

**GHOSH KHANNA & CO.**  
CHARTERED ACCOUNTANTS

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**AUDITORS' REPORT**

**THE MEMBERS OF NIIT Technologies Services Limited**

**Report on the Financial Statements**

1. We have audited the attached Balance Sheet of M/s **NIIT TECHNOLOGIES SERVICES LIMITED** as at March 31, 2014 and the related Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

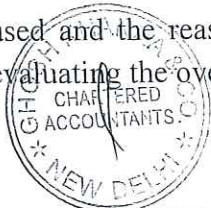
**Management's Responsibility for the Financial Statements**

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



**Branches:**

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5. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014 and
- ii) In the case of the Statement of Profit and Loss, 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.

#### **Report on Other Legal and Regulatory Requirements**

6. As required by the Companies (Auditor's Report) Order, 2003 dated 12th June 2003 as amended by the Companies (Auditor's report) (Amendment) Order, 2004 (together "the order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956 of India (the "Act") and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us. We further report that

- i. The company does not have any fixed assets accordingly clause (i) of paragraph 4 of order are not applicable to the company.
- ii. The company does not maintain any inventory accordingly clause (ii) of paragraph 4 of order are not applicable to the company.
- iii. The company has granted unsecured loan, to its holding company covered in register maintained under section 301 of the Act. The maximum amount involved during the year and year-end balance of such loan aggregates to Rs.15,000,000/- and Rs.15,000,000/- respectively.

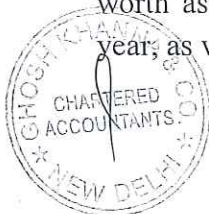
In our opinion rate of interest and other terms and condition of such loan are not prima facie prejudicial to the interest of the company.

In respect of the aforesaid loans, the party has repaid the principle amount as stipulated and was also regular in the payment of interest, where applicable.

In respect of the aforesaid loan, there is no overdue amount more than Rupees One



- iv. There are adequate internal control procedures, commensurate with the size of the Company and the nature of its business. Further on the basis of our examination of the books and records of the company and according to information and explanation given to us, we have neither come across nor have been informed of any continuing major weaknesses in the internal control procedures
- v. (a). Based on the audit procedures applied by us and as per the information and explanations provided by the management, we are of the opinion that the transactions contracts or arrangements that need to be entered in the register maintained under section 301 have been so entered.
- (b). According to information & explanation provided to us, transactions entered in pursuance of contracts or arrangements entered in the register in pursuance of Section 301 of the Act, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. The management has informed us that, in case of transactions of a specialized nature, comparable prices are not available.
- vi. The company has not accepted any deposits to which the provisions of section 58-A and 58AA of the Companies Act, 1956 and the rules framed there under are applicable.
- vii. As per the information and explanation obtained from the management, the company has effective and efficient internal audit system.
- viii. The Central Government of India has not prescribed the maintenance of cost records under the clause (d) of section 209 of the Act, for any of the products of the company.
- ix. (a). According to the information and explanation given to us and records examined by us, the Company has regularly deposited, during the year, Income Tax and other statutory dues with the appropriate authorities in India. As at the last day of financial year, there were no arrears of outstanding statutory dues for a period of more than six months from the date they became payable.
- (b). According to the information and explanation given to us and based on records examined by us there are no dues of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and Cess, which have not been paid on account of any dispute.
- x. The company does not have accumulated losses exceeding 50 percent of its net worth as at 31<sup>st</sup> March 2014 and not incurred any cash loss during the financial year, as well as in the previous year.



The net worth of the company as on 31st March 2014 is Rs.27,209,177/-. The loss of the earlier years were Rs.23,576,910/- and during the current year profit of Rs.786,087/- has been transferred from Profit and Loss Account.

Accordingly, the company is not a sick company, as per the clause O sub section (1) of Section 3 of Sick Industrial Companies Act, 1985.

- xi. Based on information & explanation obtained and audit procedure, the company has not obtained any loans from financial institutions or banks or debenture holders.
- xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/societies are not applicable to the company.
- xiv. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
- xv. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi. As per the information and explanation provided by the management, the company did not obtained any term loan during the year,
- xvii. Based on an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- xviii. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix. The company did not have any debentures outstanding during the year.
- xx. The company has not raised any money by public issues during the year.
- xxi. As per information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

7. Further to our comment in paragraph (6) (x) of above, we draw your attention to Note 23 regarding the appropriateness of the "going concern" basis used for preparation of these financial statements.



