



**NIIT TECHNOLOGIES, S.A.**

Annual Accounts and Directors' Report  
at year-end 31 March 2020

**NIIT TECHNOLOGIES, S.A.**
**BALANCE SHEET AT YEAR-END 31 MARCH 2020 AND 2019  
(Expressed in euro)**

ASSETS	Note	At 31 March			
		EUR 2020	INR	EUR 2019	INR
<b>NON-CURRENT ASSETS</b>		<b>663,303</b>	<b>55,107,213</b>	<b>935,130</b>	<b>72,695,791</b>
Intangible assets	6	50,133	4,165,050	49,467	3,845,500
Property, plant and equipment	7	185,881	15,442,993	205,516	15,976,547
Long-term investments	8, 9	103,489	8,597,866	103,489	8,045,100
Other financial assets		103,489	8,597,866	103,489	8,045,100
Deferred tax assets	16	323,800	26,901,304	576,658	44,828,643
<b>CURRENT ASSETS</b>		<b>4,393,324</b>	<b>364,997,358</b>	<b>2,581,075</b>	<b>200,649,415</b>
Trade and other receivables		3,649,581	303,207,189	2,447,651	190,277,207
- Trade receivables for sales and services rendered	8, 10	3,261,112	270,933,185	2,383,745	185,309,237
Trade receivables, group companies and associates	8, 19	382,055	31,741,129	58,092	4,515,997
Staff costs	8, 10	1,300	108,004	700	54,417
Other receivables from the Public Administrations	16	5,144	427,364	5,114	397,556
Prepayments and accrued income		30,505	2,534,355	22,614	1,757,983
Cash and cash equivalents	11	713,238	59,255,813	110,810	8,614,225
		<b>5,056,627</b>	<b>420,104,571</b>	<b>3,516,205</b>	<b>273,345,206</b>

EQUITY AND LIABILITIES	Note	At 31 March			
		EUR 2020	INR	EUR 2019	INR
<b>EQUITY</b>					
Shareholders' funds		2,402,345	199,586,823	1,321,960	102,767,452
Share capital	12	198,900	16,524,612	198,900	15,462,227
Reserves	13	2,955,726	245,561,716	2,955,726	229,774,297
(Treasury shares)	12, 13	(54,419)	(4,521,131)	(54,419)	(4,230,462)
Prior-year losses		(1,778,247)	(147,736,761)	(1,930,099)	(150,043,387)
Profit/(loss) for year	3	1,080,385	89,758,386	151,852	11,804,777
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax liabilities	16	0	0	56	4,353
<b>CURRENT LIABILITIES</b>		<b>2,654,282</b>	<b>220,517,749</b>	<b>2,194,189</b>	<b>170,573,400</b>
Short-term provisions	15	182,583	15,168,996	183,828	14,290,550
Short-term liabilities Group companies	8	200	16,616	0	0
Trade and other payables		2,252,956	187,175,584	1,906,416	148,202,301
Trade payables	8, 14	109,618	9,107,063	67,313	5,232,825
Trade payables, Group companies and associates	8, 19	1,671,458	138,864,731	1,317,292	102,404,568
Sundry payables	8, 14	73,394	6,097,574	103,109	8,015,560
Accrued wages and salaries	8, 14	162,032	13,461,619	162,766	12,653,217
Current tax liabilities		5,699	473,473	0	0
Other payables to the Public Administrations	16	230,755	19,171,125	255,936	19,896,132
Accruals and deferred income		18,743	1,557,168	103,945	8,080,549
		<b>5,056,627</b>	<b>420,104,571</b>	<b>3,516,205</b>	<b>273,345,206</b>

Notes 1 to 22 form an integral part of the balance sheet at 31 March 2020 and 2019

**NIIT TECHNOLOGIES, S.A.**

**INCOME STATEMENT FOR THE YEARS ENDED 31 MARCH 2020 AND 2019**  
(Expressed in euro)

	Note	Year ended at 31 March			
		2020		2019	
		EUR	INR	EUR	INR
<b>CONTINUING OPERATIONS</b>					
<b>Revenue</b>	17	<b>11,315,760</b>	<b>887,834,530</b>	<b>11,312,340</b>	<b>914,790,568</b>
Services provided		11,315,760	887,834,530	11,312,340	914,790,568
<b>Raw materials and other consumables</b>	17	<b>(2,096,759)</b>	<b>(164,511,711)</b>	<b>(2,594,980)</b>	<b>(209,847,231)</b>
Subcontracted work		(2,096,759)	(164,511,711)	(2,594,980)	(209,847,231)
<b>Staff costs</b>	17	<b>(6,508,293)</b>	<b>(510,640,669)</b>	<b>(6,619,769)</b>	<b>(535,318,267)</b>
Wages, salaries and similar		(5,105,146)	(400,549,755)	(5,241,809)	(423,887,315)
Staff welfare costs		(1,403,147)	(110,090,914)	(1,377,960)	(111,430,952)
<b>Other operating expenses</b>		<b>(1,137,451)</b>	<b>(89,244,405)</b>	<b>(1,657,178)</b>	<b>(134,010,364)</b>
External services		(1,112,779)	(87,308,640)	(1,626,870)	(131,559,459)
Taxes		(5,321)	(417,486)	(5,030)	(406,759)
Losses, impairment and variation in trade provisions	10	(19,351)	(1,518,279)	(25,278)	(2,044,146)
<b>Fixed asset amortisation/ depreciation</b>	6 and 7	<b>(84,338)</b>	<b>(6,617,159)</b>	<b>(71,085)</b>	<b>(5,748,403)</b>
<b>Exceptional income</b>		<b>25</b>	<b>1,962</b>	<b>0</b>	<b>0</b>
<b>OPERATING RESULTS</b>		<b>1,488,944</b>	<b>116,822,546</b>	<b>369,328</b>	<b>29,866,303</b>
<b>Financial expenses</b>		<b>2,559</b>	<b>200,779</b>	<b>(7,616)</b>	<b>(615,880)</b>
<b>Exchange differences</b>		<b>46,113</b>	<b>3,618,026</b>	<b>(89,550)</b>	<b>(7,241,605)</b>
<b>FINANCIAL INCOME/(EXPENSE)</b>		<b>(48,672)</b>	<b>(3,818,805)</b>	<b>(97,166)</b>	<b>(7,857,485)</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>1,440,272</b>	<b>113,003,741</b>	<b>272,162</b>	<b>22,008,818</b>
Corporate income tax	16	(359,887)	(28,236,734)	(120,310)	(9,729,062)
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>1,080,385</b>	<b>84,767,007</b>	<b>151,852</b>	<b>12,279,756</b>

