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**NIIT LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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**NIIT LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	Rajendra S Pawar (resigned 15 May 2015) Vijay K Thadani P Rajendran (resigned 15 May 2015) Sapnesh Kumar Lalla (appointed 15 May 2015) Abhas Kumar (appointed 15 May 2015)
<b>COMPANY SECRETARY</b>	Abogado Nominees Limited
<b>REGISTERED NUMBER</b>	05555036
<b>REGISTERED OFFICE</b>	100 New Bridge Street London EC4V 6JA
<b>TRADING ADDRESS</b>	2nd Floor 47 Mark Lane London EC3R 7QQ
<b>INDEPENDENT AUDITOR</b>	Donald Reid Limited Chartered Accountants & Statutory Auditors Prince Albert House 20 King Street Maidenhead Berkshire SL6 1DT

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**NIIT LIMITED**

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## NIIT LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

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The directors present their report and the financial statements for the year ended 31 March 2015.

#### PRINCIPAL ACTIVITIES

The principal activity is that of Knowledge Solutions through Information Technology.

#### RESULTS

The loss for the year, after taxation, amounted to £254,095 (2014 - loss £186,435).

#### DIRECTORS

The directors who served during the year were:

Rajendra S Pawar (resigned 15 May 2015)

Vijay K Thadani

P Rajendran (resigned 15 May 2015)

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### EMPLOYEE INVOLVEMENT

The company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status.

The company is committed to providing employees with information on matters of concern to them on a regular basis, so that the views of the employees can be taken into account when making decisions that are likely to affect their interest. In addition the company encourages the involvement of the employees by means of employee satisfaction surveys, focus group discussions and a 360 degree feed back mechanism.

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**NIIT LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**

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**DISABLED EMPLOYEES**

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retaining employees who become disabled, to enable them to undertake work identified as appropriate to their aptitudes and abilities.

**DISCLOSURE OF INFORMATION TO AUDITOR**

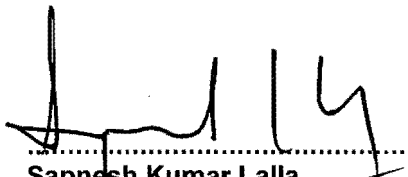
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**AUDITOR**

The auditor, Donald Reid Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



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**Sapnesh Kumar Lalla**  
Director

Date: 19 May 2015

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**

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**BUSINESS REVIEW**

The business from the training market in the UK and Europe has continued to grow this year. This is as a result of the growth of existing customers and the addition of some new accounts.

The future outlook of the business continues to look positive as the company continues its expansion into Europe whilst developing preferred partnership relationships.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the business are considered to relate to competition from both national, offshore and multinational vendors as well as employee retention and the unstable position of the European economy.

*Financial risk management*

The company's operations expose it to financial risks that include price risk, credit risk, liquidity risk, foreign currency exchange rate risk, and interest rate cashflow risk. Given the size of the company, the directors have not delegated the responsibility of monitoring risk to a sub-committee of the board. The company's finance department implements policies set by the board of directors.

*Price risk*

Due to the nature of the business, the company is not exposed to any major price risks. Due consideration is given for annual salary increases in line with the growth in business in terms of both price and volumes.

*Credit risk*

The majority of the company's customer base is comprised of blue chip companies. The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

*Liquidity risk*

Proactive receivables management results in a favourable working capital position where acquisition costs are excluded. The management continues its focus in this area.

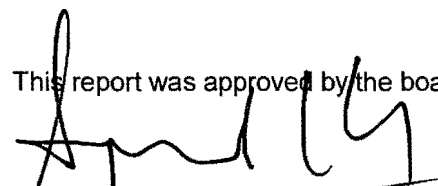
*Foreign exchange risk*

The company is dealing in more stable currencies and has not implemented any specific policies to control this risk.

**FINANCIAL KEY PERFORMANCE INDICATORS**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using revenue, gross margin and profitability are reasonable key performance indicators for an understanding of the development, performance or position of the business.

This report was approved by the board on 19 May 2015 and signed on its behalf.

  
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**Sapnesh Kumar Lalla**  
**Director**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NIIT LIMITED**

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We have audited the financial statements of NIIT Limited for the year ended 31 March 2015, set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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NIIT LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NIIT LIMITED

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Daniel Reid (Senior statutory auditor)

for and on behalf of  
**Donald Reid Limited**

Chartered Accountants  
Statutory Auditors

Prince Albert House  
20 King Street  
Maidenhead  
Berkshire  
SL6 1DT

19 May 2015



**NIIT LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
<b>TURNOVER</b>	1,2	<b>20,169,918</b>	<b>14,324,718</b>
Cost of sales		<b>(18,453,069)</b>	<b>(12,725,254)</b>
<b>GROSS PROFIT</b>		<b>1,716,849</b>	<b>1,599,464</b>
Administrative expenses		<b>(2,042,060)</b>	<b>(1,883,467)</b>
Other operating income	3	<b>204,347</b>	<b>75,256</b>
<b>OPERATING LOSS</b>	4	<b>(120,864)</b>	<b>(208,747)</b>
Interest receivable and similar income		<b>723</b>	<b>638</b>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(120,141)</b>	<b>(208,109)</b>
Tax on loss on ordinary activities	6	<b>(133,954)</b>	<b>21,674</b>
<b>LOSS FOR THE FINANCIAL YEAR</b>	12	<b>(254,095)</b>	<b>(186,435)</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

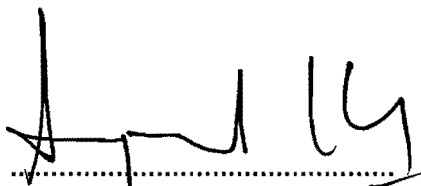
The notes on pages 8 to 15 form part of these financial statements.

**NIIT LIMITED**  
**REGISTERED NUMBER: 05555036**

**BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	7		25,224		18,074
<b>CURRENT ASSETS</b>					
Debtors: amounts falling due after more than one year	8	29,241		292,412	
Debtors: amounts falling due within one year	8	3,889,987		2,694,547	
Cash at bank		1,196,198		995,534	
		5,115,426		3,982,493	
<b>CREDITORS: amounts falling due within one year</b>	9	(5,102,875)		(3,708,697)	
<b>NET CURRENT ASSETS</b>			12,551		273,796
<b>NET ASSETS</b>			37,775		291,870
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11	155,000		155,000	
Profit and loss account	12	(117,225)		136,870	
<b>SHAREHOLDERS' FUNDS</b>	13		37,775		291,870

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
Sapnesh Kumar Lalla  
Director

Date: 19 May 2015

The notes on pages 8 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**1.2 Going concern**

During the year the company made a loss of £254,095 (2014: a loss of £186,435) and at 31 March 2015 had net assets totalling £37,775 (2014: £291,870).

The directors, having assessed the responses of the directors of the company's ultimate parent, NIIT Limited (India), have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the group to continue as a going concern or its ability to continue with current banking arrangements.

On the basis of this assessment of the company's financial position and of the enquiries made of the directors of NIIT Limited (India), the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Therefore, the financial statements have been prepared on the going concern basis.

**1.3 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

**1.4 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due.

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	Computer, printers and related accessories - 3 years straight line
		Servers and Networks - 5 years straight line

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## NIIT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### 1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

##### 1.8 Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

#### 2. TURNOVER

The whole of the turnover is attributable to providing knowledge solutions through Information Technology only.

A geographical analysis of turnover is as follows:

	2015 £	2014 £
United Kingdom	9,656,700	7,644,064
Rest of European Union	10,316,707	6,488,157
Rest of world	196,511	192,497
	<u>20,169,918</u>	<u>14,324,718</u>

**NIIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**3. OTHER OPERATING INCOME**

	2015 £	2014 £
Other operating income	<u>204,347</u>	<u>75,256</u>

**4. OPERATING LOSS**

The operating loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	15,193	3,287
Auditor's remuneration	12,500	11,002
Difference on foreign exchange	<u>218,359</u>	<u>71,972</u>

During the year, no director received any emoluments (2014 - £NIL).

**5. STAFF COSTS**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,141,854	659,350
Social security costs	130,394	85,758
	<u>1,272,248</u>	<u>745,108</u>

The average monthly number of employees, including the directors, during the year was as follows:

	No.	No.
Sales & marketing	3	1
Direct staff	43	24
Key management personnel	3	3
	<u>49</u>	<u>28</u>

NIIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**6. TAXATION**

	2015 £	2014 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
Adjustments in respect of prior periods	(3,555)	(12,433)
Foreign tax on income for the year	137,509	20,000
<b>Total current tax</b>	<u>133,954</u>	<u>7,567</u>
<b>Deferred tax</b> (see note 10)		
Origination and reversal of timing differences	-	(29,241)
<b>Tax on loss on ordinary activities</b>	<u>133,954</u>	<u>(21,674)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2014 - *lower than*) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
Loss on ordinary activities before tax	<u>(120,141)</u>	<u>(208,109)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	(25,230)	(47,865)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,565	-
Capital allowances for year in excess of depreciation	(1,502)	(3,510)
Adjustments to tax charge in respect of prior periods	(3,555)	(12,433)
Unrelieved tax losses carried forward	25,325	67,734
Other differences leading to an increase (decrease) in the tax charge	<u>135,351</u>	<u>3,641</u>
<b>Current tax charge for the year</b> (see note above)	<u>133,954</u>	<u>7,567</u>

**Factors that may affect future tax charges**

As at 31 March 2015 the company had tax losses of £415,087 (2014: £294,494) to be carried forward against future trading profits.

**NIIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**7. TANGIBLE FIXED ASSETS**

	<b>Plant &amp; machinery £</b>
<b>Cost</b>	
At 1 April 2014	29,027
Additions	22,343
At 31 March 2015	<u>51,370</u>
<b>Depreciation</b>	
At 1 April 2014	10,953
Charge for the year	15,193
At 31 March 2015	<u>26,146</u>
<b>Net book value</b>	
At 31 March 2015	<u>25,224</u>
At 31 March 2014	<u>18,074</u>

**8. DEBTORS**

	<b>2015 £</b>	<b>2014 £</b>
<b>Due after more than one year</b>		
Prepayments and accrued income	-	263,171
Deferred tax asset (see note 10)	29,241	29,241
	<u>29,241</u>	<u>292,412</u>
<b>Due within one year</b>		
Trade debtors	2,382,529	1,371,423
Amounts owed by group undertakings	705,311	483,640
Other debtors	171,690	333,310
Prepayments and accrued income	630,457	506,174
	<u>3,889,987</u>	<u>2,694,547</u>

**NIIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**9. CREDITORS:**

**Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	1,451,404	686,840
Amounts owed to group undertakings	2,784,859	1,387,478
Other taxation and social security	237,073	386,610
Other creditors	27,497	121,875
Accruals and deferred income	602,042	1,125,894
	<u>5,102,875</u>	<u>3,708,697</u>

**10. DEFERRED TAX ASSET**

	2015 £	2014 £
At beginning of year	29,241	-
Movement during year (P&L)	-	29,241
	<u>29,241</u>	<u>29,241</u>

The deferred tax asset is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	(5,045)	(1,650)
Tax losses carried forward	34,286	30,891
	<u>29,241</u>	<u>29,241</u>

**11. SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
155,000 Ordinary shares of £1 each	<u>155,000</u>	<u>155,000</u>



**NIIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**12. RESERVES**

	Profit and loss account £
At 1 April 2014	136,870
Loss for the financial year	(254,095)
At 31 March 2015	<u>(117,225)</u>

**13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2015 £	2014 £
Opening shareholders' funds	291,870	478,305
Loss for the financial year	(254,095)	(186,435)
Closing shareholders' funds	<u>37,775</u>	<u>291,870</u>

**14. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption in FRS 8 from the requirement to disclose transactions with group companies on the grounds that all subsidiary undertakings that have been party to the transactions are wholly owned members of the group.

NIIT Limited, (UK) also had transactions with NIIT Technologies Limited, a company which the directors also have significant influence in. The transactions are listed below:

	2015 £	2014 £
Recovery of expenses by associate	<u>54,313</u>	<u>50,990</u>

At the year end, included within trade creditors, was an amount of £5,314 (2014: £4,411) owed to NIIT Technologies Limited.

**15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate and ultimate controlling party is NIIT Limited (India), a company registered in India.

NIIT Limited (India) prepares group financial statements and copies can be obtained from  
8, Balaji Estate, First Floor  
Guru Ravi Das Marg, Kalkaji  
New Delhi - 110 019, India.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**16. EXCEPTIONAL ITEM**

During the year a long term dispute with a customer was settled by arbitration committee and decided in favour of NIIT Limited. As a result NIIT Limited was awarded £760,757 (€974,582). The overall impact to the profit and loss once all related items had also been released was £497,586, split by £101,280 within turnover, £105,435 in other income and the remainder within administration expenses.