NIIT TECHNOLOGIES, S.A.

Annual Accounts and Directors' Report
at year-end 31 March 2018

NIIT technologies

NIIT TECHNOLOGIES, S.A.

BALANCE SHEET AT YEAR-END 31 MARCH 2018 AND 2017
(Expressed in euro)

ASSETS	Note	At 31 March 2018 EUR	2018 INR	2017 EUR	2017 INR
NON-CURRENT ASSETS		915,732	73,514,965	745,365	51,716,405
Intangible assets	6	71,154	5,712,243	41,386	2,871,665
Property, plant and equipment	7	85,030	6,826,208	93,144	6,462,703
Long-term financial assets	8,9	62,084	4,984,104	62,054	4,305,555
Other financial assets		62,084	4,984,104	62,054	4,305,555
Deferred tax assets	16	697,464	55,992,410	548,779	38,076,482
CURRENT ASSETS		2,116,196	169,888,215	2,788,511	193,478,047
Trade and other receivables		1,861,926	149,475,419	2,582,136	179,158,924
Trade receivables for sales and services rendered	8,10	1,804,134	144,835,878	2,486,572	172,667,080
Trade receivables, group companies and associates	8,19	50,426	4,048,199	88,542	6,143,398
Staff costs	8,10	2,252	180,791	1,500	104,076
Other receivables from Public Administrations	16	5114	410,552	3522	244,370
Short -term investments					
Short-term accruals		23,493	1,886,018	27,610	1,915,692
Cash and cash equivalents	11	230,777	18,526,776	178,765	12,403,431
		3,031,928	243,403,180	3,533,876	245,194,452

EQUITY & LIABILITIES	Note	At 31 March 2018 EUR	2018 INR	2017 EUR	2017 INR
EQUITY					
Capital and reserves		1,170,108	93,936,270	1,616,593	112,165,689
Capital	12	198,900	15,967,692	198,900	13,800,476
Reserves	13	2,955,726	237,285,683	2,955,726	205,080,093
(Treasury shares)	12,13	-54,419	-4,368,757	-54,419	-3,775,808
Prior year losses	3	-1,483,614	-119,104,532	-516,921	-35,866,047
Profit for the year		-446,485	-35,843,816	-966,693	-67,073,027
NON-CURRENT LIABILITIES		552	44,315	695	48,222
Deferred tax liabilities	16	· 552	44,315	695	48,222
CURRENT LIABILITIES		1,861,288	149,424,201	1,916,568	132,980,542
Short-term provisions	15	148,215	11,898,700	238,617	16,556,202
Short term payable to Group Companies and assoicates	8.19			500,649	34,750,907
Trade and other payables				1,074,003	74,518,624.15
Trade payables	8, 14	130,739	10,495,727	112,964	7,837,894
Trade payble Group Companies and assoicates	8,19	941,783	75,606,339	120,695	8,374,302
Sundry payables	8, 14	123,363	9,903,582	352,168	24,436,212
Accrued wages and salaries	8, 14	154,718	12,420,761	179,410	12,448,183
Current tax liabilities	16,18				
Other payables to Public Administrations	16	257,005	20,632,361	308,446	21,401,217
Accruals and deferred income		105,445	8,465,125	103,119	7,154,809
Short-term accruals					
		3,031,928	243,403,180	3,533,876	245,194,452

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NIIT TECHNOLOGIES, S.A.

INCOME STATEMENT FOR THE YEARS ENDED 31 MARCH 2018 AND 2017
(Expressed in euro)

