

NIIT YUVA JYOTI LIMITED
Balance Sheet as at March 31, 2012

	Particulars	Note	As at March 31, 2012 Rs.
I	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	Share Capital	3	8,83,23,950
	Reserves and Surplus	4	(3,01,01,277)
2	Non-Current Liabilities		
	Long-term Borrowings	5	7,96,42,256
3	Current Liabilities		
	Trade Payables	6	67,01,942
	Other Current Liabilities	7	1,30,71,204
	Short-term Provisions	8	12,91,667
	TOTAL		15,89,29,742
II	ASSETS		
1	Non-Current Assets		
	Fixed Assets	9	
	- Tangible Assets		1,02,68,575
	- Intangible Assets		3,06,83,988
	- Intangible Assets under Development		55,49,300
	Long-term Loans and Advances	10	8,15,450
	Other Non-Current Assets	11	1,00,000
2	Current Assets		
	Inventories	12	7,75,868
	Trade Receivables	13	950
	Cash and Bank Balances	14	10,43,84,251
	Short-term Loans and Advances	10	59,65,011
	Other Current Assets	11	3,86,349
	TOTAL		15,89,29,742

The notes are an integral part of these 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

Sanjay Bahl
Whole-time Director
DIN – 05155750

Vijay K Thadani
Director
DIN - 00042527

Usha Rajeev
Partner
Membership No. F-87191

Ashish Gupta
Company Secretary

Jaswinder Singh Chadha
GM (Finance)

Place: New Delhi
Date: April 30, 2012

NIIT YUVA JYOTI LIMITED
Statement of Profit & Loss for the period May 25, 2011 to March 31, 2012

	Particulars	Note	For the period May 25, 2011 to March 31, 2012 Rs.
	INCOME		
I	Revenue from Operations	16	12,18,521
II	Other Income	17	35,87,305
III	Total Revenue (I + II)		48,05,826
	IV EXPENDITURE		
	Purchase of Traded Goods	30	12,42,185
	(Increase) / Decrease in Inventory	12	(7,75,868)
	Employee Benefits Expense	18	1,53,31,392
	Depreciation and Amortization Expense	9	20,14,286
	Other Expenses	20	1,70,95,108
	Total Expenses		3,49,07,103
V	Profit/(Loss) before tax (III- IV)		(3,01,01,277)
VI	Tax Expense:	22	-
VII	Profit (Loss) for the period		(3,01,01,277)
VIII	Earnings/(Loss) per equity share (Face Value Rs. 10/- each):	23	
	(1) Basic		-9.04
	(2) Diluted		-9.04

The notes are an integral part of these 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

Sanjay Bahl
Whole-time Director
DIN – 05155750

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Place: New Delhi
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Ashish Gupta
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GM (Finance)

NIIT YUVA JYOTI LIMITED
Cash Flow Statement for the period May 25, 2011 to March 31, 2012

	Particulars		For the period May 25, 2011 to March 31, 2012 Rs.
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Profit/(Loss) before Tax		(3,01,01,277)
	Adjustments for:		
	Depreciation and Amortization	20,14,286	
	Interest Income	(35,87,305)	(15,73,019)
	Operating profit/(loss) before working capital changes		(3,16,74,296)
	Add / (Less): (Increase)/ Decrease in operating working capital:		
	Inventories	(7,75,868)	
	Trade Receivables	(950)	
	Long term Loans and Advances	(4,99,600)	
	Short term Loans and Advances	(59,65,011)	
	Trade Payables	67,01,942	
	Other Non-Current Assets	(1,00,000)	
	Other Current Liabilities	45,23,487	
	Short-term Provisions	12,91,667	51,75,667
	Net cash from Operating activities (A)		(2,64,98,629)
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets (including Capital Work-in-progress)		(3,99,68,432)
	Interest Received (Net of TDS - Rs. 315,850)		28,85,106
	Net cash used for Investing activities (B)		(3,70,83,326)
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from issue of Share Capital		8,83,23,950
	Long-term Borrowings availed		7,96,42,256
	Net cash from / (used in) Financing activities (C)		16,79,66,206
	Net Increase/(Decrease) in Cash & Cash equivalents (A) + (B) + (C)		10,43,84,251
	Cash and cash equivalents as at the end of the period (Note (a) below)		10,43,84,251

