

GHOSH KHANNA & CO.
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

THE MEMBERS OF NIIT Online Learning Limited

Report on the Financial Statements

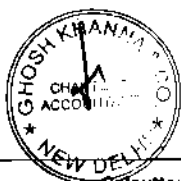
1. We have audited the attached Balance Sheet of M/s NIIT Online Learning Limited as at March 31, 2013 and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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, 2013 and
- ii) In the case of the Statement of Profit and Loss, of the loss 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 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 plant and machinery, equipment and similar assets and for the sale of goods. 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 58A 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 has no accumulated losses as at 31st March 2013 and has not incurred any 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.

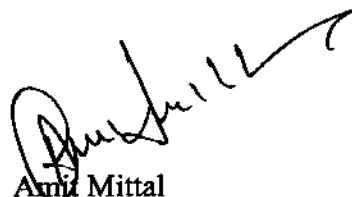


- xv. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
 - xvi. As per the information and explanation provided by the management, the company did not obtained 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.
7. 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".
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 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, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 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

PARTNER

Membership No. 508748

Place: Gurgaon

Date: 13th May 2013



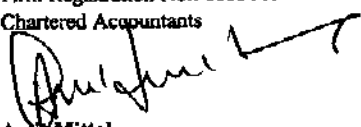
NIIT ONLINE LEARNING LIMITED
Balance Sheet as at March 31, 2013

	Notes	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	4,387,998	4,387,998
Reserves and surplus	3	928,171	956,260
Current liabilities			
Trade Payables	4	48,253	46,531
Other current liabilities	5	5,225	16,896
TOTAL		5,369,647	5,407,685
ASSETS			
Non-current assets			
Long-term loans and advances	7	1,364,538	1,364,538
Current assets			
Current investments	6	3,513,901	3,836,865
Cash and bank balances	8	491,208	206,282
TOTAL		5,369,647	5,407,685

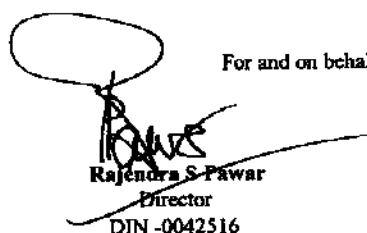
The accompanying notes referred to above form an integral part of the Balance Sheet

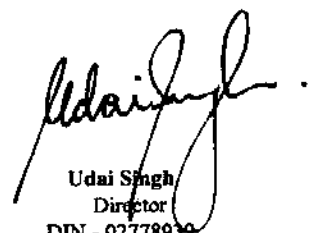
This is the Balance Sheet referred to in our report of even date

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 13, 2013



NIIT ONLINE LEARNING LIMITED

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

	Notes	Year ended March 31, 2013 Rs.	Year ended March 31, 2012 Rs.
INCOME			
Other Income	9	177,036	-
Total Income		177,036	-
EXPENDITURE			
Other Expenses	10	205,125	288,279
Total Expenses		205,125	288,279
Profit (Loss) for the year		(28,089)	(288,279)
Earnings per equity share (Face Value Rs. 1 each):			
(1) Basic	12	(0.01)	(0.07)
(2) Diluted	12	(0.01)	(0.07)

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

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

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

Amit Mittal
Partner
Membership No.- 508748

Rajendra S Pawar
Director
DIN - 00042516

For and on behalf of the Board

Uday Singh
Director
DIN - 02778939

Place: Gurgaon
Date : May 13, 2013



NIT ONLINE LEARNING LIMITED
Cash Flow Statement for the year ended March 31, 2013

		Year ended March 31, 2013 Rs.	Year ended March 31, 2012 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit before Tax		(28,089)	(288,279)
Adjustments for:			
Profit on sale of Investments in Mutual Funds	(177,036)	(177,036)	-
Operating profit before working capital changes		(205,125)	(288,279)
Add / (Less): (Increase)/ Decrease in operating working capital:			
Current Liabilities and Provisions	(9,949)	(9,949)	12,137
Net cash used in Operating activities (A)		(215,074)	(276,142)
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)		284,926	(276,142)
Cash and Cash equivalents as at the beginning of the year (Note 1)		206,282	482,424
Cash and cash equivalents as at the end of the year (Note 1)		491,208	206,282

Notes:

- 1 Cash and cash equivalents as on

March 31, 2013

March 31, 2012

Cash in hand
Balances with banks

Rs.
1,508
489,700

Rs.
1,508
204,774

491,208

206,282

- 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 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

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

Amit Mittal
Partner
Membership No.- 508748

Rajendra S Pawar
Director
DIN - 00042516

Udal Singh
Director
DIN - 02778939

Place: Gurgaon
Date : May 13, 2013



NIIT ONLINE LEARNING LIMITED

Notes to the financial statements for the year ended March 31, 2013

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. 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 the 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 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.



NIIT ONLINE LEARNING LIMITED

Notes to the financial statements for the year ended March 31, 2013

2	SHARE CAPITAL	As at March 31, 2013 Rs.	As at March 31, 2012 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, 2013		March 31, 2012	
		No. of shares	Value Rs.	No. of shares	Value Rs.
	Equity Shares				
	Shares outstanding at the beginning of the year	4,387,998	4,387,998	4,387,998	4,387,998
	Shares issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	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 Equity/ Preference	As at March 31, 2013 No. of shares	As at March 31, 2012 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, 2013		March 31, 2012	
		% 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 March 31, 2013 Rs.		As at March 31, 2012 Rs.
	Statement of Profit & Loss				
	Balance Brought Forward from Previous year	956,260		1,244,539	
	Add : Current Year Profit / (Loss) attributable to Share Holders	(28,089)	928,171	(288,279)	956,260
			928,171		956,260

NIIT ONLINE LEARNING LIMITED

Notes to the financial statements for the year ended March 31, 2013

4	Trade Payables	Current	
		As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
	Trade Payables	48,253	46,531
		48,253	46,531

5	OTHER LIABILITIES	Current Liabilities	
		As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
	Statutory Dues	5,225	16,896
		5,225	16,896

6	INVESTMENTS	Current	
		As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
	SHORT TERM, NON TRADE [UNQUOTED]		
	In Mutual Funds	3,513,901	3,836,865
	19,814 Units of PRU ICICI Liquid Growth Option (Fair Market Value Rs 5,486,806/- as on March 31, 2013) (Previous Year 21,659 Units of PRU ICICI Liquid Growth Option (Fair Market Value Rs 5,534,578/- as on March 31, 2012)		
		3,513,901	3,836,865



NIIT ONLINE LEARNING LIMITED
Notes to the financial statements for the year ended March 31, 2013

7	LOANS AND ADVANCES	Long Term	
		As at March 31, 2013 Rs.	As at March 31, 2012 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		
a)	Tax Deducted at Source	925,741	925,741
	(B)	925,741	925,741
	Total (A+B)	1,364,538	1,364,538

8	Cash and Bank Balances	Current	
		As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
	Cash and cash equivalents:		
	Balance with banks		
	Current Accounts	489,700	204,774
	Cash on hand	1,508	1,508
		491,208	206,282



NIT ONLINE LEARNING LIMITED

Notes to the financial statements for the year ended March 31, 2013

9	Other Income	Year ended March 31, 2013 Rs.	Year ended March 31, 2012 Rs.
	Profit on sale of Investments (Mutual Fund)	177,036	-
		177,036	-

10	Other Expenses	Year ended March 31, 2013 Rs.	Year ended March 31, 2012 Rs.
	Legal and Professional	205,125	287,979
	Bank Charges	-	300
		205,125	288,279

10.1	Payment to Auditors	Year ended March 31, 2013 Rs.	Year ended March 31, 2012 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, 2013****11 Taxation**

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, 2013 (Rs.)	Year ended March 31, 2012 (Rs.)
Profit/(Loss) attributable to Equity shareholders (Rs.) -(A)	(28,089)	(288,279)
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)	(0.01)	(0.07)

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 (formerly NIIT TVE 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 Element K Corporation, USA
(ceased to be fellow subsidiary company w.e.f. October 14,2011)
- 20 Element K India Private Limited, India
(ceased to be fellow subsidiary company w.e.f. October 14,2011)
- 21 Element K (UK) Limited, United Kingdom
(ceased to be fellow subsidiary company w.e.f. October 14,2011)
- 22 Element K, Canada
(ceased to be fellow subsidiary company w.e.f. October 14,2011)
- 23 PT NIIT Indonesia, Indonesia (Under Liquidation)
- 24 NIIT West Africa Limited, Nigeria
- 25 Qingdao NIIT Information Technology Co., Ltd. (w.e.f. May 14, 2012), China
- 26 Chongqing An Dao Education Consulting Limited (w.e.f. June 5, 2012), China
- 27 Zhangjiagang NIIT Information Services Ltd. (w.e.f. September 1, 2012), China
- 28 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, 2013

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, 2013.

14 Dues to micro and small enterprises

Amounts outstanding as payable to any Micro and Small Enterprises as at 31st March 2013 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

For and on behalf of the Board

Rajendra S Pawar
Director
DIN - 00042516

Udai Singh
Director
DIN - 02778939

Place: Gurgaon
Date : May 13, 2013