Notes 1 to 22 form an integral part of the income statement at 31 March 2020 and 2019

**NIIT TECHNOLOGIES, S.A.**

**CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 MARCH 2020 AND 2019**  
(Expressed in euro)

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

	2020		2019	
	EUR	INR	EUR	INR
<b>Profit / (Loss) for the year</b>	<b>1,080,385</b>	<b>84,767,007</b>	<b>151,852</b>	<b>12,279,756</b>
<b>Income and expenses recognised directly in equity</b>	-	-	-	-
<b>Total income and expenses recognised directly in equity</b>	-	-	-	-
<b>Transfers to Profit or Loss</b>				
<b>Total Transfers to Profit or Loss</b>	-	-	-	-
<b>TOTAL RECOGNISED INCOME AND EXPENSE</b>	<b>1,080,385</b>	<b>84,767,007</b>	<b>151,852</b>	<b>12,279,756</b>

**B) STATEMENT OF CHANGES IN EQUITY**

	EUR	INR	EUR	INR	EUR	INR	EUR	INR	EUR	INR	EUR	INR	EUR	INR
	Share capital		Share premium		Reserves		(Treasury shares)		Prior-year losses		Profit/(Loss) for the year		TOTAL	
<b>Opening balance 2019</b>	198,900	15,967,235	-	-	2,955,726	237,278,885	(54,419)	(4,368,632)	(1,483,614)	(119,101,120)	(446,485)	(35,842,789)	1,170,108	93,933,579
Total Recognised income and expense	-	-	-	-	-	-	-	-	-	-	151,852	12,279,756	151,852	12,279,756
- Recognised income and expense	-	-	-	-	-	-	-	-	-	-	151,852	12,279,756	151,852	12,279,756
Application of prior-year profit / (loss)	-	-	-	-	-	-	-	(446,485)	(36,105,728)	446,485	36,105,728	-	-	
Currency Translation Reserve	-	(505,007)	-	-	(7,504,588)	138,170	-	-	5,163,460	-	(737,918)	-	(3,445,883)	
<b>End balance 2019</b>	<b>198,900</b>	<b>15,462,227</b>	<b>-</b>	<b>-</b>	<b>2,955,726</b>	<b>229,774,297</b>	<b>(54,419)</b>	<b>(4,230,462)</b>	<b>(1,930,099)</b>	<b>(150,043,387)</b>	<b>151,852</b>	<b>11,804,777</b>	<b>1,321,960</b>	<b>102,767,452</b>
<b>Opening balance 2020</b>	<b>198,900</b>	<b>15,462,227</b>	<b>-</b>	<b>-</b>	<b>2,955,726</b>	<b>229,774,297</b>	<b>(54,419)</b>	<b>(4,230,462)</b>	<b>(1,930,099)</b>	<b>(150,043,387)</b>	<b>151,852</b>	<b>11,804,777</b>	<b>1,321,960</b>	<b>102,767,452</b>
Total Recognised income and expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Recognised income and expense	-	-	-	-	-	-	-	-	-	-	1,080,385	84,767,007	1,080,385	84,767,007
Application of prior-year profit / (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Equity/Variations	-	-	-	-	-	-	-	151,852	11,914,308	(151,852)	-	-	-	-
Currency Translation Reserve	-	1,062,385	-	-	15,787,419	(290,668)	151,852.00	(9,607,682)	-	(6,813,398)	-	-	-	12,052,364
<b>End balance 2020</b>	<b>198,900</b>	<b>16,524,612</b>	<b>-</b>	<b>-</b>	<b>2,955,726</b>	<b>245,561,716</b>	<b>(54,419)</b>	<b>(4,521,131)</b>	<b>(1,778,247)</b>	<b>(147,736,761)</b>	<b>1,080,385</b>	<b>89,758,386</b>	<b>2,402,345</b>	<b>199,586,823</b>

**NIIT TECHNOLOGIES, S.A.**

**CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 MARCH 2020 AND 2019**  
(Expressed in euro)

	EUR	INR	EUR	INR
	31.03.2020		31.03.2019	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit / (Loss) before income tax	1,440,273	119,657,881	272,162	21,157,520
Adjustments for:	15,071	1,252,099	193,529	15,044,693
Amortisation	84,338	7,006,801	71,085	5,526,055
Variation of provisions	(1,244)	(103,352)	25,278	1,965,079
Finance costs	(2,559)	(212,602)	7,616	592,058
Impairment	(19,351)	(1,607,681)	0	0
Exchange rate differences	(46,113)	(3,831,068)	89,550	6,961,501
<b>Changes in working capital</b>	<b>(883,020)</b>	<b>(73,361,302)</b>	<b>(408,158)</b>	<b>(31,729,672)</b>
Trade and other receivables	(1,136,466)	(94,417,595)	(611,003)	(47,498,579)
Other current assets	(7,891)	(655,584)	879	68,332
Creditors and other payables	346,539	28,790,460	209,258	16,267,445
Other current liabilities	(85,202)	(7,078,582)	34,113	2,651,900
Other non-current assets and liabilities	0	0	(41,405)	(3,218,771)
<b>Other cash flows from operating activities</b>	<b>(104,527)</b>	<b>(8,684,103)</b>	<b>(7,616)</b>	<b>(592,058)</b>
Interest payments	2,559	212,602	(7,616)	(592,058)
Income Tax payments	(107,086)	(8,896,705)	0	0
<b>Net cash from operating activities</b>	<b>467,797</b>	<b>38,864,575</b>	<b>49,917</b>	<b>3,880,483</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for:	(65,369)	(5,430,857)	(169,884)	(13,206,561)
Intangible assets	(23,728)	(1,971,322)	0	0
Property, plant and equipment	(41,641)	(3,459,534)	(169,884)	(13,206,561)
Other financial assets	-	-	0	0
<b>Net cash used in investing activities</b>	<b>(65,369)</b>	<b>(5,430,857)</b>	<b>(169,884)</b>	<b>(13,206,561)</b>
<b>FINANCING ACTIVITIES</b>				
Collections and payments for financial liability instruments:	(200,000)	(16,616,000)	0	0
Payables to group companies and associates	(200,000)	(16,616,000)	0	0
<b>Net cash used in financing activities</b>	<b>(200,000)</b>	<b>(16,616,000)</b>	<b>0</b>	<b>0</b>
<b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(602,428)</b>	<b>(50,049,718)</b>	<b>(119,967)</b>	<b>(9,326,079)</b>
Cash and cash equivalents at the beginning of the period	110,810	9,206,095	230,777	17,940,304
Cash and cash equivalents at the end of the period	713,238	59,255,813	110,810	8,614,225

## **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 Nº 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.

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 2019.

