

NIIT ONLINE LEARNING LIMITED

Balance Sheet as at 31st March 2012

	Notes	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	4,387,998	4,387,998
Reserves and surplus	3	956,260	1,244,539
Current liabilities			
Trade Payables	4	46,531	47,230
Other current liabilities	5	16,896	4,060
TOTAL		5,407,685	5,683,827
ASSETS			
Non-current assets			
Long-term loans and advances	7	1,364,538	1,364,538
Current assets			
Current investments	6	3,836,865	3,836,865
Cash and bank balances	8	206,282	482,424
TOTAL		5,407,685	5,683,827

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 and on behalf of the Board

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

Rajendra S Pawar
Director
DIN - 00042516

Udai Singh
Director
DIN - 02778939

Amit Mittal
Partner
Membership No.- 508748

Place: Gurgaon
Date : April 20,2012

NIIT ONLINE LEARNING LIMITED

Statement of Profit & Loss for the year ended 31st March 2012

		Notes	Year ended 31st March 2012 Rs.	Year ended 31st March 2011 Rs.
	INCOME			
	Other Income	9	-	129,160
	Total Income		-	129,160
	EXPENDITURE			
	Other Expenses	10	288,279	280,068
	Total Expenses		288,279	280,068
	Profit (Loss) for the period		(288,279)	(150,908)
	Earnings per equity share (Face Value Rs. 1 each):			
	(1) Basic	12	(0.07)	(0.03)
	(2) Diluted	12	(0.07)	(0.03)

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 and on behalf of the Board

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

Rajendra S Pawar
Director
DIN - 00042516

Udai Singh
Director
DIN - 02778939

Amit Mittal
Partner
Membership No.- 508748

Place: Gurgaon
Date : April 20,2012

NIIT ONLINE LEARNING LIMITED
Cash Flow Statement for the year ended 31st March 2012

			Year ended 31st March 2012 Rs.		Year ended 31st March 2011 Rs.
A.	CASH FLOW FROM OPERATING ACTIVITIES:				
	Profit before Tax and share of Associates' profits but after exceptional items		(288,279)		(150,908)
	Adjustments for:				
	Profit on sale of Investments in Mutual Funds	-			(124,759)
	Operating profit before working capital changes		(288,279)		(275,667)
	Add / (Less): (Increase)/ Decrease in operating working capital:				
	Current Liabilities and Provisions	12,137	12,137	(34,518)	(34,518)
	Net cash from Operating activities (A)		(276,142)		(310,185)
B.	CASH FLOW FROM INVESTING ACTIVITIES:				
	Proceeds from sale of Mutual Funds		-		500,000
	Net cash used for Investing activities (B)		-		500,000
C.	CASH FLOW FROM FINANCING ACTIVITIES: (C)				
			-		-
	Net Increase/(Decrease) in Cash & Cash equivalents (A) + (B) + (C)		(276,142)		189,815
	Cash and Cash equivalents as at the beginning of the year (Note 1)		482,424		292,609
	Cash and cash equivalents as at the end of the year (Note 1)		206,282		482,424

Notes:

1	Cash and cash equivalents as on	31st March 2012	31st March 2011
		Rs.	Rs.
	Cash, Cheques & Drafts (in hand) and Remittances in transi	1,508	1,752
	Balances with banks	204,774	480,672
		206,282	482,424

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

Rajendra S Pawar
Director
DIN - 00042516

Udai Singh
Director
DIN - 02778939

Amit Mittal
Partner
Membership No.- 508748

Place: Gurgaon
Date : April 20,2012

NIIT ONLINE LEARNING LIMITED

Notes to the financial statement for the year ended March 31, 2012

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) Tangible Fixed Assets and Depreciation

Fixed Assets are stated at acquisition cost except where they are taken over pursuant to an acquisition at a consolidated price. Individual fixed assets taken over pursuant to acquisition are recorded at their fair value on the date of acquisition based on valuation carried out by independent valuers.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets determined as follows: -

Buildings	58 years
Plant and Equipments including:	
- Computers, printers and related accessories	2-5 years
- Electronic Equipments	8 years
- Air Conditioners	10 years
Office Equipments	8 years
Furniture, Fixtures & Electric Fittings	7-10 years
Leasehold Improvements	3-5 years or lease period, whichever is lower
Assets under employee benefits scheme except vehicles	3 years
Assets acquired under lease (Included under Plant &	Lease Period
All other assets (including vehicles)	Rates prescribed under Schedule XIV to the Companies Act, 1956

Fixed Assets purchased for utilization in implementing certain contractual obligations with the customers under a project are depreciated over the period of the contract.

Further, educational content, computer system and software are technically evaluated each year for their useful economic life and the unamortised depreciable amount of the asset is charged to Statement of Profit and Loss as depreciation/ amortisation over their revised remaining useful life.

ii) Intangible Fixed Assets and Amortisation

Expenses incurred on internal development of educational content and products are capitalised either individually or as a knowledge bank in the form of software, once their technical feasibility and ability to generate future economic benefits is established in accordance with the requirements of Accounting Standard 26, "Intangible Assets" as notified under section 211(3C) of the Companies Act, 1956. Expenses incurred during the research phase till the establishment of commercial feasibility is charged to the Statement of Profit and Loss.

Amortization is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets determined as follows: -

-Acquired and Internally Generated (Computer Software, Educational Content and Products)	3-5 years
-Patents	3-5 years

Further, educational content, computer system and software are technically evaluated each year for their useful economic life and the unamortised amount of the asset is charged to Statement of Profit and Loss as amortisation over their revised

NIIT ONLINE LEARNING LIMITED

Notes to the financial statement for the year ended March 31, 2012

iii) 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.

iv) Revenue Recognition

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

vi) 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 statement for the year ended March 31, 2012

2	SHARE CAPITAL	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
	Authorised 150,000,000 Equity Shares of Rs. 1/- each (Previous year 150,000,000 Equity Shares of Rs. 1/- each) 350,000,000 8.5% Cumulative Redeemable Preference Shares of Rs.1/- each.	150,000,000	150,000,000
		350,000,000	350,000,000
		500,000,000	500,000,000
	Issued 4,387,998 Equity Shares of Rs. 1/- each (Previous year - 4,387,998 Equity Shares of Rs. 1/- each)	4,387,998	4,387,998
		4,387,998	4,387,998
	Subscribed and fully paid 4,387,998 Equity Shares of Rs. 1/- each (Previous year - 4,387,998 Equity Shares of Rs. 1/- each)	4,387,998	4,387,998
		4,387,998	4,387,998

2.1	Reconciliation of the number of shares outstanding	31st March 2012		31st March 2011	
		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 31st March 2012 No. of shares	As at 31st March 2011 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	31st March 2012		31st March 2011	
		% of holding	No. of shares	% of holding	No. of shares
	Equity Shares				
	NIIT Limited	89.99%	3,949,175	90%	3,949,175
	Anil Kumar Sood (Trustee) & Brij Mohan Gupta (Trustee)	9.999%	438,795	10%	438,795
	Total	99.99%	4,387,970	100%	4,387,970

3	RESERVES AND SURPLUS		As at 31st March 2012 Rs.		As at 31st March 2011 Rs.
	Statement of Profit & Loss				
	Balance Brought Forward from Previous year	1,244,539		1,395,447	
	Add : Current Year Profit / (Loss) attributable to Share Holders	(288,279)	956,260	(150,908)	1,244,539
			956,260		1,244,539

NIIT ONLINE LEARNING LIMITED
Notes to the financial statement for the year ended March 31, 2012

4	Trade Payables	Current	
		As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
	Trade Payables	46,531	47,230
		46,531	47,230

5	OTHER LIABILITIES	Current Liabilities	
		As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
	Statutory Dues	16,896	4,060
		16,896	4,060

6	INVESTMENTS	Current	
		As at 31st March 2011 Rs.	As at 31st March 2011 Rs.
	A SHORT TERM, NON TRADE [UNQUOTED]		
	In Mutual Funds	3,836,865	3,836,865
	21,659 Units of PRU ICICI Liquid Growth Option (Fair Market Value Rs 5,534,578/- as on March 31, 2012) (Previous Year 21,659 Units of PRU ICICI Liquid Growth Option (Fair Market Value Rs 5,101,394/- as on March 31, 2011)		
		3,836,865	3,836,865

NIIT ONLINE LEARNING LIMITED
Notes to the financial statement for the year ended March 31, 2012

7	LOANS AND ADVANCES	Long Term	
		As at 31st March 2012 Rs.	As at 31st March 2011 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
		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 31st March 2012 Rs.	As at 31st March 2011 Rs.
	Cash and cash equivalents:		
	Balance with banks		
	Current Accounts	204,774	480,672
	Cash on hand	1,508	1,752
		206,282	482,424

NIIT ONLINE LEARNING LIMITED**Notes to the financial statement for the year ended March 31, 2012**

9	Other Income	Year ended 31st March 2012 Rs.	Year ended 31st March 2011 Rs.
	Profit on sale of Investments (Mutual Fund)	-	124,759
	Miscellaneous Income	-	4,401
		-	129,160

10	Other Expenses	Year ended 31st March 2012 Rs.	Year ended 31st March 2011 Rs.
	Legal and Professional	287,979	280,012
	Bank Charges	300	56
		288,279	280,068

10.1	Payment to Auditors	Year ended 31st March 2012 Rs.	Year ended 31st March 2011 Rs.
	Audit fee	15,000	15,000
	Others	5,000	5,000
	Reimbursement of expenses (including Service Tax)	2,472	2,060
		22,472	22,060

NIIT ONLINE LEARNING LIMITED**Notes to the financial statement for the year ended March 31, 2012****11 Taxation**

Deferred Tax Assets has not been recognised on account of prudence.

12 Earnings Per Share

Particulars	Year ended 31 st March 2012 (Rs.)	Year ended 31 st March 2011 (Rs.)
Profit /(Loss) attributable to Equity shareholders (Rs.) -(A)	(288,279)	(150,908)
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)	(0.07)	(0.03)

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**

- NIIT Institute of Finance Banking and Insurance Training Limited
- Hole-in-the-Wall Education Ltd
- Scantech Evaluation Services Ltd
- NEO Multimedia Limited (formerly known as NIIT Multimedia Limited) ceased to be subsidiary company w.e.f. March 31, 2011
- NIIT Yuva Jyoti Limited (w.e.f. May 25, 2011)
- NIIT Institute of Process Excellence Limited
- Evolv Services Limited
- NIIT Ltd, UK
- NIIT Antilles NV, Netherlands Antilles
- NIIT Malaysia Sdn. Bhd, Malaysia
- NIIT GC Ltd (formerly NIIT TVE Ltd, Mauritius)
- NIIT China (Shanghai) Limited, Shanghai
- NIIT Wu Xi Service Outsourcing Training School
- Chongqing NIIT Education Consulting Limited, China
- Wu Xi NIIT Information Technology Consulting Limited.
- Changzhou NIIT Information Technology Consulting Limited
- Su Zhou NIIT Information Technology Consulting Ltd
- PCEC NIIT Institute of Information Technology, Shanghai- (already liquidated)
- NIIT (USA) Inc, USA
- NIIT Ventures Inc, USA
- Element K Corporation, USA
(ceased to be subsidiary company w.e.f. 14/10/2011)
- Element K India Private Limited, India
(ceased to be subsidiary company w.e.f. 14/10/2011)
- Element K (UK) Limited, United Kingdom
(ceased to be subsidiary company w.e.f. 14/10/2011)
- Element K, Canada
(ceased to be subsidiary company w.e.f. 14/10/2011)
- PT NIIT Indonesia, Indonesia (Under liquidation)
- NIIT West Africa Limited, Nigeria

A. 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.

B. Detail of outstanding balances with related parties:

There is No balance outstanding with related parties as on March 31, 2012.

NIIT ONLINE LEARNING LIMITED

Notes to the financial statement for the year ended March 31, 2012

14 Dues to micro and small enterprises

Amounts outstanding as payable to any Micro and Small Enterprises as at 31st March 2012 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

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements except for accounting for dividend on investments in subsidiaries.

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

Udai Singh
Director
DIN - 02778939

Place: Gurgaon

Date : April 20, 2012