

**NIIT Ventures Inc., USA**

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

<b>PARTICULARS</b>	<b>Notes</b>	<b>As at March 31, 2014 USD</b>	<b>As at March 31, 2013 USD</b>
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
Share capital	<b>3</b>	100	100
Reserves and surplus	<b>4</b>	7,856	8,562
<b>2 Current liabilities</b>			
Other current liabilities	<b>5</b>	2,500	2,500
<b>TOTAL</b>		<b>10,456</b>	<b>11,162</b>
<b>II ASSETS</b>			
<b>1 Current assets</b>			
Cash and bank balances	<b>6</b>	10,456	11,162
<b>TOTAL</b>		<b>10,456</b>	<b>11,162</b>

The Notes are an integral part of these Special Purpose Financial Statements.

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

For and on behalf of the Board

For **Price Waterhouse**  
Firm Registration No.: 301112E  
Chartered Accountants

**Rajendra S Pawar**  
*Director*  
DIN – 00042516

**Vijay K Thadani**  
*Director*  
DIN - 00042527

**Usha Rajeev**  
*Partner*  
Membership No. 087191

**P R Subramanian**  
*Chief Financial Officer*

Place: Gurgaon  
Date: May 21, 2014

Place: Atlanta, USA  
Date:

**NIIT Ventures Inc., USA**

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

<b>PARTICULARS</b>	<b>Notes</b>	<b>Year ended March 31, 2014 USD</b>	<b>Year ended March 31, 2013 USD</b>
<b>I. INCOME</b>			
Other Income		-	-
<b>Total Income</b>		<u>-</u>	<u>-</u>
<b>II EXPENDITURE</b>			
Other Expenses	<b>8</b>	706	2,022
Finance Costs		-	-
<b>Total Expenses</b>		<u>706</u>	<u>2,022</u>
<b>III. (Loss) before exceptional items and tax</b>		<u>(706)</u>	<u>(2,022)</u>
<b>IV. Exceptional items</b>	<b>9</b>	-	(184,003)
<b>V. Profit / (Loss) before tax (III - IV)</b>		<u>(706)</u>	<u>(186,025)</u>
<b>VI. Tax expense</b>		-	-
<b>VII. Profit / (Loss) after tax for the year</b>		<u>(706)</u>	<u>(186,025)</u>
<b>VIII. Earnings (Loss) per equity share (Face Value USD 1 each):</b>	<b>11</b>		
Basic		(7.06)	(1,860.25)
Diluted		(7.06)	(1,860.25)

The Notes are an integral part of these Special Purpose Financial Statements.

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

For and on behalf of the Board

For **Price Waterhouse**  
Firm Registration No.: 301112E  
Chartered Accountants

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**P R Subramanian**  
*Chief Financial Officer*

Place: Gurgaon  
Date: May 21, 2014

Place: Atlanta, USA  
Date:

**NIIT Ventures Inc., USA**  
**Cash Flow Statement for the year ended 31st March 2014**

	Year ended March 31, 2014 USD	Year ended March 31, 2013 USD
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit/loss before Tax	(706)	(186,025)
Adjustments for:		
Add / (Less): (Increase)/ Decrease in operating working capital:		
Loans and Advances & Other Current Assets	-	765,735
Current Liabilities	-	(667,042)
	<u>(706)</u>	<u>(87,332)</u>
<b>Net cash used for Operating activities</b>	<u>(706)</u>	<u>(87,332)</u>
	<u>(706)</u>	<u>(87,332)</u>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents</b>	<u>(706)</u>	<u>(87,332)</u>
<b>Cash and Cash equivalents as at the beginning of the year (Note 1)</b>	<u>11,162</u>	<u>98,494</u>
<b>Cash and cash equivalents as at the end of the year (Note 1)</b>	<u>10,456</u>	<u>11,162</u>

**Notes:**

<b>1 Cash and cash equivalents as on</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>
	<b>USD</b>	<b>USD</b>
Balances with banks	10,456	11,162
	<u>10,456</u>	<u>11,162</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) [Companies (Accounting Standards) Rules, 2006, as amended] and the relevant provisions of the Companies Act, 1956 of India.
- 3 The accompanying Notes form an integral part of the Cash Flow Statement.
- 4 Previous year figures to the extent feasible have been regrouped / recast wherever necessary to conform to 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 Price Waterhouse**  
Firm Registration No. : 301112E  
Chartered Accountants

**Rajendra S Pawar**  
Director  
DIN - 00042516

**Vijay K Thadani**  
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**Usha Rajeev**  
Partner  
Membership No. 087191

**P R Subramanian**  
Chief Financial Officer

Place : Gurgaon  
Date: May 21, 2014

Place : Atlanta, USA  
Date:

**NIIT Ventures Inc., USA**  
**Notes to Special Purpose Financial Statements for the year ended March 31, 2014**

**1 Company Background**

NIIT Ventures Inc., USA, is a wholly owned subsidiary of NIIT (USA) Inc., USA, incorporated in the United States of America. There are no employees of the Company.

