

Scantech Evaluation Services 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	4	99,100,000	99,100,000
Reserves and surplus	5	62,314,271	50,805,950
Current liabilities			
Trade Payables	6	186,528	123,714
Other current liabilities	7	42,674	55,377
Short-term provisions	8	105,962,378	96,748,258
TOTAL		267,605,851	246,833,299
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	8,500	8,500
Non-current investments	10	97,498,200	97,498,200
Long-term loans and advances	11	47,556	32,143,331
Current assets			
Current investments	10	700,000	700,000
Short-term loans and advances	11	165,789,974	115,500,000
Cash and bank balances	12	3,561,621	983,268
TOTAL		267,605,851	246,833,299

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

Amit Mittal
Partner
Membership No.- 508748

Rajendra S Pawar
Director
DIN - 00042516

Vijay Kumar Thadani
Director
DIN - 00042527

Avika Kapoor
Company Secretary

Place : Gurgaon
Dated : April 20, 2012

Scantech Evaluation Services 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	13	123,082,371	113,141,945
	Total Income		123,082,371	113,141,945
	NIIT Limited			
	Employee Benefits Expense	14	1,411,168	1,411,053
	Other Expenses	15	333,074	201,317
	Total Expenses		1,744,242	1,612,370
	Profit before tax		121,338,129	111,529,575
	Tax expense:			
	Current tax		3,867,430	3,509,232
	Profit (Loss) for the period		117,470,699	108,020,343
	Earnings per equity share (Face Value Rs. 10 each):			
	(1) Basic	17	11.85	10.90
	(2) Diluted	17	11.85	10.90

The accompanying notes referred to above form an integral part of the Statement of Profit and Loss

This is the Statement of Profit and Loss 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

Amit Mittal
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Place : Gurgaon
Dated : April 20, 2012

Scantech Evaluation Services 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 item:		121,338,129		111,529,575
	Adjustments for:				
	Interest Income	(14,381,271)		(11,687,585)	
	Dividend Income	(108,701,100)		(101,454,360)	
			(123,082,371)		(113,141,945)
	Operating profit before working capital changes		(1,744,242)		(1,612,370)
	Add / (Less): (Increase)/ Decrease in operating working capital:				
	Loans and Advances & Other Current Assets	(18,189,974)			
	Current Liabilities and Provisions	50,111	(18,139,863)	(100,819)	(100,819)
	Cash generated from operations		(19,884,105)		(1,713,189)
	Taxes paid (including TDS)		(3,871,655)		(3,518,759)
	Net cash from Operating activities (A)		(23,755,760)		(5,231,948)
B.	CASH FLOW FROM INVESTING ACTIVITIES:				
	Dividend received		108,701,100		101,454,360
	Loans/ Inter Corporate Deposits given to Holding Company		-		(115,500,000)
	Loan to Holding Company received back		-		91,500,000
	Interest Received		14,381,271		11,687,585
	Net cash used for Investing activities (B)		123,082,371		89,141,945
C.	CASH FLOW FROM FINANCING ACTIVITIES:				
	Dividend Paid		(83,244,000)		(78,289,000)
	Dividend Tax Paid		(13,504,258)		(13,305,216)
	Net cash from / (used in) Financing activities (C)		(96,748,258)		(91,594,216)
	Net Increase/(Decrease) in Cash & Cash equivalents (A) + (B) + (C)		2,578,353		(7,684,219)
	Cash and Cash equivalents as at the beginning of the year (Note 1)		983,268		8,667,487
	Cash and cash equivalents as at the end of the year (Note 1)		3,561,621		983,268

Notes:

- 1 Cash and cash equivalents as on**

	31st March 2012	31st March 2011
	Rs.	Rs.
Cash, Cheques & Drafts (in hand) and Remittances in transit	6	126
Balances with banks	3,561,615	983,142
	3,561,621	983,268
- 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

Amit Mittal
Partner
Membership No.- 508748

Rajendra S Pawar
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Director
DIN - 00042527

Place : Gurgaon
Dated : April 20, 2012

Avika Kapoor
Company Secretary

Scantech Evaluation Services Limited

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

1 BACKGROUND

The Company was incorporated on July 17, 2002. The main objects of the Company are to undertake business activities as consultants, providing services and to carry on business in all spheres of computer systems and computer applications, developers of hardware & software systems and related activities.

The ancillary objects include investing money or monies of the Company, in shares, stocks and other investments as may be expedient and to hold, sell or otherwise deal with such investments in any manner and to lend or advance money as the Company may think fit for implementing the main objects. The Company has invested in 24.30% of paid up share capital of NIIT Technologies Limited (NTL) and also advanced loan to its holding company, NIIT Limited. As the Company has not commenced its main business, at present, the sources of income include dividend from investments and interest on loans given to holding company.

2 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.

3 SIGNIFICANT ACCOUNTING POLICIES

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

i) Fixed Assets and Depreciation

Fixed Assets are shown at acquisition cost. Computers and computer accessories are depreciated over a period of 3 years, on a straight line basis.

ii) Investments

Long-term investments are valued at their acquisition cost. Any decline in the value of the said investment, other than a temporary decline, is recognised and charged to statement of profit and loss. Short-term investments are carried at cost or their market value, whichever is lower.

iii) Revenue Recognition

Revenue is recognised on an accrual basis. Dividend income is recognised when the **right to receive** dividend is established.

iv) 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 temporary 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 certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Current tax is determined based on the provisions of Income Tax Act, 1961.

v) **Cash and Cash Equivalents**

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.

Scantech Evaluation Services Limited
Notes to the financial statement for the year ended March 31, 2012

4	SHARE CAPITAL	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
	Authorised 12,000,000 Equity Shares of Rs. 10/- each (Previous year 12,000,000 Equity Shares of Rs. 10/- each)	120,000,000	120,000,000
		120,000,000	120,000,000
	Issued 9,910,000 Equity Shares of Rs. 10/- each NIIT Limited	99,100,000	99,100,000
		99,100,000	99,100,000
	Subscribed and fully paid 9,910,000 Equity Shares of Rs. 10/- each (Previous Year 9,910,000 Equity Shares of Rs. 10/- each)	99,100,000	99,100,000
		99,100,000	99,100,000

4.1	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	9,910,000	99,100,000	9,910,000	99,100,000
	Shares Issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	9,910,000	99,100,000	9,910,000	99,100,000

4.2	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	9,909,940	9,909,940

4.3	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	99.99%	9,909,940	99.99%	9,909,940
	Total	99.99%	9,909,940	99.99%	9,909,940

Scantech Evaluation Services Limited

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

5	RESERVES AND SURPLUS		As at 31st March 2012 Rs.		As at 31st March 2011 Rs.
	General Reserve (Note 1 below)				
	As per Last Balance Sheet	49,848,221		39,046,017	
	Less: General Reserve of Associates			-	
	Add : Transferred from Statement of Profit and Loss	11,745,702	61,593,923	10,802,204	49,848,221
	Statement of Profit & Loss				
	Balance Brought Forward from Previous year	957,729		487,848	
	NIIT Limited	117,470,699		108,020,343	
	Less:-				
	Proposed Dividend on Equity Shares	91,172,000		83,244,000	
	Corporate Dividend Tax	14,790,378		13,504,258	
	Transferred to General Reserve	11,745,702	720,348	10,802,204	957,729
			62,314,271		50,805,950

Scantech Evaluation Services Limited

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

6	Trade Payables	Current	
		As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
	Trade Payables	186,528	123,714
		186,528	123,714

7	NIIT Limited	Current Liabilities	
		As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
	Payable to Employees	-	15,740
	Statutory Dues	42,674	39,637
		42,674	55,377

8	Provisions	SHORT-TERM	
		As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
	Proposed dividend	91,172,000	83,244,000
	Provision for Corporate Dividend Tax	14,790,378	13,504,258
		105,962,378	96,748,258

Scantech Evaluation Services Limited

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

9 Fixed Assets

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	Cost As on 01.04.2011	Additions during the year	Sales / Adj. during the year	Total as on 31.03.2012	As on 01.04.2011	For the year	Sales / Adj. during the year	Total as on 31.03.2012	As on 31.03.2012	As on 31.03.2011
i) Tangible										
Plant & Equipment										
-Owned	170,000	-	-	170,000	161,500	-	-	161,500	8,500	8,500
(Scanner & Computer)										
Total	170,000	-	-	170,000	161,500	-	-	161,500	8,500	8,500
Previous Year	170,000	-	-	170,000	161,500	-	-	161,500	8,500	

10 INVESTMENTS	Non Current		Current	
	As at	As at	As at	As at
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
	Rs.	Rs.	Rs.	Rs.
A. LONG TERM, TRADE [UNQUOTED]	97,498,200	97,498,200	-	-
14,493,480 Equity Shares of Rs. 10/- each in NIIT Technologies Limited (Previous Year 14,493,480 Equity Shares of Rs. 10/- each)				
Market Value as on 31st March, 2012 - Rs. 3,950,922,648/-				
(Previous Year - Rs. 2,674,047,060/-)				
B. SHORT TERM, NON TRADE [UNQUOTED]				
In Mutual Funds	-	-	700,000	700,000
Total (A+B)	97,498,200	97,498,200	700,000	700,000

Scantech Evaluation Services Limited
Notes to the financial statement for the year ended March 31, 2012

11	LOANS AND ADVANCES	Long Term		Short Term	
		As at 31st March 2012 Rs.	As at 31st March 2011 Rs.	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
i)	Loans and advances to related parties (refer note below)				
	Unsecured, considered good				
	Loans	-	32,100,000	158,100,000	115,500,000
	Interest on ICD	-	-	7,689,974	-
	(A)	-	32,100,000	165,789,974	115,500,000
ii)	Other Advances				
	Advance Tax	12,748,002	20,154,705	-	-
	Less : Provision for Tax	(12,700,446)	(20,111,374)	-	-
		47,556	43,331	-	-
	(B)	47,556	43,331	-	-
	Total (A+B)	47,556	32,143,331	165,789,974	115,500,000

Scantech Evaluation Services Limited
Notes to the financial statement for the year ended March 31, 2012

12	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	3,561,615	983,142
	Cash on hand	6	126
		3,561,621	983,268

13	Other Income	Year ended 31st March 2012 Rs.	Year ended 31st March 2011 Rs.
	Interest Income	14,381,271	11,687,585
	Dividend Income from Long Term Investments	108,701,100	101,454,360
		123,082,371	113,141,945

Scantech Evaluation Services Limited

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

14	Employee Benefits Expenses	Year ended 31st March 2012 Rs.	Year ended 31st March 2011 Rs.
	Salaries and Benefits	1,411,168	1,411,053
		1,411,168	1,411,053

15	Other Expenses	Year ended 31st March 2012 Rs.	Year ended 31st March 2011 Rs.
	Legal and Professional	250,163	155,973
	Management Cost Recovery by Holding Company	45,061	41,919
	Bank Charges	35,252	975
	Sundry Expenses	2,598	2,450
		333,074	201,317

15.1	Payment to Auditors	Year ended 31st March 2012 Rs.	Year ended 31st March 2011 Rs.
	Audit fee	60,000	40,000
	Tax Audit fees	30,000	40,000
	Other	10,000	15,000
	Reimbursement of expenses (including Service Tax)	12,360	10,094
		112,360	105,094

Scantech Evaluation Services Limited**Notes to the financial statement for the year ended March 31, 2012**

16 Taxation

Deferred Tax Asset / Liability has not been recognized as there are no material timing differences resulting in difference between book profit and profit computed as per Income Tax Act, 1961.

17 Earnings Per Share

Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011
Profit attributable to Equity shareholders (Rs.) -(A)	117,470,699	108,020,343
Weighted Average number of Equity shares Outstanding during the year (Nos.) – (B)	9,910,000	9,910,000
Nominal Value of Equity Shares (Rs.)	10/-	10/-
Basic/Diluted Earnings per share (Rs) (A/B)	11.85	10.90

There are no potential dilutive shares as at the year-end. Accordingly, basic and diluted earnings per share are the same.

18 Related Party Disclosures**RELATED PARTY TRANSACTIONS AS PER ACCOUNTING STANDARD 18:****A. Related party relationship where control exists:****Holding Company**

NIIT Limited

B. Fellow Subsidiaries:**Name of Company**

1. NIIT Online Learning Ltd
2. Hole-in-the-Wall Education Ltd
3. NIIT Institute of Finance Banking and Insurance Training Limited
4. NEO Multimedia Limited (formerly known as NIIT Multimedia Limited) ceased to be subsidiary company w.e.f. March 31, 2011
5. NIIT Yuva Jyoti Limited (w.e.f. May 25, 2011)
6. NIIT Institute of Process Excellence Limited
7. Evolv Services Limited
8. NIIT Ltd, UK
9. NIIT Antilles NV, Netherlands Antilles
10. NIIT Malaysia Sdn. Bhd, Malaysia
11. NIIT GC Ltd (formerly NIIT TVE Ltd, Mauritius)
12. NIIT China (Shanghai) Limited, Shanghai
13. NIIT Wu Xi Service Outsourcing Training School
14. Chongqing NIIT Education Consulting Limited, China
15. Wu Xi NIIT Information Technology Consulting Limited.
16. Changzhou NIIT Information Technology Consulting Limited
17. Su Zhou NIIT Information Technology Consulting Ltd
18. PCEC NIIT Institute of Information Technology, Shanghai- (already liquidated)
19. NIIT (USA) Inc, USA
20. NIIT Ventures Inc, USA
21. Element K Corporation, USA
(ceased to be subsidiary company w.e.f. 14/10/2011)
22. Element K India Private Limited, India
(ceased to be subsidiary company w.e.f. 14/10/2011)
23. Element K (UK) Limited, United Kingdom
(ceased to be subsidiary company w.e.f. 14/10/2011)
24. Element K, Canada
(ceased to be subsidiary company w.e.f. 14/10/2011)
25. PT NIIT Indonesia, Indonesia (Under liquidation)
26. NIIT West Africa Limited, Nigeria

a) Associates (parties in which the company has substantial interest):

NIIT Technologies Limited

b) Key Managerial Personnel

Ravi Krishnamacharya - Manager

Scantech Evaluation Services Limited
Notes to the financial statement for the year ended March 31, 2012

C. Details of significant transactions with related parties
described above carried out on an arm's length basis:

(Amount in Rs.)

Nature of Transactions	Holding Company	Associates	Key Managerial Personnel	Grand Total
Loans/ Inter Corporate Deposits Given	127,000,000 -115,500,000	Nil (Nil)	Nil (Nil)	127,000,000 -115,500,000
Dividend	91,172,000 -83,244,000	Nil (Nil)	Nil (Nil)	91,172,000 -83,244,000
Loans Given Repaid	116,500,000 -91,500,000	Nil (Nil)	Nil (Nil)	116,500,000 -91,500,000
Dividend Income	Nil (Nil)	108,701,100 -101,454,360	Nil (Nil)	108,701,100 -101,454,360
Remuneration Paid	Nil (Nil)	Nil (Nil)	1,354,908 -1,339,053	1,354,908 -1,339,053
Interest Income	14,338,861 -11,687,585	Nil (Nil)	Nil (Nil)	14,338,861 -11,687,585
Management Cost Recovery	45,061 -41,918	Nil (Nil)	Nil (Nil)	45,061 -41,918

Previous year figures are given in parenthesis

E. Details of outstanding balances with related parties:

Particulars	Holding Company (Rs.)	
	As at 31.03.2012	As at 31.03.2011
Loans/ Inter Corporate Deposits Given	158,100,000	147,600,000
Receivables	7,689,974	-
Payables (Including Dividend)	91,220,619	83,252,065

19 Dues to micro and small enterprises

Amounts outstanding as payable to any Micro enterprises and Small enterprises as at 31st March 2012 is Rs. Nil (Previous year Rs. Nil).

20 Interest income is gross of tax deducted at source of Rs. 1,438,127/- (Previous year Rs. 1,168,759/-)

21 Share Pledge Agreement dated October 27, 2009 was executed to pledge the Company's investment of 14,493,390 Equity Shares of Rs. 10/ each in NIIT Technologies Limited in favor of ICICI Bank Limited, Bahrain as a security towards the financial facility availed by NIIT (USA) Inc., for the purchase of 100% equity in Element K Corporation, USA. The Company had completed all the requirements relating to this pledge on November 03, 2009. During the current financial NIIT (USA) Inc. repaid the facility and the pledge on the said shares has subsequently was released by ICICI Bank Limited, Bahrain (lender).

22 Previous Year Figures

The financial statements for the year ended March 31, 2011 had been prepared as per the thenapplicable, 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

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Company Secretary

Place : Gurgaon

Dated : April 20, 2012