

**NIIT INSTITUTE OF FINANCE BANKING AND  
INSURANCE TRAINING LIMITED**

**Statutory Audit for the year ended March 31, 2017**

# Price Waterhouse

Chartered Accountants

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF NIIT INSTITUTE OF FINANCE BANKING AND INSURANCE TRAINING LIMITED

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of NIIT Institute of Finance Banking and Insurance Training Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its financial statements – Refer Note 14.
    - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2017.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.



INDEPENDENT AUDITORS' REPORT

To the Members of NIIT Institute of Finance Banking and Insurance Training Limited  
Report on the Financial Statements

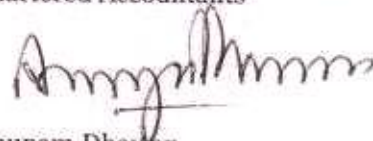
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iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 – Refer Note 29.

Place: Gurugram

Date: MAY 12, 2017

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants



Anupam Dhawan  
Partner

Membership Number: 084451



## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of NIIT Institute of Finance Banking and Insurance Training Limited on the financial statements for the year ended March 31, 2017

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### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of NIIT Institute of Finance Banking and Insurance Training Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance





## Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of NIIT Institute of Finance Banking and Insurance Training Limited on the financial statements for the year ended March 31, 2017

with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

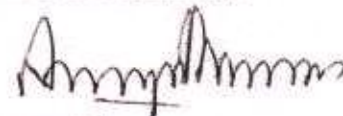
### Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants



Anupam Dhawan  
Partner  
Membership Number: 084451

Place: Gurugram  
Date: MAY 12, 2017

## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of NIIT Institute of Finance Banking and Insurance Training Limited on the financial statements as of and for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.  
(c) The Company does not own any immovable property. Therefore, the provisions of Clause 3(i)(c) of the said order are not applicable to the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has granted unsecured loans, to a company covered in the register maintained under Section 189 of the Act.  
(a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.  
(b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the principal and interest amounts, as stipulated, as on March 31, 2017 is not due.  
(c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including income tax, provident fund, employees' state insurance and other material statutory dues, as applicable, with the appropriate authorities.





**Annexure B to Independent Auditors' Report**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of NIIT Institute of Finance Banking and Insurance Training Limited on the financial statements for the year ended March 31, 2017  
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- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax which have not been deposited on account of any dispute. The particulars of dues of service tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Unpaid amount (Rs.) | Period to which the amount relates | Forum where the dispute is pending    |
|---------------------|----------------|---------------------|------------------------------------|---------------------------------------|
| Finance Act, 1944   | Service Tax    | Rs. 32,352,344      | June 2008 to February 2010         | Commissioner of Service Tax, Delhi-II |
| Finance Act, 1944   | Service Tax    | Rs. 6,356,770       | FY 2010-11 & FY 2011-12            | Commissioner of Service Tax, Delhi-II |

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.





**Annexure B to Independent Auditors' Report**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of NIIT Institute of Finance Banking and Insurance Training Limited on the financial statements for the year ended March 31, 2017  
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- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants



Anupam Dhawan  
Partner  
Membership Number: 084451

Place : Gurugram  
Date : MAY 12, 2017

**NIIT Institute of Finance Banking and Insurance Training Limited**

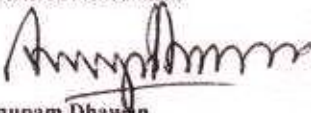
**Balance Sheet as at March 31, 2017**

|           | PARTICULARS  | Notes     | As at<br>March 31, 2017<br>Rs. | As at<br>March 31, 2016<br>Rs. |
|-----------|--|-----------|--------------------------------|--------------------------------|
| <b>I</b>  | <b>EQUITY AND LIABILITIES</b>  |           |                                |                                |
| <b>1</b>  | <b>Shareholders' funds</b>   |           |                                |                                |
|           | Share capital  | <b>3</b>  | 101,125,000                    | 101,125,000                    |
|           | Reserves and surplus   | <b>4</b>  | 13,669,880                     | (33,721,782)                   |
| <b>2</b>  | <b>Current liabilities</b>   |           |                                |                                |
|           | Trade payables   | <b>5</b>  | -                              | -                              |
|           | Total outstanding due of micro enterprises and small enterprises and                 |           |                                |                                |
|           | Total outstanding due of creditor other than micro enterprises and small enterprises |           | 12,234,983                     | 18,128,180                     |
|           | Other current liabilities  | <b>6</b>  | 10,139,010                     | 7,846,579                      |
|           | Short-term provisions  | <b>7</b>  | 1,256,849                      | 1,794,753                      |
|           | <b>TOTAL</b>   |           | <b>138,425,722</b>             | <b>95,172,730</b>              |
| <b>II</b> | <b>ASSETS</b>  |           |                                |                                |
| <b>1</b>  | <b>Non-current assets</b>  |           |                                |                                |
|           | Fixed assets   | <b>8</b>  |                                |                                |
|           | Tangible assets  |           | 163,485                        | 317,894                        |
|           | Intangible assets  |           | 606,715                        | 1,849,645                      |
|           | Deferred tax assets (net)  | <b>9</b>  | 10,001,158                     | -                              |
|           | Long-term loans and advances   | <b>10</b> | 11,654,547                     | 42,353,315                     |
|           | Other non-current assets   | <b>12</b> | 160,409                        | 149,290                        |
| <b>2</b>  | <b>Current assets</b>  |           |                                |                                |
|           | Trade receivables  | <b>11</b> | 37,247,120                     | 12,652,671                     |
|           | Cash and bank balances   | <b>13</b> | 21,336,054                     | 29,518,613                     |
|           | Short-term loans and advances  | <b>10</b> | 55,495,822                     | 8,135,610                      |
|           | Other current assets   | <b>12</b> | 1,760,412                      | 195,692                        |
|           | <b>TOTAL</b>   |           | <b>138,425,722</b>             | <b>95,172,730</b>              |

The accompanying notes are an integral part of these financial statements.

This is the balance sheet referred to in our report of even date.

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

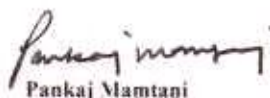
  
**Anupam Dhawan**  
Partner  
Membership No. : 084451

Place : Gurugram  
Date : 12/04/2017

For and on behalf of the board of directors

  
**P. Rajendran**  
Director  
DIN : 00042531

  
**Vijay K. Thadani**  
Director  
DIN : 00042527

  
**Pankaj Mamtani**  
Chief Financial Officer  
Place : Gurugram  
Date :

  
**Arpita Bisaria Malhotra**  
Company Secretary



**NIFT Institute of Finance Banking and Insurance Training Limited**

**Statement of Profit & Loss for the year ended March 31, 2017**

| PARTICULARS  | Notes | Year ended<br>March 31, 2017<br>Rs. | Year ended<br>March 31, 2016<br>Rs. |
|--|-------|-------------------------------------|-------------------------------------|
| <b>INCOME</b>  |       |                                     |                                     |
| I. Revenue from Operations                               | 15    | 157,768,015                         | 221,363,272                         |
| II. Other Income   | 16    | 11,118,964                          | 1,698,787                           |
| III. Total Revenue (I + II)                              |       | 168,886,979                         | 223,062,059                         |
| <b>IV. EXPENDITURE</b>                                   |       |                                     |                                     |
| Purchase of Traded Goods                                 |       | -                                   | 2,428,627                           |
| (Increase) / Decrease in Inventory                       |       | -                                   | 2,698,512                           |
| Employee Benefits Expenses                               | 17    | 8,844,712                           | 27,986,937                          |
| Outsourced Professional Faculty                          |       | 16,700,119                          | 16,250,782                          |
| Course Execution Expenses                                |       | 77,457,189                          | 43,565,438                          |
| Finance Costs  | 19    | 207                                 | 500,097                             |
| Depreciation and Amortization Expenses                   | 8     | 1,475,839                           | 3,247,517                           |
| Other Expenses   | 20    | 10,052,003                          | 79,934,731                          |
| Total Expenses   |       | 114,530,069                         | 176,612,641                         |
| V. Profit before exceptional items and tax (III-IV)      |       | 54,356,910                          | 46,449,418                          |
| VI. Exceptional items                                    | 22    | -                                   | 20,685,531                          |
| VII. Profit before tax (V+VI)                            |       | 54,356,910                          | 67,134,949                          |
| VIII. Tax expense/ (credit):                             |       |                                     |                                     |
| Current Tax  |       | 16,949,272                          | 4,574,766                           |
| MAT Credit (Entitlement) / Reversed                      |       | (86,877)                            | (4,081,286)                         |
| Deferred Tax Asset                                       | 9     | (10,001,158)                        | -                                   |
| Provision for tax relating to earlier years              |       | 104,011                             | -                                   |
| IX. Profit for the year                                  |       | 47,391,662                          | 66,641,469                          |
| X. Earnings per equity share (Nominal Value Rs.10 each): |       |                                     |                                     |
| Basic  | 23    | 4.69                                | 6.59                                |
| Diluted  |       | 4.69                                | 6.59                                |

The accompanying notes are as integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date

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



**Anupam Dhawan**  
Partner  
Membership No. : 084451

Place : Gurugram  
Date : MAY 12, 2017

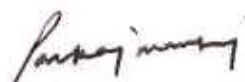
For and on behalf of the board of directors



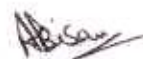
**P. Rajendran**  
Director  
DIN : 00042531



**Vijay K. Thadani**  
Director  
DIN : 00042527



**Pankaj Mamtani**  
Chief Financial Officer  
Place : Gurugram  
Date:



**Arpita Bisaria Malhotra**  
Company Secretary

**NIIT Institute of Finance Banking and Insurance Training Limited**  
Cash flow statement for the year ended March 31, 2017

|           | Particulars   | Year ended<br>March 31, 2017<br>Rs. |                     | Year ended<br>March 31, 2016<br>Rs. |                     |
|-----------|---|-------------------------------------|---------------------|-------------------------------------|---------------------|
|           |   |                                     |                     |                                     |                     |
| <b>A.</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>   |                                     |                     |                                     |                     |
|           | Profit before exceptional items and tax   |                                     | 54,356,910          |                                     | 46,449,418          |
|           | Adjustments for:  |                                     |                     |                                     |                     |
|           | Depreciation and amortisation   | 1,475,839                           |                     | 3,247,517                           |                     |
|           | Interest expenses   | 207                                 |                     | 500,097                             |                     |
|           | Interest income   | (5,648,987)                         |                     | (1,070,671)                         |                     |
|           | (Profit)/ loss on sale of fixed assets  | -                                   |                     | (43,615)                            |                     |
|           | Provision for doubtful debts  | 1,047,429                           |                     | 1,493,548                           |                     |
|           | Advances written off  | 403,207                             |                     | -                                   |                     |
|           | Liability written back to the extent no longer required                                       | (4,271,452)                         |                     | -                                   |                     |
|           | Provision for gratuity & compensated absences   | (537,904)                           |                     | (4,438,816)                         |                     |
|           | Foreign exchange fluctuation  | -                                   | (7,531,661)         | (6,727)                             | (318,667)           |
|           | <b>Operating profit before working capital changes</b>  |                                     | <b>46,825,249</b>   |                                     | <b>46,130,751</b>   |
|           | <b>Add / (Less): (Increase)/ Decrease in operating working capital:</b>                       |                                     |                     |                                     |                     |
|           | Increase/(Decrease) Trade payables  | (1,624,211)                         |                     | (42,552,469)                        |                     |
|           | Increase/(Decrease) Other current liabilities   | 2,292,431                           |                     | (28,838,219)                        |                     |
|           | Increase/(Decrease) Other long term liabilities   | -                                   |                     | 850,000                             |                     |
|           | Decrease/(Increase) Trade receivables   | (25,639,412)                        |                     | 9,731,792                           |                     |
|           | Decrease/(Increase) Inventories   | -                                   |                     | 2,698,512                           |                     |
|           | Decrease/(Increase) Short term loans and advances   | (3,929,887)                         |                     | 3,215,706                           |                     |
|           | Decrease/(Increase) Long term loans and advances  | (1,636,121)                         |                     | 1,439,869                           |                     |
|           | Decrease/(Increase) Other bank balances   | (2,650,000)                         |                     | (5,000,000)                         |                     |
|           | Decrease/(Increase) Other non-current assets  | (11,119)                            |                     | (40,248)                            |                     |
|           |   |                                     | (33,198,319)        |                                     | (58,495,057)        |
|           | <b>Cash generated from operations</b>   |                                     | <b>13,626,930</b>   |                                     | <b>(12,364,306)</b> |
|           | Taxes (paid) / collected (including TDS)  |                                     | 11,534,951          |                                     | (12,453,833)        |
|           | <b>Net cash from operating activities before exceptional items</b>                            |                                     | <b>25,161,881</b>   |                                     | <b>(24,818,139)</b> |
|           | Less: Consideration received for transfer of order book (exceptional item)<br>(Refer Note 28) |                                     | -                   |                                     | 16,867,945          |
|           | <b>Net cash from operating activities (A)</b>   |                                     | <b>25,161,881</b>   |                                     | <b>(7,950,194)</b>  |
| <b>B.</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>   |                                     |                     |                                     |                     |
|           | Purchase of Fixed Assets (including internally developed intangibles and capital advances)    |                                     | (78,500)            |                                     | (4,733,909)         |
|           | Proceeds from sale of fixed assets  |                                     | -                   |                                     | 11,204,455          |
|           | Loans given to Holding Company  |                                     | (40,000,000)        |                                     | -                   |
|           | Interest received   |                                     | 4,084,267           |                                     | 908,801             |
|           | <b>Net cash used for investing activities (B)</b>   |                                     | <b>(35,994,233)</b> |                                     | <b>7,379,347</b>    |
| <b>C.</b> | <b>CASH FLOW FROM FINANCING ACTIVITIES:</b>   |                                     |                     |                                     |                     |
|           | Long term borrowings repaid during the year   |                                     | -                   |                                     | (45,000,000)        |
|           | Interest paid   |                                     | (207)               |                                     | (515,508)           |
|           | <b>Net cash from / (used in) financing activities (C)</b>                                     |                                     | <b>(207)</b>        |                                     | <b>(45,515,508)</b> |
|           | <b>Net Increase/(Decrease) in cash &amp; cash equivalents (A) + (B) + (C)</b>                 |                                     | <b>(10,832,559)</b> |                                     | <b>(46,086,355)</b> |
|           | <b>Cash and cash equivalents as at the beginning of the year (Note 1)</b>                     |                                     | <b>24,518,613</b>   |                                     | <b>70,604,968</b>   |
|           | <b>Cash and cash equivalents as at the end of the year (Note 1)</b>                           |                                     | <b>13,686,054</b>   |                                     | <b>24,518,613</b>   |

Contd...





**Notes:**

| 1 | Cash and cash equivalents at year end | March 31, 2017    | March 31, 2016    |
|---|---------------------------------------|-------------------|-------------------|
|   |                                       | Rs.               | Rs.               |
|   | Balances with banks                   | 13,686,054        | 24,518,613        |
|   |                                       | <b>13,686,054</b> | <b>24,518,613</b> |

1 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) [Companies (Accounting Standards) Rules, 2006].

2 Figures in parenthesis indicate cash outflow

3 The accompanying notes are as 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



**Anupam Dhawan**  
Partner  
Membership No. : 084451

Place : Gurugram  
Date : MAY 12, 2017

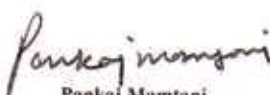
For and on behalf of the board of directors



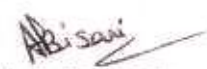
**P. Rajendran**  
Director  
DIN : 00042531



**Vijay K. Thadani**  
Director  
DIN : 00042527



**Pankaj Mamtani**  
Chief Financial Officer  
Place : Gurugram  
Date:



**Arpita Bisaria Malhotra**  
Company Secretary

## 1 BACKGROUND OF THE COMPANY

NIIT Institute of Finance, Banking and Insurance Training Limited ('the Company') was incorporated on June 14, 2006 with equity participation from NIIT Limited and ICICI Bank Limited. The main object of the Company is to provide training and training content in banking, finance & insurance sectors.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### i) Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to the section 133 of the Companies Act, 2013, read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by the 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, 2013.

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 III to the Companies Act, 2013. 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 Fixed Assets and Depreciation

Fixed assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets, are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets based on a evaluation done by the management expert or the useful lives prescribed under Schedule II to the Companies Act, 2013, whichever is lower, in order to reflect the actual usage of the assets. The notified life, residual value and the depreciation method are reviewed atleast at each financial year. If the representation differ from previous estimates, the changes are accountant for prospectively as a change in accounting estimate.

