

**NIFT TECHNOLOGIES B.V.
AMSTERDAM**

**Annual Report 2016/2017
May 24, 2017**

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

date 24 MAY 2017

Initial's _____

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INTRODUCTION

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Smit en de Wolf belastingadviseurs bv

Scheveningsweg 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.
Zuidplein 36
1077 XV AMSTERDAM

Reference

10432.00

Date

May 24, 2017

Dear Sirs,

We hereby present the report of the annual accounts for 2016/2017 of NIIT Technologies B.V., of which the balance sheet accumulates a total assets value of € 1,057,366 and the profit and loss account concludes to a result after taxes of € 59,431.

1 AUDIT

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

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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

During the reporting period Mr. Arvind Thakur resigned on 27 May 2016. In his place, Mr. Satyakanta Samal was appointed with effect from 27 May 2016.

As per balance date The Management Board include the following members:

- mr. Arunbir Singh Soin (non-resident in the Netherlands);
- mr. Satyakanta Samal (non-resident in the Netherlands).

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3 RESULTS

3.1 Development of income and expenses

The result before taxation for 2016/2017 amounts to € 84,000 compared to negative € 32,000 for 2015/2016. The result for both years can be summarized as follows:

	2016/2017		2015/2016	
	x € 1,000	%	x € 1,000	%
Net turnover	1,092	100.0	2,628	100.0
Cost of sales	349	31.9	879	33.5
Gross turnover result	743	68.1	1,749	66.5
Expenses				
Employee expenses	522	47.8	1,537	58.5
Depreciation	1	0.2	2	-
Other operating expenses	139	12.7	249	9.5
	662	60.7	1,788	68.0
Operating result	81	7.4	-39	-1.5
Financial income and expenses	3	0.3	7	0.3
Result on ordinary business activities before taxation	84	7.7	-32	-1.2

3.2 Net turnover and gross margin

The net turnover decreased by 58.4% to € 1,092,177.

The gross margin decreased by 57.5% to € 743,458.

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4 FINANCIAL POSITION

The balance sheet can be summarized as follows:

	3/31/2017		3/31/2016	
	x € 1,000	x € 1,000	x € 1,000	x € 1,000
Long term funds available				
Equity		948		888
Long term investments				
Tangible fixed assets	-		2	
Financial fixed assets	6		5	
		6		7
Working capital		<u>942</u>		<u>881</u>
This amount is applied as follows:				
Receivables, prepayments and accrued income	119		405	
Cash and cash equivalents	932		732	
		1,051		1,137
Debit: Short-term debt		<u>109</u>		<u>256</u>
Working capital		<u>942</u>		<u>881</u>

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5 TAX POSITION

5.1 Taxable amount 2016/2017

	<u>2016/2017</u>
	€
Result before taxes	84,426
Result investments in group companies	39,285
	<u>123,711</u>
<i>Tax differences:</i>	
Non-deductible expenses	1,522
Taxable amount 2016/2017	<u><u>125,233</u></u>

The calculated corporation tax amounts:

The corporation tax due amounts to:

	<u>2016/2017</u>
	€
Corporation tax 2016	
20.0% of € 125,230 x 275/366	18,819
Corporation tax 2017	
20.0% of € 125,230 x 90/365	6,176
Corporation tax 2016/2017	<u><u>24,995</u></u>

The corporation tax to be received on the balance sheet date amounts to € 10,605. The analysis of this amount is as follows:

	<u>2016/2017</u>
	€
Balance as per April 1	-50,404
Corporation tax 2016/2017	24,995
	<u>-25,409</u>
Received on assessment 2015/2016	44,840
Received on assessment 2014/2015	5,564
Paid on provisional assessment 2016/2017	-35,600
	<u>14,804</u>
Balance as per March 31	<u><u>-10,605</u></u>

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5.2 Assessments

Final corporation tax assessments have been levied to the company until the fiscal year 2015/2016.

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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 2016/2017 has been prepared.

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FINANCIAL STATEMENTS

- Balance sheet as at March 31, 2017**
- Profit & loss account from 2016/2017**
- Notes to the Statements**
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- Notes to the profit & loss account from 2016/2017**

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BALANCE SHEET AS AT MARCH 31, 2017

(after appropriation of the profit)

PARTICULARS	NOTES	31-Mar-17		31-Mar-16	
		EUR	INR	EUR	INR
ASSETS Fixed assets					
Tangible fixed assets	(1)				
Other tangible fixed assets		358	24,919	2,298	1,73,193
Financial fixed assets	(2)				
Investments in group companies					
Other receivables		5,270	3,66,828	5,160	3,88,894
Current assets					
Receivables, prepayments and accrued income	(3)				
Trade receivables		1,04,344	72,63,062	3,38,787	2,55,33,360
Group and associated companies		-		5,910	4,45,419
Corporation tax		10,805	7,38,181	50,404	37,98,798
Prepayments and accrued income		3,976	2,76,757	10,230	7,71,683
Cash and cash equivalents	(4)				
		1,18,925	82,78,001	4,05,340	3,05,49,260
		9,32,813	6,49,30,221	7,31,602	5,51,38,648
		10,57,365	7,35,99,969	11,44,400	8,62,49,995

PARTICULARS	NOTES	31-Mar-17		31-Mar-16	
		EUR	INR	EUR	INR
EQUITY AND LIABILITIES Shareholder's equity					
Issued share capital	(5)	18,151	12,63,435	18,151	13,67,986
General reserve		9,29,757	6,47,17,503	8,70,326	6,55,93,860
		9,47,908	6,59,80,937	8,88,477	6,69,61,846
Current liabilities	(6)				
Trade creditors		8,540	5,94,443	23,921	18,02,854
Liabilities to group and associated companies		28,475	19,82,056	62,255	46,91,973
Other taxes and social insurance payable		24,343	16,94,441	70,588	53,20,006
Sundry payables, accruals and deferred income		48,100	33,48,092	99,159	74,73,316
		1,09,458	76,19,032	2,55,923	1,92,88,149
		10,57,356	7,35,99,969	11,44,400	8,62,49,995

PARTICULARS	NOTES	31-Mar-17		31-Mar-16	
		EUR	INR	EUR	INR
Net turnover	(7)	10,92,177	7,64,45,418	26,28,219	18,79,83,364
Cost of sales		3,48,719	2,44,08,104	8,79,363	6,28,96,439
Gross margin on turnover		7,43,458	5,20,37,314	17,48,856	12,50,86,925
Jaarrekening		7,43,458	5,20,37,314	17,48,856	12,50,86,925
Expenses					
Wages and salaries	(8)	4,43,339	3,10,30,900	12,80,075	9,15,57,364
Social security charges	(9)	54,484	38,13,532	1,50,285	1,07,49,135
Management services	(10)	3,970	2,77,875	19,338	13,83,150
Other personnel costs	(11)	19,854	13,89,653	87,439	62,54,074
Depreciation	(12)	1,940	1,35,788	1,841	1,31,678
Accommodation expenses	(13)	30,952	21,66,442	30,612	21,89,523
Office expenses	(14)	2,580	1,80,584	9,150	6,54,454
Selling expenses	(15)	12,769	8,93,748	32,826	23,47,880
General expenses	(16)	92,271	64,58,381	1,76,006	1,25,88,829
Operating result		6,62,159	4,63,46,903	17,67,572	12,78,56,087
Interest and similar income	(17)	81,299	56,90,411	(38,716)	(27,69,162)
Interest and similar expenses	(18)	3,127	2,18,670	6,397	4,57,545
Financial income and expenses		3,127	2,18,670	6,307	5,00,829
Result from general operations before tax		84,426	59,09,281	(32,319)	(22,68,533)
Tax on result from operating activities	(19)	(24,995)	(17,49,480)	5,564	3,97,965
Result investments in Group Companies		59,431	41,59,791	(26,755)	(18,70,568)
Result after tax		59,431	41,59,791	(81,973)	(44,32,619)
				(88,728)	(63,03,186)

3 NOTES TO THE FINANCIAL 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.

Registered address

The registered and actual address of NIIT Technologies B.V. is Zuidplein 36, 1077 XV Amsterdam and is registered at the chamber of commerce under number 27154561.

Group structure

The company is a member of a group, led by NIIT Technologies Limited with Registered Office in New Delhi, India. 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.

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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.

Depreciation rates

Asset	%
Other tangible fixed assets	33

Financial fixed assets

Investments in which no significant influence can be exerted are stated at purchase price less any recognised impairment in value.

Receivables and deferred assets

Upon initial recognition the receivables are included at fair value and then valued at amortised cost, which equals the face value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables.

