

**GHOSH KHANNA & CO.**  
**CHARTERED ACCOUNTANTS**

L-2A, Hauz Khas Enclave, New Delhi-110016, India  
Phones: +91 (011) 2696 2981/2 Fax: +91 (011) 2696 2985  
E-mail: gkc@vsnl.com website: www.gkcindia.com

**AUDITORS' REPORT**

**THE MEMBERS OF NIIT TECHNOLOGIES LIMITED, CANADA**

1. We have audited the attached Balance sheet of **NIIT TECHNOLOGIES LIMITED, CANADA** as at 31<sup>st</sup> March, 2013 and the Profit and Loss Statement and cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
  - a) We have obtained all the information and explanations, which to the best our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of account have been kept by the company as far as appears from our examination of those books.
  - c) The Balance Sheet & Profit & Loss Statement dealt with by this report is in agreement with the books of account.
  - d) In our opinion and to the best of our information and according to the explanation given to us, the said accounts together with notes thereto and Statement on Significant Accounting Policies give the information, to give, a true and fair view in conformity with the generally accepted accounting principles.
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013 and
    - (ii) In the case of the Profit and Loss Statement, of the Profit for the year ended on that date.
    - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

For **GHOSH KHANNA & CO.**  
**CHARTERED ACCOUNTANTS**

  
**ROHIT KOHLI**  
PARTNER  
Membership No. 87722

Place : New Delhi  
Date :



**Branches:**

**NIIT TECHNOLOGIES LTD. CANADA**

**Balance Sheet as at 31st March 2013**

	PARTICULARS	Notes	As at 31st March 2013 CAD	As at 31st March 2012 CAD
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	Share capital	<b>3</b>	49,101	49,101
	Reserves and surplus	<b>4</b>	84,160	68,114
<b>2</b>	<b>Current liabilities</b>			
	Trade Payables	<b>5</b>	2,070	5,138
	Short-term provisions	<b>6</b>	5,800	5,477
	<b>TOTAL</b>		<b>1,41,131</b>	<b>1,27,830</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	Fixed assets			
	Tangible assets		-	-
	Intangible assets		-	-
	Capital work-in-progress		-	-
	Intangible assets under development		-	-
	Long-term loans and advances		-	-
	Trade Receivables		-	-
<b>2</b>	<b>Current assets</b>			
	Cash and bank balances	<b>9</b>	1,18,683	75,454
	Short-term loans and advances	<b>7</b>	3,600	7,839
	Trade receivables	<b>8</b>	18,848	44,537
	<b>TOTAL</b>		<b>1,41,131</b>	<b>1,27,830</b>

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

*Arvind Thakur*  
**Arvind Thakur**  
 Director

*Lalit Kumar Dhingra*  
**Lalit Kumar Dhingra**  
 Director

Place : New Delhi  
 Date :

Place : Atlanta USA  
 Date :

Place: New Delhi  
 Date:



**NIIT TECHNOLOGIES LTD. CANADA**

**Statement of Profit & Loss for the year ended 31st March 2013**

PARTICULARS	Notes	Year ended	Year ended
		31st March 2013 CAD	31st March 2012 CAD
<b>INCOME</b>			
I. Revenue from Operations	10	3,52,197	3,11,316
II. Other Income	11	1	1,884
III. <b>Total Revenue (I + II)</b>		<b>3,52,198</b>	<b>3,13,200</b>
<b>EXPENDITURE</b>			
IV. Employee Benefits Expense	12	1,64,302	2,75,431
Other Expenses	13	1,66,902	20,101
<b>Total Expenses</b>		<b>3,31,204</b>	<b>2,95,532</b>
V <b>Profit before tax (III- IV)</b>		<b>20,994</b>	<b>17,668</b>
VI <b>Tax expense:</b>			
Current tax		4,948	5,778
VII <b>Profit (Loss) for the year</b>		<b>16,046</b>	<b>11,890</b>

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

*Arvind Thakur*  
**Arvind Thakur**  
 Director

*Lalit Kumar Dhingra*  
**Lalit Kumar Dhingra**  
 Director

Place : New Delhi  
 Date :

Place : Atlanta USA  
 Date :

Place: New Delhi  
 Date:



## NIIT Technologies Limited, CANADA

### 1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared on an accrual basis, under historical cost convention and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India. The disclosure requirements as specified in the Schedule VI to the Companies Act, 1956 have been complied with to the extent practicable. The significant accounting policies adopted by the company are detailed below:

(i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

(ii) Revenue Recognition

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

(iii) Retirement Benefits

Contributions are made by the Company to the social security schemes and charged off as expense when incurred.