	Note	Year ended At 31 March 2018		2017	
		EUR	INR	EUR	INR
CONTINUING OPERATIONS					
Revenue					
Services rendered	17	9,793,763	736,306,400	7,981,860	589,242,257
Raw materials and consumables		9,793,783.00	736,306,400	7,981,860	589,242,257
Subcontracted work	17	-1,821,194	-136,919,186	-1,127,697	-83,249,609
Other operating income		-1,821,194	-136,919,186	-1,127,697	-83,249,609
Sundry and Other income					
Staff costs					
Wages, salaries and similar remuneration	17	-7,492,400	-563,286,124	-7,143,363	-527,342,165
Staff Welfare Costs		-5,991,897	-450,476,808	-5,695,984	-420,492,776
Other operating expenses		-1,500,503	-112,809,316	-1,447,380	-106,849,463
External services		-940,290	-70,691,942	-944,213	-69,704,329
Taxes		-845,410	-63,558,769	-726,769	-53,652,032
Losses, impairment and variation in trade provisions		-3,506	-263,585	-2,229	-164,551
Fixed asset amortisation/ depreciation	10	-91,374	-6,869,589	-215,215	-15,887,747
Impairment and profit/ loss on fixed asset disposals	6 y 7	-48,008	-3,609,289	-39,991	-2,952,243
					-
loss and disposals others					
OPERATING RESULTS					
Financial Income		-508,109	-38,200,143	-1,273,404	-94,006,090
Financial expense				2,760	203,751
Exchange differences		-10,540	-792,408	-3,490	-257,641
FINANCE INCOME/(EXPENSE)		-76,664	-5,763,676	-14,790	-1,091,837
PROFIT/(LOSS) BEFORE TAX		-87,204	-6,556,084	-15,520	-1,145,728
Corporate income tax		-595,313	-44,756,227	-1,288,924	-95,151,818
PROFIT/(LOSS) FOR THE YEAR	16	148,828	11,189,038	322,231	23,787,954
		-446,485	-33,567,189	-966,693	-71,363,863

NIIT TECHNOLOGIES, S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 MARCH 2018 AND 2017
(Expressed in euro)

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE

	2018	2017	2018	2017
Profit / (Loss) for the year	(446,485)	(966,693)	-33,567,189	-71,363,863
Income and expenses recognised directly in equity	-	-		
For valuation of financial instruments	-	-		
- Available-for-sale financial assets	-	-		
- Other income / expenses	-	-		
For cash flow hedges	-	-		
Grants, donations and legacies received	-	-		
Actuarial gains or losses	-	-		
Non-current assets and related liabilities held for sale	-	-		
Translation differences	-	-		
Tax effect	-	-		
Total income and expenses recognised directly in equity	-	-		
Transfers to Profit or Loss				
For valuation of financial instruments	-	-		
- Available-for-sale financial assets	-	-		
- Other income / expenses	-	-		
For cash flow hedges	-	-		
Grants, donations and legacies received	-	-		
Non-current assets and related liabilities held for sale	-	-		
Translation differences	-	-		
Tax effect	-	-		
Total Transfers to Profit or Loss	-	-		
TOTAL RECOGNISED INCOME AND EXPENSE	(446,485)	(966,693)	-33,567,189	-71,363,863

NIIT TECHNOLOGIES, SA.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018 AND 2017(Expressed in euro)

B) STATEMENT OF CHANGES IN EQUITY

	Share capital	Share Premium	Reserves	(Treasury shares)	Prior year losses	Profit/loss for the year	TOTAL	Share capital	Share Premium	Reserves	(Treasury shares)	Prior year losses	Profit/loss for the year	TOTAL
	EURO							INR						
Opening Balance 2017	198,900		2,955,726	-54,419		-516,921	2,583,286	14,990,496	-	222,764,201	-4,101,397	-	-38,958,785	194,694,516
Total recognised income and expenses	-		-	-		-966,693	-966,693	-	-	-	-	-	-71,363,863	-71,363,863
Recognised income and expenses						-966,693	-966,693	-	-	-	-	-	-71,363,863	-71,363,863
Application of prior profit/loss	-				-516,921	516,921	-	-	-	-	-	-38,160,491	38,160,491	-
Curerncy Translation Reserve								-1,190,019	-	-17,684,109	325,589	2,294,444	76,452,993	60,198,899
End Balance 2017	198,900		2,955,726	-54,419	-516,921	-966,693	1,616,593	13,800,478	-	205,080,093	-3,775,808	-35,866,047	-67,073,027	112,165,689
Opening Balance 2018	198,900	-	2,955,726	-54,419	-516,921	-966,693	1,616,593	13,800,478	-	205,080,093	-3,775,808	-35,866,047	-67,073,027	112,165,689
Total recognised income and expenses	-	-	-	-		-446,485	-446,485	-	-	-	-	-	-33,567,189	-33,567,189
Recognised income and expenses	-		-	-		-446,485	-446,485	-	-	-	-	-	-33,567,189	-33,567,189
Application of prior profit/loss					-966,693	966,693	-	-	-	-	-	-72,676,946	72,676,946	-
Curerncy Translation Reserve								2,167,214	-	32,205,590	-592,949	-10,561,539	25,686,642	48,904,959
End Balance 2018	198,900	-	2,955,726	-54,419	-1,483,614	-446,485	1,170,108	15,967,692	-	237,285,683	-4,368,757	-119,104,532	-35,843,816	93,936,270

NIIT TECHNOLOGIES, S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018
(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 Menorca núm, 3, Madrid, Its tax ID is A-83163634.

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

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

These annual accounts were prepared by the Board of Directors on 30 June 2018.

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 2017 were prepared by the directors at the Board of Directors' meeting held on 4 May 2017.

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.

(Expressed in euro)

Deferred tax assets

Deferred tax assets are recognised for all those available tax losses 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

The Company forms part of a group of companies as described in the 13th standard for the preparation of the financial statements "Group, Jointly Controlled Entities and Associates" contained in Part Three of the Spanish National Chart of Accounts. Based on this, in accordance with the amendment incorporated by article 1 of Royal Decree 602/2016, of 2 December, in calculating the limits for the presentation of abridged annual accounts when a company forms part of a group, the sum of the assets, the net turnover and the average number of employees of all the companies making up the group will be taken into account when quantifying the amounts, taking into account the eliminations and incorporations regulated in the consolidation rules approved pursuant to the principles contained in the Commercial Code. The year ended 31 March 2018 was the second consecutive year in which the aforementioned limits were exceeded at consolidated level. Therefore, these financial statements at 31 March 2018 were prepared in accordance with the standard models. The annual accounts for 2017 were prepared in an abridged format.

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 2018 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:

Available for distribution	**Euro**
Loss for the year	(446,485)
Total	**(446,485)**
Distribution	
Prior-year losses	(446,485)
Total	**(446,485)**

4, Accounting policies

4,1 Intangible assets

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

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

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.

(Expressed in euro)

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.

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.

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.

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.

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.

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 2018 and 31 March 2017, 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.

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	
	2018	**2017**
Services received	**625,108**	**231,567**
Pound sterling	88,952	30,210
US dollars	509,753	201,161
Indian rupiah	26,403	196

(Expressed in euro)

Services rendered	**1,983,208**	**986,823**
US dollars	1,983,208	986,823

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

	Euro	
	2018	**2017**
Asset balances denominated in foreign currencies	**389,096**	**116,407**
Pound sterling	-	-
US dollars	389,096	116,407
Liability balances denominated in foreign currencies	**415,527**	**77,995**
Indian rupiah	26,403	
Pound sterling		-
US dollars	89,297	1,525
	299,827	76,470

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.

(Expressed in euro)

a) Market risk

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

Interest rate risk

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

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 2018 and 2017 and has carried out transactions in a currency other than the euro in the year ended 31 March 2018 and 2017, as detailed in Note 4, 12,b) to these accounts.

Other Price risks

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

At 31 March 2018, maximum exposure to price risk in equity instruments acquired, including Group and jointly-controlled entities and associates, was zero because there are no equity instruments on the balance sheet.

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

b) Credit risk

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

Maximum credit risk exposure at 31 March 2018 and 2017 was as follows:

	2018 -EURO	2018 - INR	2017 -EURO	2017 -INR
Long-term investments	62,084	4,984,104	62,054	4,305,555
Trade and other receivables	1,861,926	149,475,419	2,582,136	179,158,924
Short-term financial investments	-	0	-	-
Cash and cash equivalents	230,777	18,526,778	178,765	12,403,431
	2,154,787	172,986,300	2,822,992	195,867,910

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 €1,804,134 (2017: €2,488,572) is practically the whole risk recognised as "Trade and other receivables". These break down as follows, by age, at 31 March 2018 and 2017:

(Expressed in euro)

	Continuing operations (Note 10)					
	2018		2017		2016	
	EUR	INR	EUR	INR	EUR	INR
Not due	1,799,055	144,428,135	2,254,531	156,428,379	1,787,937	134,751,448
Due but not doubtful	5,079	407,742	234,041	16,238,701	27,042	2,038,074
Less than 30 days			-	-	27,042	2,038,074
Between 30 and 60 days			-	-	-	-
Between 60 and 90 days			-	-	-	-
More than 90 days	5,079	407,742	234,041	16,238,701	-	-
	1,809,213	145,243,620	2,488,572	172,667,080	1,814,979	136,789,522
Doubtful	1,320	105,970	262,648	18,223,569	56,153	4,232,083
Impairment adjustments	-1,320	-105,970	-262,648	-18,223,569	-56,153	-4,232,083
Total	-	-	2,488,572	172,667,080	1,814,979	136,789,522

