
	€	€
14. Office expenses		
Telephone charges	9,381	22,187
Other office expenses	4,966	3,335
	<u>14,347</u>	<u>25,522</u>
15. Selling expenses		
Promotion and advertising	23,927	84,671
Business promotion	6,150	6,230
Marketing expenses	96,502	-
	<u>126,579</u>	<u>90,901</u>
16. General expenses		
Audit fees	18,600	18,000
Professional services	60,725	66,354
Legal charges	-	-1,742
Insurances	2,594	4,781
Other general expenses	366	993
	<u>82,285</u>	<u>88,386</u>
Financial income and expenses		
17. Interest and similar income		
Interest income - deposit and others	12,557	11,346
Exchange difference	-	150
Interest loans group companies	-	12,401
	<u>12,557</u>	<u>23,897</u>
18. Interest and similar expenses		
Bank and other financial charges	-1,593	-1,860
Exchange difference	-261	-
Interest loans group companies	-	-507
	<u>-1,854</u>	<u>-2,367</u>
19. Tax on result from operating activities		
Corporate income tax	-40,257	-87,626
Corporate income tax prior periods	180	-22
	<u>-40,077</u>	<u>-87,648</u>


FOR IDENTIFICATION PURPOSES ONLY
GDO Audit & Assurance B.V.

date **06 MAY 2013**

initials

Signing of the financial statements

AMSTERDAM, May 6, 2013


Mr. Arvind Thakur
Mr. Sunil Roshanlal Surya

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

Date 06 MAY 2013

Initials 

OTHER INFORMATION

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance S.A.

date **06 MAY 2013**

initials

OTHER INFORMATION

1 Provisions of the articles of association regarding the appropriation of profits and losses

Clause 14 of the articles of association reads as follows:

1. The financial result will become available to the general meeting of shareholders.
2. a. The company may distribute distributable profits to shareholders and others entitled here to, only so far as the equity shows a surplus after the sharecapital plus the statutory reserves have been deducted there of.
b. Profits may be distributed after adoption of the annual accounts authorising such distribution.
c. No distribution of profits will be payable to the company.
3. The company may only pay interim profit distributions if the conditions said in clause 2.a. have been met.

2 Appropriation of the profit for 2012/2013

The board of directors proposes to appropriate the profit for 2012/2013 as follows:

	<u>2012/2013</u>
	€
Result after taxes	<u>156,555</u>
Addition to the credit of the general reserve	<u><u>156,555</u></u>

Anticipating the adoption of the annual accounts by the General Meeting of Shareholders this proposal is already processed in these annual accounts.

3 Post balance sheet events

Upon drawing this annual statement, no events have been reported bearing significance impelling statement in this section.

FOR IDENTIFICATION PURPOSES ONLY
BDO Audit & Assurance B.V.

date **06 MAY 2013**

initials

INDEPENDENT AUDITOR'S REPORT

To: the General Meeting of Shareholders and the Management of NIIT Technologies B.V.

Report on the financial statements

We have audited the accompanying financial statements of NIIT Technologies B.V., Amsterdam, which comprise the balance sheet as at March 31, 2013, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information. As at March 31, 2013, the shareholders' equity amounts to € 1.077.445 and the net result for the year then ended amounts to € 156.555.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires 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.

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 judgment, 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 entity'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 accounting policies used and the reasonableness of 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 with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of NIIT Technologies B.V. as at March 31, 2013 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Rotterdam, 6 May 2013

BDO Audit & Assurance B.V.
on its behalf,


R. Karlas RA