Notes:

- a Cash and cash equivalents** **As at March 31, 2012**
- | | |
|--|---------------------|
| Balance with Banks | Rs. |
| - Current Accounts | 92,18,681 |
| - Bank deposits with original maturity of 3 months or less | 9,50,00,000 |
| Cash on hand | 442 |
| Cheques, drafts on hand | 1,65,128 |
| | 10,43,84,251 |
- b** 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.
- c** The notes are an integral part of these financial statements.

This is the Cash Flow Statement referred to in our report of even date.

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

For and on behalf of the Board

Sanjay Bahl
Whole-time Director
DIN – 05155750

Vijay K Thadani
Director
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Usha Rajeev
Partner
Membership No. F-087191

Ashish Gupta
Company Secretary

Jaswinder Singh Chadha
GM (Finance)

Place : New Delhi
Date: April 30, 2012

NIIT YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

1 GENERAL INFORMATION

The Company, NIIT Yuva Jyoti Limited, was incorporated on May 25, 2011 and certificate for commencement of business was granted on June 18, 2011. The Company is a joint venture between NIIT Limited and National Skill Development Corporation. The Company is engaged in the business of skill building across India. These financial statements pertain to the period from May 25, 2011 to March 31, 2012.

2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Company are detailed below:

i) **Basis of Preparation of Accounts**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules 2006, as amended] and the other 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 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) **Tangible and Intangible Assets**

a) Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets, as given hereunder, or the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher :-

Plant and Equipment including:	
- Computers, printers and related accessories	2-5 years
- Electronic Equipments	8 years
- Air Conditioners	10 years
Office Equipment	8 years
Furniture / Fixtures	7-10 years
Leasehold Improvement	3-5 years or lease period, whichever is lower
All other assets	Rates prescribed under Schedule XIV to the Companies Act, 1956

b) Intangible Assets and Amortisation

The amortisation period and the amortisation method are reviewed at the end of each financial year and if the expected useful life of the intangible asset is significantly different from the previous estimates, the amortisation period is changed accordingly.

Expenses incurred on internal development of content and tools are capitalised individually, once their technical feasibility and ability to generate future economic benefits is established in accordance with the requirements of Accounting Standard 26, "Intangible Assets". Expenses incurred during the research phase till the establishment of commercial feasibility is charged to the Statement of Profit and Loss.

The amortisation rates used are given hereunder :-

- Internally generated Intellectual Property Rights (Content, Software and Tools)	3-5 years
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iii) **Impairment of Assets**

All assets other than inventories and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

NIIT YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

iv) **Inventory Valuation – Traded Goods**

Inventories are stated at lower of cost and net realisable value. Cost is determined using weighted average method and includes applicable costs incurred in bringing inventories to their present location and condition.

v) **Revenue Recognition**

The revenue in respect of sale of courseware, technical information and reference material (TIRM), hardware and other goods are recognized on dispatch / delivery of the material to the customer whereas the revenue from the tuition / training services is recognized over the period of the course programmes. Revenue in respect of other services is recognised on rendering services as per the terms of respective contracts.

vi) **Other Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

vii) **Employee Benefits**

Gratuity

The Company provides for gratuity, a defined benefit retirement plan (the “Gratuity Plan”) covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment. Company’s liability is actuarially determined at the end of the period and any shortfall in the fund size maintained by the Trust set up by NIIT Limited (“Holding Company”) with Life Insurance Corporation of India is additionally provided for.

Actuarial losses / gains are charged / credited to the Statement of Profit and Loss in the period in which such losses / gains arise.

Compensated Absences

Liability in respect of compensated absences is provided for those expected to be availed. The Company has benefit plans for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation at the end of the period. Any gain or loss arising out of such valuation is recognized in the Statement of Profit and Loss.

Superannuation

The Company makes defined contribution to the Trust established for the purpose by the Holding Company towards superannuation fund maintained with Life Insurance Corporation of India. Contribution made during the period is charged to Statement of Profit and Loss.

Provident Fund

The Company makes defined contributions to a government administered Provident Fund on behalf of its employees. The Company’s contribution towards Provident Fund is charged to Statement of Profit and Loss.

Pension Fund

The Company makes defined contributions to a government administered pension fund on behalf of its employees. The Company’s contribution towards Employee Pension Scheme is charged to Statement of Profit and Loss.

viii) **Leases**

The Company has taken vehicles as well as premises on lease. Lease rental in respect of operating lease arrangements are charged as expense to Statement of Profit and Loss on a straight line over the period of the lease.

NIIT YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

ix) **Taxation**

Tax expense, comprising of both current tax and deferred tax is included in determining the net results for the year. Deferred Tax reflects the effect of timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. As a matter of prudence, deferred tax assets are recognised and carried forward only to the extent, there is reasonable / virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Current Tax is determined based on the provisions of Income Tax Act, 1961.

x) **Provisions and Contingencies**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

xi) **Earnings Per Share**

The earnings considered in ascertaining the Company's Earnings per share ('EPS') comprises the Profit after Tax. The number of shares used in computing the Basic EPS is the weighted average number of shares outstanding during the period. The Diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential Dilutive Equity Shares, if any.

xiii) **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 YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

3	Share Capital	As at March 31, 2012 Rs.
	Authorised 10,000,000 Equity Shares of Rs. 10/- each	10,00,00,000
		10,00,00,000
	Issued 8,832,395 Equity Shares of Rs. 10/- each	8,83,23,950
		8,83,23,950
	Subscribed and paid up 8,832,395 Equity Shares of Rs. 10/- each	8,83,23,950
		8,83,23,950

3.1	Reconciliation of the number of shares outstanding	As at March 31, 2012	
		No. of shares	Value Rs.
	Equity Shares		
	Shares outstanding at the beginning of the period	-	-
	Shares issued during the period	88,32,395	8,83,23,950
	Shares outstanding at the end of the period	88,32,395	8,83,23,950

3.2	<u>Rights, preferences and restrictions attached to Equity Shares :-</u> The company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held.
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3.3	Shares in respect of each class in the company held by	Class of shares Equity/ Preference	As at March 31, 2012
			No. of shares
	Holding company - NIIT Limited	Equity	79,49,155

3.4	Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company	As at March 31, 2012	
		% of holding	No. of shares
	Equity Shares		
	NIIT Limited	90%	79,49,155
	National Skill Development Corporation (NSDC)	10%	8,83,240
	Total	100%	88,32,395

NIIT YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

4	Reserves and Surplus		As at March 31, 2012 Rs.
	Balance in Statement of Profit & Loss		
	Balance brought forward from previous year	-	
	Add : Current Period Profit / (Loss) attributable to Share Holders	(3,01,01,277)	(3,01,01,277)
			(3,01,01,277)

5	Long Term Borrowings		As at March 31, 2012 Rs.
A)	SECURED		
(i)	Term Loan from National Skill Development Corporation (NSDC)		7,96,42,256
	Total (A)		7,96,42,256

a) Terms of Repayment

NSDC has agreed to grant a term loan to the Company which shall be disbursed in installments over a period of 4 years and 4 months i.e upto March 31, 2016. The Company has received first installment of Rs. 79,642,256 during the period. The entire term loan received / receivable is repayable in installments over a period of 10 years upto March 31, 2022, including the initial moratorium period upto March 31, 2017. Loan is interest free for period upto March 31, 2015 and thereafter an interest of 7.5% p.a. is payable on the outstanding loan amount.

b) Nature of Security

Loan from NSDC is secured by first charge on both present and future acquired assets comprising of movable fixed assets, book debts, receivables and the balance lying to the credit of designated bank accounts including without limitation all movable plant and machinery, capital equipment, together with its accessories, computer hardware and software, digital content, learning material, electronic spares and machine spares. The entire loan amount is also guaranteed by NIIT Limited, the holding Company.

NIIT YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

6	Trade Payables	As at March 31, 2012 Rs.	As at March 31, 2012 Rs.
	- Due to Other*	-	67,01,942
			67,01,942

* Based on information available with the Company, there is no vendor covered under the Micro, Small and Medium Enterprises Development Act, 2006.

7	Other Current Liabilities	As at March 31, 2012 Rs.	As at March 31, 2012 Rs.
	Advances from Customers	-	1,68,542
	Statutory Dues	-	30,72,783
	Other Payables	-	98,29,879
		-	1,30,71,204

8	Short Term Provisions	As at March 31, 2012 Rs.	As at March 31, 2012 Rs.
	Provision for Employee Benefits (Also refer Note 19)		
	- Provision for Gratuity	-	2,89,667
	- Provision for Compensated Absences	-	10,02,000
		-	12,91,667

NIIT YUVA JYOTI LIMITED
Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

9 Fixed Assets

(Amount in Rs.)

Description of Assets	GROSS BLOCK			DEPRECIATION AND AMORTIZATION			NET BLOCK
	Additions during the period	Sales / Adj. during the period	Total as on March 31, 2012	For the period	Sales / Adj. during the period	Total as on March 31, 2012	as on March 31, 2012
<u>i) Tangible Assets</u>							
Plant & Equipment	51,11,302	-	51,11,302	5,27,657	-	5,27,657	45,83,645
Office Equipment	6,97,820	-	6,97,820	67,316	-	67,316	6,30,504
Leasehold Improvement	45,94,345	-	45,94,345	2,33,346	-	2,33,346	43,60,999
Furniture & Fixture	8,15,137	-	8,15,137	1,21,710	-	1,21,710	6,93,427
Sub Total (a)	1,12,18,604	-	1,12,18,604	9,50,029	-	9,50,029	1,02,68,575
<u>ii) Intangible Assets [Refer Note (a) below]</u>							
Intellectual Property Rights - Internally Generated	3,17,48,245		3,17,48,245	10,64,257		10,64,257	3,06,83,988
Sub Total (b)	3,17,48,245	-	3,17,48,245	10,64,257	-	10,64,257	3,06,83,988
Total (a+b)	4,29,66,849	-	4,29,66,849	20,14,286	-	20,14,286	4,09,52,563
<u>(iii) Intangible assets under development</u>							55,49,300

(a) The Company internally develops software tools, platforms and content/courseware. The management estimates that this would result in enhanced productivity and offer more technology based learning products / solutions to the customers in future. The Company is confident of its ability to generate future economic benefits out of the abovementioned assets. The costs incurred during the period towards the development are as follows:

Description	For the Period ended May 25, 2011 to March 31, 2012
	(Rs.)
Salaries and benefits	1,57,14,247
Premises Cost	11,85,600
Service received for development of Intangible Assets	80,44,426
Purchase of Content for development of Intangible Assets	1,17,81,352
Other Expenses	5,71,920
Total	3,72,97,545

NIIT YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

10	Loans and Advances (Unsecured, considered good, unless otherwise stated)	Long Term	Short Term
		As at March 31, 2012 Rs.	As at March 31, 2012 Rs.
	Security Deposits	4,99,600	8,000
	Advances recoverable in cash or in kind*	-	59,57,011
	Other Advances		
	- Advance Tax (Net of Provision for tax - Rs. Nil)	3,15,850	-
	Total	8,15,450	59,65,011

*Includes amounts due from Whole Time Director - Rs. 1,135,361 (Refer Note 28)

11	Other Assets (Unsecured, considered good, unless otherwise stated)	Non - Current	Current
		As at March 31, 2012 Rs.	As at March 31, 2012 Rs.
	Long-term deposits with maturity period more than 12 months*	1,00,000	-
	Interest Receivable	-	3,86,349
		1,00,000	3,86,349

*Held as lien by bank against bank guarantees issued to Haryana VAT authorities

NIIT YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

12	Inventories (Valued at Cost or Net Realisable Value whichever is lower)	As at March 31, 2012 Rs.
	As at the end of the period	
	Traded Goods (Refer Note No 30)	
	a) Education and Training Material*	7,75,868
		7,75,868
	As at the beginning of the period	
	Traded Goods (Refer Note No 30)	
	a) Education and Training Material*	-
		-
	(Increase) / Decrease in Inventory	(7,75,868)
	* Includes Courseware, TIRM, Hardware and other goods	
13	Trade Receivables	As at March 31, 2012 Rs.
	Unsecured, considered good	
	- Others	950
		950
14	Cash and Bank Balances	As at March 31, 2012 Rs.
	Cash and cash equivalents:	
	Balance with banks	
	- Current Accounts	92,18,681
	- Bank deposits with original maturity of 3 months or less	9,50,00,000
	Cash on hand	442
	Cheques, drafts on hand	1,65,128
		1,00,000
		10,43,84,251
15	Contingent Liabilities and Commitments	
	(a) Bank Guarantees issued to Haryana VAT Authorities Rs. 100,000/-.	
	(b) Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for Rs. 487,875/-.	

NIIT YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

16	Revenue from Operations	For the period May 25, 2011 to March 31, 2012 Rs.
	Sale of Hardware	1,66,400
	Sale of Courseware	6,87,001
	Sale of Services	3,65,120
		12,18,521

17	Other Income	For the period May 25, 2011 to March 31, 2012 Rs.
	Interest Income	35,87,305
		35,87,305

NIIT YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

18	Employee Benefits Expense*	For the period May 25, 2011 to March 31, 2012 Rs.
	Salaries and Benefits	1,27,53,324
	Contribution to Provident and Other Funds	16,80,878
	Staff Welfare and Other expenses	8,97,190
		1,53,31,392

* Net of expenses amounting to Rs. 840,718 (Refer Note 28).

19 Employee Benefits

A) Defined Contribution Plans

The Company makes contribution towards Provident Fund, Superannuation Fund and Pension Scheme to the defined contribution plans for eligible employees. The Company has charged following costs in the Statement of Profit and Loss under "Employee Benefits Expense" :-

Particulars	For the period May 25, 2011 to March 31, 2012 (Rs.)
Employers Contribution to Provident Fund	7,61,750
Employers Contribution to Superannuation Fund	2,15,959
Employers Contribution to Pension Scheme	2,08,819

Contribution towards Provident Fund, Superannuation Fund and Pension Scheme to the defined contribution plans includes following cost for Key Managerial Personnel :

Particulars	For the period May 25, 2011 to March 31, 2012 (Rs.)
Employers Contribution to Provident Fund	76,641
Employers Contribution to Superannuation Fund	30,327
Employers Contribution to Pension Scheme	1,969

B) Benefit Plans

I. Compensated Absences

Particulars	As at March 31, 2012 (Rs.)
Present value of obligation as at the beginning of the Period	-
Current Service Cost	7,09,330
Actuarial (gain)/ loss on Obligations	2,92,670
Present value of obligation as at the end of the Period	10,02,000

Assumptions used in accounting of Compensated Absences

Particulars	As at March 31, 2012
Discount Rate (per annum)	8.60%
Future Salary Increase	
- For First 5 Years	10.00%
- Thereafter	7.00%

NIIT YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

II. Gratuity (Defined Benefit Plan)

In accordance with Accounting Standard 15, an actuarial valuation was carried to determine the liability at the end of the period.

Particulars	As at March 31, 2012 (Rs.)
i) Change in Present value of Obligation:-	
Present value of obligation as at the beginning of the Period	-
Current service cost	2,17,600
Acquisition Cost	14,98,500
Actuarial (gain)/ loss on Obligations	2,79,900
Present value of obligation as at the end of the Period	19,96,000

ii) Change in Plan Assets :-	
Fair value of Plan Assets as at the beginning of the Period	-
Acquisition Adjustments	14,98,498
Expected return on Plan Assets	80,050
Contributions	2,04,682
Actuarial (loss) / gain on Plan Assets	-76,897
Fair value of Plan Assets as at the end of the Period	17,06,333

iii) Amount of Assets / (Obligation) recognition in the Balance Sheet :-	
Fair value of Plan Assets as at the end of the Period	17,06,333
Less : Present value of obligation as at the end of the Period	-19,96,000
Asset/ (Liability) Recognised in Balance Sheet	-2,89,667

iv) Net Gratuity Cost recognized in Profit & Loss Account :-	
Current service cost	2,17,600
Expected return on Plan Assets	-80,050
Net Actuarial (gain)/ loss recognized during the Period	3,56,800
Expense recognised in Profit & Loss Account*#	4,94,350
Actual return on plan assets	3,153
*Includes Rs. 8,000 towards contribution for Key Managerial Personnel. #The above Cost is included under Contribution to Provident and Other Funds in Note 18	

v) Assumptions used in accounting for gratuity plan:-	%
Discount Rate (per annum)	8.60%
Future Salary Increase	5.00%
Expected Rate of return on plan assets	9.40%

v) Investment details of Plan Assets:-

During the period, the Company has contributed to the Gratuity Fund of the holding Company, maintained by the Life Insurance Corporation of India. The details of investment maintained by Life Insurance Corporation of India are not available with the Company and have not been disclosed.

The expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management, historical result of the return on plan assets.

Actuary's best estimate of contribution for the next year is Rs. 675,000/-

NIIT YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

20	Other Expenses*	For the period May 25, 2011 to March 31, 2012 Rs.
	Equipment Hiring	2,44,411
	Freight and Cartage	26,116
	Rent	32,91,340
	Rates and Taxes	16,527
	Power & Fuel	7,04,377
	Communication	3,61,327
	Legal and Professional (Refer Note 21 below)	73,74,396
	Management Cost Recovery by Holding Company	20,90,375
	Traveling and Conveyance	16,67,215
	Insurance	83,517
	Repairs and Maintenance	
	- Plant and Machinery	63,027
	- Others	4,74,995
	Security and Administration Services	1,30,353
	Bank Charges	11,450
	Sundry Expenses	5,55,682
		1,70,95,108

* Net of expenses amounting to Rs. 8,022,780 (Refer Note 28).

21	Payment to Auditors	For the period May 25, 2011 to March 31, 2012 Rs.
	Audit fee	6,50,000
	Others	50,000
	Reimbursement of expenses (including Service Tax)	73,092
		7,73,092

NIIT YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

22. Taxation :

No provision for taxation has been made for the period as the company has incurred losses during the period. Moreover, no deferred tax asset has been recognized as at the end of the period based on prudence.

23. Earnings/(Loss) per share :

Particulars	For the Period May 25, 2011 to March 31, 2012
Profit/(Loss) attributable to Equity Shareholders (Rs.) - (A)	(30,101,277)
Weighted average number of Equity Shares outstanding during the Period (Nos.)— (B)	3,328,638
Nominal Value of Equity Shares (Rs.)	10/-
Basic Earnings/(Loss) per Share (Rs.) (A/B)	(9.04)
Diluted Earnings/(Loss) per Share (Rs.)	(9.04)

24. Related Party Transactions as per Accounting Standard 18 :

I. Related party relationship where control exists :

A. Holding Company

- NIIT Limited

B. Fellow Subsidiary Companies

Sr. No.	Name of Company
1.	NIIT Online Learning Limited
2.	Hole-in-the-Wall Education Limited
3.	Scantech Evaluation Services Limited
4.	NIIT Institute of Finance Banking and Insurance Training Limited
5.	NIIT Institute of Process Excellence Limited
6.	Evolv Services Limited
7.	NIIT Limited, UK
8.	NIIT Antilles NV, Netherlands Antilles
9.	NIIT Malaysia Sdn. Bhd, Malaysia
10.	NIIT GC Limited (formerly NIIT TVE Limited, Mauritius)
11.	NIIT China (Shanghai) Limited, Shanghai
12.	NIIT Wu Xi Service Outsourcing Training School
13.	Chongqing NIIT Education Consulting Limited, China
14.	Wu Xi NIIT Information Technology Consulting Limited.
15.	Changzhou NIIT Information Technology Consulting Limited
16.	Su Zhou NIIT Information Technology Consulting Limited
17.	NIIT (USA) Inc, USA
18.	NIIT Ventures Inc, USA
19.	Element K Corporation, USA (Till 14/10/2011)
20.	Element K India Private Limited, India (Till 14/10/2011)
21.	Element K (UK) Limited, United Kingdom (Till 14/10/2011)
22.	Element K, Canada (Till 14/10/2011)
23.	PT NIIT Indonesia, Indonesia (Under liquidation)
24.	NIIT West Africa Limited, Nigeria

NIIT YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

C. Key Managerial Personnel (KMP)

Sr. No.	Name	Remarks
1.	Mr. Sanjay Bahl	Whole Time Director (w.e.f. 12.12.2011)
2.	Mr. Vijay K. Thadani	Director
3.	Mr. P. Rajendran	Director
4.	Mr. R.S.Pawar	Director (upto 12.12.2011)

II. Other related parties with whom the Company has transacted :

A. Relatives of Key Managerial Personnel

Name	Remarks
Sanjay Bahl (HUF)	HUF in which KMP (Sanjay Bahl) is the Karta

B. Parties in Which Key Managerial Personnel of the Company are interested

- The NIIT Institute of Information Technology

III. Details of significant transactions with related parties described above carried out on an arms' length basis:

Nature of Transactions	Foot-notes	Holding Company	Key Managerial Personnel (KMP)	Relatives of Key Managerial Personnel	Parties in which KMPs of the Company are interested	Total
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Purchase of Goods	1	186,550	-	-	57,300	243,850
Sale of Goods	2	-	-	-	325,950	325,950
Purchase of Content for development of Intangible Assets	3	6,273,673	-	-	5,507,679	11,781,352
Services Received	4	10,764,310	-	314,840	-	11,079,150
Services received towards development of Intangible Assets	5	7,065,619	-	-	-	7,065,619
Share Capital Issued	6	79,491,550	-	-	-	79,491,550
Remuneration	7	-	1,028,227	-	-	1,028,227
Guarantees and Collaterals	8	79,642,256	-	-	-	79,642,256

NIIT YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

Foot-notes

1. Includes Purchase of Goods from:
 - NIIT Limited. Rs. 186,550
 - The NIIT Institute of Information Technology Rs. 57,300
2. Includes Sale of Goods to:
 - The NIIT Institute of Information Technology Rs. 325,950
3. Includes Purchase of Content for development of Intangible Assets from:
 - NIIT Limited. Rs. 6,273,673
 - The NIIT Institute of Information Technology Rs. 5,507,679
4. Includes Services Received from:
 - NIIT Limited Rs. 10,764,310
 - Sanjay Bahl (HUF) Rs. 314,840
5. Includes Services received towards development of Intangible Assets:
 - NIIT Limited Rs. 7,065,619
6. Includes Share Capital issued to
 - NIIT Limited Rs. 79,491,550
7. Includes remuneration paid to :
 - Sanjay Bahl Rs. 1,028,227
8. Guarantees and Collaterals issued by:
 - NIIT Limited Rs. 79,642,256

