



**NIIT TECHNOLOGIES, S.A.**

Annual Accounts and Directors' Report  
at year-end 31 March 2019

NIIT TECHNOLOGIES, S.A.

**BALANCE SHEET AT YEAR-END 31 MARCH 2019 AND 2018**  
(Expressed in euro)

ASSETS	Note	At 31 March	
		2019	2018
<b>NON-CURRENT ASSETS</b>		<b>935,130</b>	<b>915,732</b>
Intangible assets	6	49,467	71,154
Property, plant and equipment	7	205,516	85,030
Long-term investments	8, 9	103,489	62,084
Other financial assets		103,489	62,084
Deferred tax assets	16	576,658	697,464
<b>CURRENT ASSETS</b>		<b>2,581,075</b>	<b>2,116,196</b>
Trade and other receivables		2,447,651	1,861,926
- Trade receivables for sales and services rendered	8, 10	2,383,745	1,804,134
Trade receivables, group companies and associates	8, 19	58,092	50,426
Staff costs	8, 10	700	2,252
Other receivables from the Public Administrations	16	5,114	5,114
Prepayments and accrued income		22,614	23,493
Cash and cash equivalents	11	110,810	230,777
		<b>3,516,205</b>	<b>3,031,928</b>
EQUITY AND LIABILITIES	Note	2019	2018
<b>EQUITY</b>			
Shareholders' funds		1,321,960	1,170,108
Share capital	12	198,900	198,900
Reserves	13	2,955,726	2,955,726
(Treasury shares)	12, 13	(54,419)	(54,419)
Prior-year losses		(1,930,099)	(1,483,613)
Profit /(loss) for year	3	151,852	(446,485)
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	16	56	552
<b>CURRENT LIABILITIES</b>		<b>2,194,189</b>	<b>1,861,268</b>
Short-term provisions	15	183,828	148,215
Trade and other payables		1,906,416	1,607,608
Trade payables	8, 14	67,313	130,739
Trade payables, Group companies and associates	8, 19	1,317,292	941,783
Sundry payables	8, 14	103,109	123,363
Accrued wages and salaries	8, 14	162,766	154,718
Other payables to the Public Administrations	16	255,936	257,005
Accruals and deferred income		103,945	105,445
		<b>3,516,205</b>	<b>3,031,928</b>

Notes 1 to 21 form an integral part of the balance sheet at 31 March 2019 and 2018

NIIT TECHNOLOGIES, S.A.

INCOME STATEMENT FOR THE YEARS ENDED 31 MARCH 2019 AND 2018  
(Expressed in euro)

	Note	Year ended at 31 March	
		2019	2018
<b>CONTINUING OPERATIONS</b>			
Revenue	17	<b>11,312,340</b>	<b>9,793,783</b>
Services provided		11,312,340	9,793,783
Raw materials and other consumables	17	<b>(2,594,980)</b>	<b>(1,821,194)</b>
Subcontracted work		(2,594,980)	(1,821,194)
Staff costs	17	<b>(6,619,769)</b>	<b>(7,492,400)</b>
Wages, salaries and similar		(5,241,809)	(5,991,897)
Staff welfare costs		(1,377,960)	(1,500,503)
Other operating expenses		<b>(1,657,178)</b>	<b>(940,290)</b>
External services		(1,626,870)	(845,410)
Taxes		(5,030)	(3,506)
Losses, impairment and variation in trade provisions	10	(25,278)	(91,374)
Fixed asset amortisation/ depreciation	6 and 7	<b>(71,085)</b>	<b>(48,008)</b>
OPERATING RESULTS		<b>369,328</b>	<b>(508,109)</b>
Financial expenses		(7,616)	(10,540)
Exchange differences		(89,550)	(76,664)
FINANCIAL INCOME/(EXPENSE)		<b>(97,166)</b>	<b>(87,204)</b>
PROFIT/(LOSS) BEFORE TAX		<b>272,162</b>	<b>(595,313)</b>
Corporate income tax	16	(120,310)	148,828
PROFIT/(LOSS) FOR THE YEAR		<b>151,852</b>	<b>(446,485)</b>

Notes 1 to 21 form an integral part of the income statement at 31 March 2019 and 2018

**NIIT TECHNOLOGIES, S.A.**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 MARCH 2019 AND 2018  
(Expressed in euro)**

**A) STATEMENT OF RECOGNISED INCOME AND EXPENSE**

	<b>2019</b>	<b>2018</b>
<b>Profit / (Loss) for the year</b>	<b>151,852</b>	<b>(446,485)</b>
<b>Income and expenses recognised directly in equity</b>	-	-
For valuation of financial instruments	-	-
- Available-for-sale financial assets	-	-
- Other income / expenses	-	-
For cash flow hedges	-	-
Grants, donations and legacies received	-	-
Actuarial gains or losses	-	-
Non-current assets and related liabilities held for sale	-	-
Translation differences	-	-
Tax effect	-	-
<b>Total income and expenses recognised directly in equity</b>	-	-
<b>Transfers to Profit or Loss</b>	-	-
For valuation of financial instruments	-	-
- Available-for-sale financial assets	-	-
- Other income / expenses	-	-
For cash flow hedges	-	-
Grants, donations and legacies received	-	-
Non-current assets and related liabilities held for sale	-	-
Translation differences	-	-
Tax effect	-	-
<b>Total Transfers to Profit or Loss</b>	-	-
<b>TOTAL RECOGNISED INCOME AND EXPENSE</b>	<b>151,852</b>	<b>(446,485)</b>



**NIIT TECHNOLOGIES, S.A.**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 MARCH 2019 AND 2018**  
(Expressed in euro)

**B) STATEMENT OF CHANGES IN EQUITY**

	Share capital	Share premium	Reserves	(Treasury shares)	Prior-year losses	Profit / (Loss) for the year	TOTAL
<b>Opening balance 2018</b>	<b>198,900</b>	<b>-</b>	<b>2,955,726</b>	<b>(54,419)</b>	<b>(516,921)</b>	<b>(966,693)</b>	<b>1,616,593</b>
Total Recognised income and expense	-	-	-	-	-	(446,485)	<b>(446,485)</b>
- Recognised income and expense	-	-	-	-	-	(446,485)	<b>(446,485)</b>
Application of prior-year profit / (loss)	-	-	-	-	(966,693)	966,693	-
<b>End balance 2018</b>	<b>198,900</b>	<b>-</b>	<b>2,955,726</b>	<b>(54,419)</b>	<b>(1,483,614)</b>	<b>(446,485)</b>	<b>1,170,108</b>
<b>Opening balance 2019</b>	<b>198,900</b>	<b>-</b>	<b>2,955,726</b>	<b>(54,419)</b>	<b>(1,483,614)</b>	<b>(446,485)</b>	<b>1,170,108</b>
Total Recognised income and expense	-	-	-	-	-	151,852	<b>151,852</b>
- Recognised income and expense	-	-	-	-	-	151,852	151,852
Application of prior-year profit / (loss)	-	-	-	-	(446,485)	446,485	-
<b>End balance 2019</b>	<b>198,900</b>	<b>-</b>	<b>2,955,726</b>	<b>(54,419)</b>	<b>(1,930,099)</b>	<b>151,852</b>	<b>1,321,960</b>