(iv) Foreign Currency Transactions

Initial Recognition

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Conversion

All outstanding monetary assets and liabilities in foreign currency are restated at the year-end rate.

Exchange Differences

Gain/Loss arising out of fluctuation on realization/repayment/restatement is charged /credited to the Profit and Loss Statement.

(v) Provisions and contingencies

The Company creates a provision when there is a 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.

(vi) Income Tax

The current tax expense is the tax payable on the current year's taxable income based on the provisions applicable under Canadian Taxation Laws.



## NIIT Technologies Limited, CANADA

### 2. Other Notes

#### I Related Party Disclosure as per Accounting Standard (AS-18)

a) Holding Company: NIIT Technologies Limited, India

b) Fellow Subsidiaries: As mentioned below;

1. NIIT GIS Limited, India
2. NIIT Smart serve Ltd, India
3. NIIT Technologies Ltd, UK
4. NIIT Technologies BV, Netherlands
5. NIIT Technologies NV, Belgium
6. NIIT Technologies Pte Limited, Singapore
7. NIIT Technologies Limited, Thailand
8. NIIT Technologies Pty Ltd. , Australia
9. NIIT Technologies AG, Germany
10. NIIT Technologies GmbH, Osterreich
11. NIIT Technologies AG, Schweiz
12. NIIT Technologies Inc., USA
13. NIIT Insurance Technologies Limited, UK
14. NIIT Airline Technologies GMBH
15. NIIT Technologies FZ LLC
16. NIIT Healthcare Technologies Inc., USA
17. NIIT Technologies Inc. Philippines

#### Detail of transactions and balances with related parties:

(All figures in CAD)

Nature of Transactions	F. Year	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel	Parties in which Key Managerial Personnel are interested	Total
Rendering of Services (Note 1)	31.03.13	-	-	352,197	-	-	352,197
	31.03.12	-	-	311,316	-	-	311,316

#### Balances outstanding as on 31<sup>st</sup> March 2013

	Year	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel	Parties in which Key Managerial Personnel are interested
Receivable (Note 2)	31.03.13	-	-	18,844	-	-
	31.03.12	-	-	43,991	-	-

#### Note 1

Particulars	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
NIIT Technologies Inc USA	363,599	26,044
NIIT Technologies Ltd. UK	(11,402)	285,272



## NIIT Technologies Limited, CANADA

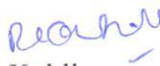
### Note 2


Particulars	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
NIIT Technologies Inc	18,427	26,044
NIIT Technologies Ltd. UK	417	17,947

## II Income Tax

**Current Tax:** The Company has provided taxes based on the Income Tax Regulations as applicable in Canada.

Previous year figures have been regrouped wherever necessary to confirm to current year classification.

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

  
Arvind Thakur  
Director

  
Lalit Kumar Dhingra  
Director

Place: New Delhi  
Date:

Place: New Delhi  
Date:

Place: Atlanta, USA  
Date:



**NIIT TECHNOLOGIES LTD. CANADA**

<b>3 SHARE CAPITAL</b>	<b>As at 31st March 2013 CAD</b>	<b>As at 31st March 2012 CAD</b>
<b>Authorised</b> 10 Equity Shares of US\$.5000/- each (Previous year 10 Equity Shares of US\$. 5000/- each)	49,101	49,101
	<u>49,101</u>	<u>49,101</u>
<b>Issued</b> 10 Equity Shares of US\$.5000/- each (Previous year 10 Equity Shares of US\$. 5000/- each)	49,101	49,101
	<u>49,101</u>	<u>49,101</u>
<b>Subscribed and fully paid</b> 10 Equity Shares of US\$.5000/- each (Previous year 10 Equity Shares of US\$. 5000/- each)	49,101	49,101
	<u>49,101</u>	<u>49,101</u>