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:

	31/3/2018			31/03/2017			31/03/2016		
	Number of customers	EUR	INR	Number of customers	EUR	INR	Number of customers	EUR	INR
Balance over €1,000,000	-	-	-	1	1,148,102	79,659,909	1	1,140,026	81,540,360
Balance between €500,000 and €1,000,000	1	613,978.00	49,290,153.84	-	-	-	-	-	-
Balance between €200,000 and €500,000	1	472,644	37,943,860.32	2	694,238	48,169,009	-	-	-
Balance between €100,000 and €200,000	3	360,804	28,965,345.12	2	255,012	17,693,753	3	431,075	30,832,639
Balance under €100.000	10	356,708	28,636,518.24	12	391,220	27,144,408	11	243,878	17,443,374
Total		1,604,134	144,835,878		2,488,572	172,667,080		1,814,979	129,816,373

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.

(Expressed in euro)

Intangible assets	EUR	INR	EUR	INR	EUR	INR	INR	EUR	INR
	1/4/2017		Additions		Decreases		Currency Translation Reserve	31/3/2018	
Software and licences	71,114	4,934,174	49,952	3,755,441	-130	-9,774	1,028,901	120,936	9,708,742
Accumulated Amortisation Intangible assets	-29,726	-2,062,509	-20,196	-1,518,355	130	9,774	-425,408	-49,782	-3,996,499
Carrying amount	41,388	2,871,665	29,756	2,237,086	-	-	603,492	71,154	5,712,243

	EUR	INR	EUR	INR	EUR	INR	INR	EUR	INR
	1/4/2016		Additions		Decreases		Currency Translation Reserve	31/3/2017	
Software and licences	29,151	2,197,023	41,963	3,097,821	-	-	-360,671	71,114	4,934,174
Accumulated Amortisation Intangible assets	-16,793	-1,265,638	-12,933	-954,749	-	-	157,878	-29,726	-2,062,509
Carrying amount	12,358	931,385	29,030	2,143,072	-	-	-202,793	41,388	2,871,665

At 31 march 2018, fully amortized intangible assets amounting to euro 11,662 were still in use 31 March 2017 euro 8,861).

7. Property plant and equipment

Movements in property plant and equipment for the year ended 31 March 2018 and 2017 as follows.

	1/4/2017		Additions		Decreases		Transfers		Currency Translation Reserve	31/3/2018	
Plant	34,400	2,386,810	-	-	-1,250	-93,976	-	-	368,449	33,150	2,661,282
Fixtures and fittings	16,620	1,153,162	15,021	1,129,294	-1,163	-87,436	-	-	251,753	30,478	2,446,774
Furnishings	36,992	2,566,653		-	-	-	-	-	403,065	36,992	2,969,718
Data-processing equipment	149,294	10,358,615	4,687	352,373	-10,245	-770,229	-	-	1,598,367	143,736	11,539,126
Other Property, plant and equipment	8,878	615,991		-	-592	-44,507	-	-	93,716	8,286	665,200
				-		-			-	-	-
Accumulated depreciation, plant	-29,708	-2,061,260	-2,897	-217,799	1,163	87,436	-	-	-332,540	-31,442	-2,524,164
Accumulated depreciation, fixtures and fittings	-9,519	-660,466	-2,857	-214,792	1,250	93,976	-	-	-111,913	-11,126	-893,195
Accumulated depreciation, furnishings	-23,226	-1,611,513	-2,815	-211,635	-	-	-	-	-267,424	-26,041	-2,090,571
Accumulated depreciation, computer hardware	-83,678	-5,805,914	-18,293	-1,375,268	10,245	770,229	-	-	-952,792	-91,726	-7,363,763
Accumulated depreciation, other PPE	-6,909	-479,374	-960	-72,174	592	44,507	-	-	-77,157	-7,277	-564,198
										-	-
Carrying amount	93,144	6,462,703	-8,114	-610,019	-	-	-	-	973,624	85,030	6,826,208

