

**GHOSH KHANNA & CO.**  
CHARTERED ACCOUNTANTS

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**Independent Auditor's Report**

**To The Member of Hole In The Wall Education Limited**

**1. Report on the Financial Statements**

We have audited the attached Balance Sheet of M/s **Hole In The Wall Education Limited** ('the Company') as at March 31, 2014 and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

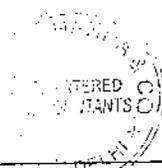
**2. Management's Responsibility for the Financial Statements**

The Company's 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") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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.

**3. Auditors' Responsibility**

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.

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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **4. Opinion**

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;
- ii) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

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

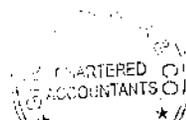
As required by the Companies (Auditor's Report) Order, 2003 dated 12th June 2003 as amended by the Companies (Auditor's report) (Amendment) Order, 2004 (together "the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 (the 'Act) and on the basis of such checks 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. a. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- b. As per information and explanation given to us, fixed assets have been physically verified by the management during the year and no material discrepancies between the book records.
- c. In our opinion and according to the information and explanation given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. a. The inventory has been physically verified by the management as at the year end. In our opinion, the frequency of verification is reasonable.



- b. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to books records were not material.
- iii. As per information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties to be covered in register maintained under section 301 of the Act.
- iv. There are adequate internal control procedures, commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of goods and services. 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 of the Act 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. The company has internal audit system commensurate with the size and the nature of its business.
- viii. The Central Government of India has not prescribed the maintenance of cost records under the clause (d) of sub section (1) 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 has incurred accumulated losses exceeding 50 percent of its net worth as on 31<sup>st</sup> March 2014 and it incurred cash losses in the financial year ended on the date or in the immediately preceding financial year.
- xi. Based on our audit procedures, 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.

6. Further to our comment in paragraph 5 of above, we draw your attention to appropriateness of the going concern basis used for preparation of these financial statements, as the net worth of the Company stood eroded as at beginning of the year. The management is not contemplating liquidation and is evaluating business options. The assets and liabilities of the Company are stated at realizable value and thus no further adjustments to the same are considered necessary.

Based on projected financial performance and cash flows, the net worth position of the company is expected to improve in the future years. In view of the above and taking into consideration the letter of support from the Holding Company (NIIT Ltd.), the financial statements have been prepared on going concern basis.

7. 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 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 'Act'.
- 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' read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

For GHOSH KHANNA & CO.  
*Chartered Accountants*  
Firm Registration No: 003366N

  
Amit Mittal  
Partner  
Membership No. 508748

Place: Gurgaon  
Date: May 16, 2014

**HOLE-IN-THE-WALL EDUCATION LIMITED**

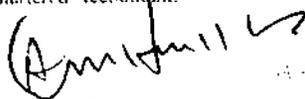
**Balance Sheet as at March 31, 2014**

<b>PARTICULARS</b>	<b>Notes</b>	<b>As at March 31, 2014 Rs.</b>	<b>As at March 31, 2013 Rs.</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	66,000,070	66,000,070
Reserves and surplus	3	(124,330,601)	(110,768,447)
<b>Non-current liabilities</b>			
Long-term borrowings	4	-	29,700,000
Long-term provisions	8	-	14,000
<b>Current liabilities</b>			
Short-term borrowings	5	15,634,308	17,655,009
Trade Payables	6	28,225,194	24,885,842
Other current liabilities	7	31,071,791	3,465,692
Short-term provisions	8	309,840	630,000
<b>TOTAL</b>		<b>16,910,602</b>	<b>31,582,166</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	9		
Tangible assets		97,762	153,185
Intangible assets		200,273	1,421,999
Intangible assets under development	10	-	4,509,046
Long-term loans and advances	12	2,523,912	1,903,065
Other non-current assets	14	430,892	430,892
<b>Current assets</b>			
Inventories	15	1,003,520	1,345,886
Cash and bank balances	16	251,884	259,415
Short-term loans and advances	12	2,446,297	3,491,595
Trade receivables	13	9,896,488	18,007,507
Other current assets	14	59,574	59,574
<b>TOTAL</b>		<b>16,910,602</b>	<b>31,582,166</b>

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

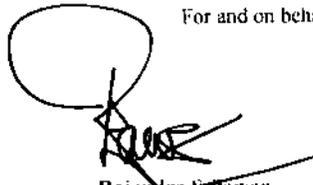
This is the Balance Sheet referred to in our report of even date

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



Anil Mittal  
Partner  
Membership No. 508748  
Place Gurgaon  
Date May 16, 2014

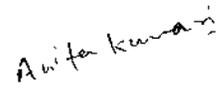
For and on behalf of the Board



Rajendra B Pawar  
Director  
DIN: 00042516



I. Rajadran  
Director  
DIN: 00042531

  
Anita Kumari  
Company Secretary



**HOLE-IN-THE-WALL EDUCATION LIMITED**

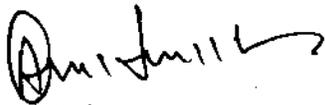
**Statement of Profit & Loss for the year ended March 31, 2014**

PARTICULARS	Notes	Year ended	Year ended
		March 31, 2014	March 31, 2013
		Rs.	Rs.
<b>INCOME</b>			
Revenue from Operations	18	7,160,119	30,649,918
Other Income	19	241,407	245,216
<b>Total Revenue</b>		<b>7,401,526</b>	<b>30,895,134</b>
<b>EXPENDITURE</b>			
(Increase) / Decrease in Inventory	15	342,368	303,869
Purchase of Traded Goods		786,790	2,557,514
Professional & Technical Outsourcing Expenses		748,767	6,755,841
Employee Benefits Expense	20	4,101,967	9,025,184
Finance Costs	22	5,735,134	6,174,733
Depreciation and Amortization Expenses	9	1,277,149	1,364,935
Other Expenses	21	3,462,459	10,944,867
<b>Total Expenses</b>		<b>16,454,634</b>	<b>37,126,946</b>
<b>Profit before exceptional items and tax</b>		<b>(9,053,108)</b>	<b>(6,231,812)</b>
Exceptional items (Expense)	23	(4,509,046)	-
<b>Profit (Loss) for the year</b>		<b>(13,562,154)</b>	<b>(6,231,812)</b>
<b>Earnings per equity share (Face Value Rs. 10 each):</b>			
(1) Basic	27	(21.15)	(13.82)
(2) Diluted		(21.15)	(13.82)

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

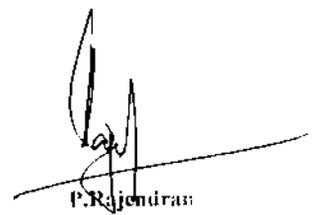
This is the Statement of Profit and Loss referred to in our report of even date

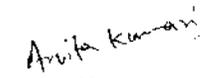
For Ghosh Khanna & Co  
Firm Registration No. 003366N  
Chartered Accountants

  
**Amit Mittal**  
Partner  
Membership No. 508748  
Place: Gurgaon  
Date: May 16, 2014

For and on behalf of the Board

  
**Rajendra S. Pawar**  
Director  
DIN - 00042516

  
**P. Rajendran**  
Director  
DIN - 00042531

  
**Anita Kumari**  
Company Secretary



HOLE-IN-THE-WALL EDUCATION LIMITED

Cash Flow Statement for the year ended March 31, 2014

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
	Rs.		Rs.	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Profit before Tax for the year		(13,562,154)		(6,231,812)
Adjustments for:				
Depreciation and Amortisation	1,277,149		1,364,935	
CWIP converted into Stock In Trade and consumed	-		3,875,575	
Impairment of Intangibles	4,509,046		-	
Interest Expenses	5,735,134		6,174,733	
Interest Income	-		(69,692)	
(Profit)/ Loss on Fixed Assets sold	-		12,469	
Interest accrued but not due	(2,635)		-	
Provision for Doubtful Debts	156,586		670,417	
Liabilities / Provisions no longer required written back	(241,224)		(78,218)	
Foreign Exchange Adjustments	33,706	11,467,762	18,198	11,968,417
<b>Operating profit before working capital changes</b>		<b>(2,094,392)</b>		<b>5,736,605</b>
<b>Add / (Less): (Increase)/ Decrease in operating working capital:</b>				
Increase/(Decrease) Trade Payables	60,366		4,557,851	
Increase/(Decrease) Other Current Liabilities	27,606,099		(11,680,421)	
Increase/(Decrease) Short Term Provisions	(320,160)		(50,000)	
Increase/(Decrease) Long Term Provisions	(14,900)		11,000	
Decrease/(Increase) Current Trade Receivables	7,954,433		3,570,043	
Decrease/(Increase) Inventories	342,368		303,869	
Decrease/(Increase) Short Term Loans and Advances	1,045,298		(1,046,354)	
Decrease/(Increase) Long Term Loans and Advances	(21,846)	36,652,558	(143,459)	(4,489,471)
<b>Cash generated from operations</b>		<b>34,558,166</b>		<b>1,247,134</b>
Taxes paid (including TDS)		(599,001)		(547,031)
<b>Net cash from Operating activities (A)</b>		<b>33,959,165</b>		<b>700,103</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Proceeds from sale of Fixed Assets		-		22,415
Interest Received		-		10,516
<b>Net cash used for Investing activities (B)</b>		-		<b>52,931</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Short term loan from Bank- Cash Credit		(2,020,701)		928,124
Interest Paid		(2,245,995)		(2,688,229)
<b>Net cash from / (used in) Financing activities (C)</b>		<b>(33,966,696)</b>		<b>(1,760,105)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents (A) + (B) + (C)</b>		<b>(7,531)</b>		<b>(1,087,071)</b>
<b>Cash and Cash equivalents as at the beginning of the year (Note 1)</b>		<b>259,415</b>		<b>1,266,487</b>
<b>Cash and cash equivalents as at the end of the year (Note 1)</b>		<b>251,884</b>		<b>259,415</b>
<b>Notes:</b>				
1 Cash and cash equivalents as on		March 31, 2014		March 31, 2013
		Rs.		Rs.
Balances with banks *		251,884		259,415
		<b>251,884</b>		<b>259,415</b>

1 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 Figures in Parenthesis indicate cash Outflow  
This is the Cash Flow Statement referred to in our report of even date

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

Amit Mittal  
Partner  
Membership No. 508748  
Place Gurgaon  
Date May 16, 2014



*[Signature]*  
Rajendra S Panwar  
Director  
DIN: 00042516

For and on behalf of the Board

*[Signature]*  
P. Rajendran  
Director  
DIN: 00042511

*[Signature]*  
Anita Kumari  
Company Secretary

*[Signature]*

**HOLE-IN-THE-WALL EDUCATION LIMITED**  
**Notes to Financial Statements for the financial year ended March 31, 2014**

**1 SIGNIFICANT ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF ACCOUNTS**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to the circular 15/2013 dated September 13, 2013 read with circular 08/2014 dated April 4, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, 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 other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. 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.

1.2 The other significant accounting policies adopted by the Company are detailed below:

**(i) Tangible Fixed Assets and Depreciation**

Fixed Assets are stated at acquisition cost.

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

Computers, related accessories (included in Plant and Machinery)	2-5 years
Office Equipment and Electronic Equipments	8 year
Air Conditioners	10 years
Furniture, Fixtures & Electric Fittings	7-10 years
Leasehold Improvements	3 years or lease period, whichever is less
All other assets	Rates prescribed under Schedule XIV to the Companies Act, 1956

**(ii) Intangible Fixed Assets and Amortisation**

Intangible Asset acquired are stated at acquisition cost.

Expenses incurred on internal development of educational content and products are capitalised either individually or as a knowledge bank in the form of software, once their technical feasibility and ability to generate future economic benefit is established in accordance with the requirements of Accounting Standard 26 'Intangible Assets' as notified under section 211(3C) of the Companies Act, 1956. Expenses incurred during the research phase till the establishment of commercial feasibility is charged to the Statement of Profit and Loss.

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

-Acquired and Internally Generated (Computer Software, Educational Content and Products)	3-5 years
-Patents	3-5 years

Intangible assets are technically evaluated each year for their useful economic life and the unamortised depreciable amount of the asset is charged to Statement of Profit and Loss as depreciation/ amortisation over their revised remaining useful life.

**(iii) Impairment of Assets**

All assets other than inventories, investments and deferred tax asset, are reviewed for impairment, whenever 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) Inventory Valuation - Traded Goods**

Inventories are valued at lower of cost or net realisable value. Cost is determined using weighted average method and includes applicable costs incurred in bringing inventories to their present location and condition.

**(v) Revenue Recognition**

The Company recognizes revenue on an accrual basis. Revenue in respect of sale of goods are recognized on dispatch/ delivery of the goods to the customer. Revenue from services is recognized over the period of services or as per the tenure of the agreement as the case may be.

Interest income is recognized on accrual basis.



## HOLE-IN-THE-WALL EDUCATION LIMITED

Notes to Financial Statements for the financial year ended March 31, 2014

### vi) Employee Benefits

#### Gratuity

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Company's liability is actuarially determined at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company with Life Insurance Corporation of India is additionally provided for.

Actuarial losses/ gains are charged/ credited to the Statement of Profit and Loss in the year in which such losses/ gains arise.

#### Compensated Absences

Liability in respect of compensated absences is provided both for encashable leave and those expected to be availed. The Company has defined benefit plans for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year. Any gain or loss arising out of such valuation is recognized in the Statement of Profit and Loss.

#### Superannuation

The Company makes defined contribution to a Trust established for the purpose by NIT Limited (the Holding Company). The Company has no further obligation beyond its monthly contributions. Contribution made during the year is charged to Statement of Profit & Loss.

#### Provident Fund

The Company makes defined contribution of Provident Fund to the trust "NIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" set up by the Holding Company. Company's contribution towards Provident Fund is charged to the Statement of Profit & Loss.

#### Pension Scheme

The Company makes defined contribution to a government administered pension fund on behalf of its employees. The Company's contribution towards Employee Pension Scheme is charged to Statement of Profit and Loss.

### vii) Foreign Currency Transactions

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

### viii) Leases

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

### ix) Borrowing Cost

Borrowing costs are recognized in the Statement of Profit and Loss for the period in which they are incurred except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use, in which case, it is capitalized.

### x) 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 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 reasonable/ virtual certainty that sufficient future taxable income will be a reliable amount, which such deferred tax assets can be realized. Current Tax is determined based on the provisions of Income Tax Act, 1961.

### xi) Provisions and Contingencies

The Company creates a provision when there is a liability or a loss that is probable and the probable amount can be estimated. A provision and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made, if there is a possible obligation or a present obligation that possibly will require an outflow of resources or a decrease of estimate of the obligation, but a reliable



**HOLE-IN-THE-WALL EDUCATION LIMITED**

**Notes to Financial Statements for the financial year ended March 31, 2014**

**xii) 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, if any.

**xiii) 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.



**HOLE-IN-THE-WALL EDUCATION LIMITED**

Notes to Financial Statements for the financial year ended March 31, 2014

2 SHARE CAPITAL		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
<b>Authorised</b>			
20,000,000 Equity Shares of Rs. 10/- each (Previous year 20,000,000 Equity Shares of Rs. 10/- each)		200,000,000	200,000,000
10,000,000 Redeemable Preference Shares of Rs. 10/- each (Previous year 10,000,000 Redeemable Preference Shares of Rs. 10/- each)		100,000,000	100,000,000
		<b>300,000,000</b>	<b>300,000,000</b>
<b>Issued</b>			
1,000,007 Equity Shares of Rs. 10/- each (Previous year - 1,000,007 Equity Shares of Rs. 10/- each)		10,000,070	10,000,070
3,400,000 13.75% Non-convertible Cumulative Redeemable Preference Shares of Rs 10/- each		34,000,000	34,000,000
2,200,000 13.25% Non-convertible Cumulative Redeemable Preference Shares of Rs 10/- each		22,000,000	22,000,000
		<b>66,000,070</b>	<b>66,000,070</b>
<b>Subscribed and fully paid</b>			
1,000,007 Equity Shares of Rs. 10/- each (Previous year - 1,000,007 Equity Shares of Rs. 10/- each)		10,000,070	10,000,070
3,400,000 13.75% Non-convertible Cumulative Redeemable Preference Shares of Rs 10/- each		34,000,000	34,000,000
2,200,000 13.25% Non-convertible Cumulative Redeemable Preference Shares of Rs 10/- each		22,000,000	22,000,000
		<b>66,000,070</b>	<b>66,000,070</b>

2.1 Reconciliation of the number of shares outstanding	As at March 31, 2014		As at March 31, 2013	
	No. of shares	Value Rs.	No. of shares	Value Rs.
<b>Equity Shares</b>				
Shares outstanding at the beginning and at the end of the year	1,000,007	10,000,070	1,000,007	10,000,070
<b>Shares outstanding at the end of the year</b>	<b>1,000,007</b>	<b>10,000,070</b>	<b>1,000,007</b>	<b>10,000,070</b>
<b>Preference Shares</b>				
Shares outstanding at the beginning and at the end of the year	5,600,000	56,000,000	5,600,000	56,000,000
<b>Shares outstanding at the end of the year</b>	<b>5,600,000</b>	<b>56,000,000</b>	<b>5,600,000</b>	<b>56,000,000</b>

2.2 Shares in respect of each class in the company held by	Name of the company	Class of shares Equity/ Preference	As at	As at
			March 31, 2014 No. of shares	March 31, 2013 No. of shares
Holding company	NIT Limited	Equity	1,000,000	1,000,000
Holding company	NIT Limited	Preference	5,600,000	5,600,000

2.3 Shares held by each shareholder holding more than 5% shares	As at March 31, 2014		As at March 31, 2013	
	% of holding	No. of shares	% of holding	No. of shares
<b>Equity Shares</b>				
NIT Limited	99.9%	1,000,000	99.9%	1,000,000
<b>Preference shares</b>				
NIT Limited	100%	5,600,000	100%	5,600,000



# HOLE-IN-THE-WALL EDUCATION LIMITED

Notes to Financial Statements for the financial year ended March 31, 2014

2.4 Note on rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayments of capital.

## Rights, preferences and restrictions attached to shares:-

### EQUITY SHARES

The company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### PREFERENCE SHARES :

During 2006-07, the following entire Non Convertible Cumulative Redeemable Preference Shares (NCCRPS) have been purchased by NIIT Limited (Holding Company) from International Finance Corporation (IFC):

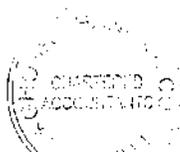
1. 3,400,000 nos. of 13.75% NCCRPS of Rs.10 each.
2. 2,200,000 nos. of 13.25% NCCRPS of Rs.10 each.

These two classes of preference shares were issued on March 17, 2003 and May 27, 2004 respectively and were due for redemption on March 17, 2011 and May 27, 2012 respectively in four yearly equal installments had been extended till March 17, 2015 and May 27, 2016 as per the schedule given below.

Sr. No.	No. of 13.75% NCCRPS	Due date of Redemption	Revised date of redemption (on or before)
1	850,000	March 17, 2011	March 17, 2015
2	850,000	March 17, 2012	March 17, 2016
3	850,000	March 17, 2013	March 17, 2017
4	850,000	March 17, 2014	March 17, 2018
<b>Total</b>	<b>3,400,000</b>		

Sr. No.	No. of 13.25% NCCRPS	Due date of Redemption	Revised date of redemption (on or before)
1	550,000	May 27, 2012	May 27, 2016
2	550,000	May 27, 2013	May 27, 2017
3	550,000	May 27, 2014	May 27, 2018
4	550,000	May 27, 2015	May 27, 2019
<b>Total</b>	<b>2,200,000</b>		

These shares will be redeemable at a price equal to the par value i.e Rs. 10 provided that any arrears of any unpaid dividend thereon will be paid at the time of redemption.



**HOLE-IN-THE-WALL EDUCATION LIMITED**  
Notes to Financial Statements for the financial year ended March 31, 2014

3	RESERVES AND SURPLUS	As at	
		March 31, 2014	March 31, 2013
	Share Premium		
	Opening Balance	20,000,000	20,000,000
	Closing Balance	-	-
	Surplus/(Deficit) in the Statement of Profit and Loss		
	Balance Brought Forward from Previous year	(130,768,447)	(124,536,635)
	Add: Current Year Profit / (Loss) attributable to Share Holders	(13,562,154)	(6,231,812)
	Closing Balance at year end	(144,330,601)	(130,768,447)
		(124,330,601)	(110,768,447)

4	LONG TERM BORROWINGS	Non Current Portion		Current Maturities	
		As at	As at	As at	As at
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Loans from Related Parties (NIIT Limited)*				
	Total (A)	-	29,700,000	29,700,000	-
	Amount disclosed under the head "Other current Liabilities" (Refer Note 7) (B)	-	29,700,000	29,700,000	-
	Total (A)+(B)			(29,700,000)	

\*The terms loan is repayable in financial year 2014-15.

5	SHORT TERM BORROWINGS	As at	
		March 31, 2014	March 31, 2013
	UNSECURED		
	Short Term Loan from Banks		
	Cash Credit*	15,634,308	17,655,009
	Total	15,634,308	17,655,009

\*During the year, the Company has availed fund based limit(Cash Credit) from a bank which are covered within the working capital limits of the holding company, NIIT Limited

6	TRADE PAYABLES	Non Current		Current	
		As at	As at	As at	As at
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	- Due to Micro Enterprises and Small Enterprises (Refer note 30)	-	-	28,225,194	24,885,842
	- Sundry Creditors	-	-	-	24,885,842
				28,225,194	24,885,842

7	OTHER LIABILITIES	Long Term Liabilities		Current Liabilities	
		As at	As at	As at	As at
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Current Maturities of Long Term Borrowings (Refer Note 4)	-	-	29,700,000	-
	Interest accrued but not due on borrowings	-	-	2,635	-
	Deferred Revenue	-	-	450,058	2,374,515
	Advances from Customers	-	-	514,057	-
	Statutory Dues	-	-	165,417	246,524
	Other Payables	-	-	239,624	844,653
				31,071,791	3,465,692

8	PROVISIONS	LONG-TERM		SHORT-TERM	
		As at	As at	As at	As at
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Provision for employee benefits :				
	Provision for Compensated Absences	-	14,000	309,840	630,000
		-	14,000	309,840	630,000



GOPI-N-THIRUWALI EDUCATION LIMITED

Notes to Financial Statements for the financial year ended March 31, 2014  
of FIXED ASSETS

Description of Assets	GROSS BLOCK			DEPRECIATION AND AMORTISATION		NET BLOCK				
	Cost as on April 1, 2013	Additions during the year	Sales / Adj. during the year	Total as on March 31, 2014	As on April 1, 2013	For the year	Sales / Adj. during the year	Total as on March 31, 2014	As on March 31, 2014	As on March 31, 2013
<b>(i) Tangible</b>										
Plant & Equipment Owned	1,703,076	-	-	1,703,076	1,554,805	54,109	-	1,608,914	94,162	148,271
Office Equipments	16,500	-	-	16,500	14,360	1,314	-	15,674	826	2,140
Furniture & Fixtures Owned	55,500	-	-	55,500	53,726	-	-	53,726	2,774	2,774
<b>Sub Total (a)</b>	<b>1,775,076</b>	-	-	<b>1,775,076</b>	<b>1,621,891</b>	<b>55,423</b>	-	<b>1,677,314</b>	<b>97,762</b>	<b>153,185</b>
<b>(ii) Intangible</b>										
Intellectual Property Rights										
- Acquired	56,385	-	-	56,385	56,385	-	-	56,385	-	-
- Internally generated	4,966,011	-	-	4,966,011	3,544,012	1,221,726	-	4,765,738	200,273	1,421,999
Patents	8,500,000	-	-	8,500,000	8,500,000	-	-	8,500,000	-	-
<b>Sub Total (b)</b>	<b>13,522,396</b>	-	-	<b>13,522,396</b>	<b>12,100,397</b>	<b>1,221,726</b>	-	<b>13,322,123</b>	<b>200,273</b>	<b>1,421,999</b>
<b>Total (a+b)</b>	<b>15,297,472</b>	-	-	<b>15,297,472</b>	<b>13,722,288</b>	<b>1,277,149</b>	-	<b>14,999,437</b>	<b>298,035</b>	<b>1,575,184</b>
Previous Year	<b>15,960,463</b>	-	682,991	<b>15,297,472</b>	<b>13,985,460</b>	<b>1,364,935</b>	628,107	<b>13,722,288</b>	<b>1,575,184</b>	<b>2,975,003</b>

(ii) Intangible assets under development (Refer Note below)

Note:

Intangible asset under development impaired during the year amounting Rs 4,509,046- (Previous year- Nil) which is included in exceptional item in Statement of Profit and Loss





**HOLE-IN-THE-WALL EDUCATION LIMITED**  
Notes to Financial Statements for the financial year ended March 31, 2014

12	Loans and Advances	Long Term		Short Term	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
		i) Security Deposits Receivable Unsecured, considered good	195,305	173,459	-
ii) Advances recoverable in cash or in kind Unsecured, considered good	195,305	173,459	-	-	
(A)					
iii) Other Advances	-	-	2,446,297	3,491,595	
(B)			2,446,297	3,491,595	
a) Advance payment of Fringe Benefit Tax Less: Provision for Fringe Benefit Tax	707,119 (669,760)	707,119 (669,760)	-	-	
	37,359	37,359	-	-	
b) Advance Tax	2,291,248	1,692,247	-	-	
	2,291,248	1,692,247	-	-	
(C)					
	2,328,607	1,729,606	-	-	
Total (A+B+C)	2,523,912	1,903,065	2,446,297	3,491,595	

13	Trade Receivables	Non Current		Current	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
		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 (refer Note 13.1)	7,417,240 (7,417,240)	7,501,878 (7,501,878)	9,467,920
b) Other Trade Receivables Unsecured, considered good	-	-	9,467,920	15,615,302	
	-	-	428,568	2,392,205	
	-	-	428,568	2,392,205	
	-	-	9,896,488	18,007,507	

13.1	Provision for Doubtful Debts	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	Opening Provision	7,501,878	6,909,679
	Add: Additional Provision Created	156,586	670,417
	Less: Provision written back	(241,224)	(78,218)
	Closing Provision	7,417,240	7,501,878

14	OTHER ASSETS	Non Current		Current	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
		Non Current Bank Balances (refer Note 14.1 & 16 below)	430,892	430,892	-
Interest Receivable	-	-	59,574	59,574	
	430,892	430,892	59,574	59,574	

14.1 Fixed Deposits includes Rs 430,892/- (Previous Year - Rs 430,892/-) pledged as margin money.



**HOLE-IN-THE-WALL EDUCATION LIMITED**  
Notes to Financial Statements for the financial year ended March 31, 2014

15	Inventories	As at	As at
		March 31, 2014	March 31, 2013
		Rs.	Rs.
	As at the end of the year		
	Traded Goods		
	a) Software/ Hardware	1,003,520	1,345,888
		<b>1,003,520</b>	<b>1,345,888</b>
	As at the beginning of the year		
	Traded Goods		
	a) Software/ Hardware	1,345,888	1,649,757
		<b>1,345,888</b>	<b>1,649,757</b>
	(Increase) / Decrease in Inventory	<b>342,368</b>	<b>303,869</b>

16	Cash and Bank Balances	Non Current		Current	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	Cash and cash equivalents:				
	Balance with banks			251,884	259,415
	Current Accounts			<b>251,884</b>	<b>259,415</b>
	Other bank balances:				
	Bank deposits:				
	With original maturity of more than 12 months	430,892	430,892		
	[Includes Rs. 4,30,892 (Previous year Rs. 4,30,892 ) pledged as margin money]	<b>430,892</b>	<b>430,892</b>		
		<b>430,892</b>	<b>430,892</b>		
	Amount disclosed under non-current assets (Note 14)	(430,892)	(430,892)	251,884	259,415
				<b>251,884</b>	<b>259,415</b>

17 **Contingent Liabilities**  
Cumulative Dividend on Non Convertible Cumulative Redeemable Preference Shares not provided in the absence of adequacy of profits for Rs.80,332,698/- (Previous Year- Rs. 72,742,698/-).

18	Revenue from Operations	Year ended	Year ended
		March 31, 2014	March 31, 2013
		Rs.	Rs.
	Sale of Kiosks	1,378,214	11,748,163
	Sale of Services	5,781,905	18,901,755
		<b>7,160,119</b>	<b>30,649,918</b>

19	Other Income	Year ended	Year ended
		March 31, 2014	March 31, 2013
		Rs.	Rs.
	Interest Income	-	69,692
	Provision / Other Liabilities written back	241,224	78,218
	Other non-operating income (net of expenses)	183	97,306
		<b>241,407</b>	<b>245,216</b>

**HOLE-IN-THE-WALL EDUCATION LIMITED**

**Notes to Financial Statements for the financial year ended March 31, 2014**

20	Employee Benefits Expenses	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
	Salaries and Benefits	3,061,163	8,427,855
	Contribution to Provident and Other Funds	924,589	339,415
	Welfare and Other expenses	116,215	257,914
		<b>4,101,967</b>	<b>9,025,184</b>

**20.1 Employee Benefits**

**(A) Defined Contribution Plans**

The Company makes contribution towards Provident Fund, Pension Fund and Superannuation Fund, a defined contribution retirement benefit plan, for eligible employees.

During the year the Company has recognized the following amounts in the Statement of Profit and Loss:

Nature of Contribution	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
Employers Contribution to Provident Fund	81,003	150,343
Employers Contribution to Superannuation Fund	97,643	136,773
Employers Contribution to Pension Scheme	22,689	69,542

Employers' contribution to provident and other funds in respect of Key Managerial Personnel is Rs.98,892/-.

Nature of Contribution	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
Employers Contribution to Provident Fund	43,333	7,296
Employers Contribution to Superannuation Fund	49,608	-
Employers Contribution to Pension Fund	5,951	6,492

**(B) Benefit Plans**

**i) Compensated Absences**

Particulars	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
<b>Change in Present value of Obligation :</b>		
Present Value of obligation at the beginning of the year	644,000	695,000
Benefits Paid	-	-
Service Cost	51,410	124,050
Interest Cost	53,130	59,770
Past Service Cost	-	-
Actuarial (gain)/ loss on Obligation	(438,700)	(234,820)
<b>Present value of obligation at the end of the year</b>	<b>309,840</b>	<b>644,000</b>
Amount debited/ (credited) to Salaries & benefits in Statement of Profit and Loss	(334,160)	(51,000)
<b>Assumptions used in accounting for compensated absences :</b>		
Discount Rate (per annum)	9.25%	8.25%
Future Salary Increase	10% p.a. for first 5 Years and 7% p.a. thereafter	10% p.a. for first 5 Years and 7% p.a. thereafter



**HOLE-IN-THE-WALL EDUCATION LIMITED**

Notes to Financial Statements for the financial year ended March 31, 2014

## (ii) Gratuity(Defined benefit plan):

Particulars	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
<b>Change in benefit obligation:-</b>		
Present Value of Obligation at the beginning of the year		447,000
Interest cost	496,000	35,420
Current service cost	38,150	68,330
Benefit payments	52,850	(70,390)
Actuarial (gain)/ loss on Obligations	(1,123,580)	15,640
Present value obligation as at the end of the year	773,090	496,000
<b>Change in Plan Assets:-</b>		
Fair value of Plan Assets at the beginning of the year		1,463,700
Expected return on Plan Assets	1,529,950	134,280
Acquisition adjustment	140,650	-
Actuarial gain/ (loss) on Plan Assets	(1,056,340)	2,360
Benefit payments	180	(67,270)
Fair value of Plan Assets at the end of the year	(67,270)	1,529,950
	547,200	

Amount of Assets recognized at the year end *	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
Fair value of Plan Assets	547,200	1,529,950	1,463,700	1,495,470	1,302,803
Present value of obligation	236,510	496,000	447,000	735,000	893,087
Net Asset as at year end	310,690	1,033,950	1,016,700	760,470	409,716
* Grouped under Loans and Advances					

Net Gratuity Cost/(Credit) recognized in the statement of Profit and Loss (under Salaries & benefits):-	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
Current service cost	52,850	68,330
Interest Cost	38,150	35,420
Expected Return on Plans Assets	(140,650)	(134,280)
Net Actuarial (gain)/ loss recognized during the year	772,910	13,280
Expense / (Credit) recognized in the statement of profit and loss	723,260	(17,250)
Actual return of plan assets	140,836	136,628

Assumptions used:-	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
Discount Rate (per annum)	9.25%	8.25%
Future Salary Increase	5.00%	5.00%
Expected Rate of Return on Plan Assets	9.40%	9.40%

Actuary's best estimate of contribution for the next financial year is Rs. 22,000/-

**Investment details of plan assets:**

The Company has contributed to the Gratuity fund of the holding company, maintained with the Life Insurance Corporation of India. The details of investment maintained by Life Insurance Corporation are not available with the Company and have not been disclosed.

The expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical result of the return on plan assets.



**HOLE-IN-THE-WALL EDUCATION LIMITED**  
**Notes to Financial Statements for the financial year ended March 31, 2014**

21	Other Expenses	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
	Equipment Hiring	1,981	2,232
	Freight and Cartage	15,189	199,089
	Rent (net of recoveries)	850,125	3,099,521
	Power & Fuel	263,548	535,377
	Communication	37,676	129,016
	Legal and Professional (Refer note 21.1 below)	525,142	822,745
	Management Cost Recovery by Holding Company	342,260	1,333,140
	Traveling and Conveyance	879,475	1,530,215
	Provision for Doubtful Debts	156,586	670,417
	Insurance	-	7,130
	Repairs and Maintenance		
	- Plant and Machinery	81,808	113,213
	- Buildings	3,716	11,008
	- Others	147,029	317,737
	Loss on Sale of Fixed Assets (Net)	-	12,469
	Loss on foreign currency translation and transaction (net)	33,671	1,566,317
	Security and Administration Services	61,158	255,656
	Bank Charges	21,412	16,449
	Advertisement and Publicity	8,644	22,801
	Other Marketing Expenses	230	131,210
	Sundry Expenses	32,809	169,125
		<b>3,462,459</b>	<b>10,944,867</b>

21.1	Payment to Auditors	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
	As Auditor	90,000	90,000
	Reimbursement of expenses (including Service Tax) (refer note 21. Audit Expenses is included in Legal & Professional)	21,124	21,124
		<b>111,124</b>	<b>111,124</b>

22	Finance costs	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
	Interest Expense	5,735,134	6,174,733
		<b>5,735,134</b>	<b>6,174,733</b>

23	Exceptional items	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
	Impairment of Intangibles*	(4,509,046)	-
		<b>(4,509,046)</b>	<b>-</b>

\*Intangible asset under development impaired during the year amounting Rs. 4,509,046/- (Previous year- Nil).

**HOLE-IN-THE-WALL EDUCATION LIMITED****Notes to Financial Statements for the financial year ended March 31, 2014**

24 The net worth of the Company stood eroded as at beginning of the year. The management had entered into various contracts for project implementations but the majority of the contracts shall be executed in future. Based on projected financial performance and cash flows, the net worth position of the Company is expected to improve in the future years. In view of the above and taking into consideration the letter of support from the Holding Company (NIT Ltd.), the financial statements of the company have been prepared on going concern basis.

**25 Expenditure in foreign currency:-**

Particulars	Year ended March 31, 2014 (Rs.)	Year ended March 31, 2013 (Rs.)
Purchase of Traded goods		804,642
Bank Charges	33,557	
Foreign Travel	1,395	
<b>Total</b>	<b>34,952</b>	<b>446,401</b>
		<b>1,251,043</b>

**26 Earnings in foreign currency:-**

Particulars	Year ended March 31, 2014 (Rs.)	Year ended March 31, 2013 (Rs.)
Revenue from Operations		11,019,650
<b>Total</b>		<b>11,019,650</b>

**HOLE-IN-THE-WALL EDUCATION LIMITED**

Notes to Financial Statements for the financial year ended March 31, 2014

## 27 Earnings per Share

Particulars	Year ended March 31, 2014 (Rs.)	Year ended March 31, 2013 (Rs.)
Profit / (Loss) as per Profit & Loss Account - (A)	(13,562,154)	(6,231,812)
Dividend on Non Convertible Cumulative Redeemable Preference Shares not considered in books - (B)	(7,590,000)	(7,590,000)
Profit / (Loss) attributable to Equity Shareholders - (C=A+B)	(21,152,154)	(13,821,812)
Weighted Average number of Equity shares outstanding during the year - (D)	1,000,007	1,000,007
Nominal Value of Equity Shares (Rs.)	10/-	10/-
Basic/Diluted (loss) per share (Rs) (C/D)	(21.15)	(13.82)

There are no potential dilutive shares as at the year-end. Accordingly, basic and diluted earnings per share are the same.

## 28 RELATED PARTY TRANSACTIONS AS PER ACCOUNTING STANDARD 18:

## (i) Related party relationship where control exists

Holding Company - NIT Limited

## (ii) Fellow Subsidiaries

- 1 NIT Online Learning Ltd
- 2 Seantech Evaluation Services Ltd
- 3 NIT Yuva Jyoti Limited
- 4 NIT Institute of Process Excellence Limited
- 5 NIT Institute of Finance Banking and Insurance and Training Limited
- 6 Evolv Services Limited
- 7 NIT Ltd, UK
- 8 NIT Antilles NV, Netherlands Antilles
- 9 NIT Malaysia Sdn. Bhd, Malaysia
- 10 NIT GC Ltd (formerly NIT TVE Ltd, Mauritius), Mauritius
- 11 NIT China (Shanghai) Limited, Shanghai, China
- 12 NIT Wu Xi Service Outsourcing Training School, China
- 13 Chongqing NIT Education Consulting Limited, China
- 14 Wu Xi NIT Information Technology Consulting Limited, China
- 15 Changzhou NIT Information Technology Consulting Limited, China
- 16 Su Zhou NIT Information Technology Consulting Limited, China
- 17 NIT (USA) Inc, USA
- 18 NIT Ventures Inc, USA
- 19 PT NIT Indonesia, Indonesia (Under Liquidation)
- 20 NIT West Africa Limited, Nigeria
- 21 Qingdao NIT Information Technology Co., Ltd., China, (w.e.f. May 14, 2012)
- 22 Chongqing An Dao Education Consulting Limited, China, (w.e.f. June 5, 2012)
- 23 Zhangjiagang NIT Information Services Ltd., China, (w.e.f. September 1, 2012)
- 24 Chengmai NIT information technology Co., Ltd., China, (w.e.f. December 19, 2012)

## (iii) Other related parties with whom the Company has transacted :

## Key Managerial Personnel :

- Mr. Dinesh Mehta - Manager (April '13 to July'13)  
Mr. Purnendu Hota- Manager( August '13 to March'14)

## Parties in which Key Managerial Personnel are interested :

NIT Institute of Information Technology



**HOLE-IN-THE-WALL EDUCATION LIMITED**

Notes to Financial Statements for the financial year ended March 31, 2014

(iv) Details of significant transactions with the Related Parties carried out on an arms length basis:

Nature of Transactions	(Amount in Rs.)		
	Holding Company	Parties in which Key Managerial Personnel of Holding Company are interested	Key Managerial Personnel
	(Rs.)	(Rs.)	(Rs.)
Interest Expense- Finance Cost	3,486,504	Nil	Nil
Sale of Goods- Revenue	(3,486,504)	(Nil)	(Nil)
Rendering of services- Revenue	25,000	(Nil)	Nil
Management Cost Recovery- Other Expenses	(1,860,000)	(Nil)	(Nil)
	2,639,948	(Nil)	Nil
	(4,935,606)	(Nil)	(Nil)
	342,260	Nil	Nil
	(1,333,140)	(Nil)	(Nil)
<b>Payment of Common Expenses</b>	<b>1,621,337</b>	<b>3,273</b>	<b>Nil</b>
Employee Benefits Expenses (refer note a below)	(4,537,967)	(Nil)	(Nil)
Other Expenses	23,468	3,273	Nil
	(192,889)	(Nil)	(Nil)
	1,597,205	Nil	Nil
Professional & Technical Outsourcing Expenses for	(4,345,078)	(Nil)	(Nil)
	664	Nil	Nil
	(Nil)	(Nil)	(Nil)
Remuneration to Key Managerial Personnel (refer note b below)	Nil	Nil	1,677,378
	(Nil)	(Nil)	(713,991)

Details of outstanding balances with related parties:

Particulars	Payables	Payables	Receivables	Receivables	Loan Payable	Loan Payable
	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Holding Company	26,414,343	21,128,862	-	920,532	29,700,000	29,700,000
Key Managerial Personnel	Nil	42,927	185,897	Nil	Nil	Nil
Parties in which Key Managerial Personnel of the Holding Company are interested	3,351	Nil	Nil	Nil	Nil	Nil

a) Includes transactions for the year mainly with;

-Evolv Services Limited Rs.3,273/- (Previous year Rs. Nil/-).

a) Includes remuneration paid to

-Dinesh Mehta Rs.154,884/- (Previous year Rs. 713,991/-).

-Purnendu Kumar Hota Rs.1,522,494/- (Previous year Rs. Nil/-).

Also, refer Note 5.1 in respect of sub-limit availed by the company from the working capital limit of the Holding Company

**HOLE-IN-THE-WALL EDUCATION LIMITED**

Notes to Financial Statements for the financial year ended March 31, 2014

**29 SEGMENT INFORMATION**

**Primary Segment Information-Business Segment**

The Company is in the business of setting up kiosks for computer education and training which is being reviewed by the management as a single segment in accordance with AS 17, 'Segment Reporting' as notified under section 211 (3C) of the companies Act 1956.

**Secondary Segment Information- Geographical**

The secondary segment information in relation to the geographies is as follows:

Particulars	Revenue from customers by location of customers
India	7,160,119 (19,630,268)
United States of America	Nil (10,649,438)
Africa	Nil (136,531)
Europe	Nil (233,681)
<b>Total</b>	<b>7,160,119</b> <b>(30,649,918)</b>

Previous year figures are given in paranthesis.

30 Based on information available with the Company, there is no vendor covered under the Micro, Small and Medium Enterprises Development Act, 2006.

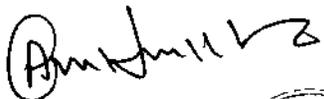
**31 LEASES :**

The Company has entered into leases for office premises and employee accommodations which are cancelable at the option of the Company by giving the requisite notice.

Aggregate payments during the year under operating leases are as shown hereunder:

Particulars	Year ended March 31, 2014 (Rs.)	Year ended March 31, 2013 (Rs.)
In respect of Premises	850,125	3,099,521

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



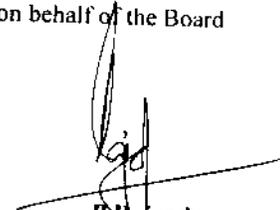
Amit Mittal  
Partner  
Membership No. 50874  
Place: New Delhi  
Date: May 16, 2014



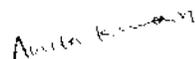
For and on behalf of the Board



Rajendra S Pawar  
Director  
DIN - 00042516



P. Rajendran  
Director  
DIN - 00042531

  
Anita Kumari  
Company Secretary

