

NIIT TECHNOLOGIES BRAZIL LTDA

Balance Sheet as at 31st March 2016

	PARTICULARS	Notes	As at 31st March 2016		As at 31st March 2015	
			BRL	INR	BRL	INR
I	EQUITY AND LIABILITIES					
1	Shareholders' funds					
	Share capital	3	250,000	4,654,225	250,000	4,898,006
	Reserves and surplus	4	-232,988	-4,337,514	(46,300)	-907,105
2	Non-current liabilities					
3	Current liabilities					
	Trade Payables	5	2,811,610	52,343,462	4,650,910	91,120,748
	TOTAL		2,828,622	52,660,173	4,854,610	95,111,649
II	ASSETS					
1	Non-current assets					
	Fixed assets					
	Tangible assets		1,436	26,734	1,896	37,146
	Intangible assets		-	-	-	-
	Deferred tax assets (net)		209,827	3,906,331	367,882	7,207,551
	Long Term Loan and Advance	7	594,969	11,076,486	319,254	6,254,840
2	Current assets					
	Trade receivables	8	1,393,157	25,936,260	892,839	17,492,517
	Short Term Loan and Advance		-	-	-	-
	Cash and bank balances	9	629,233	11,714,362	1,567,259	30,705,772
	Other current assets	10	-	-	1,705,480	33,413,813
	TOTAL		2,828,622	52,660,173	4,854,610	95,111,649

The accompanying notes referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board

Rohit Kohli

Partner

Membership No. 87722

For and on behalf of

Ghosh Khanna & Co

Firm Registration No. 003366N

Chartered Accountants

Lalit Kumar Dhingra

Director

Place : Atlanta USA

Date :

Place: New Delhi

Date:

NIIT TECHNOLOGIES BRAZIL LTDA

Statement of Profit & Loss for the year ended 31st March 2016

PARTICULARS	Notes	Year ended 31st March 2016		Year ended 31st March 2015	
		BRL	INR	BRL	INR
INCOME					
I. Revenue from Operations	11	4,272,550	78,362,848	6,774,852	171,834,547
II. Other Income	12	9,103	166,951	-	-
III. Total Revenue (I + II)		4,281,653	78,529,799	6,774,852	171,834,547
EXPENDITURE					
IV. Development, Production & Execution	13	1,405,530	25,778,822	3,837,439	97,331,209
Employee Benefit Expenses	14	603,522	11,069,191	231,308	5,866,789
Administration and Other Operating Expenses	15	2,300,775	42,198,509	2,580,656	65,454,696
Depreciation and Amortization Expenses	6	460	8,437	404	10,241
Total Expenses		4,310,286	79,054,959	6,649,806	168,662,934
V. Profit before exceptional and extraordinary items and tax (III-IV)		(28,633)	(525,160)	125,046	3,171,613
VI. Tax expense:					
(1) Current tax		-	-	413,180	10,479,735
(2) Deferred tax		158,055	2,898,883	(264,180)	(6,700,545)
VII. Profit / (Loss) for the period (V - VI)		(186,688)	(3,424,043)	(23,955)	(607,578)
VIII. Earnings per equity share (Face Value BRL. 1/- each):					
(1) Basic		-0.75	-13.70	-0.10	-2.43

The accompanying notes referred to above form an integral part of the Profit and Loss Statement

This is the Profit and Loss Statement referred to in our report of even date

For and on behalf of the Board

Rohit Kohli
Partner
Membership No. 87722
For and on behalf of
Ghosh Khanna & Co
Firm Registration No. 003366N
Chartered Accountants

Lalit Kumar Dhingra
Director

Place : Atlanta USA
Date :

Place: New Delhi
Date:

NIIT TECHNOLOGIES BRAZIL LTDA
Notes to Financial Statements for the year ended 31st March 2016

SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles under the historical cost convention on accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

2) Other significant accounting policies adopted by the company are detailed below:

i) Tangible Fixed Assets and Depreciation

Fixed Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost, are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets.

Plant and Equipments including:	
- Computers, printers and related accessories	3 Years
- Electronic Equipments	8 years
- Vehicles	8 years

ii) Impairment of Assets

All assets other than inventories, investments and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

iii) Revenue Recognition

The company recognizes the revenue on accrual basis. Revenue in respect of IT enabled services is recognized based on the services performed in accordance with specific agreement with the customer.

iv) Other Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

vi) Foreign Currency Transactions

Transactions in foreign currency are booked at rates determined periodically which approximates the actual rates, and all monetary assets and liabilities in foreign currency are restated at the end of accounting year. Gains/Losses arising out of fluctuations on realization / payment or restatement are charged / credited to the Statement of Profit & Loss.

vii) Taxation

Tax expense, comprising of both current tax and deferred tax is included in determining the net results for the year. Deferred Tax reflects the effect of timing differences between the assets and liabilities recognised for financial reporting purposes and the amounts that are recognised for current tax purposes. As a matter of prudence, deferred tax assets are recognised and carried forward only to the extent, there is reasonable/ virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the prevailing taxation laws.

viii) Provisions and Contingencies

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

ix) Lease

Lease rental in respect of operating lease arrangements are charged as expense to the Statement of Profit and Loss on a straight line basis as per the terms of the related agreements.

x) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

xi) Earnings Per Share

The earnings considered in ascertaining the Company's Earnings per share ('EPS') comprises the Net Profit after Tax. The number of shares used in computing the Basic EPS is the weighted average number of shares outstanding during the year. The Diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential Dilutive Equity Shares.

NIIT TECHNOLOGIES BRAZIL LTDA
Notes to Financial Statements for the year ended 31st March 2016

3	SHARE CAPITAL	As at 31st March 2016		As at 31st March 2015	
		BRL	INR	BRL	INR
	Issued 250000 Equity Shares of BRL 1/- each (Previous year - 250000 Equity Shares of BRL 1/- each)	250,000	4,654,225	250,000	4,898,006
		250,000	4,654,225	250,000	4,898,006
	Subscribed and fully paid 250000 Equity Shares of BRL 1/- each (Previous year - 250000 Equity Shares of BRL 1/- each)	250,000	4,654,225	250,000	4,898,006
	Add: Forfeited Shares (amount originally paid-up)	-	-	-	-
		250,000	4,654,225	250,000	4,898,006

3.1	Reconciliation of the number of shares outstanding Equity Shares				
	Shares outstanding at the beginning of the year		250,000		250,000
	Shares Issued during the year		-		-
	Shares bought back during the year		-		-
	Shares outstanding at the end of the year		250,000		250,000

3.2	Shares in respect of each class in the company held by	Name of the company	Class of shares Equity/ Preference	As at	
				31st March 2016	31st March 2015
				No. of shares	No. of shares
	Holding company	NIIT Technologies Ltd. UK	Equity	247,500	247,500
	Others (representative shareholders)	NIIT Technologies Ltd. USA	Equity	2,500	2,500

3.3	Shares held by each shareholder holding more than 5% shares	31st March 2016		31st March 2015	
		% of holding	No. of shares	% of holding	No. of shares
	Equity Shares				
	NIIT Technologies Ltd. UK	99%	250,000	99%	250,000
	Total	99%	250,000	99%	250,000

NIIT TECHNOLOGIES BRAZIL LTDA
Notes to Financial Statements for the year ended 31st March 2016

4 RESERVES AND SURPLUS	As at 31st March 2016		As at 31st March 2015	
	BRL	INR	BRL	INR
Profit & Loss Account				
Balance Brought Forward from Previous year	(46,300)	(907,114)	(22,345)	(594,884)
Add : Current Year Profit / (Loss) attributable to Share Holders	(186,688)	(3,424,042)	(23,955)	(607,578)
Less:-				
Transferred to General Reserve	-	-	-	-
Currency Translation Reserve	(232,988)	(6,359)	(46,300)	295,348
		(4,337,515)		(907,114)

5 CURRENT LIABILITIES	Short - Term			
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
	BRL	BRL	INR	INR
Trade Payables				
- Due to Others	2,811,610	4,650,910	52,343,461	91,120,748
	2,811,610	4,650,910	52,343,461	91,120,748

FIXED ASSETS :

	Plant and Machinery		TOTAL	
	BRL	INR	BRL	INR
Cost				
At 1st April 2015	2,300	45,057	2,300	45,057
Additions	-	-	-	-
Sales & Adjustment	-	-	-	-
Currency Translation reserve	-	-2,243	-	-2,243
At 31st March 2016	2,300	42,814	2,300	42,814
Accumulated amortisation				
At 1st April 2015	-	-	-	-
For the year	-864	-15,842	-864	-15,842
Currency Translation reserve	-	-238	-	-238
At 31st March 2016	-864	-16,081	-864	-16,081
Net book value				
At 31st March 2016	1,436	26,733	1,436	26,734
At 31st March 2015	1,896	37,146	1,896	37,146

NIIT TECHNOLOGIES BRAZIL LTDA
Notes to Financial Statements for the year ended 31st March 2016

7	LONG TERM LOANS AND ADVANCES	Non Current				Current			
		As at 31st March 2016 BRL	As at 31st March 2015 BRL	As at 31st March 2016 INR	As at 31st March 2015 INR	As at 31st March 2016 BRL	As at 31st March 2015 BRL	As at 31st March 2016 INR	As at 31st March 2015 INR
i)	Loans and advances to related parties Secured, considered good Unsecured, considered good Unsecured, considered doubtful Less: Provision for doubtful advances	10,500	28,650	195,477	561,312	-	-	-	-
	(A)	10,500	28,650	195,477	561,312	-	-	-	-
iii)	Other Advances Advance tax Less: Provision for tax	584,469	290,604	10,881,009	5,693,528	-	-	-	-
	(B)	584,469	290,604	10,881,009	5,693,528	-	-	-	-
	Total (A+B)	594,969	319,254	11,076,486	6,254,840	-	-	-	-