<b>3.1 Reconciliation of the number of shares outstanding</b>	<b>31st March 2013</b>		<b>31st March 2012</b>	
	<b>No. of shares</b>	<b>Value CAD</b>	<b>No. of shares</b>	<b>Value CAD</b>
<b>Equity Shares</b>				
Shares outstanding at the beginning of the year	10	49,101	10	49,101
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>10</b>	<b>49,101</b>	<b>10</b>	<b>49,101</b>

<b>3.2 Shares in respect of each class in the company held by</b>	<b>Name of the company</b>	<b>Class of shares Equity/ Preference</b>	<b>As at 31st March 2013 No. of shares</b>	<b>As at 31st March 2012 No. of shares</b>
Holding company	NIIT Technologies Ltd. India	Equity	10	10
Ultimate holding company				
Subsidiaries of holding company;				
Subsidiaries of ultimate holding company;				
Associates of holding company				
Associates of ultimate holding company				



**NIIT TECHNOLOGIES LTD. CANADA**

4	<b>RESERVES AND SURPLUS</b>	<b>As at 31st March 2013 CAD</b>	<b>As at 31st March 2012 CAD</b>
	<b>Profit &amp; Loss Account</b>		
	Balance Brought Forward from Previous year	68,114	56,224
	Add : Current Year Profit / (Loss) attributable to Share Holders	16,046	11,890
	<b>Less:-</b>		
	Proposed Dividend on Equity Shares	-	-
	Corporate Dividend Tax	-	-
	Transferred to General Reserve	-	-
	Transferred to/ (from) Debenture Redemption Reserve	-	-
	Share in Corporate Dividend Tax of Associates	-	-
		<b>84,160</b>	<b>68,114</b>
		<b>84,160</b>	<b>68,114</b>





**NIIT TECHNOLOGIES LTD. CANADA**

5	Trade Payables	Current	
		As at 31st March 2013 CAD	As at 31st March 2012 CAD
	- Due to Micro Enterprises and Small Enterprises	-	-
	- Due to Others	2,070	5,138
		<b>2,070</b>	<b>5,138</b>

6	Provisions	SHORT-TERM	
		As at 31st March 2013 CAD	As at 31st March 2012 CAD
	Provision for Tax	5,800	5,477
		<b>5,800</b>	<b>5,477</b>



**NIIT TECHNOLOGIES LTD. CANADA**

7	LOANS AND ADVANCES	Short Term	
		As at 31st March 2013 CAD	As at 31st March 2012 CAD
	Advances recoverable in cash or in kind (refer note below)		
	Unsecured, considered good	3,600	86
	Unsecured, considered doubtful	-	-
	Less: Provision for doubtful advances	-	-
	<b>(A)</b>	<b>3,600</b>	<b>86</b>
	Advance Tax	-	7,753
	Less : Provision for Tax	-	7,753
	<b>(B)</b>	<b>-</b>	<b>7,753</b>
	<b>Total (A+B)</b>	<b>3,600</b>	<b>7,839</b>



**NIIT TECHNOLOGIES LTD. CANADA**

8 Trade Receivables	Current	
	As at 31st March 2013 CAD	As at 31st March 2012 CAD
<b>Other Trade Receivables</b>		
Unsecured, considered good	18,848	44,537
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	<b>18,848</b>	<b>44,537</b>
	<b>18,848</b>	<b>44,537</b>



**NIIT TECHNOLOGIES LTD. CANADA**

9 Cash and Bank Balances	Current	
	As at 31st March 2013 CAD	As at 31st March 2012 CAD
<b>Cash and cash equivalents:</b>		
Balance with banks		
Current Accounts	1,18,683	75,454
Bank deposits with original maturity of 3 months or less	-	-
Cash on hand	-	-
Cheques, drafts on hand	-	-
	<b>1,18,683</b>	<b>75,454</b>
	<b>1,18,683</b>	<b>75,454</b>



**NIIT TECHNOLOGIES LTD. CANADA**

10	Revenue from Operations	Year ended 31st March 2013 CAD	Year ended 31st March 2012 CAD
	Sale of Services	3,52,197	3,11,316
		<u>3,52,197</u>	<u>3,11,316</u>

11	Other Income	Year ended 31st March 2013 CAD	Year ended 31st March 2012 CAD
	Gain on foreign currency translation and transaction (net)	-	884
	Other non-operating income (net of expenses)	1	1,000
		<u>1</u>	<u>1,884</u>



NIIT TECHNOLOGIES LTD. CANADA

12	Employee Benefits Expenses	Year ended 31st March 2013 CAD	Year ended 31st March 2012 CAD
	Salaries and Benefits	1,56,395	2,58,630
	Contribution to Provident and Other Funds	7,907	16,720
	Welfare and Other expenses	-	81
		<u>1,64,302</u>	<u>2,75,431</u>



**NIIT TECHNOLOGIES LTD. CANADA**

<b>13 Other Expenses</b>	<b>Year ended 31st March 2013 CAD</b>	<b>Year ended 31st March 2012 CAD</b>
Rates and Taxes	-	6,817
Communication	-	159
Legal and Professional	1,63,139	10,226
Traveling and Conveyance	-	2,644
Loss on foreign currency translation and transaction (net)	3,581	-
Bank Charges	182	227
Other Marketing Expenses	-	28
	<u>1,66,902</u>	<u>20,101</u>

<b>14 Payment to Auditors</b>	<b>Year ended 31st March 2013 CAD</b>	<b>Year ended 31st March 2012 CAD</b>
Audit fee	<u>1,500</u>	<u>1,500</u>
	<u>1,500</u>	<u>1,500</u>



**NIIT Technologies Ltd, CANADA**  
**Cash flow statement for the Year ended 31st March 2013**

	Year ended 31st March 2013 CAD	Year ended 31st March 2012 CAD
<b>A. Cash flow from operating activities:</b>		
Net profit	20,994	17,668
Adjustments for:		
Interest Expense	-	-
<b>Operating profit</b>	<b>20,994</b>	<b>17,668</b>
<b>Adjustments for changes in working capital :</b>		
- (Increase)/Decrease in Sundry Debtors	25,689	27,363
- (Increase)/Decrease in Loan & Advances	4,239	(9,206)
- Increase/(Decrease) in Trade and Other Payables	(7,693)	(11,223)
<b>Cash generated from operations</b>	<b>43,229</b>	<b>24,602</b>
- Taxes paid		7,753
<b>Net cash from operating activities</b>	<b>43,229</b>	<b>32,355</b>
	(A)	
<b>B. Cash flow from Investing activities:</b>		
- Increase/(Decrease) in Share Capital	-	-
<b>Net cash from investing activities</b>	-	-
	(B)	
<b>C. Cash flow from financing activities:</b>		
Interest Paid	-	-
<b>Net cash from financing activities</b>	-	-
	(C)	
<b>Cash and cash equivalents as at the beginning of the year</b>	75,454	43,099
<b>Cash and cash equivalents as at the end of the year</b>	<b>1,18,683</b>	<b>75,454</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>43,229</b>	<b>32,355</b>
	(A)+(B)+(C)	
<b>Notes</b>		
1 Cash and cash equivalents comprise		
Cheques in Hand	-	-
Balance with Banks	1,18,683	75,454
	<b>1,18,683</b>	<b>75,454</b>

2 The above cash flow statement has been prepared under the indirect method set out in Accounting Standard-3 notified u/s 211(3C) of the Companies Act, 1956.

This is the Cash flow referred to in our report of even date

For Ghosh Khanna & Co.  
Chartered Accountants  
Firm Registration No.: 003366N

*Rohit Kohli*

Rohit Kohli  
Partner  
Membership No.: 87722

Place : New Delhi  
Date :



*Arvind Thakur*  
Arvind Thakur  
Director

Place : New Delhi  
Date :

*Lalit Kumar Dhingra*  
Lalit Kumar Dhingra  
Director

Place : Atlanta, USA  
Date :