The estimated useful lives of tangibles assets are as follows:

| ASSET   | USEFUL LIFE   |
|---|---|
| Plant and Equipments including:                         |   |
| - Computers, printers and related accessories           | 3 years   |
| - Electronic Equipments                                 | 8 years   |
| - Air Conditioners                                      | 10 years  |
| Office Equipments                                       | 5 years   |
| Vehicles  | 8 years   |
| Furniture & Fixtures                                    | 7 years   |
| Leasehold Improvements                                  | 3-5 years or lease period, whichever is shorter               |
| Assets under employee benefits scheme (except vehicles) | 3 years   |
| All other assets (including vehicles)                   | Rates prescribed under Schedule II to the Companies Act, 2013 |

### iii) Intangible Fixed Assets and Amortisation

Expenses incurred on internal development of educational content and products are capitalised 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.

Intangible Fixed Assets are stated at acquisition cost or at cost incurred on internal development of such assets, net of accumulated amortisation and accumulated impairment losses, if any.





**NIIT Institute of Finance Banking and Insurance Training Limited**  
**Notes to the financial statements for the year ended March 31, 2017**

Intangibles are amortised on a pro-rata basis on the straight-line method over the estimated useful lives of 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 remaining useful life.

**iv) Impairment of Assets**

All assets other than inventories and deferred tax assets, 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.

**v) Revenue Recognition**

The revenue in respect of courseware component of fee is recognized on delivery of the material to the customer whereas the revenue from the tuition activity, training content and royalty is recognized over the period of the course from the commencement of the batch. Income from royalty is accrued on a monthly basis as and when the training is delivered.

**vi) Other Income**

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

**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 Company makes contribution to a Trust set up by the Holding Company ('the Trust') maintained with the Life Insurance Corporation of India. 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. The Company's liability is actuarially determined (Using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust is charged to the statement of profit and loss.

Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arises.

**Compensated Absences**

Liability in respect of compensated absences is provided both for encashable leave and those expected to be availed. The Company has benefit plan for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation (Using the Projected Unit Credit method) at the end of the year. Any gain or loss arising out of such valuation is recognised in the Statement of Profit and Loss.

In respect of employees on deputation from other companies, the expense/ credit for the year is recovered from the company by their respective companies and recognised in the Statement of Profit and Loss.

**Superannuation**

The Company makes defined contribution to a Trust established for the purpose by the Holding Company. Contributions made during the year are charged to Statement of Profit and Loss. The Company has no further obligation beyond its contributions.

**Provident Fund**

In respect of employees deputed from the Holding Company, the Company contributes to the Trust set up by the Holding Company. The Company's obligation is actuarially determined (using Projected Unit Credit method) and provided for if the circumstances indicate that the Trust may not be able to earn adequate return to cover the interest rate notified by the Government. The Company's contribution is charged to the Statement of Profit and Loss. The Contribution in respect of employees directly employed by the Company is made to the Regional Provident Fund Commissioner. The Company's contribution is charged to the Statement of Profit and Loss as a defined contribution plan.



**Pension Scheme**

The Company makes defined contribution 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.

**National Pension System**

The Company makes defined contribution towards National Pension System for certain employees. The Company's contribution towards Employee Pension System is charged to Statement of Profit and Loss.

**viii) Leases**

The Company has taken premises on lease. Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis as per the terms of the related agreements.

**ix) Borrowing Cost**

Borrowing costs are recognised in the Statement of Profit and Loss for the period in which they are incurred except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for intended use, in which case, these are capitalised.

**x) Taxation**

Tax expense, comprising of both current tax and deferred tax are included in determining the net results for the year. Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the prevailing taxation laws. Minimum Alternate Tax (MAT) credit is recognised as asset only when and to the extent, there is reasonable certainty in future that the Company will pay tax as per the normal provisions of the Income Tax Act, 1961 during the specified period. MAT credit is utilized in the year when normal Income Tax is higher than MAT.

Deferred tax is recognised for all the timing difference, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carried forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

**xi) 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. Provisions are measured at the best estimate of the expenditure recognised to settle the present obligation at the balance sheet date and are not discounted to its present value. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company on a present obligation that arises from past events whether it is either not probable that an outflow of resources will be required to settle on a reliable estimate of the amount cannot be made.

**xii) Earnings Per Share**

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

**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.





| 3 | SHARE CAPITAL   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|---|-------------------------|-------------------------|
|   |   | Rs.                     | Rs.                     |
|   | <b>Authorised</b><br>11,000,000 Equity shares of Rs. 10/- each<br>(Previous year 11,000,000 equity shares of Rs. 10/- each)   | 110,000,000             | 110,000,000             |
|   |   | 110,000,000             | 110,000,000             |
|   | <b>Issued</b><br>10,112,500 Equity shares of Rs. 10/- each<br>(Previous year 10,112,500 equity shares of Rs. 10/- each)   | 101,125,000             | 101,125,000             |
|   |   | 101,125,000             | 101,125,000             |
|   | <b>Subscribed and paid up</b><br>10,112,500 Equity shares of Rs. 10/- each fully paid up<br>(Previous year 10,112,500 equity shares of Rs. 10/- each fully paid up) | 101,125,000             | 101,125,000             |
|   |   | 101,125,000             | 101,125,000             |

| 3.1 | Reconciliation of the number of shares outstanding             | As at March 31, 2017 |             | As at March 31, 2016 |             |
|-----|--|----------------------|-------------|----------------------|-------------|
|     |  | No. of shares        | Value Rs.   | No. of shares        | Value Rs.   |
|     | <b>Equity shares</b>   |                      |             |                      |             |
|     | Shares outstanding at the beginning and at the end of the year | 10,112,500           | 101,125,000 | 10,112,500           | 101,125,000 |
|     | Shares outstanding at the end of the year                      | 10,112,500           | 101,125,000 | 10,112,500           | 101,125,000 |

| 3.2 | Shares in respect of each class in the Company held by | Name of the Company | Class of shares<br>Equity/ Preference | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-----|--|---------------------|---------------------------------------|-------------------------|-------------------------|
|     |  |                     |                                       | No. of shares           | No. of shares           |
|     | Holding Company  | NIIT Limited        | Equity                                | 8,162,500               | 8,157,500               |

| 3.3 | Shares held by each shareholder holding more than 5% shares: | As at March 31, 2017 |               | As at March 31, 2016 |               |
|-----|--|----------------------|---------------|----------------------|---------------|
|     |  | % of holding         | No. of shares | % of holding         | No. of shares |
|     | <b>Equity shares</b>   |                      |               |                      |               |
|     | NIIT Limited   | 80.72%               | 8,162,500     | 80.67%               | 8,157,500     |
|     | ICICI Bank Limited   | 18.79%               | 1,900,000     | 18.79%               | 1,900,000     |

- 3.4 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. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their holding.



NIIT Institute of Finance Banking and Insurance Training Limited  
Notes to the Financial Statements for the year ended March 31, 2017

| 4 | RESERVES AND SURPLUS                              | As at<br>March 31, 2017<br>Rs. | As at<br>March 31, 2016<br>Rs. |
|---|---|--------------------------------|--------------------------------|
|   | Profit/ (Deficit) in statement of profit and loss |                                |                                |
|   | Balance as at beginning of the year               | (33,721,782)                   | (100,363,251)                  |
|   | Add : Profit for the year                         | 47,391,662                     | 66,641,469                     |
|   | Closing balance at year end                       | 13,669,880                     | (33,721,782)                   |

| 5 | TRADE PAYABLES                         | Current                        |                                |
|---|--|--------------------------------|--------------------------------|
|   |  | As at<br>March 31, 2017<br>Rs. | As at<br>March 31, 2016<br>Rs. |
|   | Sundry creditors                       |                                |                                |
|   | Trade payables (Refer Notes 24 and 27) | 12,234,983                     | 18,128,180                     |
|   |  | 12,234,983                     | 18,128,180                     |

| 6 | OTHER LIABILITIES          | Current Liabilities            |                                |
|---|----------------------------|--------------------------------|--------------------------------|
|   |                            | As at<br>March 31, 2017<br>Rs. | As at<br>March 31, 2016<br>Rs. |
|   | Security deposits          | 850,000                        | 850,000                        |
|   | Deferred revenue           | -                              | 212,216                        |
|   | Advances from customers    | 7,218,274                      | 4,049                          |
|   | Payable to employees       | 1,110,706                      | 1,823,695                      |
|   | Payable to Holding Company | -                              | 3,698,774                      |
|   | Statutory dues             | 960,030                        | 1,257,845                      |
|   |                            | 10,139,010                     | 7,846,579                      |

| 7 | SHORT-TERM PROVISIONS              | Short-Term                     |                                |
|---|------------------------------------|--------------------------------|--------------------------------|
|   |                                    | As at<br>March 31, 2017<br>Rs. | As at<br>March 31, 2016<br>Rs. |
|   | Employee benefits (Refer Note 18)  |                                |                                |
|   | Provision for gratuity             | 470,849                        | 636,753                        |
|   | Provision for compensated absences | 786,000                        | 1,158,000                      |
|   |                                    | 1,256,849                      | 1,794,753                      |





NIIT Institute of Finance Banking and Insurance Training Limited  
Notes to the financial statements for the year ended March 31, 2017

8. FIXED ASSETS

| FIXED ASSETS                |                          |                           |                            |                               |                  |  | {Amount in Rs.} |
|-----------------------------|--------------------------|---------------------------|----------------------------|-------------------------------|------------------|--|-----------------|
| Description of assets       | GROSS BLOCK              |                           |                            | DEPRECIATION AND AMORTISATION |                  | NET BLOCK  |                 |
|                             | Cost As on April 1, 2016 | Additions during the year | Total as on March 31, 2017 | As on April 1, 2016           | For the year     | Total as on March 31, 2017<br>As on March 31, 2017 |                 |
| <b>i) Tangible asset</b>    |                          |                           |                            |                               |                  |  |                 |
| Plant & equipment           | 370,294                  | 78,500                    | 448,794                    | 152,728                       | 132,582          | 285,310  |                 |
| Vehicles                    | 500,000                  | -                         | 500,000                    | 399,672                       | 100,327          | 499,999  |                 |
| <b>Sub total (a)</b>        | <b>870,294</b>           | <b>78,500</b>             | <b>948,794</b>             | <b>552,400</b>                | <b>232,909</b>   | <b>785,309</b>                                     |                 |
|                             |                          |                           |                            |                               |                  | <b>163,485</b>                                     |                 |
| <b>ii) Intangible asset</b> |                          |                           |                            |                               |                  |  |                 |
| Content                     |                          |                           |                            |                               |                  |  |                 |
| - Internally generated      | 64,880,527               | -                         | 64,880,527                 | 64,129,963                    | 750,563          | 64,880,526   |                 |
| - Acquired                  | 490,885                  | -                         | 490,885                    | 490,885                       | -                | 490,885  |                 |
| Software                    |                          |                           |                            |                               |                  |  |                 |
| - Acquired                  | 10,773,754               | -                         | 10,773,754                 | 9,674,673                     | 492,367          | 10,167,040   |                 |
|                             |                          |                           |                            |                               |                  | 606,714  |                 |
| <b>Sub total (b)</b>        | <b>76,145,166</b>        | <b>-</b>                  | <b>76,145,166</b>          | <b>74,295,521</b>             | <b>1,242,930</b> | <b>75,538,451</b>                                  |                 |
| <b>Total (a+b)</b>          | <b>77,015,460</b>        | <b>78,500</b>             | <b>77,093,960</b>          | <b>74,847,921</b>             | <b>1,475,839</b> | <b>76,323,760</b>                                  |                 |
|                             |                          |                           |                            |                               |                  | <b>770,200</b>                                     |                 |



8.01 Fixed asset schedule for the corresponding previous year

| Description of assets       | GROSS BLOCK              |                           |                              | DEPRECIATION AND AMORTISATION |                     |                  | NET BLOCK                  |                      |
|-----------------------------|--------------------------|---------------------------|------------------------------|-------------------------------|---------------------|------------------|----------------------------|----------------------|
|                             | Cost As on April 1, 2015 | Additions during the year | Sales / Adj. during the year | Total as on March 31, 2016    | As on April 1, 2015 | For the year     | Total as on March 31, 2016 | As on March 31, 2016 |
| <b>I) Tangible asset</b>    |                          |                           |                              |                               |                     |                  |                            |                      |
| Plant & equipment           | 32,984,288               | 3,215,629                 | 35,829,623                   | 370,294                       | 28,740,829          | 598,116          | 152,728                    | 217,566              |
| Office equipments           | 397,601                  | -                         | 397,601                      | -                             | 340,319             | 5,918            | -                          | -                    |
| Leasehold improvements      | 11,181,534               | -                         | 11,181,534                   | -                             | 10,673,674          | 231,850          | -                          | -                    |
| Furniture & fixtures        | 5,149,413                | -                         | 5,149,413                    | -                             | 4,736,710           | 40,229           | -                          | -                    |
| Vehicles                    | 500,000                  | -                         | -                            | 500,000                       | 99,507              | 300,165          | 399,672                    | 100,328              |
| <b>Sub total (a)</b>        | <b>80,212,836</b>        | <b>3,215,629</b>          | <b>52,558,171</b>            | <b>870,294</b>                | <b>44,591,039</b>   | <b>1,176,278</b> | <b>552,400</b>             | <b>317,894</b>       |
| <b>II) Intangible asset</b> |                          |                           |                              |                               |                     |                  |                            |                      |
| Content                     | 64,880,527               | -                         | -                            | 64,880,527                    | 62,436,743          | 1,693,220        | 64,129,963                 | 750,564              |
| - Internally generated      | 499,885                  | -                         | -                            | 499,885                       | 490,885             | -                | 490,885                    | -                    |
| - Acquired                  | -                        | -                         | -                            | -                             | -                   | -                | -                          | -                    |
| Software                    | 9,296,654                | 1,477,100                 | -                            | 10,773,754                    | 9,296,654           | 378,019          | 9,674,673                  | 1,099,081            |
| - Acquired                  | -                        | -                         | -                            | -                             | -                   | -                | -                          | -                    |
| <b>Sub total (b)</b>        | <b>74,668,066</b>        | <b>1,477,100</b>          | <b>-</b>                     | <b>76,145,166</b>             | <b>72,234,282</b>   | <b>2,071,239</b> | <b>74,295,521</b>          | <b>1,849,645</b>     |
| <b>Total (a+b)</b>          | <b>154,880,902</b>       | <b>4,692,729</b>          | <b>52,558,171</b>            | <b>77,015,460</b>             | <b>116,815,321</b>  | <b>3,247,517</b> | <b>74,847,921</b>          | <b>2,167,539</b>     |





| 9 Taxation |   |                                       |                                       |
|------------|---|---------------------------------------|---------------------------------------|
| a)         | Break-up of deferred tax assets :   |                                       |                                       |
|            | Description   | Year Ended<br>March 31, 2017<br>(Rs.) | Year Ended<br>March 31, 2016<br>(Rs.) |
|            | <b>Deferred tax assets:</b>   |                                       |                                       |
|            | Depreciation  | 7,186,242                             | 10,073,236                            |
|            | Provision for doubtful debts  | 2,384,595                             | 2,515,202                             |
|            | Provision for employee benefits   | 430,321                               | 687,036                               |
|            | <b>Total deferred tax assets</b>  | <b>10,001,158</b>                     | <b>13,275,474</b>                     |
|            | Less : Deferred tax assets not recognised in absence of virtual certainty | -                                     | (13,275,474)                          |
|            | <b>Total</b>  | <b>10,001,158</b>                     | <b>-</b>                              |

Note 1: Deferred tax assets on timing differences have been recognised as at March 31, 2017 owing to reasonable certainty of future taxable income based on business plans of the Company.

Note 2: Deferred tax assets and liabilities have been offset as they relate to the same governing taxation laws.

| 10 LOANS AND ADVANCES |   | Long Term                      |                                | Short Term                     |                                |
|-----------------------|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                       |   | As at<br>March 31, 2017<br>Rs. | As at<br>March 31, 2016<br>Rs. | As at<br>March 31, 2017<br>Rs. | As at<br>March 31, 2016<br>Rs. |
| i)                    | Security deposits                                     |                                |                                |                                |                                |
|                       | Unsecured, considered good                            | 1,878,500                      | 242,379                        | 2,590,452                      | 3,160,762                      |
|                       | (A)   | <b>1,878,500</b>               | <b>242,379</b>                 | <b>2,590,452</b>               | <b>3,160,762</b>               |
| ii)                   | Loans and advances to Holding Company (Refer Note 24) |                                |                                |                                |                                |
|                       | Unsecured, considered good                            | -                              | -                              | 40,000,000                     | -                              |
|                       | (B)   | <b>-</b>                       | <b>-</b>                       | <b>40,000,000</b>              | <b>-</b>                       |
| ii)                   | Advances recoverable in cash or in kind               |                                |                                |                                |                                |
|                       | Unsecured, considered good*                           | -                              | -                              | 2,306,535                      | 2,916,514                      |
|                       | (C)   | <b>-</b>                       | <b>-</b>                       | <b>2,306,535</b>               | <b>2,916,514</b>               |
| iii)                  | Other advances  |                                |                                |                                |                                |
| a)                    | Prepaid expenses                                      | -                              | -                              | 6,765,303                      | 2,058,334                      |
|                       |   | -                              | -                              | <b>6,765,303</b>               | <b>2,058,334</b>               |
| b)                    | Advance payment of fringe benefit tax                 | -                              | 2,320,278                      | -                              | -                              |
|                       | Less: Provision for fringe benefit tax                | -                              | (2,149,977)                    | -                              | -                              |
|                       |   | -                              | <b>170,301</b>                 | -                              | -                              |
| c)                    | Advance tax   | 25,579,260                     | 46,463,429                     | -                              | -                              |
|                       | Less : Provision for tax                              | (15,803,213)                   | (13,922,413)                   | -                              | -                              |
|                       |   | <b>9,776,047</b>               | <b>32,541,016</b>              | -                              | -                              |
| d)                    | MAT Credit entitlement                                |                                |                                |                                |                                |
|                       | Opening balance at the beginning of the year          | -                              | 5,318,333                      | 9,399,619                      | -                              |
|                       | Add: MAT Credit entitlement during the year           | -                              | 4,081,286                      | 86,877                         | -                              |
|                       | Less: MAT availment during the year                   | -                              | -                              | (5,652,964)                    | -                              |
|                       | Closing balance at the end of the year                | -                              | 9,399,619                      | 3,833,532                      | -                              |
|                       |   | -                              | <b>9,399,619</b>               | <b>3,833,532</b>               | <b>-</b>                       |
|                       | (D)   | <b>9,776,047</b>               | <b>42,110,936</b>              | <b>10,598,835</b>              | <b>-</b>                       |
|                       | <b>Total (A+B+C+D)</b>                                | <b>11,654,547</b>              | <b>42,353,315</b>              | <b>55,495,822</b>              | <b>8,135,610</b>               |

\*Advances recoverable include input service tax credit aggregating to Rs. 2,100,529/- (Previous year Rs.1,648,901/-).



NIIT Institute of Finance Banking and Insurance Training Limited  
Notes to the Financial Statements for the year ended March 31, 2017

| 11 | TRADE RECEIVABLES  | Non Current                    |                                | Current                        |                                |
|----|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|    |  | As at<br>March 31, 2017<br>Rs. | As at<br>March 31, 2016<br>Rs. | As at<br>March 31, 2017<br>Rs. | As at<br>March 31, 2016<br>Rs. |
| a) | Trade receivables outstanding for a period exceeding six months from the date they are due for payment |                                |                                |                                |                                |
|    | Unsecured, considered good   | -                              | -                              | 2,590,730                      | 1,282,866                      |
|    | Unsecured, considered doubtful   | 8,654,731                      | 7,607,302                      | -                              | -                              |
|    | Less: Provision for doubtful debts   | (8,654,731)                    | (7,607,302)                    | -                              | -                              |
|    |  | -                              | -                              | 2,590,730                      | 1,282,866                      |
| b) | Other trade receivables  |                                |                                |                                |                                |
|    | Unsecured, considered good   | -                              | -                              | 34,656,390                     | 11,369,805                     |
|    |  | -                              | -                              | 34,656,390                     | 11,369,805                     |
|    | Grand total  | -                              | -                              | 37,247,120                     | 12,652,671                     |

| 11.1 | PROVISION FOR DOUBTFUL DEBTS   | Non Current                    |                                |
|------|--------------------------------|--------------------------------|--------------------------------|
|      |                                | As at<br>March 31, 2017<br>Rs. | As at<br>March 31, 2016<br>Rs. |
|      | Opening provision              | 7,607,302                      | 8,466,433                      |
|      | Add: Provision during the year | 1,047,429                      | 1,493,548                      |
|      | Less: Bad debts written off    | -                              | 2,352,679                      |
|      | Closing provision              | 8,654,731                      | 7,607,302                      |

| 12 | OTHER ASSETS  | Non Current                    |                                | Current                        |                                |
|----|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|    |   | As at<br>March 31, 2017<br>Rs. | As at<br>March 31, 2016<br>Rs. | As at<br>March 31, 2017<br>Rs. | As at<br>March 31, 2016<br>Rs. |
|    | Interest receivable on deposits with bank             | -                              | -                              | 370,097                        | 195,692                        |
|    | Interest receivable on unsecured loan (Refer Note 24) | -                              | -                              | 1,390,315                      | -                              |
|    | Deposits with bank (Refer Note 13)                    | 160,409                        | 149,290                        | -                              | -                              |
|    |   | 160,409                        | 149,290                        | 1,760,412                      | 195,692                        |





NIIT Institute of Finance Banking and Insurance Training Limited  
Notes to the Financial Statements for the year ended March 31, 2017

| 13 | CASH AND BANK BALANCES  | Non Current                    |                                | Current                        |                                |
|----|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|    |   | As at<br>March 31, 2017<br>Rs. | As at<br>March 31, 2016<br>Rs. | As at<br>March 31, 2017<br>Rs. | As at<br>March 31, 2016<br>Rs. |
|    | <b>Cash and cash equivalents:</b>                               |                                |                                |                                |                                |
|    | Balance with banks  |                                |                                |                                |                                |
|    | Current accounts  | -                              | -                              | 13,686,054                     | 11,518,613                     |
|    | Bank deposits with original maturity of 3 months or less        | -                              | -                              | -                              | 13,000,000                     |
|    |   | -                              | -                              | 13,686,054                     | 24,518,613                     |
|    | <b>Other bank balances:</b>                                     |                                |                                |                                |                                |
|    | Bank deposits:  |                                |                                |                                |                                |
|    | With original maturity of more than 3 months and upto 12 months | -                              | -                              | 7,650,000                      | 5,000,000                      |
|    | With original maturity of more than 12 months                   | 160,409                        | 149,290                        | -                              | -                              |
|    |   | 160,409                        | 149,290                        | 7,650,000                      | 5,000,000                      |
|    | Amount disclosed under non-current assets (Refer Note 12)       | (160,409)                      | (149,290)                      |                                |                                |
|    |   | -                              | -                              | 21,336,054                     | 29,518,613                     |

**14 Contingent Liabilities:**

(a) In respect of student claims not acknowledged as debts Rs.630,000/- (previous year Rs.630,000/-).

(b) In respect of demand raised for service tax Rs. 38,709,114/- (previous year Rs.38,709,114/-).

Management does not foresee any cash outflow in respect of the above based on advice of legal counsel.

| 15 | REVENUE FROM OPERATIONS   | Year ended<br>March 31, 2017<br>Rs. | Year ended<br>March 31, 2016<br>Rs. |
|----|---------------------------|-------------------------------------|-------------------------------------|
|    | <b>Revenue</b>            |                                     |                                     |
|    | Tuition and training fee  | 122,489,867                         | 121,268,629                         |
|    | Consultancy services      | -                                   | 739,416                             |
|    | Courseware sales          | -                                   | 65,530,230                          |
|    | Revenue sharing - Royalty | 35,278,148                          | 33,095,637                          |
|    | License fee               | -                                   | 729,360                             |
|    |                           | 157,768,015                         | 221,363,272                         |

| 16 | OTHER INCOME  | Year ended<br>March 31, 2017<br>Rs. | Year ended<br>March 31, 2016<br>Rs. |
|----|---|-------------------------------------|-------------------------------------|
|    | Interest income   |                                     |                                     |
|    | - On deposits with banks                                | 1,450,979                           | 1,070,671                           |
|    | - On unsecured loan (Refer Note 24)                     | 1,544,795                           | -                                   |
|    | - On income tax refund                                  | 2,653,213                           | -                                   |
|    | Profit on sale of fixed assets (net)                    | -                                   | 43,615                              |
|    | Liability written back to the extent no longer required | 4,271,452                           | -                                   |
|    | Other non-operating income                              | 1,198,525                           | 584,501                             |
|    |   | 11,118,964                          | 1,698,787                           |

| 17 | EMPLOYEE BENEFITS EXPENSES                                | Year ended<br>March 31, 2017<br>Rs. | Year ended<br>March 31, 2016<br>Rs. |
|----|---|-------------------------------------|-------------------------------------|
|    | Salaries and benefits                                     | 8,649,131                           | 26,254,346                          |
|    | Contribution to provident and other funds (Refer Note 18) | 105,785                             | 1,084,606                           |
|    | Staff welfare expenses                                    | 89,796                              | 647,985                             |
|    |   | 8,844,712                           | 27,986,937                          |



# 18 EMPLOYEE BENEFITS

## A) Defined Contribution Plans

Company makes contributions towards Provident Fund and Superannuation Fund which are defined contribution plans for eligible employees.

During the year the Company has recognized the following amounts in the Statement of Profit and Loss :-

| Particulars  | Year ended<br>March 31, 2017<br>(Rs.) | Year ended<br>March 31, 2016<br>(Rs.) |
|--|---------------------------------------|---------------------------------------|
| Employers' Contribution to Provident Fund          | 150,282                               | 658,290                               |
| Employers' Contribution to Superannuation Fund     | -                                     | 81,861                                |
| Employers' Contribution to National Pension System | -                                     | 13,860                                |
| Employers' Contribution to Pension Scheme          | 56,250                                | 325,166                               |

The above include the following contributions in respect of employees on deputation from the Holding company, being recovered by such company:

| Particulars                              | Year ended<br>March 31, 2017<br>(Rs.) | Year ended<br>March 31, 2016<br>(Rs.) |
|--|---------------------------------------|---------------------------------------|
| Employers Contribution to Pension Scheme | -                                     | 7,916                                 |

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

| Particulars                              | Year ended<br>March 31, 2017<br>(Rs.) | Year ended<br>March 31, 2016<br>(Rs.) |
|--|---------------------------------------|---------------------------------------|
| Employers Contribution to Provident Fund | 114,252                               | 265,683                               |
| Employers Contribution to Pension Scheme | 30,000                                | 26,452                                |

## B) Defined Benefit Plans

### 1. Provident Fund

The Company makes contributions to the "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" ("the Trust"), in respect of employees deputed from the Holding Company. The plan has been classified as a Defined Benefit plan in accordance with AS-15 'Employee Benefits'. During the year the Company contributed is Nil (Previous year Rs.45,028/-) to the Trust. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Company's obligation in this regard is actuarially determined and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. Based on actuarial valuation carried out, there is no shortfall to be provided by the Company.

The details of fund and Plan Assets of the Trust as at the year end (as provided by the actuary):

#### i.Change in Defined Benefit Obligation :

| Particulars  | Year ended<br>March 31, 2017<br>(Rs.) | Year ended<br>March 31, 2016<br>(Rs.) |
|--|---------------------------------------|---------------------------------------|
| Present Value of obligation at the beginning of the year | -                                     | 33,420                                |
| Current service cost                                     | -                                     | -                                     |
| Interest Cost  | -                                     | -                                     |
| Actuarial (gain) on obligation                           | -                                     | (33,420)                              |
| Present Value of obligation at the end of the year       | -                                     | -                                     |

#### ii.Change in Fair Value of Assets :

| Particulars  | As at<br>March 31, 2017<br>(Rs.) | As at<br>March 31, 2016<br>(Rs.) |
|--|----------------------------------|----------------------------------|
| Fair value of Plan Assets at the beginning of the year | -                                | 715,830                          |
| Actuarial gain on Plan Assets                          | -                                | (715,830)                        |
| Fair value of Plan Assets at the end of the year       | -                                | -                                |





**2. Gratuity Fund (Defined Benefit Plan):**

In accordance with Accounting Standard 15 (revised 2005), an actuarial valuation was carried out in respect of contribution to Gratuity Fund.

| Particulars  | As at<br>March 31, 2017<br>(Rs.) | As at<br>March 31, 2016<br>(Rs.) |
|--|----------------------------------|----------------------------------|
| <b>i. Change in benefit obligation:-</b>                 |                                  |                                  |
| Present Value of Obligation at the beginning of the Year | 810,631                          | 3,077,004                        |
| Interest Cost  | 63,253                           | 227,850                          |
| Current service cost                                     | 165,000                          | 629,260                          |
| Acquisitions Cost  | (61,000)                         | -                                |
| Transfer of employees to holding company                 | -                                | (2,039,194)                      |
| Actuarial (gain)/ loss on Obligations                    | (313,057)                        | (810,289)                        |
| Benefit paid   | -                                | (274,000)                        |
| Present value of obligation as at the end of the year    | <b>664,827</b>                   | <b>810,631</b>                   |
| <b>ii. Change in Plan Assets:-</b>                       |                                  |                                  |
| Fair value of Plan Assets at the beginning of the year   | 173,878                          | 1,067,435                        |
| Expected return on Plan Assets                           | 19,000                           | 86,900                           |
| Contributions  | 65,157                           | 71,443                           |
| Acquisitions Cost  | (61,000)                         | -                                |
| Transfer of employees to holding company                 | -                                | (777,420)                        |
| Actuarial gain/ (loss) on Plan Assets                    | (3,057)                          | (480)                            |
| Benefit paid   | -                                | (274,000)                        |
| Fair value of Plan Assets at the end of the year         | <b>193,978</b>                   | <b>173,878</b>                   |

**iii. Amount of liability recognized at the year end**

| Particulars                         | As at<br>March 31, 2017<br>(Rs.) | As at<br>March 31, 2016<br>(Rs.) | As at<br>March 31, 2015<br>(Rs.) | As at<br>March 31, 2014<br>(Rs.) | As at<br>March 31, 2013<br>(Rs.) |
|-------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Fair value of Plan Assets           | 193,978                          | 173,878                          | 1,067,435                        | 785,185                          | 1,056,215                        |
| Present value of obligation*        | 664,827                          | 810,631                          | 3,077,004                        | 2,026,860                        | 1,835,995                        |
| <b>Net Liability as at year end</b> | <b>470,849</b>                   | <b>636,753</b>                   | <b>2,009,569</b>                 | <b>1,241,675</b>                 | <b>779,780</b>                   |

\* Does not include liabilities towards employees on deputation.

**iv. Net Gratuity Cost recognized in Statement of Profit and Loss:-**

| Particulars  | As at<br>March 31, 2017<br>(Rs.) | As at<br>March 31, 2016<br>(Rs.) |
|--|----------------------------------|----------------------------------|
| Current service cost   | 165,000                          | 629,260                          |
| Interest Cost  | 63,253                           | 227,850                          |
| Expected return on Plan Assets   | (19,000)                         | (86,900)                         |
| Net Actuarial (gain)/ loss recognized during the year                    | (310,000)                        | (809,809)                        |
| <b>Expense/ (Credit) recognized in the Statement of Profit and Loss*</b> | <b>(100,747)</b>                 | <b>(39,599)</b>                  |
| Actual return of plan assets   | 15,490                           | 85,487                           |

\*Includes Rs.105,008/- (Previous year Rs.176,100/-) towards Key Managerial Personnel.

**v. Assumptions used in accounting for gratuity liability:-**

| Particulars                            | As at<br>March 31, 2017<br>(Rs.) | As at<br>March 31, 2016<br>(Rs.) |
|--|----------------------------------|----------------------------------|
| Discount Rate (per annum)              | 7.00%                            | 7.75%                            |
| Future Salary Increase                 | 6.00%                            | 6.00%                            |
| Expected Rate of Return on Plan Assets | 8.45%                            | 9.10%                            |

Actuary's best estimate of contribution for the next year is Rs.546,000/- (Previous year Rs.802,000/-).



**Investment details of plan assets:**

During the year, the Company has contributed to the gratuity fund of the holding company, maintained accordingly the life insurance corporation of India. The details of investment maintained by life insurance corporation 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.

**Note:** The estimate of future salary increases, considered in all actuarial valuations, takes into account inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

**C) Compensated Absences (Other benefit plan)**

| Particulars   | As at<br>March 31, 2017 (Rs.) | As at<br>March 31, 2016 (Rs.) |
|---|-------------------------------|-------------------------------|
| <b>i.Change in Present value of Obligation :</b>                                    |                               |                               |
| Present Value of obligation at the beginning of the year                            | 1,158,000                     | 4,224,000                     |
| Current service cost  | 34,000                        | 1,169,090                     |
| Interest cost   | 90,000                        | 327,360                       |
| Transfer of employees to holding company  | -                             | (2,437,000)                   |
| Plan amendments cost  | -                             | (911,000)                     |
| Actuarial (gain) on obligation  | (496,000)                     | (1,214,450)                   |
| <b>Present value of obligation at the end of the year</b>                           | <b>786,000</b>                | <b>1,158,000</b>              |
| Amount (credited) to the Statement of Profit and Loss (Under Salaries and Benefits) | (372,000)                     | (629,000)                     |
| <b>ii.Assumptions used in accounting for Compensated Absences :</b>                 |                               |                               |
| Discount Rate (per annum)   | 7.00%                         | 7.75%                         |
| <b>Future Salary Increase</b>   | <b>8.00% p.a.</b>             | <b>8.00% p.a.</b>             |





NIIT Institute of Finance Banking and Insurance Training Limited  
Notes to the Financial Statements for the year ended March 31, 2017

| 19 | FINANCE COSTS    | Year ended<br>March 31, 2017<br>Rs. | Year ended<br>March 31, 2016<br>Rs. |
|----|------------------|-------------------------------------|-------------------------------------|
|    | Interest on loan | -                                   | 498,288                             |
|    | Interest- others | 207                                 | 1,809                               |
|    |                  | 207                                 | 500,097                             |

| 20 | OTHER EXPENSES  | Year ended<br>March 31, 2017<br>Rs. | Year ended<br>March 31, 2016<br>Rs. |
|----|---|-------------------------------------|-------------------------------------|
|    | Equipment and Infrastructure Hiring                                   | 223,158                             | 21,591,314                          |
|    | Royalties   | -                                   | 3,088,504                           |
|    | Freight and Cartage   | 5,727                               | 162,885                             |
|    | Rent (net of recoveries) (Refer Note 26)                              | 754,326                             | 9,249,874                           |
|    | Rates and Taxes   | 4,190                               | 336,010                             |
|    | Power & Fuel  | 61,251                              | 2,354,054                           |
|    | Communication   | 84,828                              | 611,597                             |
|    | Legal and Professional (Refer Note 21)                                | 2,913,860                           | 3,250,156                           |
|    | Management Cost Recovery by Holding Company                           | 1,923,414                           | 5,294,136                           |
|    | Travelling and Conveyance   | 1,186,966                           | 4,212,917                           |
|    | Provision for Doubtful Debts  | 1,047,429                           | 1,493,548                           |
|    | Advances Written off  | 403,207                             | -                                   |
|    | Insurance   | 61,816                              | 170,992                             |
|    | Repairs and Maintenance   |                                     |                                     |
|    | - Plant and Machinery   | 53,079                              | 327,916                             |
|    | - Buildings   | 17,624                              | 90,662                              |
|    | - Others  | 172,725                             | 1,589,789                           |
|    | Consumables   | 6,636                               | 2,698,959                           |
|    | Loss on foreign currency translation and transaction (net)            | -                                   | 2,038                               |
|    | Security and Administration Services                                  | 43,745                              | 800,830                             |
|    | Bank Charges  | 111,321                             | 553,958                             |
|    | Advertisement and Publicity   | 93,079                              | 20,763,617                          |
|    | Other Marketing Expenses  | 2,427                               | 264,677                             |
|    | Expenditure towards Corporate Social Responsibility (CSR) activities* | 760,000                             | 320,000                             |
|    | Sundry Expenses   | 121,195                             | 706,298                             |
|    |   | 10,052,003                          | 79,934,731                          |

\* Contribution to Grant given for promoting education activity (Refer Note 24).

| 21 | PAYMENT TO AUDITORS                               | Year ended<br>March 31, 2017<br>Rs. | Year ended<br>March 31, 2016<br>Rs. |
|----|---|-------------------------------------|-------------------------------------|
|    | As auditor:                                       |                                     |                                     |
|    | Statutory Audit                                   | 1,000,000                           | 1,000,000                           |
|    | Reimbursement of expenses (including Service Tax) | 207,500                             | 236,600                             |
|    |   | 1,207,500                           | 1,236,600                           |

| 22 | EXCEPTIONAL ITEMS                        | Year ended<br>March 31, 2017<br>Rs. | Year ended<br>March 31, 2016<br>Rs. |
|----|--|-------------------------------------|-------------------------------------|
|    | Income (Refer Note 28) :                 |                                     |                                     |
|    | Consideration for transfer of Order Book | -                                   | 16,867,945                          |
|    | Profit on sale of Fixed Assets           | -                                   | 3,817,586                           |
|    |  | -                                   | 20,685,531                          |



**NIIT Institute of Finance Banking and Insurance Training Limited**  
**Notes to the Financial Statements for the year ended March 31, 2017**

| 23 | EARNINGS PER SHARE   | Year Ended<br>31st March, 2017<br>(Rs.) | Year Ended<br>31st March, 2016<br>(Rs.) |
|----|--|---|---|
|    | Profit attributable to Equity Shareholders (Rs.) – (A)                     | 47,391,662                              | 66,641,469                              |
|    | Weighted Average number of Equity shares Outstanding during the year – (B) | 10,112,500                              | 10,112,500                              |
|    | Nominal Value of Equity Shares   | 10/-                                    | 10/-                                    |
|    | Basic and Diluted Earnings per share (Rs) (A/B)                            | 4.69                                    | 6.59                                    |

As there are no dilutive securities at the year end, the basic and diluted earnings per share are same.

**24 RELATED PARTY DISCLOSURES**

**A. Related party relationship where control exists**

**Holding Company - NIIT Limited**

**Fellow Subsidiaries**

- 1 NIIT Yuva Jyoti Limited
- 2 NIIT Institute of Process Excellence Limited
- 3 Mindchampion Learning Systems Limited
- 4 NIIT Limited, UK
- 5 NIIT Antilles NV, Netherlands Antilles
- 6 NIIT Malaysia Sdn. Bhd, Malaysia
- 7 NIIT GC Limited (formerly NIIT TVE Limited, Mauritius), Mauritius
- 8 NIIT China (Shanghai) Limited, Shanghai, China
- 9 Chongqing NIIT Education Consulting Limited, China
- 10 Wu Xi NIIT Information Technology Consulting Limited, China
- 11 NIIT Wu Xi Service Outsourcing Training School, China
- 12 Changzhou NIIT Information Technology Consulting Limited, China
- 13 Su Zhou NIIT Information Technology Consulting Limited, China
- 14 NIIT (USA) Inc, USA
- 15 PT NIIT Indonesia, Indonesia (Under Liquidation)
- 16 NIIT West Africa Limited, Nigeria
- 17 Qingdao NIIT Information Technology Co., Limited, China
- 18 Chongqing An Dao Education Consulting Limited, China
- 19 Zhangjiagang NIIT Information Services Limited, China
- 20 Chengmai NIIT information technology Co., Limited, China
- 21 Dafeng NIIT information technology Co., Limited, China
- 22 Guizhou NIIT information technology consulting Co., Limited, China
- 23 NIIT Learning Solutions (Canada) Limited, Canada
- 24 NIIT (Ireland) Limited, Ireland
- 25 NIIT (Guizhou) Education Technology Co., Limited, China

**B. Other related parties with whom company has transacted**

**a. Key Managerial Personnel :**

- Mr. Pankaj Mamtani - Chief Financial Officer  
Ms. Porkodi Palani - Manager (w.e.f. March 14, 2016)  
Mr. Bimal Jain - Manager (upto December 16, 2015)

**b. Others**

1. NIIT University (a body corporate in which two Non-Executive Directors of the Company are members of its governing body).
2. NIIT Institute of Information Technology (a body corporate in which two Non-Executive Directors of the Company are members of its governing body).





