

Independent Auditor's Report on buy back of shares pursuant to the requirement of Schedule I to the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 as amended

The Board of Directors
NIIT Technologies Limited
8, Balaji Estate, First Floor,
Guru Ravidass Marg
Kalkaji, New Delhi - 110019

1. This Report is issued in accordance with the terms of our service scope letter engagement letter dated December 19, 2019 and master engagement agreement October 04, 2017 with NIIT Technologies Limited (hereinafter the "Company").
2. In connection with the proposal of NIIT Technologies Limited ("the Company") to buy back its equity shares in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended ("the Regulations"), and in terms of the resolution passed by the directors of the Company in their meeting held on December 23, 2019, which is subject to the approval of the shareholders of the Company, we have been engaged by the Company to perform a reasonable assurance engagement on the Statement of determination of the amount permissible capital payment (the "Statement"), which we have initialed for identification purposes only.

Board of Directors Responsibility for the Statement

3. The preparation of the Statement of determination of the amount permissible capital payment for the buyback is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Board of Directors are responsible to make a full inquiry into the affairs and offer document of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of meeting.

Auditor's Responsibility

5. Pursuant to the requirements of the Regulations, it is our responsibility to provide reasonable assurance on the following "Reporting Criteria":
 - (i) Whether the amount of permissible capital payment for the buy-back is within the permissible limit and computed in accordance with the provisions of Section 68(2)(c) of the Act;
 - (ii) Whether the Board of Directors has formed the opinion, as specified in Clause (X) of Schedule I to the Regulations, on a reasonable ground that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution, and from date on which the results of the shareholders' resolution with regard to the proposed buy-back are declared;



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- (iii) Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
6. The audited standalone and consolidated financial statements referred to in paragraph 9 below, have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 04, 2019. Our audit of these financial statements was conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mention in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
- i) We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements as at and for the year ended March 31, 2019;
 - ii) Examined authorization for buyback from the Articles of Association of the Company;
 - iii) Examined that the amount of permissible capital payment for the buy-back as detailed in Annexure A is within permissible limit computed in accordance with section 68(2)(c) of the Act based on the audited standalone and consolidated financial statements of the Company;
 - iv) Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after such buy-back;
 - v) Examined that all shares for buy-back are fully paid-up;
 - vi) Read the resolutions passed in the meetings of the Board of Directors. We have done no procedures as regard the projections as approved by the Board of Directors and accordingly do not certify the same;
 - vii) Read the Director's declarations for the purpose of buy back and solvency of the Company as detailed in Annexure B;
 - viii) Obtained necessary representations form the management of the Company.

Opinion

10. Based on our examination as above, and the information and explanations given to us, in our opinion: -
- (i) the Statement of permissible capital payment towards buyback of equity shares, as stated in Annexure A, is in our view properly determined in accordance with Section 68(2)(c) of the Act; and



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(ii) the Board of Directors, in their meeting held on December 23, 2019, have formed the opinion, as specified in clause (x) of Schedule I of the Regulations, as stated in Annexure B, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the passing of board resolution dated December 23, 2019, and from date on which the results of the shareholder's resolution with regard to the proposed buy-back are declared and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

Restriction on Use

11. The certificate is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable them to include it (a) in the explanatory statement to be included in the postal ballot notice to be circulated to the shareholders, (b) in the public announcement to be made to the Shareholders of the Company, (c) in the draft letter of offer and letter of offer to be filed with the Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies as required by the Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited, and should not be used by any other person or for any other purpose.
12. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Yogender Seth**

Partner

Membership Number: 094524



UDIN: 19094524AAAAFH7077

Place of Signature: Gurugram

Date: December 23, 2019

Statement of permissible capital payment (Annexure A)



Computation of amount of permissible capital payment towards buyback of equity shares in accordance with section 68(2)(c) of the Companies Act, 2013 and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended (“the Regulations”), based on audited standalone and consolidated financial statements of the Company as at and for the year ended March 31, 2019.

Particulars	Standalone (Rs. in Mn.)	Consolidated (Rs. in Mn)
Paid-up Equity Share Capital (A) (61,783,874 Equity Shares of Rs. 10 each)	618	618
Free Reserves*		
Retained earnings	13,575	18,018
Securities Premium	614	614
General reserve	1,873	2,306
Total Free Reserves (B)	16,062	20,938
Total (A + B)	16,680	21,556
Maximum amount permissible for the buyback i.e. 25% of total paid-up equity share capital and free reserves#	4,170	5,389
Amount approved by Board of director dated December 23, 2019 subject to approval of shareholders by means of a special resolution through postal ballot	3,375	3,375

As per the provisions of Section 68(2) (c) of the Companies Act, 2013, the maximum amount permissible for the buy back of equity shares of the Company is twenty five percent or less of the aggregate of paid capital and free reserves of the Company.


*As per Companies Act, 2013 Section 2(43) definition of “free reserves” means such reserves which, as per the latest audited balance sheet of a company, are available for distribution as dividend, provided that—

- (i) any amount representing unrealised gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or
- (ii) any change in carrying amount of an asset or of a liability recognised in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves;

Signature
Name
Designation
DIN/PAN


Hari Gopalakrishnan
Non-Executive Director
03289463


Kirti Ram Hariharan
Non-Executive Director
01785506


Ajay Kalra
Chief Financial Officer
AASPK6529J

Date : December 23, 2019

Place: Gurugram

NIIT Technologies Ltd.

Declaration of the Board of Directors (Annexure B)

It is hereby declared that the Board of Directors has made full enquiry into the affairs and offer document of the Company and after taking into account the financial position of the Company including the projections and also considering all contingent liabilities, the Board has formed an opinion:

1. That there are no defaults subsisting in the repayment of deposits, interest payment thereon or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.
2. That immediately following the date of the board meeting as well as the date on which the results of the postal ballot approving the proposed Buyback will be announced, there will be no grounds on which the Company could be found to be unable to pay its debts.
3. As regards to the Company's prospects for the year immediately following the date of the Board meeting as well as the date on which the results of the postal ballot approving the proposed Buyback will be announced, that having regards to the Board of Directors' intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board of Directors' view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of Board and shareholders' approval.
4. That in forming the opinions for the above purposes, the directors have taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the provisions of the Companies Act, 2013 or the Insolvency and Bankruptcy Code, 2016, as amended.
5. That the debt equity ratio of the Company (standalone and consolidated financial statements) after the Buy-back will be within the limit of 2:1 as prescribed under the Act.

The declaration is made and issued under the authority of the Board in terms of the resolution passed at its meeting held on December 23, 2019.

Signature**Name****Designation****DIN**

Hari Gopalakrishnan
Non-Executive Director
03289463



Kirti Ram Hariharan
Non-Executive Director
01785506

Date : December 23, 2019**Place: Gurugram**