IV. Balance recoverable / payable with related parties

Particulars	As at March 31, 2012				
	Trade Receivable	Short term Loans and Advances	Trade Payables	Other Payables	Guarantees & Collaterals Outstanding
	(Rs.)		(Rs.)	(Rs.)	(Rs.)
Holding Company	-	-	2,932,040	943,788	79,642,256
Parties in which KMP are interested	950	-	-	5,467,473	-
Whole Time Director	-	1,135,361	-	-	-

25. Segment Reporting

The Company is in the business of imparting education and training in the field of skill building which is viewed by the management as a single segment in accordance with AS-17 'Segment Reporting' as notified under section 211(3C) of the Companies Act, 1956. The Company operates in a single geography, India, thus the secondary segment reporting is not applicable.

26. Operating Lease

- (i) All the significant operating leases entered into by the Company are cancelable on giving a notice of 1 to 3 months.

NIIT YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

(ii) Aggregate payments during the period under operating leases are as shown hereunder:

Particulars	For the Period May 25, 2011 to March 31, 2012 (Rs.)
In respect of Premises*	2,976,500
In respect of Vehicles	314,840

* Includes payment in respect of premises for offices and employee accommodation

27. Revenue Share

In consideration of NSDC supporting the skill development activities and initiatives of Company, inter-alia, by way of tangible and intangible support, the Company has entered into a revenue sharing agreement with NSDC. In terms of this agreement, the Company has agreed to share certain percentage of its operating revenue with NSDC over a period of 5 years beginning April 1, 2017. This revenue sharing is subject to timely disbursement and reimbursements and intangible supports to be provided by the NSDC and may be revised downwards in case of any change in the business plan.

28. The Company has entered into a Market Development Assistance (MDA) Agreement with NSDC, whereby NSDC has agreed to provide assistance for the specified purpose of Market Development in the focus sectors. MDA shall be disbursed in installments over a period of 4 years and 4 months upto March 31, 2016. The Company has received first installment of Rs. 10,000,000 from the NSDC during the period, out of which Rs. 8,863,498 has been incurred by the Company upto March 31, 2012. The balance unspent amount of Rs. 1,136,502 is included in Other Payables under the head Other Current Liabilities. The costs incurred during the period for Market Development are as follows –

Particulars	For the Period May 25, 2011 to March 31, 2012 (Rs.)
Salaries and benefits	840,718
Market Development Expenses	8,022,780
Total	8,863,498

29. The Company has appointed Whole-time Director with effect from December 12, 2011. Since this is the first year of operations of the Company and the Company has incurred losses, remuneration amounting to Rs. 1,135,361 to whole time director has been paid in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956. The Company has filed an application seeking the approval of Central government for payment of such excess remuneration. Pending approval from the Central Government, the excess remuneration paid has been held in trust by the whole time director and is included as “Advance Recoverable in cash or in kind ” under the head loans and advance (Note 10) in the financial statements.

NIIT YUVA JYOTI LIMITED

Notes to Financial Statements for the period May 25, 2011 to March 31, 2012

30. Details relating to Opening Stock, Purchases, Revenue and Closing Stock :

Details related to traded items are as under :

Particulars	For the Period May 25, 2011 to March 31, 2012 (Rs.)
Purchase	
- Courseware	649,164
- Hardware and other goods	472,500
- Others	120,521
Sales	
- Courseware	687,001
- Hardware and other goods	166,400
Closing Stock	
- Courseware	425,238
- Hardware and other goods	302,400
- Others	48,230

31. These being the first financial statements of the Company, the corresponding amounts for the preceding reporting period have not been given.

Signatures to the Notes `1' to `31' above

For and on behalf of the Board

For **Price Waterhouse**

Firm Registration No.: 301112E

Chartered Accountants

Sanjay Bahl

Whole-time Director

DIN – 05155750

Vijay K Thadani

Director

DIN - 00042527

Usha Rajeev

Partner

Membership No. F-87191

Place: New Delhi

Date: April 30, 2012

Ashish Gupta

Company Secretary

Jaswinder Singh Chadha

GM (Finance)