**2 Significant Accounting Policies**

**i) BASIS OF PREPARATION OF ACCOUNTS**

These special purpose financial statements have been prepared in accordance with the generally accepted accounting principles in India on accrual basis. Due to the sale of its investment in Element K in the preceding financial year, neither have there been any significant operations in the Company, other than meeting its commitments and obligations in connection to the sale, nor are there any plans to commence any business. Considering these factors, there is doubt whether the Company may continue as a going concern. Accordingly, assets and liabilities in these financial statements have been stated at net realisable values.

These special purpose financial statements have been prepared in accordance with Companies (Accounting Standards) Rules, 2006 notified by the Central Government of India, to the extent considered relevant by it for the purpose of Consolidated Financial Statements of NIIT Limited, the Parent Company.

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.

**ii) 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.

**iii) 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 Ventures Inc., USA**  
**Notes to Special Purpose Financial Statements for the year ended March 31, 2014**

<b>3</b>	<b>SHARE CAPITAL</b>	<b>As at March 31, 2014 USD</b>	<b>As at March 31, 2013 USD</b>
	<b>Authorised</b> 25,000,000 Equity Shares of USD 1 each (Previous year 25,000,000 Equity Shares of USD 1 each)	25,000,000	25,000,000
		<u><b>25,000,000</b></u>	<u><b>25,000,000</b></u>
	<b>Issued</b> 100 Equity Shares of USD 1 each held (Previous year - 100 Equity Shares of USD 1 each held)	100	100
		<u><b>100</b></u>	<u><b>100</b></u>
	<b>Subscribed and fully paid</b> 100 Equity Shares of USD 1 each held (Previous year - 100 Equity Shares of USD 1 each held)	100	100
		<b>100</b>	<b>100</b>

<b>3.1</b>	<b>Reconciliation of the number of shares outstanding</b>	<b>As at 31st March 2014</b>		<b>As at 31st March 2013</b>	
		<b>No. of shares</b>	<b>Value USD</b>	<b>No. of shares</b>	<b>Value USD</b>
	<b>Equity Shares</b>				
	Shares outstanding at the beginning of the year	100	100	100	100
	Shares outstanding at the end of the year	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**3.2 Note on rights, preferences and restrictions attaching to Equity shares**

The company has one class of equity shares having a par value of \$ 1/- per share. Each shareholder is eligible for one vote per share held.

<b>3.3</b>	<b>Shares in respect of each class in the company held by</b>	<b>Name of the company</b>	<b>Class of shares Equity/ Preference</b>	<b>As at March 31, 2014 No. of shares</b>	<b>As at March 31, 2013 No. of shares</b>
	Holding company	NIIT (USA) Inc., USA	Equity	<b>100</b>	<b>100</b>

<b>3.4</b>	<b>Shares held by each shareholder holding more than 5% shares</b>	<b>As at 31st March 2014</b>		<b>As at 31st March 2013</b>	
		<b>% of holding</b>	<b>No. of shares</b>	<b>% of holding</b>	<b>No. of shares</b>
	<b>Equity Shares</b>				
	NIIT (USA) Inc., USA	100	100	100	100
	<b>Total</b>	<b>100%</b>	<b>100</b>	<b>100%</b>	<b>100</b>

**NIIT Ventures Inc., USA**  
**Notes to Special Purpose Financial Statements for the year ended March 31, 2014**

4	RESERVES AND SURPLUS	As at March 31, 2014 USD	As at March 31, 2013 USD
	<b>Surplus / (Defecit) in Statement of Profit &amp; Loss</b>		
	Balance Brought Forward from Previous year	8,562	194,587
	Add : Current year profit / (loss) attributable to Shareholders	<u>(706)</u>	<u>(186,025)</u>
		7,856	8,562
		<b>7,856</b>	<b>8,562</b>

NIIT Ventures Inc., USA  
Notes to Special Purpose Financial Statements for the year ended March 31, 2014

		Non Current		Current	
5	OTHER LIABILITIES	Long Term Liabilities		Current Liabilities	
		As at March 31, 2014 USD	As at March 31, 2013 USD	As at March 31, 2014 USD	As at March 31, 2013 USD
	Other Payables	-	-	2,500	2,500
		-	-	2,500	2,500

**NIIT Ventures Inc., USA**  
**Notes to Special Purpose Financial Statements for the year ended March 31, 2014**

6	Cash and Bank Balances	Non Current		Current	
		As at March 31, 2014 USD	As at March 31, 2013 USD	As at March 31, 2014 USD	As at March 31, 2013 USD
	<b>Cash and cash equivalents:</b>				
	Balance with banks				
	-Current Accounts	-	-	10,456	11,162
		-	-	<b>10,456</b>	<b>11,162</b>

**7 Contingencies and Commitments**

Pursuant to the sale of subsidiary by the Company in the previous year and as per the terms of the sale agreement, NIIT (USA) Inc., USA has indemnified the buyer for claims arising upto an amount of USD 8,500,000 (Previous Year USD 6,330,000), net of provision and payment of USD 2,500,000 (Previous Year USD 4,670,000), except for specific matters regarding fundamental representation, where the amount is not limited. Any claim in liability arising therefrom shall be borne by NIIT (USA) Inc., USA, as per the sale agreement. The said indemnity is also covered by a corporate guarantee from NIIT Limited., the ultimate holding company.