8. As required by section 227(3) of the Act we report that:
- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet , Statement of Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. On the basis of written representations received from the Directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.
  - e. In our opinion, these accounts have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Act.

For GHOSH KHANNA & CO.  
Firm Registration No: 003366N  
CHARTERED ACCOUNTANTS



*Amit Mittal*  
Amit Mittal  
PARTNER

Membership No. 508748

Place: New Delhi  
Date: 24<sup>th</sup> April, 2014

# NIIT TECHNOLOGIES SERVICES LIMITED

## Balance Sheet as at 31st March 2014

	PARTICULARS	Notes	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	Share capital	3	50,000,000	50,000,000
	Reserves and surplus	4	(22,790,823)	(23,576,910)
<b>2</b>	<b>Non-current liabilities</b>			
	Long-term provisions	6	-	-
<b>3</b>	<b>Current liabilities</b>			
	Trade Payables	5	190,516	213,684
	Other current liabilities	5	22,399	38,283
	<b>TOTAL</b>		<b>27,422,092</b>	<b>26,675,057</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	Long-term loans and advances	7	1,710,437	1,670,396
	Other non-current assets	10	4,715,404	14,978,595
<b>2</b>	<b>Current assets</b>			
	Trade receivables	8	2,257,320	3,157,320
	Cash and bank balances	9	888,697	4,486,000
	Short-term loans and advances	7	15,467,469	396,515
	Other current assets	10	2,382,765	1,986,231
	<b>TOTAL</b>		<b>27,422,092</b>	<b>26,675,057</b>

The accompanying notes 1-24 are an integral part of the financial statement.  
This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board of Directors of NIIT Technologies Services Limited

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

  
Amit Mittal  
Partner  
Membership No. 508748

Place : New Delhi  
Date : 24th April, 2014



  
Arvind Mehrotra  
Director  
DIN: 03211148

  
Bhaskar Chavali  
Director  
DIN: 02362667

  
Monika Arora  
Company Secretary

**CIN:U72900DL2006PLC156099**

# NIIT TECHNOLOGIES SERVICES LIMITED

## Statement of Profit & Loss for the year ended 31st March 2014



		Notes	Year ended 31st March 2014 Rs.	Year ended 31st March 2013 Rs.
<b>INCOME</b>				
I. Revenue from Operations		11	-	587,097
II. Other Income		12	1,709,174	2,024,131
III. Total Revenue (I + II)			1,709,174	2,611,228
<b>EXPENDITURE</b>				
IV. Development, Production & Execution		13	-	499,032
Administration and Other Operating Expenses		14	571,566	710,715
Total Expenses			571,566	1,209,747
V. Profit before exceptional and extraordinary items and tax (III-IV)			1,137,608	1,401,481
VI Tax expense:				
(1) Current tax			351,521	231,639
(2) MAT Credit Entitlement			-	(42,946)
VII Profit / (Loss) for the period (V - VI)			786,087	1,212,788
VIII Earnings per equity share (Face Value Rs. 10/- each):				
(1) Basic			0.16	0.24
(2) Diluted			0.16	0.24

The accompanying notes 1-24 are an integral part of the financial statement.



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

For and on behalf of the Board of Directors of NIIT Technologies Services Limited

For and on behalf of  
Ghosh Khanna & Co.  
Chartered Accountants  
Firm Registration No.003366N

Amit Mittal  
Partner  
Membership No. 508748

   
Arvind Mehrotra                      Bhaskar Chavali  
Director                                      Director  
DIN: 03211148                      DIN: 02362667

  
Monika Arora  
Company Secretary

Place : New Delhi  
Date : 24th April, 2014

**CIN:U72900DL2006PLC156099**

NIIT Technologies Services Limited

Cash Flow Statement for the year ended 31st March 2014

	Year ended 31st March 2014		Year ended 31st March 2013	
		Rs.		Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Profit after Tax and share of Associates' profits but after exceptional items		786,087		1,212,788
Non cash adjustment to reconcile profit before tax to net cash flows				
Interest Income	(1,684,905)		(1,847,061)	
Foreign Exchange Adjustments	-	(1,684,905)	-	(1,847,061)
Operating profit before working capital changes		(898,818)		(634,273)
Movement in Working Capital				
Decrease/(Increase) in Trade Receivables	900,000		(3,157,320)	
Loans and Advances & Other Current Assets	(507,529)		10,180,747	
Current Liabilities and Provisions	(39,052)	353,419	(12,159,821)	(5,136,394)
Cash generated from/(Used in) operations		(545,399)		(5,770,667)
Taxes paid (including TDS)		-		-
Net cash Flow from/(Used in) Operating activities (A)		(545,399)		(5,770,667)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Loans given to NIIT Technologies Limited, India	(15,000,000)		-	
Interest Received	1,684,905	(13,315,095)	1,847,061	1,847,061
Net cash used for Investing activities (B)		(13,315,095)		1,847,061
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Net cash from / (used in) Financing activities (C)		-		-
Net Increase/(Decrease) in Cash & Cash equivalents (A) + (B) + (C)		(13,860,494)		(3,923,606)
Adjustment on account of Foreign Exchange Fluctuations		-		-
Cash and Cash equivalents as at the beginning of the year (Note 1)		19,464,595		23,388,201
Cash and cash equivalents as at the end of the year (Note 1)		5,604,101		19,464,595
<b>Notes:</b>				
1 Cash and cash equivalents as on		31st March 2014		31st March 2013
		Rs.		Rs.
Cash, Cheques & Drafts (in hand) and Remittances in transit		-		-
Balances with banks - In Current Account		888,697		4,396,000
Balances with banks - In Deposit Account		4,715,404		15,068,595
		5,604,101		19,464,595
2 The above Cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 as notified under Section 211(3C) of The Companies Act, 1956.				
3 The Notes 1 - 24 form an integral part of the Cash Flow Statement.				
4 Previous year figures, to the extent feasible, have been regrouped/recast wherever necessary to conform to the current year's classification. This is the Cash Flow Statement referred to in our report of even date.				

For and on behalf of the Board of Directors of NIIT Technologies Services Ltd.

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

Amit Mittal  
Partner  
Membership No.0508748

Place : New Delhi  
Date: 24th April, 2014



Arvind Mehrotra  
Director  
DIN: 03211148

Monika Arora  
Company Secretary

CIN:U72900DL2006PLC156099

Bhaskar Chavali  
Director  
DIN: 02362667



**1. Basis of Preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

**2. Statement on Significant Accounting Policies**

These financial statements are prepared on an accrual basis and under historical cost convention and in accordance with all applicable accounting standards specified in Companies (Accounting Standard Rules) 2006. The significant accounting policies adopted by the Company are detailed below.

i) Fixed assets, intangible assets and capital work-in-progress

Fixed assets are stated at cost, less accumulated depreciation. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date. Intangible assets are recorded at the consideration paid for acquisition.

ii) Depreciation and Amortization

Depreciation and amortization is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets determined as follows: -

Leasehold Land	Over the period of lease.
Leasehold Improvements	3 years or lease period whichever is lower
Computers, related accessories and software	2-5 years
All other assets	Rates prescribed under schedule XIV to the Companies Act, 1956

All other assets comprising of Building, Plant & Machinery, Furniture and Fixtures, Vehicles and Patents are depreciated/amortized on straight-line method at the rates prescribed under schedule XIV to the Companies Act, 1956

Further, computer systems and software are technically evaluated each year for their useful economic life and the unamortized depreciable amount of the asset is charged to profit and loss account as depreciation over their revised remaining useful life.

iii) 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.

iv) Revenue Recognition  
Software Services

The company derives its revenue from time and material contracts where the revenue is recognized on a month basis.



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v) Employee Benefits

a) Retirement Benefit Plans:

- Provident Fund - The Company makes defined contribution to Regional Provident Fund Commissioner in respect of Provident Fund. The Company does not have any further obligation in this respect. The monthly Contribution is charged to the profit and loss account.
- Gratuity - Gratuity is a post employment defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. Actuarial gains and losses are charged to the Profit and loss account in the year in which such gains or losses arise.

b) Compensated absences

Liability in respect of compensated absences is provided both for encashable leave and those expected to be availed based on actuarial valuation, which considers undiscounted value of the benefits expected to be paid/availed during the next one year and appropriate discounted value for the benefits expected to be paid/availed after one year.

vi) Foreign Currency Transaction

Transactions in foreign currency are booked at standard rates determined periodically, which approximate the actual rates, and all monetary assets and liabilities in foreign currency are restated at the year-end. Gain/ Loss arising out of fluctuations on realization/ payment or restatement, is charged/ credited to the profit and loss account.

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 temporary timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. As a matter of prudence deferred tax assets are recognized and carried forward only to the extent, there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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) Leases

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of the related lease agreement.

x) Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturity of three months or more.



CIN:U72900DL2006PLC156099

**NIIT TECHNOLOGIES SERVICES LIMITED**  
Notes to Financial Statements for the year ended 31st March 2014

3	SHARE CAPITAL		As at 31st March 2014 Rs.		As at 31st March 2013 Rs.
	<b>Authorised</b> 5,000,000 Equity Shares of Rs. 10/- each (Previous year 5,000,000 Equity Shares of Rs. 10/- each)		50,000,000		50,000,000
			<b>50,000,000</b>		<b>50,000,000</b>
	<b>Issued</b> 5,000,000 Equity Shares of Rs. 10/- each (Previous year - 5,000,000 Equity Shares of Rs. 10/- each)		50,000,000		50,000,000
			<b>50,000,000</b>		<b>50,000,000</b>
	<b>Subscribed and fully paid</b> 5,000,000 Equity Shares of Rs. 10/- each (Previous year - 5,000,000 Equity Shares of Rs. 10/- each)		50,000,000		50,000,000
			<b>50,000,000</b>		<b>50,000,000</b>

3.1	<b>Reconciliation of the number of shares outstanding Equity Shares</b> Shares outstanding at the beginning of the year Shares Issued during the year Shares bought back during the year Shares outstanding at the end of the year		5,000,000 - - <b>5,000,000</b>		5,000,000 - - <b>5,000,000</b>
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3.2	Shares in respect of each class in the company held by	Name of the company	Class of shares Equity/ Preference	As at	As at
				31st March 2014 No. of shares	31st March 2013 No. of shares
	Holding company	NIIT Technologies Ltd.	Equity	4,999,994	4,999,994
	Others (representative shareholders)		Equity	6	6

3.3	Shares held by each shareholder holding more than 5% shares	31st March 2014		31st March 2013	
		% of holding	No. of shares	% of holding	No. of shares
	<b>Equity Shares</b>				
	NIIT Technologies Limited	100%	5,000,000	100%	5,000,000
	<b>Total</b>	100%	5,000,000	100%	5,000,000



**NIIT TECHNOLOGIES SERVICES LIMITED**  
Notes to Financial Statements for the year ended 31st March 2014

4	RESERVES AND SURPLUS	As at 31st March 2014		As at 31st March 2013	
		Rs.		Rs.	
	<b>Profit &amp; Loss Account</b>				
	Balance Brought Forward from Previous year	(23,576,910)		(24,789,698)	
	Add : Current Year Profit / (Loss) attributable to Share Holders	786,087	(22,790,823)	1,212,788	(23,576,910)
	<b>Less:-</b>				
	Transferred to General Reserve		-		-
			<b>(22,790,823)</b>		<b>(23,576,910)</b>

5	CURRENT LIABILITIES	LONG-TERM		SHORT-TERM	
		As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
		Rs.	Rs.	Rs.	Rs.
	<b>Trade Payables</b>				
	- Due to Micro, Small and Medium Enterprises	-	-	-	-
	- Due to Others	-		190,516	213,684
		-	-	190,516	213,684
	<b>Other Current Liabilities:</b>				
	Other Payables	-		22,399	38,283
		-	-	22,399	38,283

6	PROVISIONS	LONG-TERM		SHORT-TERM	
		As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
		Rs.	Rs.	Rs.	Rs.
	<b>Provision for employee benefits :</b>				
	Provision for Compensated Absences	-	-	-	-
		-	-	-	-



**NIIT TECHNOLOGIES SERVICES LIMITED**  
Notes to Financial Statements for the year ended 31st March 2014

7	LONG TERM LOANS AND ADVANCES	Non Current		Current	
		As at 31st March 2014 Rs.	As at 31st March 2013 Rs.	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
	i) Loans and advances to related parties (refer note 1)				
	Secured, considered good	-	-	15,000,000	-
	Unsecured, considered good	-	-	-	-
	Unsecured, considered doubtful	-	-	-	-
	Less: Provision for doubtful advances	-	-	-	-
	(C)	-	-	15,000,000	-
	ii) Advances recoverable in cash or in kind				
	Secured, considered good	-	-	-	-
	Unsecured, considered good	-	-	467,469	396,515
	Unsecured, considered doubtful	-	-	-	-
	Less: Provision for doubtful advances	-	-	-	-
	(A)	-	-	467,469	396,515
	iii) Other Advances				
	Advance tax	2,768,182	2,376,620	-	-
	Less: Provision for tax	(1,057,745)	(749,170)	-	-
	MAT Credit entitlement	-	42,946	-	-
	(B)	1,710,437	1,670,396	-	-
	<b>Total (A+B)</b>	<b>1,710,437</b>	<b>1,670,396</b>	<b>15,467,469</b>	<b>396,515</b>

8	TRADE RECEIVABLES	Non Current		Current	
		As at 31st March 2014 Rs.	As at 31st March 2013 Rs.	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
	a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
	Unsecured, considered good	-	-	2,257,320	-
	Unsecured, considered doubtful	-	-	-	-
	Less: Provision for doubtful debts	-	-	-	-
		-	-	2,257,320	-
	b) Other Trade Receivables				
	Unsecured, considered good	-	-	-	3,157,320
	Unsecured, considered doubtful	-	-	-	-
	Less: Provision for doubtful debts	-	-	-	-
		-	-	-	3,157,320
		-	-	2,257,320	3,157,320

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 2014 Rs.	As at 31st March 2013 Rs.	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
	Cash and cash equivalents:				
	Balance with banks				
	Current Accounts	-	-	888,697	4,396,000
	Bank deposits with original maturity of 3 months or less [Includes Rs.NIL (Previous year Rs.90,000/-) pledged as margin money]	-	-	-	90,000
		-	-	888,697	4,486,000
	Other bank balances:				
	Bank deposits:				
	months	3,810,566	14,073,757	-	-
	[Includes Rs.2,610,566/- (Previous year Rs.2,307,103/-) pledged as margin money]				
	With original maturity of more than 12 months	904,838	904,838	-	-
	[Includes Rs.NIL (Previous year Rs.NIL) pledged as margin money]				
		4,715,404	14,978,595	-	-
		4,715,404	14,978,595	888,697	4,486,000
	Amount disclosed under non-current assets (Note 10)	(4,715,404)	(14,978,595)	-	-
		-	-	888,697	4,486,000

10	OTHER ASSETS	Non Current		Current	
		As at 31st March 2014 Rs.	As at 31st March 2013 Rs.	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
	Non Current Bank Balances (Note 9)	4,715,404	14,978,595	-	-
	Unbilled revenue	-	-	1,792,513	1,792,513
	Interest Receivable - Others	-	-	143,643	193,718
	Interest Receivable - Affiliates	-	-	446,609	-
		4,715,404	14,978,595	2,382,765	1,986,231



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**NIIT TECHNOLOGIES SERVICES LIMITED**  
Notes to Financial Statements for the year ended 31st March 2014

11	REVENUE FROM OPERATIONS	Year ended 31st March 2014 Rs.	Year ended 31st March 2013 Rs.
	Sale of Products :	-	-
	Sale of Hardware	-	587,097
	Sale of Services	-	-
		-	587,097

12	OTHER INCOME	Year ended 31st March 2014 Rs.	Year ended 31st March 2013 Rs.
	Interest Income	1,684,905	1,847,061
	Other non-operating income	24,269	177,070
		1,709,174	2,024,131

13	DEVELOPMENT, PRODUCTION & EXECUTION	Year ended 31st March 2014 Rs.	Year ended 31st March 2013 Rs.
	Cost of goods sold	-	-
	Professional Charges - Software development offshore	-	499,032
	Professional services expenses for production	-	-
		-	499,032

14	ADMINISTRATION AND OTHER OPERATING EXPENSES	Year ended 31st March 2014 Rs.	Year ended 31st March 2013 Rs.
	Rates and Taxes	-	72
	Loss on foreign currency translation and transaction (net)	-	-
	Legal and Professional	570,846	706,714
	Bank Charges	-	300
	Sundry Expenses	720	3,629
		571,566	710,715



**NIIT TECHNOLOGIES SERVICES LIMITED**  
Notes to Financial Statements for the year ended 31<sup>st</sup> March 2014

15. Contingent Liabilities

Guarantees issued by banker outstanding at the end of accounting year Rs. 20,30,000/- (Previous Year Rs. 20,30,000/-).

16. Micro, Small and Medium Enterprises:

There are no Micro, Small and Medium Enterprises, to which the company owes dues, as at 31 March 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

17. Interest received are gross of tax deducted at source of Rs.169,561 /- (Previous Year Rs 182,376 /-).

18. (a) Earnings in foreign currency:

	2013-14 (Rs.)	2012-13 (Rs.)
Software Services	-	-
Other income	-	-

(b) Expenditure in Foreign Currency (Net of Taxes)

	2013-14 (Rs.)	2012-13 (Rs.)
Development and Bought out	-	-

19. Payment to Auditors (Excluding Service Tax)

	2013-14 (Rs.)	2012-13 (Rs.)
Statutory audit fees	1,25,000	1,25,000
Tax audit fees	-	30,000
<b>Total</b>	<b>1,25,000</b>	<b>1,55,000</b>

20. Related party transactions as per accounting standard 18:

*Related Parties Disclosure for the year 2013-14*

**A. Key Managerial Personnel**

Sr No.	Name	Remarks
1.	Mr. Arvind Mehrotra	Director



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**NIIT TECHNOLOGIES SERVICES LIMITED**  
Notes to Financial Statements for the year ended 31<sup>st</sup> March 2014

**B. Relatives of Key Managerial Personnel**

Sr.No.	Name	Remarks
1.	Mrs. Parneet Mehrotra	Spouse of Mr. Arvind Mehrotra
2.	Mr. Om Prakash Mehrotra	Father of Mr. Arvind Mehrotra
3.	Mrs. Manorama Mehrotra	Mother of Mr. Arvind Mehrotra
4.	Mr. Aman Mehrotra	Son of Mr. Arvind Mehrotra
5.	Ms. Misha Mehrotra	Daughter of Mr. Arvind Mehrotra
6.	Mr. Aseem Mehrotra	Brother of Mr. Arvind Mehrotra
7.	Mrs. Sangeeta Mehrotra	Spouse of Mr. Aseem Mehrotra

**C. Holding Company**

Sr.No.	Name of Company	Remarks
1.	NIIT Technologies Limited	Holding Company

**D. Fellow Subsidiaries**

Sr.No.	Name of Company	Remarks
1.	NIIT GIS Limited	First Generation Subsidiary Company of NIIT Technologies Ltd.
2.	NIIT SmartServe Limited	First Generation Subsidiary Company of NIIT Technologies Ltd.
3.	NIIT Technologies FZ-LLC, Dubai	First Generation Subsidiary Company of NIIT Technologies Ltd.
4.	NIIT Technologies Limited, UK	First Generation Subsidiary Company of NIIT Technologies Ltd.
5.	NIIT Technologies Pte Limited, Singapore	First Generation Subsidiary Company of NIIT Technologies Ltd.
6.	NIIT Technologies Inc, USA	First Generation Subsidiary Company of NIIT Technologies Ltd.
7.	NIIT Technologies GmbH, Germany	First Generation Subsidiary Company of NIIT Technologies Ltd.
8.	NIIT Technologies Co. Ltd., Japan	Second/Third Generation Subsidiary Company of NIIT Technologies Ltd.
9.	NIIT Technologies BV, Netherlands	Second/Third Generation Subsidiary Company of NIIT Technologies Ltd.
10.	NIIT Technologies NV, Belgium	Second/Third Generation Subsidiary Company of NIIT Technologies Ltd.
11.	NIIT Technologies Ltd, Thailand	Second/Third Generation Subsidiary Company of NIIT Technologies Ltd.
12.	NIIT Technologies Pty Ltd, Australia	Second/Third Generation Subsidiary Company of NIIT Technologies Ltd.
13.	NIIT Technologies AG, Austria (liquidated w.e.f. December 20, 2012)	Second/Third Generation Subsidiary Company of NIIT Technologies Ltd.
14.	NIIT Technologies AG, Switzerland	Second/Third Generation Subsidiary Company of NIIT Technologies Ltd.
15.	NIIT Insurance Technologies Limited, U.K.	First Generation Subsidiary Company of NIIT Technologies Ltd.
16.	NIIT Technologies Limited, Canada	First Generation Subsidiary Company of NIIT Technologies Ltd.
17.	NIIT Airline Technologies GmbH, Germany	First Generation Subsidiary Company of NIIT Technologies Ltd.
18.	NIIT Healthcare Technologies Inc. USA (dissolved w.e.f.31.03.2013)	Second/Third Generation Subsidiary Company of NIIT Technologies Ltd.



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**NIIT TECHNOLOGIES SERVICES LIMITED**  
Notes to Financial Statements for the year ended 31<sup>st</sup> March 2014

19	NIIT Media Technologies LLC., USA	Second/Third Generation Subsidiary Company of NIIT Technologies Ltd.
20.	NIIT Technologies S.A. (Erstwhile Proyacta Systemas DE Informacio. S.A.) Spain	First Generation Subsidiary Company of NIIT Technologies Ltd.
21.	NIIT Technologies Philippines Inc., (Erstwhile Sabre International Philippines Management Inc.)	First Generation Subsidiary Company of NIIT Technologies Ltd.
22.	NIIT Technologies Brazil Ltda. (w.e.f. September 17, 2013)	Second/Third Generation Subsidiary Company of NIIT Technologies Ltd.

**E. Enterprises that indirectly control the Company**

Sr.No.	Name of Company	Remarks
1.	NIIT Limited, India	Associate Company
2.	Scantech Evaluation Services Limited	Associate Company

**F. Associate Companies**

Sr.No.	Name of Company	Remarks
1.	-----NIL-----	

**G. List of other Companies in which Key Managerial Personnel are interested**

Sr.No.	Name of Companies/Firms	Remarks
	-----NIL-----	

**- Details of transaction and balances with related parties:**

a) Details of transactions with related parties (described above) and its affiliates carried out on an arms length basis:-

Nature of Transactions	NIIT Technologies Ltd.	Fellow Subsidiaries
Receiving of Services (Note 2)	4,243 (510,345)	NIL (NIL)
Loans given (Note 3)	15,000,000 (NIL)	NIL (NIL)
Interest Received (Note 4)	496,233 (NIL)	NIL (NIL)

b) Details of balances with related parties as at year end

	NIIT Technologies Ltd.	Fellow Subsidiaries
Receivables (Note 5)	15,446,609 (NIL)	NIL (NIL)
Payables	NIL (NIL)	NIL (NIL)

Note: 1. Figure in parenthesis represents previous year's figure.

2. Includes transactions for the year mainly with:  
NIIT Technologies Ltd, India Rs. 4,243 (Previous Year Rs.510,345).

3. Includes transactions for the year mainly with:  
NIIT Technologies Ltd, India Rs. 15,000,000 (Previous Year Rs. NIL).



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**NIIT TECHNOLOGIES SERVICES LIMITED**  
**Notes to Financial Statements for the year ended 31<sup>st</sup> March 2014**

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4. Includes transactions for the year mainly with:  
NIIT Technologies Ltd, India Rs.496,233 (Previous Year Rs.NIL).
5. Includes balances mainly with:  
NIIT Technologies Ltd, India Rs. 15,446,609 (Previous Year Rs.NIL).

21. Earnings per Share

		2013-14	2012-13
Profit attributable to Equity shareholders (Rs.)	(A)	786,087	1,212,788
Weighted Average number of Equity shares Outstanding during the year	(B)	5,000,000	5,000,000
Nominal Value of Equity Shares (Rs.)		10	10
Basic Earnings per share (Rs)	(A/B)	<b>0.16</b>	<b>0.24</b>

22. Leases

There is no operating lease entered into by the Company during the current year. Aggregate expenditure in respect of operating lease amounts to Rs. NIL (Previous year Rs. NIL).

23. Going Concern


The accumulated losses of the Company as at March 31, 2014 amounting to Rs. 22,790,823/- have eroded a substantial part of its net worth. The assets and liabilities are stated at realizable value, and thus, no further adjustment to the same are considered necessary. Also, the company has made cash profit in current financial year. Accordingly, these financial statements are prepared on a going concern basis.

24. The previous year figures have been regrouped wherever necessary to conform to current year classification.


Signature to the Notes `1' to `24' above


  
**Arvind Mehrotra**  
**Director**  
DIN: 03211148

  
**Bhaskar Chavali**  
**Director**  
DIN: 02362667

Place : New Delhi  
Date : 24<sup>th</sup> April, 2014

  
**Monika Arora**  
**Company Secretary**

**CIN:U72900DL2006PLC156099**