	1/4/2016		Additions		Decreases		Transfers		Currency Translation Reserve	31/3/2017	
Plant	34,400	2,592,625	-	-	-	-	-	-	-205,815	34,400	2,386,810
Fixtures and fittings	13,598	1,024,840	3,022	223,092	-	-	-	-	-94,771	16,620	1,153,162
Furnishings	34,865	2,627,670	2,127	157,021	-	-	-	-	-218,038	36,992	2,566,653
Data-processing equipment	92,537	6,974,236	56,757	4,189,954	-	-	-	-	-805,575	149,294	10,358,615
Other Property, plant and equipment	8,298	625,395	580	42,817	-	-	-	-	-52,221	8,878	615,991
									-		
Accumulated depreciation, plant	-25,773	-1,942,434	-3,935	-290,492	-	-	-	-	171,666	-29,708	-2,061,260
Accumulated depreciation, fixtures and fittings	-8,080	-608,965	-1,439	-106,231	-	-	-	-	54,730	-9,519	-660,466
Accumulated depreciation, furnishings	-20,067	-1,512,390	-3,159	-233,206	-	-	-	-	134,083	-23,226	-1,611,513
Accumulated depreciation, computer hardware	-66,206	-4,989,748	-17,472	-1,289,830	-	-	-	-	473,663	-83,678	-5,805,914
Accumulated depreciation, other PPE	-5,856	-441,349	-1,053	-77,735	-	-	-	-	39,710	-6,909	-479,374

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018
(Expressed in euro)

	Euro	
	2018	**2017**
Wages, salaries and similar	(5,991,897)	(5,695,984)
Staff welfare costs	(1,500,503)	(1,447,380)
	(7,492,400)	**(7,143,363)**

The line "Wages, salaries and similar remuneration" includes termination benefit costs of €469,704 (2017: €179,881).

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

Category	2018	2017
Executive	3	4
Manager	3	2
Project manager	8	9
Team leader	1	2
Project leader	29	26
Senior supervisor	3	4
Analyst	54	47
Programmer	10	17
Graphic designer	2	3
Consultant	6	8
Systems technician	1	1
Tester	2	1
Computer operator	5	3
Administrative staff	4	6
Assistants	1	1
Architects	1	1
TOTAL	**133**	**135**

The Company's employees are distributed as follows by gender at the year-end 2018 and 2017:

	2018			2017		
	Men	Women	Total	Men	Women	Total
Administrative Staff	2	1	3	2	3	5
Analyst	1	2	3	39	10	49
Consultant	4	4	8	7	1	8
Executive	1	0	1	4	0	4
Project manager	21	8	29	9	0	9
Graphic designer	2	1	3	1	0	1
Manager	38	16	54	1	2	3
Team leader	10	0	10	2	0	2
Project leader	2	0	2	21	5	26
Senior supervisor	5	1	6	1	1	2
Computer operator	1	0	1	-	-	-
Programmer	1	1	2	18	3	21
Tester	4	1	5	1	0	1
Systems technician	2	2	4	2	0	2
Assistants	0	1	1	0	2	2
Architects	1	0	1	1	0	1
	95	**38**	**133**	**109**	**27**	**135**

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

20, Other information

Environment and greenhouse gas emission allowances

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

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

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

Fees

The audit fees accrued during the year by PricewaterhouseCoopers Auditores, S,L, for audit services totalled €30,705 (2017: €26,700). No other services have been invoiced by this firm or others using the same trademark.

Guarantees or commitments with third parties

At 31 March 2018 the Company has no guarantees or other commitments with third parties which entail a risk for the Company.

At 31 March 2018 the Company does not hold any pledged assets.

At 31 March 2018 the Company has no commitments to purchase or sell fixed assets.

21, Events after the balance sheet date

There have been no significant events after the year end.

NIIT TECHNOLOGIES, S.A.

PREPARATION OF THE ANNUAL ACCOUNTS AND DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

In accordance with Article 253 of the Spanish Companies Act 2010 and Article 37 of the Code of Commerce, on 30 June 2018 the Board of Directors of NIIT Technologies, S,A, prepared the Annual Accounts and Directors' Report for the year ended 31 March 2018, consisting of the preceding documents.