C. Details of significant transactions with the Related Parties carried out in the ordinary course of business:

| Nature of Transactions*                       | Holding Company (Rs.)      | Fellow Subsidiaries (Rs.) | Key Managerial Personnel (Rs.) | Parties in which Key Managerial Personnel of the Company are interested | Total (Rs.)                |
|---|----------------------------|---------------------------|--------------------------------|---|----------------------------|
| Services Received (Refer Note a below)        |                            |                           |                                |   |                            |
| Outsourced Professional Faculty               | Nil<br>(Nil)               | Nil<br>(Nil)              | Nil<br>(Nil)                   | 22,982,400<br>(Nil)   | 22,982,400<br>(Nil)        |
| Other Expenses                                | Nil<br>(Nil)               | Nil<br>(Nil)              | Nil<br>(Nil)                   | Nil<br>(234,240)  | Nil<br>(234,240)           |
| Course Execution Expenses                     | 77,457,189<br>(43,565,438) | Nil<br>(Nil)              | Nil<br>(Nil)                   | Nil<br>(Nil)  | 77,457,189<br>(43,565,438) |
| Contribution towards CSR (Refer Note b below) | Nil<br>(Nil)               | Nil<br>(Nil)              | Nil<br>(Nil)                   | 760,000<br>(320,000)  | 760,000<br>(320,000)       |
| Loan Given                                    | 40,000,000<br>(Nil)        | Nil<br>(Nil)              | Nil<br>(Nil)                   | Nil<br>(Nil)  | 40,000,000<br>(Nil)        |
| Loan Repayment                                | Nil<br>(45,000,000)        | Nil<br>(Nil)              | Nil<br>(Nil)                   | Nil<br>(Nil)  | Nil<br>(45,000,000)        |
| Interest on Loan (Other Income)               | 1,544,795<br>(Nil)         | Nil<br>(Nil)              | Nil<br>(Nil)                   | Nil<br>(Nil)  | 1,544,795<br>(Nil)         |
| Interest Paid (Finance Cost)                  | Nil<br>(498,288)           | Nil<br>(Nil)              | Nil<br>(Nil)                   | Nil<br>(Nil)  | Nil<br>(498,288)           |
| Recovery of Expenses From (Other Expenses)    | Nil<br>(1,064,200)         | Nil<br>(Nil)              | Nil<br>(Nil)                   | Nil<br>(Nil)  | Nil<br>(1,064,200)         |
| Services Rendered (Royalty)                   | 35,278,148<br>(33,095,637) | Nil<br>(Nil)              | Nil<br>(Nil)                   | Nil<br>(Nil)  | 35,278,148<br>(33,095,637) |
| Services Rendered (Refer Note c below)        | Nil<br>(3,435,760)         | Nil<br>(552,000)          | Nil<br>(Nil)                   | 1,235,279<br>(662,882)  | 1,235,279<br>(4,650,642)   |
| Sale of Fixed Assets                          | Nil<br>(11,075,423)        | Nil<br>(Nil)              | Nil<br>(Nil)                   | Nil<br>(Nil)  | Nil<br>(11,075,423)        |
| Management Cost Recovery (Other Expenses)     | 1,914,339<br>(5,290,796)   | Nil<br>(Nil)              | Nil<br>(Nil)                   | Nil<br>(Nil)  | 1,914,339<br>(5,290,796)   |
| Recovery of Expenses by                       |                            |                           |                                |   |                            |
| Employee Benefits Expenses                    | 22,738<br>(57,074)         | Nil<br>(Nil)              | Nil<br>(Nil)                   | Nil<br>(Nil)  | 22,738<br>(57,074)         |
| Purchase of Traded Goods                      | Nil<br>(14,739)            | Nil<br>(Nil)              | Nil<br>(Nil)                   | Nil<br>(Nil)  | Nil<br>(14,739)            |
| Other Expenses                                | 885,085<br>(14,462,820)    | Nil<br>(Nil)              | Nil<br>(Nil)                   | Nil<br>(Nil)  | 885,085<br>(14,462,820)    |
| Sale of Order Book                            | Nil<br>(16,867,945)        | Nil<br>(Nil)              | Nil<br>(Nil)                   | Nil<br>(Nil)  | Nil<br>(16,867,945)        |
| Courseware Sale                               | Nil<br>(4,345,481)         | Nil<br>(Nil)              | Nil<br>(Nil)                   | Nil<br>(Nil)  | Nil<br>(4,345,481)         |
| Remuneration (Refer Note d below)             | Nil<br>(Nil)               | Nil<br>(Nil)              | 5,773,051<br>(7,591,223)       | Nil<br>(Nil)  | 5,773,051<br>(7,591,223)   |

\* Excluding taxes

D. Details of outstanding balances with related parties:

| Particulars  | (Amount in Rs.)           |                             |                                      |                           |                             |
|--|---------------------------|-----------------------------|--------------------------------------|---------------------------|-----------------------------|
|  | Payables As at 31.03.2017 | Receivable As at 31.03.2017 | Interest Receivable As at 31.03.2017 | Payables As at 31.03.2016 | Receivable As at 31.03.2016 |
| Holding Company  | 6,964,516                 | 2,332,072                   | 1,390,313                            | 8,522,679                 | 3,151,063                   |
| Key Managerial Personnel   | 144,556                   | -                           | -                                    | 86,848                    | -                           |
| Fellow Subsidiary (Refer Note e below)   | -                         | -                           | -                                    | -                         | 136,436                     |
| Parties in which Key Managerial Personnel of the Company are interested (Refer Note e below) | -                         | 6,236,160                   | -                                    | -                         | 758,999                     |

Note:

a. Includes services received from:

- NIIT University is Rs.16,746,240/- (Previous year is Nil)
- NIIT University is Nil (Previous year Rs.234,240/-)

b. Includes contribution towards CSR:

- NIIT Institute of Information Technology is Rs.760,000/- (Previous year is Nil)
- NIIT University is Nil (Previous year Rs.320,000/-)

c. Includes services rendered to:

- NIIT Institute of Process Excellence Limited is Nil (Previous year Rs.552,000/-)
- NIIT University is Rs.1,235,279/- (Previous year Rs.662,882/-)

d. Remuneration to Key Managerial Personnel:

- Mr. Pankaj Mamtani is Rs.3,090,623/- (Previous year Rs.2,858,596/-)
- Ms. Pookodi Palani is Rs.2,682,428/- (Previous year Rs.112,230/-)
- Mr. Bimal K. Jain is Nil (Previous year Rs.4,620,377/-)

e. Includes receivable from:

- NIIT University is Rs.6,236,160/- (Previous year Rs.758,999)
- NIIT Antilles N.V. is Nil (Previous year Rs.136,436/-)



**NIIT Institute of Finance Banking and Insurance Training Limited**  
**Notes to the financial statements for the year ended March 31, 2017**

**25 Segment Reporting**

The Company is in the business of imparting education and training in the fields of finance, banking and insurance which is viewed by the management as a single segment, i.e. learning solutions in accordance with AS 17 'Segment Reporting'. The Company operates in a single geography (India) and accordingly, secondary segment reporting is not applicable.

**26 Leases - Operating**

The Company has entered into leases for office premises and employee accommodations which are cancellable at the option of the Company by giving requisite notice.

Aggregate payments during the year under operating leases are as shown hereunder:

| Particulars                   | As at March 31,<br>2017 (Rs.) | As at March 31,<br>2016 (Rs.) |
|-------------------------------|-------------------------------|-------------------------------|
| In respect of Premises (net)* | 554,128                       | 8,255,698                     |
| In respect of Vehicles        | 200,198                       | 994,176                       |

\*The Company has recovered is Nil (Previous year Rs.615,990/-) for sharing of premises.

**27 Disclosure in respect of Micro, Small and Medium enterprises**

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

28 During the previous year, the Holding Company consolidated its physical capacity across various offerings which was spread across its own centres and those that were owned by other subsidiaries. This included consolidation of roles and responsibilities across the people in the organisation. As a result of these activities, the tangible fixed assets, order book, inventories and people were transferred to the holding company effective July 1, 2015, pursuant to the arrangements entered into by the Company with the holding company. Consequently, the following balances as at June 30, 2015, were transferred to the holding company -

| Nature of Transaction  | Amount in Rs. |
|--|---------------|
| - Transfer of Tangible Fixed Assets (including profit on sale of assets Rs.3,817,586/- (Refer notes 8 and 22)) | 11,075,423    |
| - Sale of Courseware   | 4,345,481     |
| - Consideration for Order Book (Refer note 22)   | 16,867,945    |
| - Transfer of Existing Student Advances  | 24,392,900    |
| - Employees Obligations (Refer notes 7 and 18)   | 3,698,774     |

Pursuant to the above arrangements, w.e.f July 1, 2015, the Company is sourcing the execution and training delivery from the holding company and is providing content for student trainings to the holding company in exchange for royalty income. Accordingly, the figures for the current year are not comparable with those of the corresponding previous year.





**NIIT Institute of Finance Banking and Insurance Training Limited**  
**Notes to the financial statements for the year ended March 31, 2017**

**29** Disclosure related to Specified Bank Notes (SBN) as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs no. S.O. 3407 (E) dated November 8, 2016.  
The Company did not have any holding or dealing in SBN's during the period from November 8, 2016 to December 30, 2016.

**30** Previous year figures have been reclassified to conform to current year classification.

Signature to Notes '1' to '30' of these financial statements.

For and on behalf of the Board of Directors

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



**Anupam Dhawan**  
Partner  
Membership No. : 084451

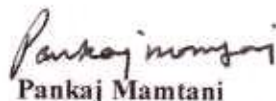


**P. Rajendran**  
Director  
DIN : 00042531

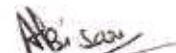


**Vijay K. Thadani**  
Director  
DIN : 00042527

Place : Gurugram  
Date : MAY 12, 2017



**Pankaj Mamtani**  
Chief Financial Officer  
Place : Gurugram  
Date:



**Arpita Bisaria Malhotra**  
Company Secretary