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.

**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>	<b>INR</b>
Profit of the year	1,080,385	84,767,007
<b>Total</b>	<b>1,080,385</b>	<b>84,767,007</b>
<b>Distribution</b>		
Prior-year losses	1,080,385	84,767,007
<b>Total</b>	<b>1,080,385</b>	<b>84,767,007</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.

**NIIT TECHNOLOGIES, S.A.**

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

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

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.

## **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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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 2020 and 31 March 2019, 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.

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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	INR	Euro	INR
	2020		2019	
<b>Services received</b>	<b>1,073,747</b>	<b>84,246,190</b>	<b>1,530,737</b>	123,785,509
Pound sterling	394,680	<b>30,966,593</b>	774,508	62,631,835
US dollars	679,067	<b>53,279,597</b>	756,229	61,153,674
<b>Services rendered</b>	<b>2,238,311</b>	<b>175,617,881</b>	<b>2,904,714</b>	234,894,369
Pound sterling	23,248	<b>1,824,038</b>	40,847	3,303,158
US dollars	2,215,063	<b>173,793,843</b>	2,863,867	231,591,211

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

	Euro		INR	
	2020		2019	
<b>Asset balances denominated in foreign currencies</b>	<b>210,639</b>	<b>16,526,736</b>	<b>243,209</b>	<b>19,667,487</b>
Pound sterling	4,598	360,759	11,847	958,027
US dollars	206,041	16,165,977	231,362	18,709,460
<b>Liability balances denominated in foreign currencies</b>	<b>1,317,410</b>	<b>103,363,989</b>	<b>854,028</b>	<b>69,062,348</b>
Pound sterling	1,071,670	84,083,228	676,990	54,745,885
US dollars	245,740	19,280,760	177,038	14,316,463

#### 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

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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.

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 2020 and 2019 and has carried out transactions in a currency other than the euro in the year ended 31 March 2020 and 2019, as detailed in Note 4, 12.b) to these accounts.

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 2020 and 2019 was as follows:

	EUR	INR	EUR	INR
	2020		2019	
Long-term investments	103,489	8,597,866	103,489	8,045,100
Trade and other receivables	3,649,581	303,207,189	2,447,651	190,277,207
Cash and cash equivalents	713,238	59,255,813	110,810	8,614,225
	<b>4,466,308</b>	<b>371,060,869</b>	<b>2,661,950</b>	<b>206,936,532</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 €3,261,112 (2019: €2,383,475) is practically the whole risk recognised as "Trade and other receivables". These break down as follows, by age, at 31 March 2020 and 2019:

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	Continuing operations (Note 10)			
	EUR	INR	EUR	INR
	2020		2019	
<b>Not due</b>	2,922,362	242,789,835	2,292,419	178,209,673
<b>Due but not doubtful</b>	338,750	28,143,350	91,326	7,099,565
Less than 30 days	-		-	
S	-		-	
Between 60 and 90 days	-		-	
More than 90 days	338,750	28,143,350	91,326	7,099,565
	<b>3,261,112</b>	<b>270,933,185</b>	<b>2,383,745</b>	<b>185,309,237</b>
Doubtful	45,949	3,817,443	26,598	2,067,694
Impairment adjustments	(45,949)	(3,817,443)	(26,598)	(2,067,694)
<b>Total</b>	<b>3,261,112</b>	<b>270,933,185</b>	<b>2,383,745</b>	<b>185,309,237</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)	Number of customers	3/31/2020		Number of customers	3/31/2019	
		Amount (EUR)	Amount (INR)		Amount (EUR)	Amount (INR)
Balance over €1,000,000	1	1,819,765	151,186,076	-	-	
Balance between €500,000 and €1,000,000	1	748,036	62,146,831	1	839,515	65,262,805
Balance between €200,000 and €500,000	1	221,794	18,426,646	3	985,494	76,611,022
Balance between €100,000 and €200,000	-	-	-	0	0	0
Balance under €100,000	11	471,517	39,173,632	17	558,736	43,435,410
<b>Total</b>		<b>3,261,112</b>	<b>270,933,185</b>		<b>2,383,745</b>	<b>185,309,237</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 2020 and 2019 are as follows:

**Euros**

	EUR	INR	EUR	INR	EUR	INR	EUR	INR
	31/03/2019		Additions		Decreases		31/03/2020	
Software and licences	120,936.00	9,401,407.42	23,728.00	1,861,698.88	0.00	0.00	144,664.00	12,018,685.12
Accumulated Amortisation Intangible assets	(71,469.00)	(5,607,457.74)	0.00	0.00	(23,062.00)	(1,809,444.52)	(94,531.00)	(7,416,902.26)
Currency Translation Reserve		51,550.59						(436,733.22)
<b>Carrying amount</b>	<b>49,467.00</b>	<b>3,845,500.27</b>	<b>23,728.00</b>	<b>1,861,698.88</b>	<b>(23,062.00)</b>	<b>(1,809,444.52)</b>	<b>50,133.00</b>	<b>4,165,049.64</b>

**Euros**

	EUR	INR	EUR	INR	EUR	INR	EUR	INR
	31/03/2018		Additions		Decreases		31/03/2019	
Software and licences	120,936.00	9,708,463.93	0.00	0.00	0.00	0.00	120,936.00	9,401,407.42
Accumulated Amortisation Intangible assets	(49,782.00)	(4,025,701.50)	0.00	0.00	(21,687.00)	(1,753,754.13)	(71,469.00)	(5,779,455.63)
Currency Translation Reserve		(151,342.97)						223,548.48
<b>Carrying amount</b>	<b>71,154.00</b>	<b>5,531,419.46</b>	<b>0.00</b>	<b>0.00</b>	<b>(21,687.00)</b>	<b>(1,753,754.13)</b>	<b>49,467.00</b>	<b>3,845,500.27</b>

At 31 March 2020, fully-amortised intangible assets amounting to €30,006 were still in use (at 31 March 2019: €29,020).