8	TRADE RECEIVABLES	Non Current				Current			
		As at 31st March 2016 BRL	As at 31st March 2015 BRL	As at 31st March 2016 INR	As at 31st March 2015 INR	As at 31st March 2016 BRL	As at 31st March 2015 BRL	As at 31st March 2016 INR	As at 31st March 2015 INR
a)	Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good Unsecured, considered doubtful Less: Provision for doubtful debts	-	-	-	-	-	-	-	-
b)	Other Trade Receivables Unsecured, considered good Unsecured, considered doubtful Less: Provision for doubtful debts	-	-	-	-	1,393,157	892,839	25,936,260	17,492,517
		-	-	-	-	1,393,157	892,839	25,936,260	17,492,517
		-	-	-	-	1,393,157	892,839	25,936,260	17,492,517
c)	Trade Receivable stated above include debts due by: Directors * Other officers of the Company * Firm in which director is a partner * Private Company in which director is a member Holding Company *Either severally or jointly								

9	CASH AND CASH EQUIVALENTS	Non Current				Current			
		As at 31st March 2016 BRL	As at 31st March 2015 BRL	As at 31st March 2016 INR	As at 31st March 2015 INR	As at 31st March 2016 BRL	As at 31st March 2015 BRL	As at 31st March 2016 INR	As at 31st March 2015 INR
	Cash and cash equivalents: Balance with banks Current Accounts	-	-	-	-	629,233	1,567,259	11,714,361	30,705,772
		-	-	-	-	629,233	1,567,259	11,714,361	30,705,772

10	OTHER ASSETS	Non Current				Current			
		As at 31st March 2016 BRL	As at 31st March 2015 BRL	As at 31st March 2016 INR	As at 31st March 2015 INR	As at 31st March 2016 BRL	As at 31st March 2015 BRL	As at 31st March 2016 INR	As at 31st March 2015 INR
	Unbilled revenue	-	-	-	-	-	1,705,480	-	33,413,813
		-	-	-	-	-	1,705,480	-	33,413,813

NIIT TECHNOLOGIES BRAZIL LTDA
Notes to Financial Statements for the year ended 31st March 2016

11	REVENUE FROM OPERATIONS	Year ended 31st March 2016		Year ended 31st March 2015	
		BRL	INR	BRL	INR
	Sale of Products :				
	Sale of Services	4,272,550	78,362,848	6,774,852	171,834,547
		4,272,550	78,362,848	6,774,852	171,834,547

12	OTHER INCOME	Year ended 31st March 2016		Year ended 31st March 2015	
		BRL	INR	BRL	INR
	Gain on foreign currency translation and transaction (net)	9,103	166,951	-	-
		9,103	166,951	-	-

13	DEVELOPMENT, PRODUCTION & EXECUTION	Year ended 31st March 2016		Year ended 31st March 2015	
		BRL	INR	BRL	INR
	Cost of goods sold	-	-	335,253	8,503,214
	Professional Charges - Software development offshore	1,197,622	21,965,587	2,435,739	61,779,065
	Professional services expenses for production	207,908	3,813,234	1,066,447	27,048,929
		1,405,530	25,778,822	3,837,439	97,331,209

14	EMPLOYEE BENEFITS EXPENSES	Year ended 31st March 2016		Year ended 31st March 2015	
		BRL	INR	BRL	INR
	Salaries and Benefits	518,123	9,502,902	193,657	4,911,838
	Contribution to Provident and Other Funds	24,171	443,318	24,127	611,937
	Welfare and Other expenses	61,227	1,122,971	13,524	343,013
		603,522	11,069,191	231,308	5,866,789

15	ADMINISTRATION AND OTHER OPERATING EXPENSES	Year ended 31st March 2016		Year ended 31st March 2015	
		BRL	INR	BRL	INR
	Rent	79,132	1,451,356	71,546	1,814,655
	Rates and Taxes	1,248,383	22,896,595	1,067,238	27,068,976
	Loss on foreign currency translation and transaction (net)	422,156	7,742,757	720,311	18,269,675
	Legal and Professional	416,722	7,643,093	659,147	16,718,341
	Travelling and Conveyance	15,778	289,389	7,537	191,174
	Insurance	-	-	3,014	76,443
	Repairs and Maintenance - Others	9,658	177,145	9,291	235,650
	Bank Charges	30,147	552,922	9,340	236,905
	Sundry Expenses	78,799	1,445,252	33,232	842,877
		2,300,775	42,198,509	2,580,656	65,454,696

For and on behalf of the Board

Rohit Kohli
Partner
Membership No. 87722
For and on behalf of
Ghosh Khanna & Co
Firm Registration No. 003366N
Chartered Accountants

Lalit Kumar Dhingra
Director

Place : Atlanta USA
Date :

Place: New Delhi
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