**NIIT TECHNOLOGIES, S.A.**

**CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019 AND 2018**  
(Expressed in euro)

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
<b>Profit / (Loss) before income tax</b>	<b>272,162</b>	<b>(595,313)</b>
<b>Adjustments for:</b>	<b>193,529</b>	<b>44,812</b>
Amortisation	71,085	48,008
Variation of provisions	25,278	(90,402)
Finance costs	7,616	10,541
Exchange rate differences	89,550	76,665
<b>Changes in working capital</b>	<b>(408,158)</b>	<b>1,183,593</b>
Trade and other receivables	(611,003)	643,543
Other current assets	879	4,116
Creditors and other payables	209,258	533,608
Other current liabilities	34,113	2,326
Other non-current assets and liabilities	(41,405)	-
<b>Other cash flows from operating activities</b>	<b>(7,616)</b>	<b>(10,541)</b>
Interest payments	(7,616)	(10,541)
<b>Net cash from operating activities</b>	<b>49,917</b>	<b>622,551</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Payments for:</b>	<b>(169,884)</b>	<b>(69,690)</b>
Intangible assets	-	(49,952)
Property, plant and equipment	(169,884)	(19,708)
Other financial assets	-	(30)
<b>Net cash used in investing activities</b>	<b>(169,884)</b>	<b>(69,690)</b>
<b>FINANCING ACTIVITIES</b>		
<b>Collections and payments for financial liability instruments:</b>	<b>-</b>	<b>(500,849)</b>
Payables to group companies and associates	-	(500,849)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(500,849)</b>
<b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(119,967)</b>	<b>52,012</b>
Cash and cash equivalents at the beginning of the period	230,777	178,765
Cash and cash equivalents at the end of the period	110,810	230,777



**NIIT TECHNOLOGIES, S.A.**

**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**  
(Expressed in euro )

**1. General information**

NIIT Technologies, S,A, (the Company), formerly Proyecta Sistemas de Información, S,A, to which these notes relate, was incorporated on 13 November 2001, under the name "Seleco Segunda, S,L", as a private limited company ("Sociedad Limitada").

Its name was changed on 1 March 2002 to "Proyecta Sistemas de Información, S.L.", On 22 April 2002 it was transformed into a public limited company ("Sociedad Anónima"). It is currently regulated by Law 19/89 and the Spanish Companies Act of 1989.

On 5 November 2012 Proyecta Sistemas de Información, S,A, was renamed NIIT Technologies, SA.

At the year end the Company's registered office is located at street Mendez Alvaro N° 9, Madrid, Its tax ID is A-83163634.

The Company is registered in the Mercantile Register of Madrid, page 224, volume 17,091, sheet number M-292642, entry 22, dated 12 December 2012.

Its corporate objects are described in agreement 5 paragraph D chapter 1 Article 2 of its bylaws and consist of the performance of all kinds of advisory and consulting work concerning the development, installation, integration and maintenance of advanced IT systems and support which enable it to offer complete computing solutions through the utilisation of advanced technologies in the IT and communications field, as well as the implementation of individual tailored software packages.

These annual accounts were prepared by the Board of Directors on 28 June 2019.

NIIT Technologies, S,A,, forms part of the NIIT Group the ultimate parent of which is NIIT Technologies, Ltd,, domiciled at 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, ,New Delhi ,Delhi ,110019, India. The Group's consolidated annual accounts are filed with the Commercial Registry of New Delhi, The Group's consolidated financial statements for 2018 were prepared by the directors at the Board of Directors' meeting held on 4 May 2018.

The Company's functional currency is the euro. These annual accounts are expressed in euros.

**2. Basis of presentation**

**2.1 Fair presentation**

The annual accounts have been prepared on the basis of the Company's accounting records and are presented in compliance with current Spanish Company Law and the Spanish Chart of Accounts approved by Royal Decree 1514/2007, as amended by Royal Decree 1159/2010 and Royal Decree 602/2016 so as to provide a true and fair view of the Company's net worth, its financial situation and the results of its operations.

**2.2 Critical measurement issues and estimation of uncertainty**

The preparation of the annual accounts requires the Company to make certain estimates and judgements concerning the future. These are continually evaluated and are based on historical experience and other factors, including expectations of future events considered to be reasonable under the circumstances.

The resulting accounting estimates, by definition, rarely equal real results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

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**NIIT TECHNOLOGIES, S.A.**

**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**  
(Expressed in euro )

Deferred tax assets

Deferred tax assets are recognised for all those available tax losses and taxable temporary differences with respect to which the Company is likely to record taxable income in the future enabling their application. To determine the amount of deferred tax assets that can be recognised. Management estimates the amounts and dates on which future tax profits will be obtained and the period of reversal of taxable temporary differences.

Revenue recognition

With regard to long-term fixed price projects, revenue is recognised on a “percentage of completion” basis at the year end. The “percentage of completion” is measured based on the efforts made to the year-end date as compared with estimated efforts to completion. Any loss on a contract is fully recognised as soon as it is known, based on the estimated effort to completion.

Revenues from professional services contracts are recognised over the year according to the agreed service terms.

**2.3 Comparability**

For comparative purposes, for each item in the balance sheet and income statement, the corresponding amounts for the previous year as well as the amounts for the year ended 31 March 2019 are included. The notes to the accounts also include quantitative information on the previous year, except when a specific accounting standard provides otherwise.

**2.4 Non-mandatory accounting principles**

No non-mandatory accounting principles were applied. In addition, the Directors prepared the financial statements taking into account all the mandatory accounting principles and standards that have a material effect on these financial statements. There is no mandatory accounting principle that has ceased to be applied.

**3. Distribution of results**

The distribution of results for the year meets the requirements and limitations laid down in the Bylaws and applicable legislation.

The following distribution of results will be submitted to the General Shareholders’ Meeting for approval:

<b>Available for distribution</b>	<b>Euro</b>
Profit of the year	151,852
<b>Total</b>	<b>151,852</b>
<b>Distribution</b>	
Prior-year losses	151,852
<b>Total</b>	<b>151,852</b>

**4, Accounting policies**

**4,1 Intangible assets**

Intangible fixed assets are initially carried at cost, whether the acquisition price or the production cost. The cost of intangible assets acquired through business combinations is fair value at the acquisition date.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and, if appropriate, the accumulated amount of impairment adjustments recognised.





NIIT TECHNOLOGIES, S.A.

**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**  
(Expressed in euro )

Software

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. The assets are amortised over their estimated useful lives of 2 to 4 years depending on the asset concerned.

Software maintenance expenses are recognised when incurred. Development costs that are directly attributable to the design and testing of identifiable and unique computer programs controlled by the Company which are deemed likely to generate future economic benefits in excess of costs for more than one year are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed 4 years.

**4.2 Property, plant and equipment**

Property, plant and equipment is carried at acquisition price or production cost less accumulated depreciation and accumulated impairment losses recognised.

Own work capitalised is measured as calculated by adding to the price of the consumable materials used the direct or indirect costs attributable to the assets.

Costs incurred to extend, modernise or improve property, plant and equipment are only accounted for as an increase in the value of the asset when the asset's capacity, productivity or useful life is extended and it is possible to ascertain or estimate the carrying amount of the assets that have been replaced in inventories.

The cost of major repairs is capitalised and depreciated over the estimated useful life of the asset, while recurring maintenance costs are charged to the income statement in the year in which they are incurred.

Depreciation of property, plant and equipment, with the exception of land, which is not depreciated, is calculated systematically using the straight-line method over the assets' estimated useful lives based on the actual decline in value brought about by operation, use and possession. Estimated useful lives are:

Estimated useful life, percentage

- Machinery and tooling	12%
- Second -hand machinery and tooling	20%
- Other installations	12%
- Furnishings	10%
- Second-hand furnishings	20%
- Data-processing equipment	25%
- Other Property, plant and equipment	25%

The residual values and useful lives of assets are reviewed and adjusted, if necessary, at each balance sheet date.

When an asset's carrying amount exceeds its estimated recoverable amount, carrying amount is written down immediately to the recoverable amount.

Gains and losses on the sale of property, plant and equipment are calculated by comparing the revenue obtained with the carrying amount and are recognised in the income statement.



NIIT TECHNOLOGIES, S.A.

**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**  
(Expressed in euro )

**4,3 Losses due to impairment of non-financial assets**

Assets are tested for impairment whenever because of an event or change in circumstances, their carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, understood as the asset's fair value less the higher of costs to sell and value in use. For the purposes of assessing impairment losses, assets are grouped together at the lowest level for which there are separately identifiable cash flows (Cash Generating Units). Impaired non-financial assets other than goodwill are reviewed for possible reversal of the impairment at each reporting date.

**4,4 Financial assets**

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets, except for amounts maturing more than 12 months after the end of the reporting period, which are classified as non-current assets. Loans and receivables are included in "Loans to companies" and "Trade and other receivables" on the balance sheet.

Financial assets are initially carried at fair value, including directly attributable transaction costs, and are subsequently measured at amortised cost. Accrued interest is recognised at the effective interest rate, which is the discount rate that brings the instrument's carrying amount into line with all estimated cash flows to maturity. Trade receivables falling due in less than one year are carried at their face value at both initial recognition and subsequent measurement, provided that the effect of not discounting flows is not significant.

Loans and receivables are tested for impairment at least at each reporting date and the corresponding impairment losses are recognised when there is objective evidence that all amounts will not be collected.

Impairment losses are recognised at the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted at the effective interest rate prevailing at the initial recognition date. Value adjustments and any subsequent reversals are recognised in the income statement.

Financial assets are written off of the balance sheet of the Company, when the contractual rights have expired over the cash flows of the financial asset or when the significant risk and benefits associated to the financial assets are transferred.

b) Held-to-maturity investments:

Held-to-maturity financial assets are securities representing debt with fixed payments or payments that may be determined and have a fixed maturity date, are traded on an active market and with respect to which Company management has the effective intention and capacity to hold to maturity.

If the Company sells a material amount of held-to-maturity financial assets, the entire category would be reclassified as available for sale. These financial assets are included in non-current assets, except for those maturing in less than 12 months of the balance sheet date that are classified as current assets.

The criteria for measuring these investments are the same as those for measuring loans and receivables.

**4,5 Equity**

Share capital consists of ordinary shares.

The costs of issuing new shares or options are recognised directly in equity as a reduction in reserves.

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**NIIT TECHNOLOGIES, S.A.**

**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**  
(Expressed in euro )

In the event that the Company acquires treasury shares, the compensation paid including any incremental cost that is directly attributable is deducted from equity until the shares are eliminated, issued again or otherwise disposed of. When these shares are sold or subsequently reissued, any amount received, net of any incremental directly attributable transaction costs, is included in equity.

**4.6 Financial liabilities**

Creditors and payables

This category includes trade and non-trade payables. These liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months from the balance sheet date.

These liabilities are initially recognised at fair value, adjusted for directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the discount rate that brings the instrument's carrying amount into line with the expected future flow of payments to the maturity date of the liability.

Nonetheless, trade payables falling due in less than one year that do not carry a contractual interest rate are carried at their nominal value upon both initial recognition and subsequent measurement, provided that the effect of not discounting flows is not significant.

In the event of the renegotiation of existing debts, the financial liability is not deemed to change significantly when the lender of the new loan is the same as the initial lender and the present value of cash flows, including net fees, is not more than 10% higher or lower than the present value of cash flows payable on the original liability, calculated using the same method.

The Company write off of the balance sheet the financial liabilities when the obligation is extinguished.

The difference between the amount recorded of the financial liabilities, or the part of the financial liabilities that have been written off and the amount paid, including the costs attributable to the transactions, and in which any asset transferred other than the cash or liability assumed is also recognized, it is recognized in the profit and loss account for the year in which it takes place.

**4.7 Current and deferred taxes**

Income tax expense (income) is that amount of income tax that accrues during the period. It includes both current and deferred tax expense (income).

Both current and deferred tax expense/income are recognised in the income statement. However, the tax effect of items recorded directly in equity is recognised in equity.

Current tax assets and liabilities are carried at the amounts that are expected to be recoverable or payable with the tax authorities, in accordance with prevailing legislation or regulations that have been approved and are pending publication at the year end.

Deferred tax is calculated using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

However, if the deferred taxes arise from the initial recognition of a liability or an asset on a transaction other than a business combination that at the time of the transaction has no effect on the tax or accounting gain or loss, they are not recognised. The deferred tax is determined applying tax regulations and rates approved or about to be approved at the balance sheet date and which are expected to be applied when the corresponding deferred tax asset is realised or deferred tax liability is settled.

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## NIIT TECHNOLOGIES, S.A.

### NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019 (Expressed in euro )

Deferred tax assets are recognised insofar as future tax profits will probably arise against which to offset temporary differences as well as tax loss carryforwards. To this end, the Company's management evaluates this situation through the business plan used to make estimates of future taxable income, in accordance with the market reality and the specific characteristics of the entity. However, when the Company shows a history of continuing losses, it is presumed, unless there is evidence to the contrary, that it is not probable that gains will be available to offset the tax loss carryforwards, deductions and temporary differences.

#### 4.8 Employee benefits

##### Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises these benefits when it has demonstrably undertaken to terminate employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits not falling due more than 12 months after the end of the reporting period are discounted to their present value.

#### 4.9 Provisions and contingent liabilities

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, an outflow of funds will probably be necessary to settle the obligation, and the amount may be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are stated at the present value of the payments that are expected to be necessary to settle the obligation using a pre-tax rate that reflects an evaluation of the current market, the present value of money and the specific risks of the obligation. Adjustments to the provision due to restatements are recognised as a financial expense as they accrue.

Provisions maturing in one year or less with an immaterial effect are not discounted.

Where some of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised separately when, and only when, it is virtually certain that reimbursement will be received.

Contingent liabilities are considered to be potential liabilities deriving from past events, the existence of which is subject to the occurrence of one or more future events that are beyond the Company's control. These contingent liabilities are not recognised in the accounts but are described in the notes.

The Company does not have contingent liabilities and discloses in Note 15 to the annual accounts the provisions recognised at 31 March 2019 and 31 March 2018, respectively.

#### 4.10 Revenue recognition

Revenue comprises the fair value of the consideration receivable and represents amounts receivable for goods delivered and services rendered in the ordinary course of the Company's activities, net of returns, rebates, discounts and value added tax.

The Company recognises revenue when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and the specific conditions applicable to each of its activities are met. The amount of revenue cannot be measured reliably until all of the contingencies associated with the sale have been resolved.

With regard to long-term fixed price projects, revenue is recognised on a "percentage of completion" basis at the year end. The "percentage of completion" is measured based on the efforts made to the year-end date as compared with estimated efforts to completion. Any loss on a contract is fully recognised as soon as it is known, based on the estimated effort to completion.

**NIIT TECHNOLOGIES, S.A.**

**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**  
(Expressed in euro )

Revenues from professional services contracts are recognised over the year according to the agreed service terms. If the amount billed exceeds income obtained using the percentage of completion method, the excess is recognised as Deferred income. Conversely, the amount relating to unbilled revenue is recognised under Invoices pending formalisation on the balance sheet.

**4.11 Leases**

a) When the Company is the lessee (Finance lease)

The Company leases certain property, plant and equipment. When, in accordance with a lease for property, plant and equipment, the Company holds substantially all the rights and rewards of ownership, it is classified as a finance lease. Finance leases are capitalised at inception at the lower of the fair value of the leased property or the present value of the minimum payments due on the lease. Present value is calculated using the interest rate implicit in the lease agreement and, if this rate cannot be determined, the interest rate applied by the Company on similar transactions.

Each lease payment is distributed between the liability and financial charges. The total financial charge is apportioned over the lease term and taken to the income statement in the period of accrual, using the effective interest method, Contingent instalments are expensed in the year they are incurred, Lease obligations, net of financial charges, are recognised in "Finance lease creditors". Fixed assets acquired under finance lease are depreciated over their useful lives.

b) When the Company is the lessee (Operating lease)

Leases in which the lessor maintains a significant part of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

**4.12 Foreign currency transactions**

a) Functional and presentation currency

The Company's annual accounts are presented in euro, which is both its functional and presentation currency.

b) Transactions and balances

Transactions in foreign currency are translated to the functional currency using the exchange rates in force at the transaction date. Foreign exchange gains and losses resulting from the settlement of these transactions and translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the income statement.

Transactions carried out in foreign currency (pound sterling, US dollars and Indian rupees) are as follows:

	Euro	
	2019	2018
<b>Services received</b>	<b>1.530.737</b>	<b>625,108</b>
Pound sterling	774.508	88,952
US dollars	756.229	509,753
Indian rupiah	-	26,403
<b>Services rendered</b>	<b>2.904.714</b>	<b>1,983,208</b>
Pound sterling	40,847	-
US dollars	2,863,867	1,983,208



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Balances on the balance sheet denominated in foreign currency (pound sterling, US dollars and Indian rupees) are as follows:

	Euro	
	2019	2018
Asset balances denominated in foreign currencies	<b>243.209</b>	<b>389,096</b>
Pound sterling	11.847	-
US dollars	231.362	389,096
Liability balances denominated in foreign currencies	<b>854.028</b>	<b>415,527</b>
Indian rupiah	-	26,403
Pound sterling	676.990	89,297
US dollars	177.038	299,827

**4.13 Related party transactions**

As a general rule, intragroup transactions are initially recognised at fair value. If applicable, where the agreed price differs from fair value, the difference is recognised based on the economic reality of the transaction. Subsequent measurement is made in line with the relevant accounting standards.

**4.14 Treasury shares**

Treasury shares are recognised in equity as a decrease in "Shareholders' funds" when acquired. No loss or gain is shown in the income statement on sale or redemption, Income and expenses derived from transactions in treasury shares are recognised directly under equity as a decrease in reserves.

**4.15 Cash and cash equivalents**

This heading includes cash, bank accounts and deposits and assets acquired under repurchase agreements that meet all of the following requirements:

- They are convertible into cash,.
- On acquisition, they mature in less than three months.
- They are not subject to significant value fluctuation risk.
- They form part of the Company's normal cash management policy.

**5. Financial risk management**

**5.1 Financial risk factors**

The Company's risk policies are established by the Finance Department and have been approved by Group management. On the basis of these policies, the Company has established a series of procedures and controls that enable the risks deriving from activities with financial instruments to be identified, measured and managed. Under these policies, the Company may not engage in speculative transactions with derivatives.

Activities involving financial instruments expose the Company to credit, market and liquidity risk.

a) **Market risk**

The market risk results from the possible loss brought about by changes in fair value or future cash flows from a financial instrument due to changes in market prices. The market risk includes the interest rate risk, exchange rate risk and other price risks.

Interest rate risk

The interest rate risk results from the possible loss brought about by changes in fair value or future cash flows from a financial instrument due to changes in market interest rates.



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Foreign exchange risk

The foreign exchange rate risk results from the possible loss brought about by changes in fair value or future cash flows from a financial instrument due to fluctuations in exchange rates. The Company's exposure to exchange rate fluctuation risk is mainly due to sales made in currencies other than the functional currency.

The Company has assets and liabilities denominated in foreign currency at 31 March 2019 and 2018 and has carried out transactions in a currency other than the euro in the year ended 31 March 2019 and 2018, as detailed in Note 4, 12,b) to these accounts.

Other Price risks

The Company has no listed or unlisted shares or investment funds subject to variations in fair value caused by the market price for these investments. The Company is therefore not required to manage this risk by diversifying investments and applying individual global limits for contracting such instruments.

At 31 March 2019, maximum exposure to price risk in equity instruments acquired, including Group and jointly-controlled entities and associates, was zero because there are no equity instruments on the balance sheet.

Remaining short-term investments consist mainly of bank deposits which are not subject to fluctuations due to market trends.

b) Credit risk

The credit risk results from the possible loss brought about by non-compliance with contractual obligations by the Company's counter parties, i.e, the possible non-recovery of financial assets for the amounts reflected within the established timeframe.

Maximum credit risk exposure at 31 March 2019 and 2018 was as follows:

(Euro)	2019	2018
Long-term investments	103,489	62,084
Trade and other receivables	2,447,651	1,861,926
Cash and cash equivalents	110,810	230,777
	<b>2,661,950</b>	<b>2,154,787</b>

Monthly the Company prepares an ageing analysis of each balance receivable, which serves as a basis for managing their collection. Overdue accounts are claimed by the managers monthly until they are delayed by more than six months in excess of the historical average, at which time they are passed on to the legal counsel to be monitored and, if necessary, to be claimed in court.

The balance in Trade receivables for sales and services rendered amounting to €2,383,475 (2018: €1,804,134) is practically the whole risk recognised as "Trade and other receivables". These break down as follows, by age, at 31 March 2019 and 2018:

(Euro)	Continuing operations (Note 10)	
	2019	2018
<b>Not due</b>	2,292,419	1,799,055
<b>Due but not doubtful</b>	91,326	5,079
Less than 30 days	-	-
Between 30 and 60 days	-	-
Between 60 and 90 days	-	-
More than 90 days	91,326	5,079
	<b>2,383,745</b>	<b>1,804,134</b>
Doubtful	26,598	1,320
Impairment adjustments	(26,598)	(1,320)
<b>Total</b>	<b>2,383,745</b>	<b>1,804,134</b>

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The detail of the concentration of credit risk by counterparty of Trade receivables for sales and services rendered (not including doubtful debtors) is the following:

(Euro)	31/03/2019		31/03/2018	
	Number of customers	Amount	Number of customers	Amount
Balance over €1,000,000	-	-	-	-
Balance between €500,000 and €1,000,000	1	839,515	1	613,978
Balance between €200,000 and €500,000	3	985,494	1	472,644
Balance between €100,000 and €200,000	-	-	3	360,804
Balance under €100,000	17	558,736	10	356,708
<b>Total</b>		<b>2,383,745</b>		<b>1,804,134</b>

c) Liquidity risk

The liquidity risk results from the fact that the Company may not have liquid funds or have access to such funds in a sufficient amount and at an adequate cost to meet its payment obligations.

The Company has guaranteed at all times its liquidity needs through the financial support of the Group.

**6, Intangible assets**

Movements in "Intangible assets" in 2019 and 2018 are as follows:

	01/04/2018	Additions	Decreases	Euro 31/03/2019
Software and licences	120,936	-	-	120,936
Accumulated Amortisation Intangible assets	(49,782)	(21,687)	-	(71,469)
<b>Carrying amount</b>	<b>71,154</b>			<b>49,467</b>

	01/04/2017	Additions	Decreases	Euro 31/03/2018
Software and licences	71,114	49,952	(130)	120,936
Accumulated Amortisation Intangible assets	(29,726)	(20,186)	130	(49,782)
<b>Carrying amount</b>	<b>41,388</b>	<b>29,766</b>	-	<b>71,154</b>

At 31 March 2019, fully-amortised intangible assets amounting to €29,020 were still in use (at 31 March 2018: €11,662).





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**7, Property, plant and equipment**

Movements in "Property, plant and equipment" for the years ended 31 March 2019 and 2018 are as follows:

	01/04/2018	Additions	Decreases	Transfers	31/03/2019
Plant	33.150	-	-	-	33.150
Fixtures and fittings	30.478	93.293	-	-	123.771
Furnishings	36.992	30.098	-	-	67.090
Data-processing equipment	143.736	46.493	-	-	190.229
Other Property, plant and equipment	8.286	-	-	-	8.286
	<b>252.642</b>	<b>169.884</b>	-	-	<b>422.526</b>
Accumulated depreciation, plant	(31.355)	(1.742)	-	-	(33.097)
Accumulated depreciation, fixtures and fittings	(11.213)	(18.468)	-	-	(29.681)
Accumulated depreciation, furnishings	(26.041)	(4.174)	-	-	(30.215)
Accumulated depreciation, computer hardware	(91.726)	(24.287)	-	-	(116.013)
Accumulated depreciation, other PPE	(7.277)	(727)	-	-	(8.004)
	<b>(167.612)</b>	<b>(49.398)</b>	-	-	<b>(217.010)</b>
<b>Carrying amount</b>	<b>85.030</b>				<b>205.516</b>

  

	01/04/2017	Additions	Decreases	Transfers	31/03/2018
Plant	34.400	-	(1.250)	-	33.150
Fixtures and fittings	16.620	15.021	(1.163)	-	30.478
Furnishings	36.992	-	-	-	36.992
Data-processing equipment	149.294	4.687	(10.245)	-	143.736
Other Property, plant and equipment	8.878	-	(592)	-	8.286
	<b>246.184</b>	<b>19.708</b>	<b>(13.250)</b>	-	<b>252.642</b>
Accumulated depreciation, plant	(29.708)	(2.897)	1.250	-	(31.355)
Accumulated depreciation, fixtures and fittings	(9.519)	(2.857)	1.163	-	(11.213)
Accumulated depreciation, furnishings	(23.226)	(2.815)	-	-	(26.041)
Accumulated depreciation, computer hardware	(83.678)	(18.293)	10.245	-	(91.726)
Accumulated depreciation, other PPE	(6.909)	(960)	592	-	(7.277)
	<b>(150.040)</b>	<b>(27.822)</b>	<b>13.250</b>	-	<b>(167.612)</b>
<b>Carrying amount</b>	<b>93.144</b>				<b>85.030</b>

Fully depreciated PPE at 31 March 2019 and 2018 break down as follows (in euro):

	31/03/2019	31/03/2018
Plant	31.388	20.625
Fixtures and fittings	7.340	7.340
Furnishings	16.200	10.965
Data- processing equipment	65.079	63.415
Other Property, plant and equipment	7.449	4.084
	<b>127.456</b>	<b>106.429</b>

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Assets under finance lease

The carrying amount of property, plant and equipment acquired through finance leases at 31 March 2019 and 2018 is as follows:

	31/03/2019	31/03/2018
Switchboard		
Cost	15,459	15,459
Accumulated depreciation	(15,459)	(15,459)
	-	-

Operating leases

Lease instalments at 31 March 2019 relating to the lease of the previous office premises at Menorca 3, Madrid, and at Paseo de la Castellana 135 and the new offices located at street Mendez Alvaro Nº 9 in Madrid have been recognised on the income statement under Other operating expenses amounting to €224,125 (€214,652 in 2018).

There are operating lease instalments for the rent of equipment and vehicles that have been recognised in the income statement under "Other operating expenses" amounting to €37,256 (€37,240 in 2018).

According to the signed contracts, the minimum amounts to be paid in the future for these items at 31 March 2019 will be:

	Office Rent	Equipment	Euro	
			Office Rent	Vehicles
Amounts payable in the next year	205,927	19,531	-	-
Amounts payable within the next two to five years	686,425	15,797	-	-
	<b>892,352</b>	<b>35,328</b>	-	-

The fees to be paid in the coming year include the rental fees for the new lease agreement signed in May 2018 for the new office in the building Atocha Centro, which expires in 3 years, renewable for an additional two years.

According to the signed contracts, the future minimum amounts payable at 31 March 2018 were as follows:

	Office Rent	Equipment	Euro	
			Office Rent	Vehicles
Amounts payable within the next year	211,913	31,297	-	-
Amounts payable within the next two to five years	314,600	31,894	-	-
	<b>526,513</b>	<b>63,192</b>	-	-



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**8, Analysis of financial instruments**

**8,1 Analysis by category**

The carrying amount of each category of financial instruments stipulated in the standard "Financial instruments", excluding balances with the Public Administrations, is as follows:

	Euro			
	<b>Long-term financial assets</b>			
	<b>Credit</b>		<b>Total</b>	
	<b>Derivatives</b>		<b>Other</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Held-to-maturity deposits (Note 9)	103,489	62,084	103,489	62,084
	<b>Short-term financial assets</b>			
	<b>Credit</b>		<b>Total</b>	
	<b>Derivatives</b>		<b>Other</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Loans and receivables (Note 10)	2,442,537	1,856,812	2,442,537	1,856,812
<b>TOTAL</b>	<b>2,546,026</b>	<b>1,918,896</b>	<b>2,546,026</b>	<b>1,918,896</b>

Loans and receivables relate to commercial transactions

The carrying amounts of receivables approximate their fair value, given that the effect of discounting is not significant.

	Euro			
	<b>Short-term financial liabilities</b>			
	<b>Derivatives</b>		<b>Total</b>	
	<b>Other</b>		<b>Other</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Creditors and payables (Note 14)	1,650,480	1,350,604	1,650,480	1,350,604
<b>TOTAL</b>	<b>1,650,480</b>	<b>1,350,604</b>	<b>1,650,480</b>	<b>1,350,604</b>

Creditors and payables relate to commercial transactions with suppliers. The exposure of the Company's creditors and payables to interest rate fluctuations and the contractual dates on which prices are reviewed at year end dates does not have a significant impact in any event:

The carrying amounts of current borrowings approximate their fair value as the effect of discounting is not significant.

None of the Company's financing agreements are subject to ratio compliance clauses and therefore the Company is not required to attain certain key performance indicators.

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**8,2 Analysis by maturity**

At 31 March 2019 financial instruments having fixed or determinable maturities are shown below by year of maturity:

							Euro
	Financial assets						
	2019	2020	2021	2022	2023	Subsequent years	Total
Other financial assets	2,442,537	2,121	-	101,368	-	-	2,546,026
	<b>2,442,537</b>	<b>2,121</b>	<b>-</b>	<b>101,368</b>	<b>-</b>	<b>-</b>	<b>2,546,026</b>

  

							Euro
	Financial liabilities						
	2019	2020	2021	2022	2023	Subsequent years	Total
Other financial liabilities	1,650,480	-	-	-	-	-	1,650,480
	<b>1,650,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,650,480</b>

At 31 March 2018 financial instruments having fixed or determinable maturities are shown below by year of maturity:

							Euro
	Financial assets						
	2018	2019	2020	2021	2022	Subsequent years	Total
Other financial assets	1,856,812	62,084	-	-	-	-	1,918,896
	<b>1,856,812</b>	<b>62,084</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,918,896</b>

  

							Euro
	Financial liabilities						
	2018	2019	2020	2021	2022	Subsequent years	Total
Other financial liabilities	1,350,604	-	-	-	-	-	1,350,604
	<b>1,350,604</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,350,604</b>

**9, Held-to-maturity investments**

At the year - end 31 March 2019 there are long-term deposits amounting to € 27,988 (2018: €62,084).

At 31 March 2019 and 2018 there are no short-term deposits.

The Company has mainly recognised the deposits for the lease of the office located at Mendez Alvaro N° 9 in Madrid.

The fair values of investments held to maturity do not differ significant from the values resulting from applying amortised cost.

**10, Loans and receivables**

	Euro	
	2019	2018
<b>Short-term loans and receivables</b>		
- Trade receivables	2,383,745	1,804,134
- Group companies (Note 19)	58,092	50,426
- Staff costs	700	2,252
	<b>2,442,537</b>	<b>1,856,812</b>

The fair values of loans and receivables do not differ significantly from their carrying amount.

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Overdue trade receivables which are less than three months old are not considered to be impaired. At 31 March 2019, overdue receivables amounted to €91,326 (2018: €5,079). At 31 March 2019 an impairment loss was recognised amounting to €25,278 in respect of income pending formalisation (2018: €91,374).

Movements in the provision for impairment of trade receivables are as follows:

	Euro	
	2019	2018
<b>Opening balance</b>	<b>(1,320)</b>	<b>(262,648)</b>
Provisions for impairment of trade receivables	(25,278)	(91,374)
Receivables written off	-	352,702
<b>Closing balance</b>	<b>(26,598)</b>	<b>(1,320)</b>

The provision for receivables is recognised under Losses, impairment and changes in trade provisions on the income statement.

Other accounts included under Loans and receivables have not suffered any impairment.

**11, Cash and cash equivalents**

	Euro	
	2019	2018
Cash	110,457	230,429
Other cash equivalents	353	348
	<b>110,810</b>	<b>230,777</b>

**12, Capital and share premium**

a) Capital

At 31 March 2019 and 2018 the Company's share capital is represented by 3,315 fully subscribed and paid registered shares with a par value of € 60 each.

On 12 August 2011 the Company's former shareholders that at that date held 95,48% of the shares, sold them to the Group company NIIT Technologies Limited, UK, a wholly owned subsidiary of NIIT Technologies Ltd, India, the NIIT group's ultimate parent company.

The company with an interest of more than 10% in the Company's share capital is NIIT Technologies Limited UK which owns 95,48%.

b) Treasury shares

Equity on the balance sheet includes treasury shares in special situations amounting to € 54,419, valued at acquisition or purchase price. These include 150 shares with a par value of €60 each,

Treasury shares held by the Company at 31 March 2019 and 31 March 2018 represent 4,52% of total share capital (€ 198,900).

These shares are acquired for the purpose of being disposed of, held or redeemed through a capital reduction.

There is a restricted reserve equivalent to the value of the treasury shares under liabilities on the balance sheet. This reserve will be maintained until the shares are disposed of, (as per Article 148 of the Spanish Companies Act).

There is no change in the company's equity except for that resulting from the distribution of profits for the year.



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**13, Reserves and prior-year results**

a) Reserves

	Euro	
	2019	2018
<b>Legal and bylaw:</b>		
- Legal reserve	39,780	39,780
<b>Other reserves:</b>		
Voluntary reserves	2,861,527	2,861,527
- Treasury shares reserve	54,419	54,419
	<b>2,955,726</b>	<b>2,955,726</b>

Legal reserve

In accordance with the Spanish Companies Act 2010, until the balance of the legal reserve exceeds 20% of share capital, it may not be distributed to shareholders and may only be used, if no other reserves are available, to offset losses. At 31 March 2019 and 2018, the balance in this reserve was equivalent to 20% of subscribed and paid up share capital.

**14, Creditors and payables**

	Euro	
	2019	2018
<b>Short-term borrowings and payables:</b>		
- Trade payables	67,313	130,739
- Trade payables, Group companies and associates (Note 19)	1,317,292	941,783
- Accrued wages and salaries	162,766	154,718
- Sundry payables	103,109	123,363
	<b>1,650,480</b>	<b>1,350,603</b>

The fair value of short-term creditors and payables approximates fair value, since the effect of discounting is immaterial.

Concerning the information required under Additional Provision Three "Duty of information" of Law 15/2010, amended by Law 31/2014, regarding the information to be disclosed in the notes on the average supplier payment period and subsequently ICAC Resolution 29/1/2016, which came into effect on 5 February 2016 for annual accounts for years starting on or after 1 January 2015, the average supplier payment period at 31 March 2019 and 2018 is as follows:

	2019 (days)	2018 (days)
Average supplier payment period	42	49
Ratio of paid transactions	44	49
Ratio of outstanding transactions	18	44
	Euros	Euros
Total payments	1,442,165	1,543,854
Total outstanding payments	81,854	211,080

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15, Other provisions

	Euro	
	Provision for holiday and other remuneration	Total
<b>Opening balance 2019</b>	<b>148,215</b>	<b>148,215</b>
Transfers	183,828	183,828
Applications	(148,215)	(148,215)
<b>Closing balance 2019</b>	<b>183,828</b>	<b>183,838</b>

  

	Euro	
	Provision for holiday and other remuneration	Total
<b>Opening balance 2018</b>	<b>238,617</b>	<b>238,617</b>
Transfers	148,215	148,215
Applications	(238,617)	(238,617)
<b>Closing balance 2018</b>	<b>148,215</b>	<b>148,215</b>

16, Tax situation

Set out below is an analysis of deferred tax:

	Euro	
	2019	2018
<b>Deferred tax assets:</b>		
- Tax losses	531,799	629,841
- Temporary differences	44,859	67,623
<b>Deferred tax liabilities:</b>		
- Temporary differences	(56)	(552)
<b>Deferred taxes</b>	<b>576,602</b>	<b>696,912</b>

The movement in deferred taxes is as follows:

Deferred tax assets	Euro	
	2019	2018
<b>Opening balance</b>	<b>697,464</b>	<b>548,779</b>
Taken to the income statement	(120,806)	148,685
<b>Closing balance</b>	<b>577,132</b>	<b>697,464</b>

  

Deferred tax liabilities	Euro	
	2019	2018
<b>Opening balance</b>	<b>552</b>	<b>695</b>
Charged to the income statement	(496)	(143)
<b>Closing balance</b>	<b>56</b>	<b>552</b>

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The Company has the following balances with Public Administrations:

	Euro	
	2019	2018
<b>Tax assets</b>		
VAT	5,114	5,114

	Euro	
	2019	2018
<b>Tax liabilities</b>		
Personal income tax	71,426	71,368
VAT	50,944	31,781
Social security	133,566	153,856
	<b>255,936</b>	<b>257,005</b>

Set out below is the reconciliation between net income and expense for the year and the income tax base:

	2019		
	Additions	Decreases	Total
Profit/(loss) before income tax	-	-	272,162
Temporary differences arising during the year	168,828	-	168,828
Temporary differences arising in previous year	-	(133,510)	(133,510)
Recovery of tax losses	-	(307,480)	(307,480)
<b>Taxable base</b>			<b>-</b>

Temporary differences are mainly due to the recognition of holidays accrued for the year ended 31 March 2019 and the amount reversed for the year ended 31 March 2018.

Income tax expense is analysed below:

	Euro	
	2019	2018
Current tax	-	-
Deferred tax	(120,310)	148,828
	<b>(120,310)</b>	<b>148,828</b>

Current income tax expense is calculated by applying a tax rate of 25% (2018: 25%) to the tax base.

All the Company's tax returns for the last four years for the principal taxes to which it is subject are open to inspection by the tax authorities.

Tax loss carryforwards	Year
398,232	2016
1,150,640	2017
578,324	2018
<b>2,127,196</b>	

At the end of the 2019 financial year, the Company's Directors, through the analysis made by Management of the business plan used to prepare estimates of future taxable income, have estimated that the circumstances are fully met for the recognition of unused tax credits, temporary differences in tax and tax loss carryforwards and, accordingly, these assets have been recognised in the balance sheet.

The Company has not yet been audited by the tax authorities for the last four years for the main taxes applicable to it.



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As a result, among other things, of the different interpretations to which Spanish tax legislation lends itself, additional tax liabilities may be raised in the event of a tax assessment. The Directors consider, however, that any additional assessments that might be made would not significantly affect these accounts.

Law 3/2016 took effect on 2 December 2016 and introduced significant changes to corporate income tax regulations, including new limits on the deduction of tax losses, establishing, inter alia, a limit of 60%/70% for those companies where total income is less than €20 million, it being possible, nonetheless, to use a minimum of €1 million in respect of tax losses. Company management does not expect that these measures will have an impact on the recovery of the tax credits recognised.

**17, Income and expenses**

a) Revenue

Revenues from the Company's continuing operations by category of activities and geographical market break down as follows:

	Euro	
	2019	2018
Segmentation by category of activity		
Provision of services	11,312,340	9,793,783
	<b>11,312,340</b>	<b>9,793,783</b>
Segmentation by geographical market		
Spain	3,974,752	4,183,700
Europe	7,337,588	5,594,384
India	-	15,699
	<b>11,312,340</b>	<b>9,793,783</b>

b) Raw materials and consumables

The breakdown of expenses relating to raw materials and other consumables at 31 March 2019 and 2018 is as follows:

	Euro	
	2019	2018
<b>Raw materials and consumables:</b>		
Subcontracted work	(2,594,980)	(1,821,194)
	<b>(2,594,980)</b>	<b>(1,821,194)</b>

c) Staff costs

	Euro	
	2019	2018
Wages, salaries and similar	(5,241,809)	(5,991,897)
Staff welfare costs	(1,377,960)	(1,500,503)
	<b>(6,619,769)</b>	<b>(7,492,400)</b>

The line "Wages, salaries and similar remuneration" includes termination benefit costs of €4,032 (2018: €469,704).

The average number of employees during the year by category is as follows:

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**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**  
(Expressed in euro )

<b>Category</b>	<b>2019</b>	<b>2018</b>
Administrative staff	5	4
Project leader	1	8
Team leader	46	39
Analyst	15	54
Analyst – Programmer	39	-
Programmer – Graphic designer	10	12
Architects	6	7
Tester	2	2
Systems technician	1	1
Manager	2	6
<b>TOTAL</b>	<b>127</b>	<b>133</b>

The Company's employees are distributed as follows by gender at the year-end 2019 and 2018:

	<b>2019</b>			<b>2018</b>		
	<b>Men</b>	<b>Women</b>	<b>Total</b>	<b>Men</b>	<b>Women</b>	<b>Total</b>
Administrative staff	3	2	5	2	2	4
Project leader	1	-	1	4	4	8
Team leader	30	16	46	29	10	39
Analyst	9	6	15	38	16	54
Analyst – Programmer	29	11	40	-	-	-
Programmer – Graphic designer	9	1	10	12	-	12
Architects	2	4	6	5	2	7
Tester	1	1	2	1	1	2
Systems technician	1	-	1	1	-	1
Manager	1	-	1	3	3	6
<b>TOTAL</b>	<b>86</b>	<b>41</b>	<b>127</b>	<b>95</b>	<b>38</b>	<b>133</b>

The average number of persons employed during the 2018 financial year with a disability greater than or equal to 33%, broken down by category, is as follows:

<b>Category</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Administrative	-	1	1
Programmer analyst	1	-	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>2</b>

d) Other operating expenses

The detail of Other operating expenses at 31 March 2019 and 2018 is as follows:

<b>Other operating expenses</b>	<b>2019</b>	<b>2018</b>
Rent and Royalties	261,381	251,892
Repairs and maintenance	79,352	42,701
Independent professional services	956,218	213,060
Insurance rates	8,340	7,993
Bank services	9,423	6,006
Advertising and public relations	2,895	47,584
Supplies	60,791	58,199
Other services	248,470	217,975
Other taxes	5,030	3,506
Allocation to the provision for impairment of trade receivables	25,278	91,374
	<b>1,657,178</b>	<b>940,290</b>

**18, Board of Directors and Senior Management**

Senior Management remuneration and loans

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**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**  
(Expressed in euro )

The detail of the remuneration accruing to the members of the Company's Board of Directors and senior management in the year ended at 31 March 2019 and 2018 is the following:

	<b>Euro</b>	
	<b>2019</b>	<b>2018</b>
Wages and salaries	103,107	270,916
Benefits in kind	14,466	26,188
	<b>117,573</b>	<b>297,104</b>

At 31 March 2019 and 2018 the Company had no pension commitments with respect to the former or current member of the Board of Directors.

As part of their duty to avoid conflicts with the Company's interests, during the year the directors who have held positions on the Board of Directors have discharged the obligations set forth in Article 228 of the Spanish Companies Act. Additionally, these directors and parties related to them, have not come under the provisions of conflict of interests in Article 229 of this Law, except where the pertinent authorisation was obtained.

At 31 March 2019 and 2018 there were no advances or loans to senior management staff or to the members of the Board of Directors, nor had any guarantee obligations been assumed on their behalf.

At 31 March 2019 and 2018 there are no balances with shareholders and directors.

The members of the Board of Directors receive no remuneration for their positions as such

**19, Other related-party transactions**

a) Sale of goods and provision of services

	<b>Euro</b>	
	<b>2019</b>	<b>2018</b>
<b>Rendering of services:</b>		
NIIT Technologies Ltd, UK,	600,183	693,554
NIIT Insurance Technologies, LTD	82,068	-
NIIT Technologies Ltd,	-	15,699
NIIT Switzerland,	77,444	106,922
	<b>759,695</b>	<b>816,175</b>

b) Goods purchased and services received

	<b>Euro</b>	
	<b>2019</b>	<b>2018</b>
<b>Services received:</b>		
NIIT Technologies Ltd,	106,940	48,823
NIIT Technologies Ltd, UK	901,468	181,571
NIIT Technologies, Inc,	30,987	16,943
NIIT Airline Technologies GmbH,	-	9,206
NIIT Technologies Ltd., SEZ unit,	1,966,475	1,175,752
NIIT Technologies, Ltd. (USA Branch)	54,818	
	<b>3,060,688</b>	<b>1,432,294</b>



**NIIT TECHNOLOGIES, S.A.**

**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**  
(Expressed in euro )

c) Year-end balances arising from sales and purchases of goods and services

	Euro	
	2019	2018
<b>Accounts receivable from related parties</b>		
NIIT Technologies Ltd, UK,	42,290	50,426
NIIT InsuranceTechnologies Ltd,	15,802	-
	<b>58,092</b>	<b>50,426</b>
	Euro	
	2019	2018
<b>Accounts payable to related parties</b>		
NIIT Technologies Ltd,	15,429	31,831
NIIT Technologies Ltd, UK,	789,641	182,906
NIIT Technologies, Ltd. (USA Branch)	18,665	
NIIT Technologies BV,	-	2,116
NIIT Technologies, Inc,	-	16,943
NIIT Technologies Ltd., SEZ unit,	493,577	707,987
	<b>1,317,292</b>	<b>941,783</b>

Assets are sold and services are rendered on the basis of current prices applicable to non-related third parties.

**20, Other information**

*Environment and greenhouse gas emission allowances*

During the present year, the Company has incurred no environmental protection and improvement expenses.

In compliance with the changes brought in by the new Chart of Accounts, the Ministerial Order of 28 January 2009 (Official State Gazette of 10 February) and the Ruling of 6 April 2010 (Official State Gazette 84, 7 April), it is reported stated that the Company records no environmental items or greenhouse gas emission allowances.

The Company's Directors consider that there are no significant contingencies relating to environmental protection and improvement and therefore that there is no need to raise a provision in this respect.

*Fees*

The audit fees accrued during the year by PricewaterhouseCoopers Auditores, S,L, for audit services totalled €30,705 (2018: €30,705). No other services have been invoiced by this firm or others using the same trademark.

*Guarantees or commitments with third parties*

At 31 March 2019 the Company has no guarantees or other commitments with third parties which entail a risk for the Company.

At 31 March 2019 the Company does not hold any pledged assets.

At 31 March 2019 the Company has no commitments to purchase or sell fixed assets.

**21, Events after the balance sheet date**

There have been no significant events after the year end.



**NIIT TECHNOLOGIES, S.A.**

**PREPARATION OF THE ANNUAL ACCOUNTS AND DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019**

In accordance with Article 253 of the Spanish Companies Act 2010 and Article 37 of the Code of Commerce, on 28 June 2019 the Board of Directors of NIIT Technologies, S.A, prepared the Annual Accounts and Directors' Report for the year ended 31 March 2019, consisting of the preceding documents.

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Arunbir Singh Soin  
Foreigner ID Y5050109J  
Joint Administrator

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Neeraj Mathur  
Foreigner ID Z2226237  
Joint Administrator

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**PREPARATION OF ANNUAL ACCOUNTS:**

Pursuant to the provisions of the Spanish Companies Act, the Joint Administrators of NIIT Technologies, S.A., on 28 June 2019, draw up these ordinary annual accounts for the year ended 31 March 2019, issued on 32 pages of ordinary paper including this page, and that will be submitted to the Shareholders in General Meeting for approval.

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Arunbir Singh Soin  
Foreigner ID Y5050109J  
Joint Administrator

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Neeraj Mathur  
Foreigner ID Z2226237  
Joint Administrator

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**NIIT TECHNOLOGIES, S.A.**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018**

This year the positive evolution of the company in the last two quarters of the previous fiscal year has been confirmed. The consolidation of the positive results both in gross performance and in the subsequent operating margin have been a fact and have even improved the expectations initially raised where a flat behavior was expected but which would ensure the profitability obtained in the last quarter of the previous fiscal year.

The main drivers of this change in trend have continued to be the continued increase in the sales of our two main accounts, such as Iberia and TTC, as well as the maintenance of wage and structural costs within the established limits. In addition, the rest of the accounts served from Spain have remained at acceptable margins, reaching, in some cases, to improve the level of profitability through a continuous improvement in the services provided and in the subsequent confidence of the client for additional contracts. Finally, indicate that low levels of subcontracting have been maintained in line with what was initially planned.

This good economic performance has allowed us to incur the necessary investment to move our headquarters to a new location improving our growth capabilities, the price ratio per square meter as well as other qualitative factors such as the creation of better work spaces for our employees and a better brand image for our customers. This movement reinforces and consolidates Spain as the center of digital development for the rest of Europe by NIIT Technologies.

Linked to these qualitative factors and care of the employee has proceeded to the implementation of various initiatives and investments aimed at improving professional training (training initiatives) and the improvement and promotion of teamwork and involvement with the company through our HR department. This allows us to continue having controlled rotation rates, below the industry average and keeping key people within the organization due to the knowledge they treasure which lies in the continuity of certain lines of business. All aspects related to the template are explained in the corresponding note of the report.

Regarding our strategy of partners and subcontractors, we have already mentioned the expected and announced reduction at the end of the previous fiscal year and our complete alignment with corporate directives where we seek to complement suppliers that provide us with significant technological and disruptive value. Highlight in this regard the opening of lines of work in different opportunities with our partners Artificial Solution and Wishworks.

Indicate some other point about the last exercise:

- There are no relevant events after the end of the year.
- Regarding the use of coverage products, the company does not have them.
- In the Note 5 of the annual accounts is mention the financial risk factors of the company.
- The company has not made investments in R & D during the year 2018-2019.
- During the year, there were no acquisitions of treasury shares, although the Company has the portfolio included in the accompanying Balance Sheet, amounting to 4.52% of Share Capital.
- With respect to the average period of payment to suppliers, it is detailed in note 14 of the annual accounts.

To conclude, as a summary, it would be necessary to emphasize the achievement and even exceeding of the objectives initially set for the previous fiscal year, the maintenance of the required investments, the forecast of a growth higher than 10% overall for the accounts managed from Spain and a greater integration with the different estates and equipment of the company in order to show a technological evolution with our customers.

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