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.

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Cost of sales

The cost 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.

Financial result

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

Taxes

Corporation 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 annual account and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

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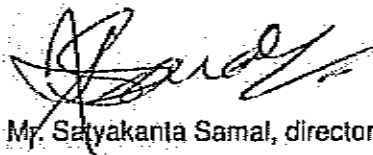
S. No.	PARTICULARS	31-Mar-17		31-Mar-16	
		EUR	INR	EUR	INR
14	Office Expenses				
	Telephone Charges	2,107	1,47,477	11,026	7,68,635
	Other Office Expenses	473	33,107	(1,676)	(1,34,181)
		2,580	1,80,584	9,150	6,54,454
15	Selling Expenses				
	Promotional and Advertising	12,059	8,44,053	26,443	18,91,336
	Liabilities to group and associated companies	710	49,695	6,383	4,56,544
		12,769	8,93,748	32,826	23,47,880
16	General Expenses				
	Audit Fees	23,700	16,56,849	20,400	14,59,110
	Professional Services	28,088	19,65,981	1,53,735	1,09,95,896
	Insurance	828	57,955	1,769	1,27,958
	Other General Expenses	370	25,898	82	5,865
	Value Adjustment of receivables on Group Co.	39,265	27,49,699		
		92,271	64,58,381	1,76,006	1,25,88,829
17	Financial Income & expenses				
	Interest Income-Deposits & others	3,570	2,49,877	7,531	5,38,655
	Interest and similar expense	(434)	(30,377)	(1,134)	(81,109)
		3,127	2,18,870	6,397	4,57,545
18	Interest And Similar expenses				
	Interest Income Deposit and others	1,314	91,972	3,560	2,54,629
	Exchange Differences	2,256	1,57,906	3,219	2,30,239
	Interest loans group companies	-	-	752	53,787
	Bank and other financial charges	(443)	(31,007)	(1,134)	(81,109)
		3,127	2,18,870	6,397	4,57,545
17	Tax on result on Operating Activities				
	Interest Income-Deposits & others	(24,995)	(17,49,490)	5,564	3,97,965
		(24,995)	(17,49,490)	5,564	3,97,965

Signing of the financial statements

AMSTERDAM, May 24, 2017



Mr. Arunbir Singh Soin, director.



Mr. Satyakanta Samal, director.

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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.

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Tel: +31 (0)10 242 46 00
Fax: +31 (0)10 242 45 24
rotterdam@bdo.nl
www.bdo.nl

BDO Audit & Assurance B.V.
K. P. van der Mandelelaan 40,
3062 MB Rotterdam
Nederland

Independent auditor's report

To: the shareholders of NIIT Technologies B.V.

A. Report on the audit of the financial statements 2016/2017

Our opinion

We have audited the financial statements 2016/2017 of NIIT Technologies B.V., based in Amsterdam.

In our opinion, the enclosed financial statements give a true and fair view of the financial position of NIIT Technologies B.V. as at March 31, 2017 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at March 31, 2017;
2. the profit and loss account for the financial year from April 1, 2016 until March 31, 2017; and
3. the notes comprising a summary of the applicable accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of NIIT Technologies B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

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

B. Report on other information included in the annual report

Next to the financial statements and our opinion thereon, the annual report consists of other information, including:

- the other information on page 24;
- the other information in the chapters 'Introduction' and 'Financial report' on pages 2 until 9.

Based on the procedures as mentioned below, we are of the opinion that the other information:

- is consistent with the financial statements and contains no material deficiencies;
- includes all information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information and based on our knowledge and understanding obtained from the audit of the financial statements or otherwise, we have considered if the other information contains material deficiencies.

With these procedures, we have complied with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Auditing Standard 720. These procedures do not have the same scope as our audit procedures on the financial statements.

Management is responsible for the preparation of the other information including the preparation of the other information on page 24 in accordance with Part 9 of Book 2 of the Dutch Civil Code.



C. Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

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

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from errors or fraud and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

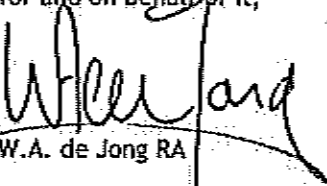
- Identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit 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 company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;



- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Rotterdam, May 24, 2017

BDO Audit & Assurance B.V.
for and on behalf of it,


W.A. de Jong RA

Initial for identification purposes:

