

**NIIT TECHNOLOGIES B.V.
AMSTERDAM**

Annual Report 2019/2020

FOR IDENTIFICATION PURPOSES
BDO Audit & Assurance B.V.
Date: 26-05-2020
Name: drs. A. Thomson RA
Enclosure to: RA12213



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INDEX

Page

INTRODUCTION

1	General	2
2	Results	3
3	Financial position	4
4	Tax position	5

FINANCIAL REPORT

1	Report of the Managing Directors	8
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FINANCIAL STATEMENTS

1	Balance sheet as at March 31, 2020	10
2	Profit & loss account 2019/2020	11
3	Notes to the financial statements	12
4	Notes to the balance sheet as of March 31, 2020	18
5	Notes to the profit & loss account 2019/2020	22

FOR IDENTIFICATION PURPOSES
BDO Audit & Assurance B.V.
Date: 26-05-2020
Name: drs. A. Thomson RA
Enclosure to: RA12213



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INTRODUCTION



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To the shareholders and management of
NIIT Technologies B.V.
Zuidplein 36
1077 XV AMSTERDAM

Reference

10432.00

Date

May 26, 2020

1 GENERAL

1.1 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.

1.2 Management

The Management Board include the following members:

- mr. Arunbir Singh Soin (non-resident in the Netherlands);
- mr. Gautam Samanta (non-resident in the Netherlands).

Mr. Arunbir Singh Soin has stepped down as a director with effect from May 3, 2020.

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2 RESULTS

2.1 Development of income and expenses

The result after taxation for 2019/2020 amounts to € 209,050 compared to € 115,529 for 2018/2019. The results for both years can be summarized as follows:

	2019/2020		2018/2019	
	x € 1,000	%	x € 1,000	%
Net turnover	2,398	100.0	2,185	100.0
Other operating income	187	7.8	86	3.9
Total operating income	2,585	107.8	2,271	103.9
Cost of sales	914	38.1	868	39.7
Gross margin on turnover	1,671	69.7	1,403	64.2
Operating expenses				
Employee benefits	1,337	55.7	1,165	53.3
Depreciation	1	-	-	-
Other operating expenses	75	3.2	92	4.2
	1,413	58.9	1,257	57.5
Operating result	258	10.8	146	6.7
Financial income and expenses	3	0.1	-1	-0.1
Result before tax	261	10.9	145	6.6
Tax on result from operating activities	-52	-2.2	-29	-1.3
Result after tax	209	8.7	116	5.3

2.2 Net turnover and gross margin

The net turnover increased by 9.8% to € 2,398,287.

The gross margin increased by 19.1% to € 1,671,008.

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3 FINANCIAL POSITION

The balance sheet can be summarized as follows:

	3/31/2020		3/31/2019	
	€	€	€	€
Long term funds available				
Equity		1,355,127		1,146,077
Long term investments				
Tangible fixed assets		1,546		2,386
Working capital		<u>1,353,581</u>		<u>1,143,691</u>

This amount is applied as follows:

Receivables	532,524		484,493	
Cash and cash equivalents	<u>1,211,361</u>		<u>1,030,673</u>	
		1,743,885		1,515,166
Debit: Short-term debt		390,304		371,475
Working capital		<u>1,353,581</u>		<u>1,143,691</u>

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4 TAX POSITION

4.1 Taxable amount 2019/2020

	2019/2020
	€
Result before taxes	261,270
<i>Tax differences:</i>	
Non-deductible expenses	1,464
Taxable amount 2019/2020	262,734

Corporate income tax calculation

The corporate income tax due amounts to:

	2019/2020
	€
18.4% of € 200,000	36,757
25.0% of € 62,730	15,682
Corporate income tax 2019/2020	52,439

The corporation tax to be paid on the balance sheet date amounts to € 24,419. The analysis of this amount is as follows:

	2019/2020	
	€	€
Balance as per April 1, 2019	-13,498	
Corporate income tax 2019/2020	52,439	
		38,941
Received on assessment 2018/2019	13,717	
Adjustment calculated corporate income tax 2018/2019	-219	
Paid on provisional assessment 2019/2020	-28,020	
		-14,522
Balance as per March 31, 2020		24,419

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4.2 Corporate income tax

The balance to be paid as corporate income tax on March 31, 2020 is € 24,419. The company income tax to be paid for 2019/2020 is € 52,439.