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	EUR		INR	
	31/03/2020		3/31/2019	
Plant	33,149	2,754,019	31,388	2,440,062
Fixtures and fittings	7,340	609,807	7,340	570,602
Furnishings	17,583	1,460,796	16,200	1,259,367
Data- processing equipment	82,292	6,836,819	65,079	5,059,157
Other Property, plant and equipment	7,705	640,131	7,449	579,076
	<b>148,069</b>	<b>12,301,573</b>	<b>127,456</b>	<b>9,908,264</b>

**7. Property, plant and equipment**

Movements in "Property, plant and equipment" for the years ended 31 March 2020 and 2019 are as follows:

	Eur		INR		Eur		INR		Eur		INR	
	31/03/2019		Additions		Decreases		Transfers		Currency Translation Reserve		31/03/2020	
Plant	33,150	2,577,038	0	0	0	0	0	0	177,064	33,150	2,754,102	
Fixtures and fittings	123,771	9,621,797	1,279	100,350	0	0	0	0	667,007	125,050	10,389,154	
Furnishings	67,090	5,215,489	6,830	535,882	0	0	0	0	389,902	73,920	6,141,274	
Data-processing equipment	190,229	14,788,155	33,532	2,630,921	0	0	0	0	1,170,988	223,761	18,590,064	
Other Property, plant and equipment	8,286	644,143	0	0	0	0	0	0	44,258	8,286	688,401	
	<b>422,526</b>	<b>32,846,622</b>	<b>41,641</b>	<b>3,267,153</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,449,220</b>	<b>464,167</b>	<b>38,562,994</b>	
Accumulated depreciation, plant	(33,097)	(2,572,918)	(97)	(7,611)	0	0	0	0	(173,491)	(33,149)	(2,754,019)	
Accumulated depreciation, fixtures and fittings	(29,681)	(2,307,362)	(23,017)	(1,805,914)	0	0	0	0	(268,280)	(52,739)	(4,381,556)	
Accumulated depreciation, furnishings	(30,215)	(2,348,875)	(5,712)	(448,164)	0	0	0	0	(187,943)	(35,929)	(2,984,981)	
Accumulated depreciation, computer hardware	(116,013)	(9,018,700)	(32,332)	(2,536,769)	0	0	0	0	(769,034)	(148,345)	(12,324,503)	
Accumulated depreciation, other PPE	(8,004)	(622,221)	(118)	(9,258)	0	0	0	0	(43,463)	(8,124)	(674,942)	
	<b>(217,010)</b>	<b>(16,870,075)</b>	<b>(61,276)</b>	<b>(4,807,715)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,442,211)</b>	<b>(278,286)</b>	<b>(23,120,001)</b>	
<b>Carrying amount</b>	<b>205,516</b>	<b>15,976,547</b>	<b>(19,635)</b>	<b>(1,526,399)</b>						<b>185,881</b>	<b>15,442,993</b>	

	Eur		INR		Eur		INR		Eur		INR	
	31/03/2019		Additions		Decreases		Transfers		Currency Translation Reserve		31/03/2020	
Plant	33,150	2,577,038	0	0	0	0	0	0	177,064	33,150	2,754,102	
Fixtures and fittings	30,478	2,369,320	93,293	7,319,769	0	0	0	0	593,806	123,771	10,282,895	
Furnishings	36,992	2,875,710	30,098	2,361,489	0	0	0	0	336,638	67,090	5,573,837	
Data-processing equipment	143,736	11,173,850	46,493	3,647,841	0	0	0	0	982,535	190,229	15,804,225	
Other Property, plant and equipment	8,286	644,143	0	0	0	0	0	0	44,258	8,286	688,401	
	<b>252,642</b>	<b>19,640,061</b>	<b>169,884</b>	<b>13,329,099</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,134,301</b>	<b>422,526</b>	<b>35,103,460</b>	
Accumulated depreciation, plant	(31,355)	(2,437,497)	(1,742)	(136,677)	0	0	0	0	(175,525)	(33,097)	(2,749,699)	
Accumulated depreciation, fixtures and fittings	(11,213)	(871,684)	(18,468)	(1,448,999)	0	0	0	0	(145,214)	(29,681)	(2,465,897)	
Accumulated depreciation, furnishings	(26,041)	(2,024,393)	(4,174)	(327,492)	0	0	0	0	(158,377)	(30,215)	(2,510,262)	
Accumulated depreciation, computer hardware	(91,726)	(7,130,660)	(24,287)	(1,905,558)	0	0	0	0	(602,142)	(116,013)	(9,638,360)	
Accumulated depreciation, other PPE	(7,277)	(565,705)	(727)	(57,040)	0	0	0	0	(42,227)	(8,004)	(664,972)	
	<b>(167,612)</b>	<b>(13,029,939)</b>	<b>(49,398)</b>	<b>(3,875,767)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,123,485)</b>	<b>(217,010)</b>	<b>(18,029,191)</b>	
<b>Carrying amount</b>	<b>85,030</b>	<b>6,610,122</b>	<b>120,486</b>	<b>9,366,425</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,010,816</b>	<b>205,516</b>	<b>17,074,269</b>	

Fully depreciated PPE at 31 March 2020 and 2019 break down as follows (in euro):

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Assets under finance lease

The carrying amount of property, plant and equipment acquired through finance leases at 31 March 2020 and 2019 is as follows:

	EUR	INR	EUR	INR
	3/31/2020		3/31/2019	
Switchboard				
Cost	15,459	1,284,334	15,459	1,201,763
Accumulated depreciation	(15,459)	(1,284,334)	(15,459)	(1,201,763)
	-	-	-	-

Operating leases

Lease instalments at 31 March 2020 relating to the lease of the offices located at street Mendez Alvaro Nº 9 in Madrid have been recognised on the income statement under "Other operating expenses" amounting to €208,229 (€224,125 in 2019).

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 €26,357 (€37,256 in 2019).

According to the signed contracts, the minimum amounts to be paid in the future for these items at 31 March 2020 will be:

	EUR	INR	EUR	INR	EUR	INR
	Office Rent		Equipment		Vehicles	
Amounts payable in the next year	156,821	13,028,689	6,366	528,887	-	-
Amounts payable within the next two to five years	487,887	40,533,652	4,895	406,677	-	-
	<b>644,708</b>	<b>53,562,341</b>	<b>11,261</b>	<b>935,564</b>	-	-

The fees to be paid in the coming year derive from the contract signed by the company in May 2018 for the rental of the office in the building Atocha Centro, whose initial term is 3 years (May 2021), extendable for a period of two additional years.