**NIIT Ventures Inc., USA**  
**Notes to Special Purpose Financial Statements for the year ended March 31, 2014**

<b>8</b>	<b>Other Expenses</b>	<b>Year ended March 31, 2014 USD</b>	<b>Year ended March 31, 2013 USD</b>
	Legal and Professional	10	1,743
	Bank Charges	696	279
		<b>706</b>	<b>2,022</b>

<b>9</b>	<b>Exceptional items</b>	<b>Year ended March 31, 2014 USD</b>	<b>Year ended March 31, 2013 USD</b>
	Profit on Sale of long term investment (net of expenses)	-	(184,003)
		<b>-</b>	<b>(184,003)</b>

During the previous year ended March 31, 2012, the Company, sold its investment in Element K Corporation for an aggregate consideration of USD 109,653,634. The Company received a consideration of USD 43,153,634 towards sale of its investment in Element K Corporation and USD 32,945,345 as dividend from Element K Corporation towards sale of its intangibles. The Company incurred legal and professional expenses aggregate USD Nil (Previous year 184,503) in connection with such sale which has been disclosed as exceptional items

**NIIT Ventures Inc., USA**  
**Notes to Special Purpose Financial Statements for the year ended March 31, 2014**

**10 Related party Disclosures as per Accounting Standard 18**

**a. Related party relationship where control exists**

**i) Parent Companies**

- 1 NIIT Limited, India (Ultimate Holding Company)
- 2 NIIT (USA) Inc., USA (Holding Company)

**ii) Subsidiaries\***

- 1 Element K Corporation, USA\*
- 2 Element K India Pvt. Limited\*
- 3 Element K (UK) Limited\*
- 4 Element K Canada Inc.\*

\*Subsidiary upto October 14, 2011

**iii) Fellow Subsidiaries**

- 1 NIIT Online Learning Ltd, India
- 2 Hole-in-the Wall Education Ltd, India
- 3 Scantech Evaluation Services Ltd, India
- 4 NIIT YuvaJyoti Limited, India
- 5 NIIT Institute of Finance Banking and Insurance Training Ltd, India
- 6 NIIT Institute of Process Excellence Limited, India
- 7 Evolv Services limited, India
- 8 NIIT Limited UK
- 9 NIIT Antilles NV, Netherlands Antilles
- 10 NIIT Malaysia Sdn. Bhd, Malaysia
- 11 NIIT GC Limited, Mauritius
- 12 NIIT China (Shanghai) Limited, China
- 13 NIIT Wu Xi Service outsourcing Training School, China
- 14 Chongqing NIIT Education Consulting Limited, China
- 15 Wu Xi NIIT Information Technology Consulting Limited, China
- 16 Changzhou NIIT Information Technology Consulting Limited, China
- 17 Su Zhou NIIT Information Technology Consulting Ltd, China
- 18 Chengmai NIIT Information Technology Company Limited (w.e.f December 19, 2012)
- 19 PT NIIT Indonesia, Indonesia (Under liquidation)
- 20 NIIT West Africa Limited, Nigeria
- 21 Qingdao NIIT 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 NIIT Information Services Ltd, China (w.e.f September 1, 2012)

**b. Key Managerial Personnel**

- i) Rajendra S Pawar (Director)
- ii) V K Thadani (Director)
- iii) P Rajendran (Director)

c. **Details of significant transactions with related parties carried on an arm's length basis**

Nature of Transactions	Holding Company	Subsidiary (Element K Corporation)	Total
Reimbursement of Expenses	NIL	NIL	-
	(184,912)	(NIL)	(184,912)

Also, refer Note 7 for corporate guarantee.

Previous year figure are given in paranthesis

**NIIT Ventures Inc., USA**  
**Notes to Special Purpose Financial Statements for the year ended March 31, 2014**

**11 Earnings Per Share**

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit / (Loss) attributable to Equity shareholders (USD) - (A)	(706)	(186,025)
Weighted Average number of Equity shares outstanding during the year - (B)	100	100
Nominal Value of Equity Shares (USD)	1	1
Basic / Diluted Profit / (Loss) per share (USD) (A/B)	(7.06)	(1,860.25)

\*There are no dilutive securities

**12 Segment Reporting**

**Primary segment information - business segment**

The company only has investment in USA and related income / expenses and accordingly, no primary segment information is being given.

**Secondary segment information**

Details of secondary segments are not disclosed as all assets and liabilities relate to the domestic market, USA.

**13 Previous Year Figures**

Previous years figures have been regrouped / reclassified to conform to current year classification.

Signatures to Notes '1' to '13' to these Financial Statements.

For and on behalf of the Board

For **Price Waterhouse**  
Firm Registration No.: 301112E  
Chartered Accountants

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*Director*  
DIN – 00042516

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*Director*  
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*Partner*  
Membership No. F-087191

**P R Subramanian**  
*Chief Financial Officer*

Place: New Delhi  
Date: May 21, 2014

Place: Atlanta, USA  
Date: