

Scantech Evaluation Services Limited

Balance Sheet as at March 31, 2014

	Notes	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	99,100,000	99,100,000
Reserves and surplus	5	90,899,183	77,186,043
Current liabilities			
Trade payables	6	151,607	239,397
Other current liabilities	7	14,811	17,048
Short-term provisions	8	120,579,727	110,569,438
TOTAL		310,745,328	287,111,926
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	224,110	216,741
Current assets			
Current investments	10	-	700,000
Short-term loans and advances	11	199,000,000	175,500,000
Other current assets	12	12,878,550	11,637,145
Cash and bank balances	13	1,135,968	1,551,340
TOTAL		310,745,328	287,111,926

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

For and on behalf of the Board

Amit Mittal
Partner
Membership No.- 508748

Rajendra S Pawar
Director
DIN - 00042516

Vijay Kumar Thadani
Director
DIN - 00042527

Place : Gurgaon
Dated : May 16, 2014

Avika Kapoor
Company Secretary

Scantech Evaluation Services Limited

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

	Notes	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
INCOME			
Other Income	14	139,925,310	131,581,695
Total Income		139,925,310	131,581,695
EXPENDITURE			
Employee Benefits Expense	15	115,000	1,106,181
Other Expenses	16	208,534	231,102
Total Expenses		323,534	1,337,283
Profit before tax		139,601,776	130,244,412
Tax expense:			
Current tax		5,308,909	4,803,202
Profit (Loss) for the year		134,292,867	125,441,210
Earnings per equity share (Face Value Rs. 10 each):			
(1) Basic	18	13.55	12.66
(2) Diluted	18	13.55	12.66

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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Avika Kapoor
Company Secretary

Scantech Evaluation Services Limited

Cash Flow Statement for the year ended March 31, 2014

			Year ended March 31, 2014 Rs.		Year ended March 31, 2013 Rs.
A.	CASH FLOW FROM OPERATING ACTIVITIES:				
	Profit before Tax		139,601,776		130,244,412
	Add/(Less):				
	Interest Income	(16,362,785)		(15,633,855)	
	Profit on Sale of long term investment	(367,945)		-	
	Dividend Income	(123,194,580)	(139,925,310)	(115,947,840)	(131,581,695)
	Operating loss before working capital changes		(323,534)		(1,337,283)
	Add / (Less): (Increase)/ Decrease in operating working capital:				
	Trade Payables	(87,790)		52,869	
	Other Liabilities	(2,237)	(90,027)	(25,626)	27,243
	Cash used in operations		(413,561)		(1,310,040)
	Taxes paid (including TDS)		(5,316,278)		(4,972,387)
	Net cash used in Operating activities (A)		(5,729,839)		(6,282,427)
B.	CASH FLOW FROM INVESTING ACTIVITIES:				
	Proceeds from sale of Mutual Funds		1,067,945		-
	Dividend received		123,194,580		115,947,840
	Inter Corporate Deposits given to Holding Company		(199,000,000)		(175,500,000)
	Loan to Holding Company received back		-		32,100,000
	Inter Corporate Deposit to Holding Company received back		175,500,000		126,000,000
	Interest Received		15,121,380		11,686,684
	Net cash from Investing activities (B)		115,883,905		110,234,524
C.	CASH FLOW FROM FINANCING ACTIVITIES:				
	Dividend Paid		(95,136,000)		(91,172,000)
	Dividend Distribution Tax Paid		(15,433,438)		(14,790,378)
	Net cash used in Financing activities (C)		(110,569,438)		(105,962,378)
	Net Decrease in Cash & Cash equivalents (A) + (B) + (C)		(415,372)		(2,010,281)
	Cash and Cash equivalents as at the beginning of the year (Note 1)		1,551,340		3,561,621
	Cash and cash equivalents as at the end of the year (Note 1)		1,135,968		1,551,340

Notes:

1	Cash and cash equivalents as on	March 31, 2014	March 31, 2013
		Rs.	Rs.
	Cash, Cheques & Drafts (in hand) and Remittances in transit	6	6
	Balances with banks	1,135,962	1,551,334
		1,135,968	1,551,340

- 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.

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

For and on behalf of the Board

Amit Mittal
Partner
Membership No.- 508748

Rajendra S Pawar
Director
DIN - 00042516

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DIN - 00042527

Place : Gurgaon
Dated : May 16, 2014

Avika Kapoor
Company Secretary

Scantech Evaluation Services Limited

Notes to the financial statements for the year ended March 31, 2014

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 23.88% 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. Pursuant to the circular 15/2013 dated September 13, 2013 read with circular 08/2014 dated April 4, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, 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 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 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

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. Income from sale of mutual fund is recognised at the time of sale of units in mutual funds. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

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 statements for the year ended March 31, 2014

4	SHARE CAPITAL	As at March 31, 2014 Rs.	As at March 31, 2013 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	March 31, 2014		March 31, 2013	
		No. of shares	Value Rs.	No. of shares	Value Rs.
	Equity Shares				
	Shares outstanding at the beginning and at the end of the year	9,910,000	99,100,000	9,910,000	99,100,000
	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 March 31, 2014 No. of shares	As at March 31, 2013 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	March 31, 2014		March 31, 2013	
		% 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 statements for the year ended March 31, 2014

5	RESERVES AND SURPLUS		As at March 31, 2014 Rs.		As at March 31, 2013 Rs.
	General Reserve				
	As per last Balance Sheet	74,138,044		61,593,923	
	Add : Transferred from Statement of Profit and Loss	13,429,287	87,567,331	12,544,121	74,138,044
	Statement of Profit & Loss				
	Balance brought forward from previous year	3,047,999		720,348	
	Profit for the year	134,292,867		125,441,210	
	Less:-				
	Proposed Dividend on Equity Shares	103,064,000		95,136,000	
	Corporate Dividend Tax	17,515,727		15,433,438	
	Transferred to General Reserve	13,429,287	3,331,852	12,544,121	3,047,999
			90,899,183		77,186,043

6	Trade Payables	Current	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	Trade Payables (Refer Note 20)	151,607	239,397
		151,607	239,397

7	Other current liabilities	Current Liabilities	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	Statutory Dues	14,811	17,048
		14,811	17,048

8	Provisions	Short-term	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	Proposed dividend	103,064,000	95,136,000
	Provision for Corporate Dividend Tax	17,515,727	15,433,438
		120,579,727	110,569,438

(Amount in Rs.)

9 Fixed Assets										
Description of Assets	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	Cost As on 01.04.2013	Additions during the year	Sales / Adj. during the year	Total as on 31.03.2014	As on 01.04.2013	For the year	Sales / Adj. during the year	Total as on 31.03.2014	As on 31.03.2014	As on 31.03.2013
<u>b) Tangible</u>										
Plant & Equipment (Scanner & Computer)	170,000	-	-	170,000	161,500	-	-	161,500	8,500	8,500
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	

Scantech Evaluation Services Limited
Notes to the financial statements for the year ended March 31, 2014

10	INVESTMENTS	Non Current		Current	
		As at	As at	As at	As at
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
		Rs.	Rs.	Rs.	Rs.
A.	LONG TERM, TRADE [UNQUOTED] 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 March 31, 2014 - Rs. 5,834,350,374/- (Previous Year - Rs. 4,092,958,752/-)	97,498,200	97,498,200	-	-
B	SHORT TERM, NON TRADE [UNQUOTED] In Mutual Funds 6053 Units of ICICI Prudential Liquid-Regular Plan- Growth (Fair Market Value Rs 1,049,970/- as on March 31, 2013)	-	-	-	700,000
	Total (A+B)	97,498,200	97,498,200	-	700,000

11	LOANS AND ADVANCES	Long Term		Short Term	
		As at	As at	As at	As at
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
		Rs.	Rs.	Rs.	Rs.
i)	Loans and advances to related parties (Refer Note 19(c)) Unsecured, considered good Loans	-	-	199,000,000	175,500,000
	(A)	-	-	199,000,000	175,500,000
ii)	Other Advances Advance Tax Less : Provision for Tax	14,593,668 (14,369,558)	9,277,390 (9,060,649)	- -	- -
		224,110	216,741	-	-
	(B)	224,110	216,741	-	-
	Total (A+B)	224,110	216,741	199,000,000	175,500,000

Scantech Evaluation Services Limited
Notes to the financial statements for the year ended March 31, 2014

12	OTHER ASSETS	Current	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	Interest Receivable	12,878,550	11,637,145
		12,878,550	11,637,145

13	Cash and Bank Balances	Current	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	Cash and cash equivalents:		
	Balance with banks		
	Current Accounts	1,135,962	1,551,334
	Cash on hand	6	6
		1,135,968	1,551,340

14	Other Income	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
	Interest Income	16,362,785	15,633,855
	Profit on sale of Long Term Investments (Net)	367,945	-
	Dividend Income from Long Term Investments	123,194,580	115,947,840
		139,925,310	131,581,695

15	Employee Benefits Expenses	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
	Salaries and Benefits	115,000	1,106,181
		115,000	1,106,181

16	Other Expenses	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
	Legal and Professional (Refer Note 16.1 below)	172,298	167,416
	Management Cost Recovery by Holding Company	35,393	60,274
	Bank Charges	843	562
	Sundry Expenses	-	2,850
		208,534	231,102

16.1	Payment to Auditors	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
	As Auditor		
	Audit fee	60,000	60,000
	Tax Audit fees	30,000	30,000
	Others	10,000	10,000
	Reimbursement of expenses (including Service Tax)	12,360	12,360
		112,360	112,360

Scantech Evaluation Services Limited**Notes to the financial statements for the year ended March 31, 2014****17 Taxation**

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

18 Earnings Per Share

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit attributable to Equity shareholders (Rs.) -(A)	134,292,867	125,441,210
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)	13.55	12.66

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

19 Related Party Disclosures**RELATED PARTY TRANSACTIONS AS PER ACCOUNTING STANDARD 18:****A. Related party relationship where control exists:****1. Holding Company**

NIIT Limited

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

- 1 NIIT Online Learning Limited
- 2 Hole-in-the-Wall Education Limited
- 3 NIIT Institute of Finance Banking and Insurance Training Limited
- 4 NIIT Yuva Jyoti 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, Mauritius
- 11 NIIT China (Shanghai) Limited, Shanghai, China
- 12 NIIT WuXi Service Outsourcing Training School, China
- 13 Chongqing NIIT Education Consulting Limited, China
- 14 WuXi NIIT Information Technology Consulting Limited, China
- 15 Changzhou NIIT Information Technology Consulting Limited, China
- 16 Su Zhou NIIT Information Technology Consulting Ltd, China
- 17 NIIT (USA) Inc, USA
- 18 NIIT Ventures Inc, USA
- 19 PT NIIT Indonesia, Indonesia (Under Liquidation)
- 20 NIIT West Africa Limited, Nigeria
- 21 Qingdao NIIT Information Technology Co., Ltd. (w.e.f. May 14, 2012), China
- 22 Chongqing An Dao Education Consulting Limited (w.e.f. June 5, 2012), China
- 23 Zhangjiagang NIIT Information Services Ltd. (w.e.f. September 1, 2012), China
- 24 Chengmai NIIT information technology Co., LTD (w.e.f December 19, 2012), China

B. Other related parties with whom the company has transaction:**a) Associates (parties in which the company has substantial interest):**

NIIT Technologies Limited

b) Key Managerial Personnel

Pankaj Gupta (w.e.f. March 1, 2014)

Scantech Evaluation Services Limited
Notes to the financial statements for the year ended March 31, 2014

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
Inter Corporate Deposits Given	199,000,000 (175,500,000)	Nil (Nil)	Nil (Nil)	199,000,000 (175,500,000)
Inter Corporate Deposits given received back	175,500,000 (126,000,000)	Nil (Nil)	Nil (Nil)	175,500,000 (126,000,000)
Dividend Proposed	103,064,000 (95,136,000)	Nil (Nil)	Nil (Nil)	103,064,000 (95,136,000)
Loans Given Received back	Nil (32,100,000)	Nil (Nil)	Nil (Nil)	Nil (32,100,000)
Dividend Income (Other Income)	Nil (Nil)	123,194,580 (115,947,840)	Nil (Nil)	123,194,580 (115,947,840)
Remuneration Paid	Nil (Nil)	Nil (Nil)	25,000 (1,016,181)	25,000 (1,016,181)
Interest Income (Other Income)	16,299,122 (15,633,855)	Nil (Nil)	Nil (Nil)	16,299,122 (15,633,855)
Management Cost Recovery (Other Expenses)	31,500 (53,644)	Nil (Nil)	Nil (Nil)	31,500 (53,644)

Previous year figures are given in parenthesis

D. Details of outstanding balances with related parties:

Nature of Transactions	Holding Company (Rs.)
Loans/ Inter Corporate Deposits Given (Note 2)	199,000,000 (175,500,000)
Receivables (Note 2)	12,878,550 (11,637,145)
Payables (Including Dividend) (Note 3)	103,075,886 (95,237,364)

Notes:

1 Previous year figures are given in parenthesis.

2 Includes receivable from;

NIIT Limited Rs.199,000,000/- (Previous Year Rs.175,500,000/-)

NIIT Limited, Interest Receivables Rs.12,878,550/- (Previous Year Rs.11,637,145/-)

3 Includes Payable to;

NIIT Limited Rs.103,075,886/- (Previous Year Rs.95,237,364/-)

20 Dues to micro and small enterprises

Amounts outstanding as payable to any Micro enterprises and Small enterprises as at 31st March 2014 is Rs. Nil (Previous year Rs. Nil).

21 Previous year figures have been reclassified to confirm the current year classification. Reclassification of previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

Signatures to Notes '1' to '21' of these Financial Statements.

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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Avika Kapoor
Company Secretary

Place : Gurgaon

Dated : May 16, 2014