According to the signed contracts, the future minimum amounts payable at 31 March 2019 were as follows:

	EUR	INR	EUR	INR	EUR	INR
	Office Rent		Equipment		Vehicles	
Amounts payable within the next year	205,927	16,008,497	19,531	1,518,315	-	-
Amounts payable within the next two to five years	686,425	53,361,787	15,797	1,228,038	-	-
	<b>892,352</b>	<b>69,370,284</b>	<b>35,328</b>	<b>2,746,353</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:

	Long-term financial assets							
	Credit				Total			
	Derivatives		Other		Derivatives		Other	
	EUR	INR	EUR	INR	EUR	INR	EUR	INR
	2020		2019		2020		2019	
Held-to-maturity deposits (Note 9)	103,489	8,597,866	103,489	8,045,100	103,489	8,597,866	103,489	8,045,100
	Short-term financial assets							
	Credit				Total			
	Derivatives		Other		Derivatives		Other	
	EUR	INR	EUR	INR	EUR	INR	EUR	INR
	2020		2019		2020		2019	
Loans and receivables (Note 10)	3,644,467	302,782,318	2,442,537	189,879,651	3,644,467	302,782,318	2,442,537	189,879,651
<b>TOTAL</b>	<b>3,747,956</b>	<b>311,380,184</b>	<b>2,546,026</b>	<b>197,924,751</b>	<b>3,747,956</b>	<b>311,380,184</b>	<b>2,546,026</b>	<b>197,924,751</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	INR	Euro	INR	Euro	INR	Euro	INR
	Short-term financial liabilities							
	Derivatives				Total			
	Other		Other		Other		Other	
	2020		2019		2020		2019	
Creditors and payables (Note 19)	2,216,502	184,146,986	1,650,480	128,306,170	2,216,502	184,146,986	1,650,480	128,306,170
<b>TOTAL</b>	<b>2,216,502</b>	<b>184,146,986</b>	<b>1,650,480</b>	<b>128,306,170</b>	<b>2,216,502</b>	<b>184,146,986</b>	<b>1,650,480</b>	<b>128,306,170</b>

Creditors and payables relate to commercial transactions with suppliers.

In addition, this caption includes two intercompany loans granted by NIIT Technologies Limited UK and NIIT Insurance Technologies Ltd on September 26, 2019 and June 27, 2019 respectively, amounting to €100,000 each one with an applicable interest annual rate of 2% and with a 6 months maturity.

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 2020 financial instruments having fixed or determinable maturities are shown below by year of maturity:

	Financial assets														
	EUR		INR		EUR		INR		EUR		INR		Subsequent years	EUR	INR
	2020	2021	2022	2023	2024	Total									
Other financial assets	3,644,467	302,782,318	2,121	176,213	101,368	8,421,653	-	-	-	-	-	-	3,747,956	311,380,184	
Currency Transaction Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>3,644,467</b>	<b>302,782,318</b>	<b>2,121</b>	<b>176,213</b>	<b>101,368</b>	<b>8,421,653</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,747,956</b>	<b>311,380,184</b>	

  

	Financial liabilities														
	EUR		INR		EUR		INR		EUR		INR		Subsequent years	EUR	INR
	2020	2021	2022	2023	2024	Total									
Other financial liabilities	2,216,502	184,146,986	0	-	0	-	0	0	-	-	-	-	2,216,502	184,146,986	
Currency Transaction Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>2,216,502</b>	<b>184,146,986</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,216,502</b>	<b>184,146,986</b>	

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

	Financial assets											
	2019		2020		2021		2022		2023		Subsequent years	Total
	Other financial assets	2,442,537	189,879,651	2,121	176,213	-	101,368	8,421,653	-	-		
Currency Transaction Reserve	-	-	-	-	-	-	-	-	-	-	13,046,323	
	<b>2,442,537</b>	<b>189,879,651</b>	<b>2,121</b>	<b>176,213</b>	<b>-</b>	<b>101,368</b>	<b>8,421,653</b>	<b>-</b>	<b>-</b>	<b>2,546,026</b>	<b>211,523,840</b>	

  

	Financial liabilities											
	2019		2020		2021		2022		2023		Subsequent years	Total
	Other financial liabilities	1,650,480	128,306,170	-	-	0	-	-	-	-		
Currency Transaction Reserve	-	-	-	-	-	-	-	-	-	-	8,815,709	
	<b>1,650,480</b>	<b>128,306,170</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,650,480</b>	<b>137,121,878</b>	

**9. Held-to-maturity investments**

At the year - end 31 March 2020 there are long-term deposits amounting to € 27,988 (2019: €27,988). There is also a commercial guarantee (long-term taxes) confirmed by Banco Santander in the amount of 75,500 euros.

At 31 March 2020 and 2019 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.

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**10. Loans and receivables**

	EUR	INR	EUR	INR
	2020		2019	
<b>Short-term loans and receivables</b>				
- Trade receivables	3,261,112	270,933,185	2,383,745	185,309,237
- Group companies (Note 19)	382,055	31,741,129	58092	4,515,997
- Staff costs	1,300	108,004	700	54,417
	<b>3,644,467</b>	<b>302,782,318</b>	<b>2,442,537</b>	<b>189,879,651</b>

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

Overdue trade receivables which are less than three months old are not considered to be impaired. At 31 March 2020, overdue receivables amounted to €338,750 (2019: €91,326). At 31 March 2020 an impairment loss was recognised amounting to €18,150 in respect of income already billed (2019: €25,278) and €1,201 in respect to income not formalised.

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

	EUR	INR	EUR	INR
	2020		2019	
<b>Opening balance</b>	<b>(26,598)</b>	<b>(2,067,694)</b>	<b>(1,320)</b>	<b>(105,967)</b>
Provisions for impairment of trade receivables	(19,351)	(1,518,279)	(25,278)	(2,044,146)
Receivables written off	0	0	0	0
Currency Translation reserve		(231,470)		82,419
<b>Closing balance</b>	<b>(45,949)</b>	<b>(3,817,443)</b>	<b>(26,598)</b>	<b>(2,067,694)</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**

	EUR	INR	EUR	INR
	2020		2019	
Cash	713,125	59,246,425	110,457	8,586,784
Other cash equivalents	113	9,388	353	27,442
	<b>713,238</b>	<b>59,255,813</b>	<b>110,810</b>	<b>8,614,225</b>

**12. Capital and share premium**

a) Capital

At 31 March 2020 and 2019 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%.

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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 2020 and 31 March 2019 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.

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

a) Reserves

	EUR	INR	EUR	INR
	2020		2019	
<b>Legal and bylaw:</b>				
- Legal reserve	39,780	3,304,922	39,780	3,092,445
<b>Other reserves:</b>				
Voluntary reserves	2,861,527	237,735,663	2,861,527	222,451,389
- Treasury shares reserve	54,419	4,521,131	54,419	4,230,462
	<b>2,955,726</b>	<b>245,561,716</b>	<b>2,955,726</b>	<b>229,774,297</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 2020 and 2019, the balance in this reserve was equivalent to 20% of subscribed and paid up share capital.

**14. Creditors and payables**

	EUR	INR	EUR	INR
	2020		2019	
<b>Short-term borrowings and payables:</b>				
- Trade payables	109,618	9,107,063	67,313	5,232,825
- Trade payables, Group companies and associates (Note 19)	1,671,458	138,864,731	1317292	102,404,568
- Accrued wages and salaries	162,032	13,461,619	162,766	12,653,217
- Short-term liabilities Group companies (Note 19)	200,000	16,616,000		
- Sundry payables	73,394	6,097,574	103,109	8,015,560
	<b>2,216,502</b>	<b>184,146,986</b>	<b>1,650,480</b>	<b>128,306,170</b>

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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 2020 and 2019 is as follows:

	2020		2019	
	(days)		(days)	
Average supplier payment period	33		42	
Ratio of paid transactions	34		44	
Ratio of outstanding transactions	26		18	
	Euros	INR	Euros	INR
Total payments	1,197,891	99,520,784	1,442,165	112,112,032
Total outstanding payments	96,933	8,053,194	81,854	6,363,224

**15. Other provisions**

	Provision for holiday and other remuneration	EUR	INR
		Total	
<b>Opening balance 2020</b>	<b>183,828</b>	<b>183,828</b>	<b>14,290,550</b>
Transfers	182,583	182,583	14,325,462
Applications	(183,828)	(183,828)	(14,423,145)
Currency Translation Reserve			976,129
<b>Closing balance 2020</b>	<b>182,583</b>	<b>182,583</b>	<b>15,168,996</b>
	Provision for holiday and other remuneration	EUR	INR
		Total	
<b>Opening balance 2019</b>	<b>148,215</b>	<b>148,215</b>	<b>11,898,359</b>
Transfers	183,828	183,828	14,865,547
Applications	(148,215)	(148,215)	(11,985,644)
Currency Translation Reserve			(487,712)
<b>Closing balance 2019</b>	<b>183,828</b>	<b>183,828</b>	<b>14,290,550</b>

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**16. Tax situation**

Set out below is an analysis of deferred tax:

	EUR	INR	EUR	INR
	2020		2019	
<b>Deferred tax assets:</b>				
-Tax losses	280,910	23,338,003	531,799	41,341,363
- Temporary differences	42,890	3,563,301	44,859	3,487,280
<b>Deferred tax liabilities:</b>				
- Temporary differences	0	0	(56)	(4,353)
<b>Deferred taxes</b>	<b>323,800</b>	<b>26,901,304</b>	<b>576,602</b>	<b>44,824,290</b>

The movement in deferred taxes is as follows:

Deferred tax assets	EUR	INR	EUR	INR
	2020		2019	
<b>Opening balance</b>	<b>576,658</b>	<b>44,828,643</b>	<b>697,464</b>	<b>55,990,806</b>
Taken to the income statement	(252,858)	(19,839,239)	(120,806)	(9,769,171)
Currency Translation Reserve		1,911,899		(1,392,991)
<b>Closing balance</b>	<b>323,800</b>	<b>26,901,304</b>	<b>576,658</b>	<b>44,828,643</b>
Deferred tax liabilities	EUR	INR	EUR	INR
	2020		2019	
<b>Opening balance</b>	<b>56</b>	<b>4,353</b>	<b>552</b>	<b>44,313</b>
Charged to the income statement	(56)	(4,394)	(496)	(40,110)
Currency Translation Reserve		40		150
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>56</b>	<b>4,353</b>

The Company has the following balances with Public Administrations:

	Euro	INR	Euro	INR
	2020		2019	
<b>Tax assets</b>				
Withholding Tax from international transaction	5,114	424,871	5,114	397,556



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	Euro		INR		Euro		INR	
	2020				2019			
<b>Tax liabilities</b>								
Personal income tax	71,404	5,932,244	71,426	5,552,564				
VAT	13,704	1,138,528	50,944	3,960,320				
Social security	145,647	12,100,353	133,566	10,383,247				
	<b>230,755</b>	<b>19,171,125</b>	<b>255,936</b>	<b>19,896,132</b>				

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

	2020		EUR	INR	EUR	INR
	EUR	INR				
	Additions		Decreases		Total	
Profit/(loss) before income tax	1,440,273	113,003,820	0	0	1,440,273	113,003,820
Permanent differences	1,250	98,075	0	0	1,250	98,075
Temporary differences arising during the year	162,718	12,766,854	0	0	162,718	12,766,854
Temporary differences arising in previous year	-		(170,596)	(13,384,962)	(170,596)	(13,384,962)
Recovery of tax losses			(1,003,552)	(78,738,690)	(1,003,552)	(78,738,690)
<b>Taxable base</b>			<b>430,093</b>	<b>33,745,097</b>		

Temporary differences are mainly due to the recognition of holidays accrued for the year ended 31 March 2020 and the amount reversed for the year ended 31 March 2019.

Income tax expense is analysed below:

	EUR		INR		EUR		INR	
	2020				2019			
Current tax	(107,086)	(8,896,705)	0	0				
Deferred tax	(252,801)	(19,834,766)	(120,310)	(9,729,062)				
	<b>(359,887)</b>	<b>(28,236,734)</b>	<b>(120,310)</b>	<b>(9,729,062)</b>				

Current income tax expense is calculated by applying a tax rate of 25% (2019: 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
545,320	2017
578,324	2018
<b>1,123,644</b>	

At the end of the 2020 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:

	2020		2019	
	EUR	INR	EUR	INR
Segmentation by category of activity				
Provision of services	11,315,760	887,834,530	11,312,340	914,790,568
	<b>11,315,760</b>	<b>887,834,530</b>	<b>11,312,340</b>	<b>914,790,568</b>
Segmentation by geographical market				
Spain	4,516,144	354,336,658	3,974,752	321,424,713
Europe	6,799,616	533,497,871	7,337,588	593,365,855
	<b>11,315,760</b>	<b>887,834,530</b>	<b>11,312,340</b>	<b>914,790,568</b>

b) Raw materials and consumables

The breakdown of expenses relating to raw materials and other consumables at 31 March 2020 and 2019 is as follows:

	EURO	INR	EURO	INR
	2020		2019	
<b>Raw materials and consumables:</b>				
Subcontracted work	(2,096,794)	(164,514,457)	(2,594,980)	(209,847,231)
	<b>(2,096,794)</b>	<b>(164,514,457)</b>	<b>(2,594,980)</b>	<b>(209,847,231)</b>

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c) Staff costs

	EURO	INR	EURO	INR
	2020		2019	
Wages, salaries and similar	(5,105,047)	(400,541,988)	(5,241,809)	(423,887,315)
Staff welfare costs	(1,403,147)	(110,090,914)	(1,377,960)	(111,430,952)
	<b>(6,508,293)</b>	<b>(510,640,669)</b>	<b>(6,619,769)</b>	<b>(535,318,267)</b>

The line "Wages, salaries and similar remuneration" includes termination benefit costs of €53,887 (2019: €4,032).

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

Category	2020	2019
Chief Administrative Officer	2	-
Administrative staff	2	5
Administrative assistant	2	-
Project leader	1	1
Team leader	42	46
Analyst	17	15
Analyst – Programmer	37	39
Programmer – Graphic designer	10	10
Architects	6	6
Tester	2	2
Systems technician	1	1
Manager	1	2
<b>TOTAL</b>	<b>123</b>	<b>127</b>

The Company's employees are distributed as follows by gender at the year-end 2020 and 2019:

	2020			2019		
	Men	Women	Total	Men	Women	Total
Chief Administrative Officer	-	2	2	-	-	-
Administrative staff	1	1	2	3	2	5
Administrative assistant	1	1	2	-	-	-
Project leader	1	-	1	1	-	1
Team leader	29	13	42	30	16	46
Analyst	10	7	17	9	6	15
Analyst – Programmer	27	10	37	29	11	40
Programmer – Graphic designer	8	2	10	9	1	10
Architects	3	3	6	2	4	6
Tester	1	1	2	1	1	2
Systems technician	1	-	1	1	-	1
Manager	1	-	1	1	-	1
<b>TOTAL</b>	<b>83</b>	<b>40</b>	<b>123</b>	<b>86</b>	<b>41</b>	<b>127</b>

The average number of persons employed during the 2020 financial year with a disability greater than or equal to 33%, broken down by category, is as follows:

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Category	Male	Female	Total
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 2020 and 2019 is as follows:

	EUR	INR	EUR	INR
Other operating expenses	2020		2019	
Rent and Royalties	234,586	18,405,618	261,381	21,136,995
Repairs and maintenance	89,917	7,054,888	79,352	6,416,927
Independent professional services	524,035	41,115,786	956,218	77,326,106
Insurance rates	7,262	569,777	8,340	674,428
Bank services	6,199	486,374	9,423	762,006
Advertising and public relations	15,632	1,226,487	2,895	234,109
Supplies	60,357	4,735,610	60,791	4,915,962
Other services	174,791	13,714,102	248,470	20,092,926
Other taxes	5,321	417,486	5,030	406,759
Allocation to the provision for impairment of trade receivables	19,351	1,518,279	25,278	2,044,146
	<b>1,137,450</b>	<b>89,244,327</b>	<b>1,657,178</b>	<b>134,010,364</b>

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

Senior Management remuneration and loans

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 2020 and 2019 is the following:

	EUR	INR	EUR	INR
	2020		2019	
Wages and salaries	122,969	9,648,148	103,107	8,337,913
Benefits in kind	0	0	14,466	1,169,816
	<b>122,969</b>	<b>9,648,148</b>	<b>117,573</b>	<b>9,507,730</b>

At 31 March 2020 and 2019 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 2020 and 2019 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.

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At 31 March 2020 and 2019 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	Euro		INR	
	2020		2019	
<b>Rendering of services:</b>				
NIIT Technologies Ltd, UK,	506,277	39,722,493	600,183	48,534,764
NIIT Insurance Technologies, LTD	131,782	10,339,616	82,068	6,636,561
NIIT Switzerland,	0	0	77,444	6,262,634
	<b>638,059</b>	<b>50,062,109</b>	<b>759,695</b>	<b>61,433,958</b>

b) Goods purchased and services received	Euro		INR	
	2020		2019	
<b>Services received:</b>				
NIIT Technologies Ltd,	131,287	10,300,778	106,940	8,647,875
NIIT Technologies Ltd, UK	438,110	34,374,111	901,468	72,898,660
NIIT Technologies, Inc,	0	0	30,987	2,505,814
NIIT Airline Technologies GmbH,	0	0	0	0
NIIT Technologies Ltd., SEZ unit,	1,428,756	112,100,196	1,966,475	159,022,164
NIIT Technologies, Ltd. (USA Branch)	119,940	9,410,492	54,818	4,432,946
	<b>2,118,093</b>	<b>166,185,577</b>	<b>3,060,688</b>	<b>247,507,458</b>

c) Year-end balances arising from sales and purchases of goods and services	Euro		INR	
	2020		2019	
<b>Accounts receivable from related parties</b>				
NIIT Technologies Ltd, UK,	373,109	30,997,896	42,290	3,287,570
NIIT Insurance Technologies Ltd,	8,945	743,151	15,802	1,228,427
	<b>382,054</b>	<b>31,741,046</b>	<b>58,092</b>	<b>4,515,997</b>

	Euro		INR	
	2020		2019	
<b>Accounts payable to related parties</b>				
NIIT Technologies Ltd,	25,623	2,128,759	15,429	1,199,430
NIIT Technologies Ltd, UK,	1,206,157	100,207,524	789,641	61,385,665
NIIT Technologies, Ltd. (USA Branch)	73,322	6,091,592	18,665	1,450,992.84
NIIT Insurance Technologies Ltd.	1500	124,620.00	0	0
NIIT Technologies Ltd., SEZ unit,	364,856	30,312,236	493,577	38,370,034
	<b>1,671,458</b>	<b>138,864,731</b>	<b>1,317,292</b>	<b>102,404,568</b>

**NIIT TECHNOLOGIES, S.A.**

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

d) Year-end balances arising from Financial Loans

	Euros	
	2020	2019
<b>Short term debts with group entities</b>		
NIIT InsuranceTechnologies Ltd.	100,000	-
NIIT Technologies Ltd. UK.	100,000	-
	<b>200,000</b>	<b>-</b>

This caption includes two intercompany loans granted by NIIT Technologies Limited UK and NIIT Insurance Technologies Ltd on September 26, 2019 and June 27, 2019 respectively, amounting to €100,000 each one with an applicable interest annual rate of 2% and with a 6 months maturity.

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.

*Audit Fees*

The audit fees accrued during the year by Ernst & Young, S.L. for audit services totalled €30,500 (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 2020 the Company has a bank guarantee that supports the lease of the offices located at street Mendez Alvaro N° 9 in Madrid.

At 31 March 2020 the Company does not hold any pledged assets.

At 31 March 2020 the Company has no commitments to purchase or sell fixed assets.

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

On March 11, 2020, the World Health Organization raised the declaration of the public health emergency caused by the coronavirus outbreak (COVID-19) to an international pandemic. The rapid development of events, both nationally and internationally, is an unprecedented health crisis, which will impact the macroeconomic environment and business developments. To address this situation, among other measures, the Spanish Government has declared a state of alarm, publishing Royal Decree 463/2020 of March 14. It has also approved a series of urgent extraordinary measures to address the economic and social impact of COVID-19 by Royal Decree-Law 8/2020 of March 17.

**NIIT TECHNOLOGIES, S.A.**

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

The Company considers that these events do not entail an adjustment to the annual accounts for the year ended March 31, 2020, although they could have a significant impact on its operations and, therefore, on its future results and cash flows.

In view of the complexity of the situation and its rapid evolution, it is not possible at this time to make a reliable quantified estimate of its potential impact on the Company, which will be recorded prospectively in the 2020 annual accounts.

The Company is taking the appropriate measures to address the situation and minimise its impact, considering that this is a temporary situation which, according to the most recent estimates and the cash position to date, does not compromise the application of the going concern principle-

The situation happened during Q4 and the first numbers forecasted for FY21 have made the company to take proactively and preventively the necessary actions to ensure financial stability in the medium term in such a way that we have agreed and closed with employees representatives a temporary regulation of employment (ERTE) in the vertical of transport and tourism affecting a total of 60 employees up to a maximum time of 7.5 months. This mechanism should help the company to adapt and have a better alignment between the costs and existing/projected workload in the most impacted customers. Additionally, this measure was accompanied by the reduction of the labour relationship for a reduced number of non-critical staff in the company that did not pass the trial period and that did not affect the business strategies to be taken in the following year. In terms of liquidity, the company has €713,238 in cash, however if the company finds itself in an unexpected situation, they will have the financial support needed from the rest of the group.

No other events have occurred that significantly affect the results of NIIT Technologies, S.A or its equity

**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 29 June 2020 the Board of Directors of NIIT Technologies, S,A, prepared the Annual Accounts and Directors' Report for the year ended 31 March 2020, consisting of the preceding documents.

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Arunbir Singh Soin  
Foreigner ID Y5050109J  
Joint Administrator

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Gautam Samanta  
Foreigner ID Y8109229H  
Joint Administrator

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**22. Prevalence of the Spanish version**

The Joint Directors resolve and expressly certify that the Spanish language version will prevail over the English version in the event of any type of discrepancy between the two versions.

**PREPARATION OF ANNUAL ACCOUNTS:**

Pursuant to the provisions of the Spanish Companies Act, the Joint Administrators of NIIT Technologies, S.A., on 29 June 2020, draw up these ordinary annual accounts for the year ended 31 March 2019, issued on 31 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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Gautam Samanta  
Foreigner ID Y8109229H  
Joint Administrator

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## NIIT TECHNOLOGIES, S.A.

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

This fiscal exercise can be considered to be made up of two clearly differentiated and unequal parts in its duration and impact on annual results: during the first 3 quarters of FY20 there has been a clearly positive evolution of sustained growth in the main account of the company (IAG/Iberia) reaching a peak over the last 5 years, which, however, has been abruptly interrupted by the COVID-19 situation happened from the second half of March in which the vertical business of transport and tourism, and with it the IAG accounts/Iberia, TTC and Pullmantur have suffered an almost complete stoppage of their activity in the development area and a scenario of cost reduction in the maintenance area. This has been translated in avoiding us to reach, by a narrow gap, the target set for this year and, which is more worried, significantly conditions the forecasts and business plan for the next fiscal year. The rest of the accounts, belonging to the banking, insurance and other verticals, have not been affected as of now by the current situation and have remained almost flat during the past FY20 in terms of business variation.

Our revenues have consolidated, for second year in a row, in a net positive number. This could have been reaching better status but final net data has been impacted by the impact on Q4 suffered on the IAG/Iberia and TTC accounts which finally led to a decrement of around 20% of decrement QoQ at consolidated level in Spain. Our gross operating margins keep being positive consolidating the turn-around started last fiscal year in comparison with some years back. Nevertheless, this positive tendency and consolidation were also affected by the COVID-19 impact.

The situation happened during Q4 and the first numbers forecasted for FY21 have made us to take proactively and preventively the necessary actions to ensure financial stability in the medium term in such a way that we have agreed and closed with employees representatives a temporary regulation of employment (ERTE) in the vertical of transport and tourism affecting a total of 60 employees up to a maximum time of 7.5 months. This mechanism should help us to adapt and have a better alignment between our costs and existing/projected workload in the most impacted customers. Additionally, this measure was accompanied by the reduction of the labour relationship for a reduced number of non-critical staff in the company that did not pass the trial period and that did not affect the business strategies to be taken in the following year. In terms of liquidity, the company has €713,238 in cash, however if the company finds itself in an unexpected situation they will have the financial support needed from the rest of the group.

The overall economic stability of this fiscal year has allowed us to maintain the investment policy on key initiatives as training and team management applied to all the staff. In all cases, the bandwidth of cost autonomy given within the FY20 budget has been met in all items (personnel, IT, HR, etc.).

Linked to these qualitative factors and employees care, various initiatives and investments have been launched to improve professional training (training initiatives) as well as to improve and promote teamwork and involvement with the company through our HR department. This allows us to continue to have controlled rotation ratios, below the sector average and keeping key people within the organization due to the knowledge they have, which lies in the continuity of certain business lines. All aspects related to the template are explained in the corresponding note in the report.

Regarding our strategy of partners and subcontractors, the containment scenario of the previous year has already been maintained and our complete alignment with corporate directives where we seek to complement ourselves with suppliers that provide us with significant technological and disruptive value. Strategic services subcontracts are maintained (Decide) as well as highly qualified personnel in Time & Material contracts.

We would like to list down some other aspects regarding the previous fiscal year FY20:

- There are no significant events subsequent to the end of the year beyond those indicated in this report.
- Regarding the use of coverage products, the company does not have them.
- Note 5 of the report comments on the financial risk factors of the company.
- The company has not made investments in R&D during the 2019-2020 financial year.
- During the year there were no acquisitions of own shares, although the company has in portfolio those listed in the attached Balance Sheet amounting to 4.52% of the Capital Stock.
- Regarding the average payment period to suppliers, it is fully detailed in note 14 of the report.