	Credit/debit on 4/1/2019	Corporate income tax for financial year	Paid/Received in financial year	Adjustments for previous years	Credit/debit on 3/31/2020
	€	€	€	€	€
2018/2019	13,498	-	-13,717	219	-
2019/2020	-	-52,439	28,020	-	-24,419
	<u>13,498</u>	<u>-52,439</u>	<u>14,303</u>	<u>219</u>	<u>-24,419</u>

4.3 Assessments

Final corporation tax assessments have been levied to the company until the fiscal year 2018/2019.

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FINANCIAL REPORT

FOR IDENTIFICATION PURPOSES
BDO Audit & Assurance B.V.
Date: 26-05-2020
Name: drs. A. Thomson RA
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AT

1 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 2019/2020 has been prepared.

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FINANCIAL STATEMENTS

Balance sheet as at March 31, 2020
Profit & loss account 2019/2020
Notes to the financial statements
Notes to the balance sheet as of March 31, 2020
Notes to the profit & loss account 2019/2020

FOR IDENTIFICATION PURPOSES
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1 BALANCE SHEET AS AT MARCH 31, 2020
(after appropriation of results)

	March 31, 2020		March 31, 2019	
	€	€	€	€
ASSETS				
Fixed assets				
Tangible fixed assets	(1)			
Other tangible fixed assets		1,546		2,386
Current assets				
Receivables	(2)			
Trade receivables	245,227		343,161	
Group and associated companies	126,584		85,857	
Corporate income tax	-		13,498	
Other receivables and accrued income	160,713		41,977	
		532,524		484,493
Cash and cash equivalents	(3)			
		1,211,361		1,030,673
 TOTAL OF ASSETS		1,745,431		1,517,552

	March 31, 2020		March 31, 2019	
	€	€	€	€
EQUITY AND LIABILITIES				
Shareholder's equity	(4)			
Issued share capital	18,151		18,151	
General reserve	1,336,976		1,127,926	
		1,355,127		1,146,077
Current liabilities	(5)			
Trade creditors	2,550		11,383	
Liabilities to group and associated companies	220,175		197,138	
Corporate income tax	24,419		-	
Other taxes and social insurance payable	75,105		78,535	
Sundry payables, accruals and deferred income	68,055		84,419	
		390,304		371,475
TOTAL OF EQUITY AND LIABILITIES		1,745,431		1,517,552

2 PROFIT & LOSS ACCOUNT 2019/2020

		2019/2020		2018/2019	
		€	€	€	€
Gross margin	6,7,8,9		1,671,008		1,403,291
Operating expenses					
Wages and salaries	(10)	1,115,995		864,035	
Social security charges	(11)	129,166		97,505	
Management services	(12)	14,258		123,932	
Other personnel costs	(13)	77,089		79,626	
Depreciation	(14)	840		133	
Other operating expenses	(15)	75,863		92,399	
			1,413,211		1,257,630
Operating result			257,797		145,661
Financial income and expenses	(16)		3,473		-1,130
Result before tax			261,270		144,531
Tax on result from operating activities	(17)		-52,220		-29,002
Result after tax			209,050		115,529

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3 NOTES TO THE FINANCIAL STATEMENTS

GENERAL

The financial statements have been prepared in accordance with the Dutch Civil Code, Book 2 Part 9. The annual accounts are stated in euro.

The accounting policies applied for measuring assets and liabilities and the determination of results are based on the historical cost convention, unless otherwise stated in the further principles.

Activities

The activities of NIIT Technologies B.V. primarily consist of IT services.

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.

Significant transactions with related parties

Significant transactions with related parties are disclosed insofar as they have not been entered into under normal market conditions. This explains the nature and size of the transaction and other information that is necessary to provide the insight.

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Going concern

The financial statements have been prepared assuming that the Company will continue as a going concern and be able to realize its assets and discharge its liabilities in the normal course of business.

Since January 2020, events continue to unfold in regards to coronavirus (COVID-19) and it is currently unclear as to the impact on the NIIT group and its business. The Company has been following the guidance issued by the relevant local governments and has put appropriate protections in place. In the financial year 2019-2020, the pandemic has not had a significant impact on the business and is deemed an adjusting event as at and for the year ended 31 March 2020.

The Board of Directors closely monitors the Company's strategy as well as its financial and operational performance and with several steps undertaken to enhance working capital management as well as financial security provided by NIIT Technologies Ltd., India, the Company believes that it is well positioned to continue the growth of its operations and profitability once the COVID-19 crisis has abated.

The Board of Directors believes that certain features of the Company's business operations may help it withstand the adverse impact of the pandemic, including diversified service offerings, operations and services for banking and financial services sectors, remote working options and its continued focus on quality and consistent delivery to its long-term customers.

The Company's operations are well established and cash generative and act as a source of liquidity for the Company. Current projections under a downside scenario based on the anticipated effects of COVID-19 known to date indicate that the Company's business as a whole will meet financing requirements in 2020 and up to and including at least mid-2021, notwithstanding the fact that all such projections are subject to inherent uncertainties.

We have no indication whether governmental measures will have a lasting effect in preventing a further spread of the disease around the world and therefore the duration of the pandemic. If the pandemic and its impact on the business last for a protracted period, there is a potential for a prolonged period of uncertainty following the COVID-19 worldwide outbreak and related market volatility, and it is likely to have a more detrimental effect on the financial performance of the Company. Future adverse impacts from the COVID-19 outbreak may include, but are not limited to, employees contracting the disease, difficulty in recruiting new employees, decrease in demand for our services, prolonged temporary lockdowns imposed by government authorities further impairing our services and operations, etc.

These (combined) conditions could have a significant negative impact, but do not constitute or indicate the possible existence of a material uncertainty which may cast significant doubt on the entity's ability to continue as a going concern. We expect the Company to continue to realize its assets and discharge its liabilities in the normal course of business.

Estimates

When preparing the financial statements, the directors are required by generally accepted accounting principles to use various estimates and assumptions in determining amounts in the financial statements. Actual results may differ from the estimates made. The estimates and underlying assumptions are continuously (re-)assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

Financial instruments

Financial instruments refer to both primary financial instruments, such as trade and other receivables and trade payables and other amounts payable. For the policies applied to primary financial instruments, reference is made to the note for each balance sheet item. The company does not use derivative financial instruments (derivatives) and/or does not hold a trading portfolio.

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.

Transactions denominated in foreign currency during the financial year are translated into euro's at the exchange rate prevailing on the first working day of the month. Exchange differences arising are recorded in the profit and loss account.

ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Tangible fixed assets

Depreciation rates

Asset	%
Other tangible fixed assets	33

Impairment of fixed assets

Fixed assets are assessed at each reporting date whether there is any indication of an impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of value in use and net realisable value. If it is not possible to assess the recoverable amount for an individual asset, the recoverable amount is assessed for the cash-generating unit to which the asset belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. If there is an impairment loss for a cash-generating unit, the loss is first allocated to goodwill allocated to the cash-generating unit. Any residual loss is allocated to the other assets of the unit pro rata to their book values.

Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous years has been decreased. If any such indication exists, then the recoverable amount of the asset or cash-generating unit is estimated.

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. Unless otherwise stated, cash and cash equivalents are freely available to the company.

Current liabilities

Current liabilities are recorded initially at face value and subsequently measured at amortised cost. This is equal to the nominal value. Current liabilities are liabilities due within one year after the balance sheet date.

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ACCOUNTING PRINCIPLES OF RESULT DETERMINATION

General

The result for the year is the difference between net turnover and all related costs. The costs are determined using the stated accounting policies.

Profits are recognised in the year when the corresponding turnover is recognised. Losses are recognised in the year in which they are first foreseen.

Other gains and losses are recognised in the financial year to which they relate.

Determination of the result

The result is determined based upon the difference between the nett turnover and the costs and other expenses taking into account the aforementioned valuation principles.

Net turnover

Net turnover represents amounts invoiced for services rendered during the financial year, net of discounts and value added taxes.

Revenues from services rendered are recognised in the profit and loss account when the amount of the revenue can be determined reliably, collection of the related compensation to be received is probable, the extent to which the services have been performed on the balance sheet date can be determined reliably, and the costs already incurred and (possibly) yet to be incurred to complete the service can be determined reliably.

Other operating income

Other operating income represents amounts invoiced for sharing (salary-) costs to other group companies rendered during the financial year, net of discounts and value added taxes.

Revenues from services rendered are recognised in the profit and loss account when the amount of the revenue can be determined reliably, collection of the related compensation to be received is probable, the extent to which the services have been performed on the balance sheet date can be determined reliably, and the costs already incurred and (possibly) yet to be incurred to complete the service can be determined reliably.

Cost of sales

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

Employee benefits

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet.

Depreciation

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

Financial income and expenses

Financial income and expenses comprise interest earned from and/or charged by third parties and group companies. Interest income is recognized in the profit and loss account on an accrual basis, using the effective interest rate method. Interest expenses and similar charges are recognized in the period to which these belong.

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. Any deferred tax assets and liabilities are measured at nominal value.

4 NOTES TO THE BALANCE SHEET AS OF MARCH 31, 2020

ASSETS

FIXED ASSETS

1. Tangible fixed assets

	Other tangible fixed assets
	€
<i>Carrying amount as of April 1, 2019</i>	
Purchase price	7,457
Cumulative depreciation and impairment	-5,071
	<u>2,386</u>
<i>Movement</i>	
Depreciation	<u>-840</u>
<i>Carrying amount as of March 31, 2020</i>	
Purchase price	7,457
Cumulative depreciation and impairment	-5,911
Carrying amount as of March 31, 2020	<u>1,546</u>
<i>Depreciation rates</i>	
	%
Other tangible fixed assets	33

CURRENT ASSETS

2. Receivables

	3/31/2020	3/31/2019
	€	€
Trade receivables		
Trade debtors	245,227	343,161
	245,227	343,161

A provision for doubtful debtors is not necessary.

Group and associated companies

NIIT Technologies Limited, UK	73,072	-
NIIT Technologies Limited India, Belgium Branche	7,591	85,857
Incessant Technologies UK Ltd	45,921	-
	126,584	85,857

Corporate income tax

Corporate income tax 2018-2019	-	13,498
	-	13,498

Other receivables and accrued income

Prepaid expenses	417	6,482
Unbilled revenue	159,696	30,152
Advances employees	600	5,343
	160,713	41,977

The prepaid expenses include a security deposit for an amount of € 139 with a duration of more than one year.

3. Cash and cash equivalents

Rabobank, EUR	552,719	22,041
Rabobank, Call Account EUR	658,642	1,008,632
	1,211,361	1,030,673

Cash and cash equivalents only include amounts that are freely and immediately accessible to the Company.

EQUITY AND LIABILITIES

4. Shareholder's equity

	3/31/2020	3/31/2019
	€	€
Issued share capital		
Authorised and paid up 400 ordinary shares ad valorem € 45.38 each	18,151	18,151

The statutory share capital amounts to € 90,756.00.

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

	2019/2020	2018/2019
	€	€
General reserve		
Balance as per April 1, 2019	1,127,926	1,012,397
Appropriation of the net result	209,050	115,529
Balance as per March 31, 2020	1,336,976	1,127,926

The retained part of the result for 2019/2020 amounts to € 209,050

5. Current liabilities

	3/31/2020	3/31/2019
	€	€
Liabilities to group and associated companies		
NIIT Technologies Limited, India	211,159	82,654
NIIT Technologies Limited, UK	7,840	111,909
NIIT Technologies Inc., USA	-	450
NIIT Technologies Inc. USA Branch	1,176	2,125
	220,175	197,138

Corporate income tax

Corporate income tax 2019/2020	24,419	-
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Other taxes and social insurance payable

Value added tax payable	47,955	57,481
Wage tax payable	27,150	21,054
	75,105	78,535

	3/31/2020	3/31/2019
	€	€
Sundry payables, accruals and deferred income		
Vacation accruals	17,960	15,930
Other outstanding expenses	50,095	68,489
	<u>68,055</u>	<u>84,419</u>

CONTINGENT ASSETS AND LIABILITIES AND OTHER EXPLANATIONS

Other explanations

Appropriation of the result for the 2018/2019 financial year

The annual account for 2018/2019 was adopted by the General Meeting held on May 20, 2019. The General Meeting has determined the appropriation of the result as it was proposed.

Appropriation of the result for the 2019/2020 financial year

The board of directors proposes to add the profit for 2019/2020 of € 209,050 to the other reserves. This proposal has been processed in the annual account in advance of the adoption by the General Meeting.

Contingent liabilities and commitments

Lease liabilities accommodation

The company has lease liabilities for a virtual office until 30 September 2020. Standard fee: € 2.000 per year.

5 NOTES TO THE PROFIT & LOSS ACCOUNT 2019/2020

6. Net turnover

The net sales have increased in 2019/2020 compared to 2018/2019 by 9.8% (2018/2019: increase of 118,0%).

	2019/2020	2018/2019
	€	€

7. Net turnover

Net turnover	2,398,287	2,185,029
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8. Other operating income

Other operating income	186,660	85,857
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9. Cost of sales

Cost of software development - offshore	913,939	867,595
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Employee benefits

10. Wages and salaries

Gross wages and salaries	1,115,995	864,035
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During 2019/2020, the average number of staff employed in the Company, converted into full-time equivalents, amounted to 14 people (2018/2019: 11 people).

11. Social security charges

Employees' insurances	83,716	61,683
Premiums medical insurance	45,450	35,822
	129,166	97,505

12. Management services

Management services	14,258	123,932
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13. Other personnel costs

Travel expenses	68,160	42,795
Relocation expenses	1,480	1,009
Recruitment	-	22,838
Staff welfare	2,100	775
Work permit fee	5,349	12,209
	77,089	79,626

14. Depreciation

Tangible fixed assets	840	133
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	2019/2020	2018/2019
	€	€
15. Other operating expenses		
Accommodation expenses	1,668	16,392
Office expenses	4,004	4,501
Selling expenses	6,454	1,108
General expenses	63,737	70,398
	<u>75,863</u>	<u>92,399</u>
<i>Accommodation expenses</i>		
Office and building rent	<u>1,668</u>	<u>16,392</u>
<i>Office expenses</i>		
Telephone charges	3,235	2,455
Other office expenses	769	2,046
	<u>4,004</u>	<u>4,501</u>
<i>Selling expenses</i>		
Promotion and advertising	2,467	-756
Business promotion	3,987	1,864
	<u>6,454</u>	<u>1,108</u>
<i>General expenses</i>		
Audit fees	30,000	25,000
Professional services	32,376	45,723
Insurance	520	-293
Other general expenses	841	-32
	<u>63,737</u>	<u>70,398</u>
16. Financial income and expenses		
Interest and similar income	4,082	525
Interest and similar expenses	-609	-1,655
	<u>3,473</u>	<u>-1,130</u>
<i>Interest and similar income</i>		
Interest income - deposit and others	485	525
Exchange difference	3,597	-
	<u>4,082</u>	<u>525</u>
<i>Interest and similar expenses</i>		
Bank and other financial charges	-609	-790
Exchange difference	-	-865
	<u>-609</u>	<u>-1,655</u>

	2019/2020	2018/2019
	€	€
17. Tax on result from operating activities		
Corporate income tax	-52,439	-29,002
Corporation tax prior periods	219	-
	<u>-52,220</u>	<u>-29,002</u>

Signing of the financial statements

AMSTERDAM, May 26, 2020

Mr. Gautam Samanta, director

FOR IDENTIFICATION PURPOSES
BDO Audit & Assurance B.V.
Date: 26-05-2020
Name: drs. A. Thomson RA
Enclosure to: RA12213

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Independent auditor's report

RA12213

To: the shareholders of NIIT Technologies B.V.

A. Report on the audit of the financial statements 2019/2020 included in the annual report

Our opinion

We have audited the financial statements 2019/2020 of NIIT Technologies B.V., based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of NIIT Technologies B.V. as at 31 March 2020 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 31 March 2020;
2. the profit and loss account for the financial year from 1 April 2019 until 31 March 2020;
3. the notes comprising of a summary of the 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, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Emphasis of Matter related to the uncertainty of the effects of the COVID-19 virus

We draw attention to the note on page 13 of the financial statements, in which management has described the possible impact and consequences of the COVID-19 (Corona) virus on the Company and the environment in which the Company operates, as well as the measures taken and planned to address these events and circumstances. This note also indicates that uncertainties remain and that currently it is not reasonably possible to estimate the future impact. Our opinion is not modified in respect of this matter.

B. Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- ▶ the other information in the chapters "Introduction" and "Financial Report".

Based on the following procedures performed, we conclude that the other information:

- ▶ is consistent with the financial statements and does not contain material misstatements;
- ▶ contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the financial statements

Responsibilities of management and the 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 fraud or error.

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 engagement 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 detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error 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 judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- ▶ identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, 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 error, 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 entity'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 entity'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 a company to cease 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.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Rotterdam, 26 May 2020

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

Initials for identification purposes



drs. A. Thomson RA
