



FY15 - Results Update
July, 2015

Accounting Treatment on Amalgamation of Subsidiaries Pursuant to the Scheme of Arrangement

- NIIT had undertaken a composite Scheme of Arrangement for rationalization of subsidiary companies' structure as a part of the business transformation initiative. This included amalgamation of 3 wholly owned subsidiaries (Scantech Evaluation Services Limited, NIIT Online Learning Limited and Evolv Services Limited) with NIIT Limited
- While finalizing the accounts on May 27, 2015, the Board had intended to record the assets and liabilities of these amalgamating companies on fair value basis
- Due to the specific nature of the amalgamations and the technicality of the matter, NIIT sought the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI)
- However, given the mandatory timeline for finalization of statutory accounts the Board, under expert advice, decided that pending receipt of opinion from the EAC, the assets and liabilities of the amalgamating companies be recorded at respective book values and necessary adjustments, if any, be made after the opinion is received
- The EAC has now clarified that recording of assets and liabilities of amalgamating companies at respective fair values is compliant with Accounting Standards and GAAP in India. The financial statements have been updated accordingly

Impact on Standalone and Consolidated Balance Sheet

- The impact of the accounting treatment, as opined by the EAC of ICAI, is only on Standalone and Consolidated Balance Sheets for FY15. There is no change in the respective Profit and Loss Statements
 - **Standalone Financials**
 - Increase in value of Investments by Rs. 5,092 Mn with a corresponding increase in reserves
 - **Consolidated Financials**
 - Increase in value of Investments by Rs. 2,293 Mn with a corresponding increase in reserves

NIIT Limited - Consolidated Balance Sheet

As on Mar'14	INR Mn	As on Mar'15
330	Equity	330
6,488	Reserves and Surplus	7,027
6,818	Shareholders' Funds	7,357
1,212	Secured Loans	1,527
67	Unsecured Loans	19
1,280	Debt Funds	1,546
8,098	Total Sources of Funds	8,904
2,033	Net Fixed Assets (incl. CWIP)	1,141
2,897	Investments	5,258
75	Deferred Tax Assets	110
2,977	Accounts Receivables	2,172
881	Cash and Cash Equivalent	870
(764)	Other Net Current Assets	(648)
8,098	Total Application of Funds	8,904

NIIT Limited – Standalone Balance Sheet

As on Mar'14	INR Mn	As on Mar'15
330	Equity	330
3,865	Reserves and Surplus	7,786
4,196	Shareholders' Funds	8,116
1,054	Secured Loans	1,247
225	Unsecured Loans	0
1,279	Debt Funds	1,247
5,474	Total Sources of Funds	9,363
1,598	Net Fixed Assets (incl. CWIP)	653
1,863	Investments	7,411
104	Deferred Tax Assets	104
2,251	Accounts Receivables	1,332
208	Cash and Cash Equivalent	136
(549)	Other Net Current Assets	(272)
5,474	Total Application of Funds	9,363



Thank you