

GHOSH KHANNA & CO.
CHARTERED ACCOUNTANTS

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

Independent Auditor's Report

To The Member of NIIT Online Learning Limited

Report on the Financial Statements

We have audited the attached Balance Sheet of **M/s NIIT Online Learning Limited** 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.

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.

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.

Branches:

Calcutta: P-5 C. I. T. Road (7th Fl.) S. C.



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

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

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 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 hence clause (i)(a), (i)(b),(i)(c) of paragraph 4 of the order are not applicable for the year
- ii. As the company does not have inventories, clauses (ii)(a) ,(ii)(b) and(ii)(c)of paragraph 4 of the order are not applicable for the year
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the 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.
- 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 no accumulated losses as at 31st March 2014 but has incurred cash losses in the financial year ended on the date and 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.

Without qualifying our opinion, we draw your attention to note no.15 of the notes to financial statements regarding the preparation of financial statement on "going concern basis".

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



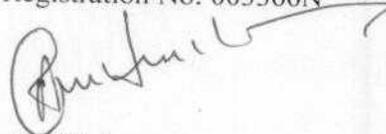
director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act; 1956.

- 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 Companies Act, 1956 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



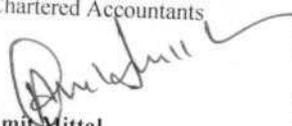
NIIT ONLINE LEARNING LIMITED
Balance Sheet as at March 31, 2014

	Notes	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital			
Reserves and surplus	2	4,387,998	4,387,998
	3	845,332	928,171
Current liabilities			
Trade Payables	4	54,183	48,253
Other current liabilities	5	4,650	5,225
TOTAL		5,292,163	5,369,647
ASSETS			
Non-current assets			
Long-term loans and advances	6	1,364,538	1,364,538
Current assets			
Current investments	7	3,513,901	3,513,901
Cash and bank balances	8	413,724	491,208
TOTAL		5,292,163	5,369,647

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


Amit Mittal
Partner
Membership No.- 508748



For and on behalf of the Board


Rajendra S Pawar
Director
DIN -0042516


Udai Singh
Director
DIN - 02778939

Place: Gurgaon
Date : May 16, 2014

NIIT ONLINE LEARNING LIMITED

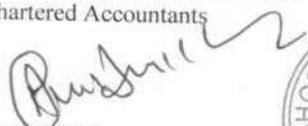
Statement of Profit & Loss for the year ended March 31, 2014

	Notes	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
INCOME			
Other Income	9	-	177,036
Total Income		-	177,036
EXPENDITURE			
Legal and Professional Expenses		82,839	205,125
Total Expenses		82,839	205,125
Loss before Tax		(82,839)	(28,089)
Tax Expense		-	-
Loss for the year		(82,839)	(28,089)
Earnings per equity share (Face Value Rs. 1 each):			
(1) Basic	12	(0.02)	(0.01)
(2) Diluted	12	(0.02)	(0.01)

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

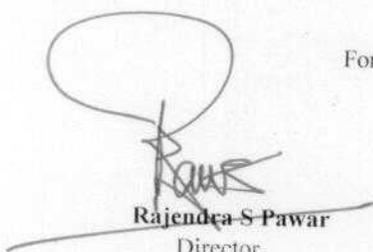
For Ghosh Khanna & Co.
Firm Registration No.: 003366N
Chartered Accountants


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


Udai Singh
Director
DIN - 02778939

NIIT ONLINE LEARNING LIMITED
Cash Flow Statement for the year ended March 31, 2014

		Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Loss before Tax	(82,839)	(28,089)
	Adjustments for:		
	Profit on sale of Investments in Mutual Funds	-	(177,036)
	Operating loss before working capital changes	(82,839)	(205,125)
	Add / (Less): (Increase)/ Decrease in operating working capital:		
	Trade Payables	5,930	1,722
	Other Liabilities - Statutory Dues	(575)	(11,671)
	Net cash used in Operating activities (A)	(77,484)	(215,074)
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Proceeds from sale of Mutual Funds	-	500,000
	Net cash from Investing activities (B)	-	500,000
C.	CASH FLOW FROM FINANCING ACTIVITIES: (C)		
	Net Increase/(Decrease) in Cash & Cash equivalents (A) + (B) + (C)	(77,484)	284,926
	Cash and Cash equivalents as at the beginning of the year (Note 1)	491,208	206,282
	Cash and cash equivalents as at the end of the year (Note 1)	413,724	491,208

Notes:

1 Cash and cash equivalents as on

	March 31, 2014 Rs.	March 31, 2013 Rs.
Cash in hand	-	1,508
Balances with banks	413,724	489,700
	<u>413,724</u>	<u>491,208</u>

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.

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
Amit Mittal
Partner
Membership No.- 508748



Rajendra S Pawar
Rajendra S Pawar
Director
DIN - 00042516

For and on behalf of the Board

Udai Singh
Udai Singh
Director
DIN - 02778939

Place: Gurgaon
Date: May 16, 2014

NIIT ONLINE LEARNING LIMITED

Notes to the financial statements for the year ended March 31, 2014

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Accounts

These financial statements are prepared on an accrual basis, under the historical cost convention and in accordance with all applicable accounting principles in India. 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 applicable 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 significant accounting policies adopted by the Company are detailed below:

i) Fixed Assets and Depreciation

Fixed assets are shown at acquisition cost. Depreciation is charged on fixed assets as per the rates defined in the Companies Act, 1956.

ii) Investments

Short-term investments are carried at cost or market value whichever is lower. Any permanent diminution in the value of Investments is provided for during the year.

iii) Revenue Recognition

Revenue is recognised on accrual basis. Income from Sale of Investments (Mutual Fund) is recognised at the time of sale of units in mutual funds.

iv) 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.

v) Taxation

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

vi) Earnings Per Share

The earnings considered in ascertaining the Company's earnings per share ('EPS') comprises the net profit after tax. The number of shares used in computing the Basic EPS is the weighted average number of shares outstanding during the year. The Diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential dilutive equity shares.



NIIT ONLINE LEARNING LIMITED

Notes to the financial statements for the year ended March 31, 2014

2	SHARE CAPITAL	As at	As at
		March 31, 2014	March 31, 2013
		Rs.	Rs.
	Authorised		
	150,000,000 Equity Shares of Rs. 1/- each	150,000,000	150,000,000
	(Previous year 150,000,000 Equity Shares of Rs. 1/- each)		
	350,000,000 8.5% Cumulative Redeemable Preference Shares of Rs. 1/- each.	350,000,000	350,000,000
		500,000,000	500,000,000
	Issued		
	4,387,998 Equity Shares of Rs. 1/- each	4,387,998	4,387,998
	(Previous year - 4,387,998 Equity Shares of Rs. 1/- each)		
		4,387,998	4,387,998
	Subscribed and fully paid		
	4,387,998 Equity Shares of Rs. 1/- each	4,387,998	4,387,998
	(Previous year - 4,387,998 Equity Shares of Rs. 1/- each)		
		4,387,998	4,387,998

2.1	Reconciliation of the number of shares outstanding	March 31, 2014		March 31, 2013	
		No. of shares	Value Rs.	No. of shares	Value Rs.
	Equity Shares				
	Shares outstanding at the beginning and at the end of the year	4,387,998	4,387,998	4,387,998	4,387,998
	Shares outstanding at the end of the year	4,387,998	4,387,998	4,387,998	4,387,998

2.2	Shares in respect of each class in the company held by	Name of the company	Class of shares	As at	As at
				March 31, 2014	March 31, 2013
			Equity/ Preference	No. of shares	No. of shares
	Holding company	NIIT Limited	Equity	3,949,175	3,949,175

2.3	Shares held by each shareholder holding more than 5% shares	March 31, 2014		March 31, 2013	
		% of holding	No. of shares	% of holding	No. of shares
	Equity Shares				
	NIIT Limited	89.99%	3,949,175	89.99%	3,949,175
	Anil Kumar Sood (Trustee) & Brij Mohan Gupta (Trustee)	9.999%	438,795	9.999%	438,795
	Total	99.99%	4,387,970	99.99%	4,387,970

3	RESERVES AND SURPLUS	As at	As at
		March 31, 2014	March 31, 2013
		Rs.	Rs.
	Statement of Profit & Loss		
	Balance Brought Forward from Previous year	928,171	956,260
	Add : Current Year Profit / (Loss) attributable to Share Holders	(82,839)	(28,089)
		845,332	928,171



NIIT ONLINE LEARNING LIMITED

Notes to the financial statements for the year ended March 31, 2014

4	Trade Payables	Current	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	Trade Payables (Refer Note 14)	54,183	48,253
		54,183	48,253

5	OTHER LIABILITIES	Current	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	Statutory Dues	4,650	5,225
		4,650	5,225

6	LOANS AND ADVANCES (Unsecured, Considered Good)	Long-term	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
i)	Advances recoverable in cash or in kind Unsecured Loan to ESOP Trust	438,797	438,797
	(A)	438,797	438,797
ii)	Other Advances Tax Deducted at Source	925,741	925,741
	(B)	925,741	925,741
	Total (A+B)	1,364,538	1,364,538



NIIT ONLINE LEARNING LIMITED

Notes to the financial statements for the year ended March 31, 2014

7	INVESTMENTS	Current	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	SHORT TERM, NON TRADE [UNQUOTED]		
	In Mutual Funds 19,814 Units of PRU ICICI Liquid Growth Option (Fair Market Value Rs 5,948,394/- as on March 31, 2014) (Previous Year 19,814 Units of PRU ICICI Liquid Growth Option (Fair Market Value Rs 5,486,806/- as on March 31, 2013)	3,513,901	3,513,901
		3,513,901	3,513,901

8	Cash and Bank Balances	Current	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	Cash and cash equivalents:		
	Balance with banks		
	Current Accounts	413,724	489,700
	Cash on hand	-	1,508
		413,724	491,208



NIIT ONLINE LEARNING LIMITED

Notes to the financial statements for the year ended March 31, 2014

9	Other Income	Year ended	Year ended
		March 31, 2014	March 31, 2013
		Rs.	Rs.
	Profit on sale of Investments (Mutual Fund)	-	177,036
		-	177,036

10	Payment to Auditors (included in Legal and Professional Expense)	Year ended	Year ended
		March 31, 2014	March 31, 2013
		Rs.	Rs.
	As Auditor		
	Audit fee	15,000	15,000
	Others	5,000	5,000
	Reimbursement of expenses (including Service Tax)	2,472	2,472
		22,472	22,472



NIIT ONLINE LEARNING LIMITED

Notes to the financial statements for the year ended March 31, 2014

11 Taxation

No provision for taxation has been made for the year as the Company has incurred losses during the year resulting in no taxable income. Deferred Tax Assets/ Liability has not been recognised as there are no material timing difference resulting in difference between book profit and profit computed as per Income Tax Act, 1961.

12 Earnings Per Share

Particulars	Year ended March 31, 2014 (Rs.)	Year ended March 31, 2013 (Rs.)
Profit /(Loss) attributable to Equity shareholders (Rs.) -(A)	(82,839)	(28,089)
Weighted Average number of Equity shares Outstanding during the year (Nos.)- (B)	4,387,998	4,387,998
Nominal Value of Equity Shares (Rs.) (C)	1/-	1/-
(D) Basic/Diluted Earnings/(Loss) per share (Rs) (A/B)	(0.02)	(0.01)

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

13 Related Party Disclosures**A. Related party relationship where control exists:**

Holding Company - NIIT Limited

B. Fellow Subsidiaries:**Name of Company**

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



NIIT ONLINE LEARNING LIMITED

Notes to the financial statements for the year ended March 31, 2014

C. Detail of transactions with related parties described above carried out on an arm's length basis:

During the year no transaction was entered into by the Company with any of the Related Party described above.

D. Detail of outstanding balances with related parties:

There is no outstanding balance with related parties as on March 31, 2014.

14 Dues to micro and small enterprises

Amounts outstanding as payable to any Micro and Small Enterprises as at 31st March 2014 is Rs. Nil (Previous year Rs. Nil).

15 Pursuant to the sale of main business of the company to the NIIT, the company has not yet undertaken any further business activity. Due to this reason, basic assumption of going concern of the company becomes doubtful. The management is not contemplating liquidation and is evaluating business options though at present there is no concrete plan, but have represented that they shall take up suitable business at an opportune time. The assets and liabilities of the Company are stated at realizable value and thus no further adjustments to the same are considered necessary.

16 Previous year figures have been reclassified to confirm the current year classification. Reclassification of previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

Signatures to Notes '1' to '16 of these Financial Statements.

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

Udai Singh
Director
DIN - 02778930