Arunbir Singh Soin Foreigner ID Y5050109J Joint Administrator	Neeraj Mathur Foreigner ID Z2226237 Joint Administrator

PREPARATION OF ANNUAL ACCOUNTS:

Pursuant to the provisions of the Spanish Companies Act, the Joint Administrators of NIIT Technologies, S,A,, on 30 June 2018, draw up these ordinary annual accounts for the year ended 31 March 2018, issued on 32 pages of ordinary paper including this page, and that will be submitted to the Shareholders in General Meeting for approval.

Arunbir Singh Soin Foreigner ID Y5050109J Joint Administrator	Neeraj Mathur Foreigner ID Z2226237 Joint Administrator

NIIT TECHNOLOGIES, S.A.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

During the current fiscal year, the Company has registered a change of trend in the last two quarters, causing it to abandon the operating losses it has been recording in the last two fiscal years.

This change in trend has translated into results close to financial equilibrium in Q3 and positive results in Q4 and has been due, among other reasons, to the restructuring carried out in certain positions of the company at executive level. These changes have mainly resulted in a drastic reduction in our structural costs, with the consequent impact on the operating margin and, similarly, certain measures in the area of direct costs have increased our gross margin by several points. This cost management, together with an increase in revenues in Iberia's account, helped to achieve the aforementioned results.

In order to maintain the profitability path, we have opted for a simpler structure, extending the responsibilities of the Iberia team, our main account, to also take care of the rest of the accounts at a national level. This simplification of the structure has led to the loss of the different roles assigned to the sales force, but has been compensated by the design of the budget for the new fiscal year 18-19 with zero growth, which will allow us to ensure the profitability achieved and to be realistic about the expectations of new business generation, betting on the consolidation and profitability of the existing one, although without renouncing opportunities that may arise. In addition, the improvement in profitability is also due to a significant reduction in subcontracting in Iberia, which will help to meet this objective.

At the level of accounts or business groups during fiscal year 17-18, the consolidation and establishment of the business in Iberia is noteworthy, which, together with the introduction of the offshore component, has led us to complete the entire fiscal year with sustained profitability in all quarters and higher than initially planned.

In the other accounts, we would like to highlight the growth of TTC through the incorporation of new group brands that have our nearshore development center as their main asset and have been recognized by the client in terms of innovation and quality of work. This group of accounts has become our second source of income and has reduced differences with Iberia which, historically, has been the main account at the level of income and personnel. The rest of the businesses present a moderate or even flat growth, as they are treated in the largest number of cases of work in technical assistance mode, which makes the growth depend on many more factors. As the only negative data of some IMS and Gas Natural accounts on which the corresponding measures will be applied according to the medium term path they may have and always ensuring the main objective common to Spain, which is profitability.

In terms of direct personnel, our company continues to have turnover rates below the industry average, with a clear differentiation between the Iberia account staff and small accounts compared to the TTC group. In the latter case, these are newly hired personnel with a higher turnover rate in parallel with the current market performance, while in Iberia and the rest of the accounts the seniority of the personnel is significant, averaging more than 10 years, and with very low turnover.

Although it is true that during this year a restructuring of the workforce has been carried out to improve the company's performance. The evolution and distribution of the workforce is explained in detail in the note to the corresponding report.

Our partner and subcontractor strategy will be significantly changed in the new fiscal year as we move away from working with UNIT4 as a technology provider in Siebel and choose to directly deliver NIIT's services in the new technologies that the client has chosen. Likewise, aligning ourselves with initiatives at the corporate level, we will always seek to complement ourselves with suppliers who provide us with significant technological and disruptive value.

Therefore, by way of summary, we must indicate that the company has made a significant change in the direction of its business in Spain, ensuring sustained profitability rather than aggressive growth, maintaining an investment policy in line with the most important needs (such as a new local corporate headquarters, professional retraining of team skills, etc.) and a commitment to the continuity of the brands and equipment treasured to date and enhancing visibility as a nearshore digital development centre at European level for the rest of the business units.

There are no significant events subsequent to year-end.

As for the use of coverage products, the company does not have them.

NIIT technologies

NIIT TECHNOLOGIES, S.A.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The reference note to the report comments on the company's financial risk factors.

The company has not invested in R&D during 2017-2018.

There were no acquisitions of treasury shares during the year, although the Company holds 4.52% of its share capital, which are shown in the accompanying balance sheet.

In relation to the average period of payment to suppliers, this is detailed in the corresponding Note.