

GHOSH KHANNA & CO.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NIIT YUVA JYOTI LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of M/s NIIT Yuva Jyoti Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss and 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

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 that 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 made thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

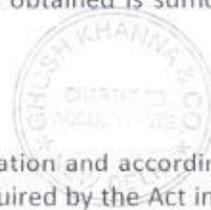
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 auditor's 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 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.

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

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

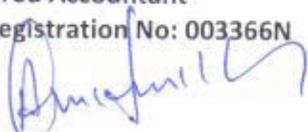


view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 made thereunder.
 - (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 B"
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact ,if any, of the pending litigations as on 31st March 2017 on its financial position in its financial statement-Refer Note 15;
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii) The company does not require transferring any amount, to the Investor Education and Protection Fund.
 - iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 33 to the financial statements.

For GHOSH KHANNA & CO.
Chartered Accountant
Firm Registration No: 003366N



Amit Mittal
Partner
Membership No. 508748



Place: Gurgaon
Date: May 10, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
 - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. In respect of the Company's inventories:
 - a) The Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of business.
 - c) On the basis of examination of Inventory records, in our opinion the company is maintaining proper records of Inventory. The discrepancies noticed on physical verification of inventory as compared to books records were not material.

3. The company has not granted unsecured loan to its holding company covered in register maintained under section 189 of the Companies Act, 2013 ("the Act"). Therefor the provisions of clause 3 of the said order are not applicable to the company.

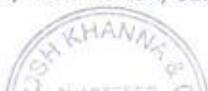
4. In our opinion and according to the information and explanations given to us, the Company has not granted any loan or made any Investment or provide any guarantee or security to the party covered under section 185 and 186 of the Act.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

6. The provisions of clause (3)(vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.

7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax,



cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute.

8. The Company has not defaulted in repayment of any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, 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.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made private placement of optionally convertible debentures during the year.

Nature of Securities	Purpose for which funds raised	Total Amount Raised /opening Unutilized balance	Amount utilized for the other purpose	Unutilized balance as at Balance sheet date	Remarks,
Optionally Convertible Debenture (OCD's)	For the repayment of Existing Loan and working capital requirement	1,60,000,000	1,57,982,126	20,17,874	Fund was used for the purpose it has been raised.



15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For GHOSH KHANNA & CO.
Chartered Accountant
Firm Registration No: 003366N

Amit Mittal
Partner
Membership No. 508748



Place: Gurgaon
Date: May 10, 2017

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s M/s NIIT Yuva Jyoti Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 Companies Act, 2013.

Auditors' Responsibility

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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.

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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 disposal of the assets of the company;
- (2) provide assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management of the company; and
- (3) Provide reasonable assurance regarding prevention and timely detection of unauthorized 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

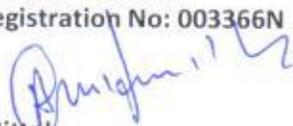
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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

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 31 March 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 GHOSH KHANNA & CO.
Chartered Accountant
Firm Registration No: 003366N




Amit Mittal
Partner
Membership No. 508748

Place: Gurgaon
Date: May 10, 2017

NIIT YUVA JYOTI LIMITED
Balance Sheet as at March 31, 2017

Particulars	Notes	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	231,323,950	231,323,950
Reserves and Surplus	4	(402,149,514)	(360,583,335)
Non-Current Liabilities			
Long-term Borrowings	5	250,000,000	142,642,256
Current Liabilities			
Trade Payables	6	-	-
Total outstanding dues of micro enterprises and small enterprises and		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		73,224,625	68,312,993
Other Current Liabilities	7	58,397,379	126,465,209
Short-term Provisions	8	768,995	628,000
TOTAL		211,565,435	208,789,073
ASSETS			
Non-Current Assets			
Fixed Assets	9		
Tangible Assets		551,526	268,744
Intangible Assets		3,011,747	5,991,471
Long-term Loans and Advances	10	12,182,738	8,779,060
Other Non-Current Assets	11	192,583	418,650
Current Assets			
Inventories	12	991,756	1,548,525
Trade Receivables	13	4,404,821	3,544,446
Cash and Bank Balances	14	37,223,338	115,706,577
Short-term Loans and Advances	10	89,026,580	19,009,298
Other Current Assets	11	63,980,346	53,522,302
TOTAL		211,565,435	208,789,073

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 and on behalf of the Board of Directors

Vijay K. Thadani *Rahul Keshav Patwardhan*

Vijay K. Thadani
Director
DIN - 00042527

Rahul Keshav Patwardhan
Director
DIN - 01832386

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

Amit Mittal

Amit Mittal
Partner
Membership No. 508748



Sanjay Jain

Sanjay Jain
Chief Financial Officer

Arjun Arora

Arjun Arora
Company Secretary

Place: Gurugram
Date: May 10, 2017

NIT YUVA JYOTI LIMITED
Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Notes	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
INCOME			
Revenue from Operations	16	108,389,639	115,545,449
Other Income	17	1,343,895	6,617,611
Total Revenue		109,733,534	122,163,060
EXPENDITURE			
Purchase of Traded Goods		2,645,586	9,211,799
Change in Inventories	12	556,769	1,135,666
Course Execution Expenses		53,104,012	53,189,958
Employee Benefits Expense	18	45,610,352	39,963,081
Finance Costs	22	14,147,570	11,237,311
Depreciation and Amortization Expense	9	3,370,753	9,471,792
Other Expenses	20	31,864,671	40,359,022
Total Expenses		151,299,713	164,568,629
Profit for the year		(41,566,179)	(42,405,569)
(Loss) per equity share (Nominal Value Rs. 10/- each):	24		
- Basic		(1.80)	(1.83)
- Diluted		(1.80)	(1.83)

The accompanying notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

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

Amit Mittal

Amit Mittal
Partner
Membership No: 508748

Place: Gurugram
Date: May 10, 2017



For and on behalf of the Board of Directors

Vijay K. Thadani *Rahul Keshav Patwardhan*

Vijay K. Thadani
Director
DIN - 00042527

Rahul Keshav Patwardhan
Director
DIN - 01832386

Sanjay Jain
Sanjay Jain
Chief Financial Officer

Arjun Arora
Arjun Arora
Company Secretary

NIT YUVA JYOTI LIMITED
Cash Flow Statement for the year ended March 31, 2017

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Rs.		Rs.	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Loss before Tax		(41,566,179)		(42,405,569)
Adjustments for:				
Depreciation and Amortization (including impairment)	3,370,753		9,471,792	
Interest Income	(1,142,185)		(5,163,358)	
Interest Expense	13,499,580		10,515,022	
(Profit) / Loss on Fixed Assets scrapped / Sold	(76,224)		2,394,445	
Provision made/ (write back) for slow / non-moving Inventory	639,548		(130,881)	
Provision for doubtful debts	1,131,981		451,584	
Advances Written-off	-		36,000	
Provision for unbilled Revenue	2,485,059	19,908,512	8,000,000	26,074,604
Operating profit/(loss) before working capital changes		(21,657,667)		(16,330,965)
Add / (Less): (Increase)/ Decrease in operating working capital:				
Increase/(Decrease) Trade Payables	4,911,632		39,782,526	
Increase/(Decrease) Short-term Provisions	140,995		(4,401,051)	
Increase/(Decrease) Other Current Liabilities	(68,067,830)		(45,759,665)	
(Increase)/Decrease Current Trade Receivables	(1,992,156)		(824,217)	
(Increase)/Decrease Inventories	(82,779)		1,266,547	
(Increase)/Decrease Short term Loans and Advances	(76,017,282)		(3,935,736)	
(Increase)/Decrease Long term Loans and Advances	(198,341)		(865,477)	
(Increase)/ Decrease in Other Current Assets	(12,884,675)		(37,949,724)	
(Increase)/Decrease Other Non-current Assets	226,067		(168,650)	
(Increase)/Decrease Other Bank Balances	153,209	(147,811,360)	87,884,161	35,028,774
Cash generated from operations		(169,469,027)		18,697,809
Direct Tax- (paid)/ refund received (including TDS)		(3,205,337)		(3,811,301)
Net cash inflow/ (outflow) from Operating activities (A)		(172,674,364)		14,886,508
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (including Capital Work-in-progress)		(673,829)		(310,221)
Proceeds from sale of Fixed Assets		76,242		111,914
Interest Received		1,085,257		6,466,660
Net cash used for Investing activities (B)		486,170		6,268,353
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Interest paid		(13,499,580)		(7,855,095)
Proceeds from Loan from Holding		135,000,000		-
Repayment of Loan to Holding Company		(135,000,000)		-
Proceeds from Optionally Convertible Debenture		160,000,000		-
Long-term Borrowing paid back		(52,642,256)		-
Net cash from / (used in) Financing activities (C)		93,858,164		(7,855,095)
Net Increase/(Decrease) in Cash & Cash equivalents (A) + (B) + (C)		(78,330,030)		13,299,766
Cash and Cash equivalents as at the beginning of the year (Note (a) below)		115,227,301		101,927,535
Cash and cash equivalents as at the end of the year (Note (a) below)		36,897,271		115,227,301

Notes:

a Cash and cash equivalents

Balance with Banks

- Current Accounts

- Bank deposits with original maturity of 3 months or less

Cash on hand

Cheques, drafts on hand

(Include Rs. 31,619,457/- (Previous year Rs. 71,455,270/-) pertaining to amount earmarked for specific contract)

As of

March 31, 2017

35,241,465

970,000

2,700

683,046

As at

March 31, 2016

110,403,086

223,005

-

4,600,610

36,897,271

115,227,301

b The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 as notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006].

c Figures in parenthesis indicate cash outflow

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

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

For Ghosh Khanna & Co
Firm Registration No. 001366N
Chartered Accountants

Amit Mittal
Partner
Membership No. 508748
Place: Gurgaon
Date: May 10, 2017



For and on behalf of the Board of Directors

Vijay K. Thadani
Director
DIN - 00042527

Rahul Keshav Patwardhan
Director
DIN - 01832386

Sanjay Jain
Chief Financial Officer

Arjun Arora
Company Secretary

NIIT YUVA JYOTI LIMITED

Notes to the Financial Statements for the year ended March 31, 2017

1 **GENERAL INFORMATION**

NIIT Yuva Jyoti Limited (the 'Company'), was incorporated on May 25, 2011 and the certificate for commencement of business was granted to the Company on June 18, 2011. The Company is engaged in the business of skill building across India.

2 **SIGNIFICANT ACCOUNTING POLICIES**

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

i) **Basis of Preparation of Accounts**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to the section 133 of the Companies Act, 2013, read with the 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 and Intangible Assets**

a) 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.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statement under the head 'Other Current Assets'. Any expected loss is recognised immediately 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 or the rates prescribed under Schedule II to the Companies Act, 2013; whichever is higher, in order to reflect the actual usage of the assets :

Plant and Equipment including:	Current Year
- Computers, printers and related accessories	3 years
- Electronic Equipment	8 years
- Air Conditioners	10 years
Office Equipment	5 years
Furniture and Fixtures	7 years
Leasehold Improvement	3-5 years or lease period, whichever is lower

b) Intangible Assets and Amortization

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.

Amortization is provided 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.

iii) **Impairment of Assets**

All assets other than inventories and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.



NIIT YUVA JYOTI LIMITED

Notes to the Financial Statements for the year ended March 31, 2017

iv) **Inventory Valuation – Traded Goods**

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

v) **Revenue Recognition**

Revenue in respect of sale of courseware, technical information and reference material (TIRM), hardware and other goods are recognized when the significant risk and rewards are transferred to the customer as per terms of related arrangement. Whereas Revenue from the tuition / training services is recognized over the period of the course programmes. Revenue is recognised when there is no uncertainty as to ultimate collection. Royalty income is recognised over the period of the respective course.

vi) **Other Income**

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

vii) **Employee Benefits**

Gratuity

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The 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 additionally provided for.

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 recognized 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 Holding Company. Contributions made during the period 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. The Company makes defined contributions to a government administered Provident Fund where the Company has no further obligations, accordingly such benefit is classified as defined contribution plan. The Company's contribution towards Provident Fund is charged to Statement of Profit and Loss.

Pension Fund

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.

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, they are capitalised.

viii) **Leases**

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



NIIT YUVA JYOTI LIMITED

Notes to the Financial Statements for the year ended March 31, 2017

(ix) 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 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.

x) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. 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.

(xi) Earnings Per Share

The earnings considered in ascertaining the Company's Earnings per share ('EPS') comprises the Profit/ (Loss) 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 dilutive potential equity shares, if any.

(xii) Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



NIIT YUVA JYOTI LIMITED
Notes to the Financial Statements for the year ended March 31, 2017

3	Share Capital	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
	Authorised 30,000,000 Equity Shares of Rs. 10/- each (Previous year 30,000,000 Equity Shares of Rs. 10/- each)	300,000,000	300,000,000
		300,000,000	300,000,000
	Issued 23,132,395 Equity Shares of Rs. 10/- each (Previous year 23,132,395 Equity Shares of Rs. 10/- each)	231,323,950	231,323,950
		231,323,950	231,323,950
	Subscribed and Paid up 23,132,395 Equity Shares of Rs. 10/- each (Previous year 23,132,395 Equity Shares of Rs. 10/- each)	231,323,950	231,323,950
		231,323,950	231,323,950

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.
	Equity Shares				
	Shares outstanding at the beginning of the year	23,132,395	231,323,950	23,132,395	231,323,950
	Shares issued during the year	-	-	-	-
	Shares outstanding at the end of the year	23,132,395	231,323,950	23,132,395	231,323,950

3.2	Rights, preferences and restrictions attached to Equity Shares :- 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 shareholding.
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3.3	Shares in respect of each class in the Company held by	Class of shares Equity/ Preference	As at March 31, 2017	As at March 31, 2016
			No. of shares	No. of shares
	Holding company - NIIT Limited	Equity	23,132,395	20,819,155

3.4	Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company	As at March 31, 2017		As at March 31, 2016	
		% of holding	No. of shares	% of holding	No. of shares
	Equity Shares				
	NIIT Limited	100%	23,132,395	90%	20,819,155
	National Skill Development Corporation (NSDC)	-	-	10%	2,313,240
	Total	100%	23,132,395	100%	23,132,395



NIT YUVA JYOTI LIMITED
Notes to the Financial Statements for the year ended March 31, 2017

4	Reserves and Surplus	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
	(Loss) in Statement of Profit and Loss		
	Balance brought forward from previous year	(360,583,335)	(318,177,766)
	Add : Loss for the year	(41,566,179)	(42,405,569)
		(402,149,514)	(360,583,335)

5	Long-term Borrowings	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
	Secured		
	Term Loan from National Skill Development Corporation (NSDC)	90,000,000	142,642,256
	Unsecured		
	Optionally Convertible Debenture (OCD's) (16,000,000 Optionally Convertible Debenture of Rs.10/- each.)	160,000,000	-
		250,000,000	142,642,256

5.1 Term Loan from National Skill Development Corporation (NSDC)

Terms of Repayment

The Term Loan, bearing an interest rate of 7.5%, is repayable over the period of 5 years starting December 2017 as per the agreement.

Nature of Security

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

5.2 Optionally Convertible Debenture

During the year the company has issued 16,000,000 Optionally Convertible Debentures (OCDs) of Rs. 10/- each fully paid at a coupon rate of 0.5% for a period of 5 years from the date of allotment wherein the debenture holders shall have the right to convert such OCDs into equity shares at the expiry of 18 months from the date of allotment.



NIT YUVA JYOTI LIMITED

Notes to the Financial Statements for the year ended March 31, 2017

6	Trade Payables	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
	Trade Payables*		
	Total outstanding due of micro enterprises and small enterprises and	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	73,224,625	68,312,993
		73,224,625	68,312,993

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

7	Other Current Liabilities	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
	Advances from Customers	52,037,112	109,986,659
	Payable to Employees	3,541,002	6,122,225
	Payable to Holding Company	-	2,175,675
	Statutory Dues	2,819,265	5,520,723
	Interest accrued but not paid	-	2,659,927
		58,397,379	126,465,209

8	Short-term Provisions	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
	Provision for Employee Benefits (Also refer Note 19(B))		
	- Provision for Gratuity	322,995	-
	- Provision for Compensated Absences	446,000	628,000
		768,995	628,000



NIIT YUVA JYOTI LIMITED
Notes to Financial Statements for the year ended March 31, 2017

Schedule of Fixed Assets for corresponding previous year

Description of Assets	GROSS BLOCK			DEPRECIATION AND AMORTIZATION			NET BLOCK As on March 31, 2016	
	Cost as on April 1, 2015	Additions during the year during the year	Sales / Adj. during the year	Total as on March 31, 2016	As on April 1, 2015	For the year		Sales / Adj. during the year
i). Tangible Assets								
Plant & Equipment (Refer Note 2)	816,553	2,47,056	162,160	901,449	647,209	178,935	120,103	706,041
Office Equipment	49,827	49,665	9,000	90,492	23,023	17,502	4,781	35,744
Leasehold Improvement	12,049,038	-	12,049,038	-	12,049,038	-	12,049,038	-
Furniture & Fixture	8,589	13,500	-	22,089	1,884	1,617	-	3,501
Sub Total (a)	12,924,007	310,221	12,220,198	1,014,030	12,721,154	198,054	12,173,922	745,286
ii). Intangible Assets (Refer Note 1)								
Contents & Tools								
- Internally Generated	83,201,349	-	-	83,201,349	67,936,144	9,273,758	-	77,209,882
Software Acquired	908,374	-	-	908,374	908,370	-	-	908,370
Sub Total (b)	84,109,723	-	-	84,109,723	68,844,514	9,273,758	-	78,118,252
Total (a+b)	97,033,730	310,221	12,220,198	85,123,753	81,565,668	9,471,792	12,173,922	78,863,538

Notes:

- The Company has carried out a review of carrying value of intangibles and has made a provision for impairment aggregating Rs 2,662,863/- . The Company has computed the recoverable value using the value in use method and has considered a discount rate p.a. in the range of 17% to 18% in such assessment.
- Additions during the year are net of reimbursements aggregating Rs. 5,350,000/- received for specific project related assets.



NIT YUVA JYOTI LIMITED
Notes to the Financial Statements for the year ended March 31, 2017

10	Loans and Advances (Unsecured, considered good)	Long-Term		Short-Term	
		As at March 31, 2017 Rs.	As at March 31, 2016 Rs.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
	Security Deposits Receivable	1,667,686	1,469,345	-	-
	(A)	1,667,686	1,469,345	-	-
	Advances recoverable in cash or in kind* (Refer Note 28)	-	-	89,026,580	19,009,298
	(B)	-	-	89,026,580	19,009,298
	Other Advances				
	-Advance Tax	10,515,052	7,309,715	-	-
	(C)	10,515,052	7,309,715	-	-
	Total(A+B+C)	12,182,738	8,779,060	89,026,580	19,009,298

*Includes balance due from government authorities in respect of service tax Rs. 7,036,001/- (Previous year Rs. 11,783,166/-)

11	Other Assets (Unsecured, considered good, unless otherwise stated)	Non-Current		Current	
		As at March 31, 2017 Rs.	As at March 31, 2016 Rs.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
	Bank deposits (Refer note 14)*	192,583	418,650	-	-
	Unbilled revenue	10,485,059	8,000,000	63,844,757	53,445,141
	Provision for Unbilled Revenue	(10,485,059)	(8,000,000)	-	-
	Interest Receivable**	-	-	135,589	77,161
		192,583	418,650	63,980,346	53,522,302

*Held as lien by bank against bank guarantees issued to VAT Authorities & pledged as margin money against bank guarantee.

** Includes Rs. 135,589/- (Previous year Rs. 77,161/-) in respect of bank deposits pledged as margin money.

12	Inventories (Valued at Cost or net realisable value, whichever is lower)	As at	As at
		March 31, 2017 Rs.	March 31, 2016 Rs.
	As at the end of the year		
	Traded Goods		
	Education and Training Material	2,111,173	2,028,394
	Provision for obsolescence	(1,119,417)	(479,869)
		991,756	1,548,525
	As at the beginning of the year		
	Traded Goods		
	Education and Training Material	2,028,394	3,294,941
	Provision for obsolescence	(479,869)	(610,750)
		1,548,525	2,684,191
	Change in Inventory	556,769	1,135,666

13	Trade Receivables (Unsecured, considered good unless otherwise stated)	Non Current		Current	
		As at March 31, 2017 Rs.	As at March 31, 2016 Rs.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
	a) Outstanding for a period exceeding six months from the date they are due for payment				
	Considered doubtful	1,583,565	451,584	2,562,562	3,544,446
	Provision for doubtful debts	(1,583,565)	(451,584)	-	-
		-	-	2,562,562	3,544,446
	b) Others				
		-	-	1,842,259	-
		-	-	-	-
		-	-	1,842,259	-
		-	-	4,404,821	3,544,446

Note: Trade receivables are subject to confirmation



NIIT YUVA JYOTI LIMITED
Notes to the Financial Statements for the year ended March 31, 2017

14	Cash and Bank Balances	Non-Current		Current	
		As at March 31, 2017 Rs.	As at March 31, 2016 Rs.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
	Cash and cash equivalents:				
	Balances with banks:				
	- Current Accounts	-	-	35,241,465	110,403,686
	- Bank deposits with original maturity of 3 months or less	-	-	970,000	223,005
	Cash on hand	-	-	2,760	-
	Cheques, drafts on hand	-	-	683,046	4,600,610
	(Include Rs. 31,619,457/- (Previous year Rs. 71,455,270/-) pertaining to amount earmarked for specific contracts)				
		-	-	36,897,271	115,227,301
	Other bank balances:				
	Bank deposits:				
	- With original maturity of more than 3 months and upto 12 months *	-	-	326,067	479,276
	[*Deposit of Rs.200,000/- (Previous year Rs.50,000/-) pledged as margin money against bank guarantees.]				
	- With original maturity of more than 12 months **	192,583	418,650	-	-
	[**Deposit of Rs.192,583/- (Previous year Rs.318,650/-) pledged as margin money against bank guarantees issued to VAT authorities.]				
		192,583	418,650	326,067	479,276
		192,583	418,650	37,223,338	115,706,577
	Amount disclosed under non-current assets (Refer note 11)	(192,583)	(418,650)	-	-
		-	-	37,223,338	115,706,577
15	Contingent Liabilities and Commitments				
	(a) Bank Guarantees issued to VAT authorities and customers Rs. 328,516/- (Previous year Rs. 278,516/-).				
	(b) Industrial dispute before Labour Court for Rs. 991,200/- (Previous year Rs. 991,000/-).				
	(c) Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for Rs. 2,739/- (Previous year Rs. 27,351/-).				
	Management does not foresee any cash outflow in respect of the above based on advice of legal counsel.				
16	Revenue from Operations			Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
	Sales of Product:				
	Courseware			1,457,195	19,215,078
	Sale of Services				
	Royalty			11,430,849	5,729,276
	Training Revenue			95,501,595	90,601,095
				108,389,639	115,545,449
17	Other Income			Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
	Interest Income			1,142,185	5,163,358
	Profit on sale of Fixed Assets			76,224	-
	Other non-operating income			125,486	1,454,253
				1,343,895	6,617,611



NIIT YUVA JYOTI LIMITED

Notes to the Financial Statements for the year ended March 31, 2017

18	Employee Benefits Expense	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
	Salaries and Benefits	43,159,241	38,224,968
	Contribution to Provident and Other Funds (Refer note 19)	1,850,551	1,084,844
	Staff Welfare and Other expenses	600,560	653,269
		45,610,352	39,963,081

19 Employee Benefits

A) Defined Contribution Plans

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

Particulars	Year ended March 31, 2017 (Rs.)	Year ended March 31, 2016 (Rs.)
Employers Contribution to Provident Fund	499,276	975,688
Employers Contribution to Superannuation Fund	233,173	313,881
Employers Contribution to Pension Scheme	548,785	628,015

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

Particulars	Year ended March 31, 2017 (Rs.)	Year ended March 31, 2016 (Rs.)
Employers Contribution to Provident Fund	130,758	276,526
Employers Contribution to Superannuation Fund	99,154	96,910
Employers Contribution to Pension Scheme	27,372	29,488

B) Benefit Plans

I. Compensated Absences

i) Change in Present Value of Obligation

Particulars	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
Present value of obligation as at the beginning of the year	628,000	3,198,000
Past Service cost	-	(779,000)
Current Service Cost	301,000	1,025,780
Benefits Paid	(101,000)	-
Interest Cost	45,000	247,850
Transfer of employees to holding company	-	(1,419,000)
Actuarial (gain)/ loss on Obligations	(427,000)	(1,645,630)
Present value of obligation as at the end of the year	446,000	628,000

ii) Assumptions used in accounting of Compensated Absences

Particulars		
Discount Rate (per annum)	7.00%	7.75%
Future Salary Increase		
- For First 5 Years		
- For Subsequent period	8.00%	8.00%

iii) Net Compensated Absences cost recognized in the Statement of Profit and Loss :-

Particulars	Year ended March 31, 2017 (Rs.)	Year ended March 31, 2016 (Rs.)
Current service cost	301,000	1,025,780
Interest cost	45,000	247,850
Past Service Cost	-	(779,000)
Net Actuarial (gain)/ loss recognized during the year	(427,000)	(1,645,630)
Expense/ (Credit) recognised in the Statement of Profit and Loss under the head Employee Benefits Expense (Refer Note 18)	(81,000)	(1,151,000)



NIT YUVA JYOTI LIMITED
Notes to the Financial Statements for the year ended March 31, 2017

II. Gratuity (Defined Benefit Plan)

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

Particulars	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
i) Change in Present value of Obligation:-		
Present value of obligation as at the beginning of the year	681,394	2,405,814
Current service cost	200,317	499,470
Interest Cost	27,000	184,610
Acquisitions Cost	342,000	-
Transfer of employees to holding company	-	(901,400)
Actuarial (gain)/ loss on Obligations	401,500	(1,459,100)
Benefits Paid	(667,000)	(48,000)
Present value of obligation as at the end of the year	985,211	681,394

ii) Change in Plan Assets :-		
Fair value of Plan Assets as at the beginning of the year	774,763	574,763
Transfer of employees to holding company	-	(144,720)
Acquisitions Cost	342,000	-
Expected return on Plan Assets	47,000	64,670
Contributions*	152,953	335,000
Actuarial (loss)/ gain on Plan Assets	12,500	(6,950)
Benefits Paid	(667,000)	(48,000)
Fair value of Plan Assets as at the end of the year	662,216	774,763

* Actuary's estimate of contributions for the next financial year is Rs. 541,000/- (Previous Year Rs. 201,000/-).

iii) Amount of Assets / (Obligation) recognition in the Balance Sheet :-	Present value of obligation as at the end of the year (A)	Fair value of Plan Assets as at the end of the year (B)	(Asset)/ Liability Recognised in Balance Sheet (A-B)
As at March 31, 2017	985,211	662,216	322,995
As at March 31, 2016	681,394	774,763	(93,369)
As at March 31, 2015	2,405,814	574,763	1,831,051
As at March 31, 2014	2,004,842	1,159,394	845,448
As at March 31, 2013	1,028,000	436,444	591,556

iv) Net Gratuity Cost recognized in the Statement of Profit and Loss:-	Year ended March 31, 2017 (Rs.)	Year ended March 31, 2016 (Rs.)
Current service cost	200,317	499,470
Interest cost	27,000	184,610
Expected return on Plan Assets	(47,000)	(64,670)
Net Actuarial (gain)/ loss recognized during the year	389,000	(1,452,150)
Expense recognised in the Statement of Profit and Loss *#	569,317	(832,740)
Actual return on plan assets	59,834	56,672

*Includes Rs. 206,558/- (previous year Rs. 115,719/-) towards contribution for Key Managerial Personnel.
#The above cost is included under "Contribution to Provident and Other Funds" in Note 18

v) Assumptions used in accounting for gratuity plan:-		
Discount Rate (per annum)	7.00%	7.75%
Future Salary Increase	6.00%	6.00%
Expected Rate of return on plan assets	9.00%	9.10%

Estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

vi) Investment details of Plan Assets:-

During the year, the Company has contributed to the Trust (set up by holding Company) maintained with the Life Insurance Corporation of India. The details of investment maintained by Life Insurance Corporation of India are not available with the Company and have therefore 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.



NIT YUVA JYOTI LIMITED
Notes to the Financial Statements for the year ended March 31, 2017

20	Other Expenses	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
	Equipment Hiring	5,347,849	697,295
	Freight and Cartage	493,482	1,524,160
	Lease Rent	2,792,191	3,645,337
	Rates and Taxes	2,500	1,832
	Power & Fuel	896,658	898,752
	Communication	614,555	1,286,195
	Legal and Professional (Refer Note 21 below)	4,977,146	4,217,546
	Management Cost Recovery by Holding Company	5,223,148	4,979,819
	Travelling and Conveyance	4,720,532	6,470,831
	Provision for Doubtful Debts	1,131,981	451,584
	Advances Written off	-	36,000
	Provision for Unbilled Revenue	2,485,059	8,000,000
	Insurance	320,787	115,512
	Repairs and Maintenance		
	- Plant and Machinery	111,832	132,779
	- Buildings	32,597	97,388
	- Others	735,096	1,377,977
	Loss on sale of Fixed Assets	-	2,894,445
	Security and Administration Services	437,859	650,108
	Bank Charges	148,605	106,760
	Advertisement and Publicity	310,299	1,919,618
	Printing and Stationery	206,599	266,745
	Sundry Expenses	875,896	588,339
		31,864,671	40,359,022
21	Payment to Auditors	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
	As Auditors		
	- Statutory Audit Fee	200,000	865,000
	- Tax Audit Fee	40,000	-
	- For reimbursement of expenses (including Service Tax)	36,000	204,659
		276,000	1,069,659
22	Finance Cost	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
	Interest Expenses		
	- On loan from NSDC	9,659,879	10,515,022
	- On loan from Holding Co.	3,755,043	-
	- On Optionally Convertible Debenture	84,658	-
	Corporate Guarantee Charges	647,928	716,777
	Other Borrowing Costs	62	5,512
		14,147,570	11,237,311



NIIT YUVA JYOTI LIMITED
Notes to the Financial Statements for the year ended March 31, 2017

23 Taxation

Deferred tax assets has not been recognised on account of prudence.

24 Earnings/ (Loss) Per Share (EPS)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(Loss) attributable to Equity Shareholders (Rs.) - (A)	(41,566,179)	(42,405,569)
Weighted average number of Basic Equity Shares outstanding during the year (Nos.)- (B)	23,132,395	23,132,395
Nominal value of Equity Shares(Rs.)	10	10
Basic Earnings/(Loss) per Share (Rs.) (A/B)	(1.80)	(1.83)
Add-Effect of Potential Dilutive Share (being Optionally Convertible Debentures)	1,649,315	-
Weighted average Shares outstanding considered for determining Diluted Earnings/(loss) per Share (Nos.) (C)	24,781,710	-
Profit/(loss) after considering increased earnings of Dilutive shares (D)	(41,481,521)	-
Diluted Earnings/(Loss) per Share (Rs.) (C/D)*	(1.80)	(1.83)

* Note: Since impact are anti dilutive, therefore Basic EPS and Diluted EPS are same.

25 Related Party Disclosures as per Accounting Standard (AS) - 18

I. Related party relationship where control exists :

A) Holding Company

NIIT Limited

B) Fellow Subsidiary Companies

- 1 Mindchampion Learning Systems Limited
- 2 NIIT Institute of Finance Banking and Insurance Training Limited
- 3 NIIT Institute of Process Excellence 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, China
- 9 NIIT Wu Xi Service Outsourcing Training School, China
- 10 Chongqing NIIT Education Consulting Limited, China
- 11 Wu Xi NIIT Information Technology Consulting Limited, 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 Company Limited, China
- 18 Chongqing An Dao Education Consulting Limited, China
- 19 Zhangjiagang NIIT Information Services Limited, China
- 20 Chengnai NIIT Information Technology Company 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 (Quzhou) Education Technology Co., Limited, China

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

A) Key Managerial Personnel

Mr. Sanjay Jain - (Chief Financial Officer)
Mr. Venkata Ravi Kumar Madhira - (w.e.f. January 11, 2017 (Manager))
Mr. Syed Ali Athar - (upto October 30, 2016 (Manager))

B) Others

NIIT Foundation (a body corporate in which two Non-Executive Directors of the Company are members of its governing body).



NIIT YUVA JYOTI LIMITED
Notes to the Financial Statements for the year ended March 31, 2017

III. Details of significant transactions with related parties described above carried out in ordinary course of business:

Nature of Transactions*	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Others	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Revenue from Operations (Foot-note 1)					
-Sale of Courseware	Nil (11,674,109)	Nil (Nil)	Nil (Nil)	683,046 (1,957,673)	683,046 (13,631,782)
Recovery of Expenses by					
-Course Execution Expenses	25,113 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	25,113 (Nil)
-Employee Benefits Expense	82,819 (2,594,352)	Nil (Nil)	Nil (Nil)	Nil (Nil)	82,819 (2,594,352)
-Other Expenses	3,440,483 (5,773,563)	Nil (Nil)	Nil (Nil)	Nil (Nil)	3,440,483 (5,773,563)
Services Rendered to					
-Recovery of Employee Cost (Other Income)	Nil (1,454,253)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (1,454,253)
-Revenue from Operations - Royalty	11,430,849 (5,729,276)	Nil (Nil)	Nil (Nil)	Nil (Nil)	11,430,849 (5,729,276)
-Employee Benefits Expense	Nil (14,616,435)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (14,616,435)
-Other Expenses	Nil (941,776)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (941,776)
Management Charges					
-Other Expenses	5,091,974 (4,414,479)	Nil (Nil)	Nil (Nil)	Nil (Nil)	5,091,974 (4,414,479)
Services Received (Foot-note 2)					
-Other Expenses	Nil (Nil)	Nil (Nil)	Nil (Nil)	745,148 (1,461,412)	745,148 (1,461,412)
Loan received from Holding Co.					
-Short-Term Borrowing	135,000,000 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	135,000,000 (Nil)
Repayment of loan received from Holding Co.					
-Short-Term Borrowing	135,000,000 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	135,000,000 (Nil)
Optionally Convertible Debenture issued to Holding Co.					
-Long-Term Borrowing	160,000,000 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	160,000,000 (Nil)
Interest on Loan and OCD					
-Finance Cost	3,839,701 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	3,839,701 (Nil)
Purchase of Fixed Assets					
-Fixed Asset	96,571 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	96,571 (Nil)
Sale of Fixed Asset (Foot-note 3)					
-Fixed Asset	Nil (Nil)	41,089 (Nil)	Nil (Nil)	21,000 (Nil)	62,089 (Nil)
Corporate Guarantee Charge Recovered by					
-Other Expenses	644,704 (713,211)	Nil (Nil)	Nil (Nil)	Nil (Nil)	644,704 (713,211)
Remuneration (Foot-note 4)					
-Employee Benefits Expense	Nil (Nil)	Nil (Nil)	6,001,130 (7,711,664)	Nil (Nil)	6,001,130 (7,711,664)

* Excluding taxes



NIIT YUVA JYOTI LIMITED
Notes to the Financial Statements for the year ended March 31, 2017

Foot-notes

1 Includes Sale of Courseware to:

NIIT Foundation Rs. 683,046/- (Previous Year Rs. 1,957,673/-)

2 Includes Services Received from:

Other Expenses

NIIT Foundation Rs. 745,148/- (Previous Year Rs. 1,461,412/-)

3 Includes Sale of Fixed Assets to:

Mindchampion Learning Systems Limited is Rs. 41,089/- (Previous Year is Nil)

Rajendra Singh Pawar Rs. 21,000/- (Previous Year is Nil)

4 Includes remuneration paid to :

Sanjay Bahl Rs. Nil (Previous Year Rs. 4,330,372/-)

Syed Ali Athar Rs. 2,344,155/- (Previous Year Rs. 889,097/-)

Sanjeev Dhar Rs. Nil (Previous Year Rs. 2,037,436/-)

Venkata Ravi Kumar Madhira Rs. 659,015/- (Previous Year Rs. Nil)

Sanjay Jain Rs.2,997,960/- (Previous Year Rs. 454,759/-)

IV. Balance receivables / payables with related parties

Particulars	Receivables	Payables	Guarantees & Collaterals Outstanding
	(Rs.)	(Rs.)	(Rs.)
Holding Company	1,564,296	10,397,045	90,000,000
	(1,120,345)	(21,524,162)	(142,642,256)
Fellow Subsidiary (Foot-note a)	43,246	Nil	Nil
	(Nil)	(Nil)	(Nil)
Key Managerial Person	Nil	185,646	Nil
	(Nil)	(14,100)	(Nil)
Other (Foot-note b & c)	4,994	94,898	Nil
	(190,490)	(621,828)	(Nil)

a) Includes Amount receivables from:

Mindchampion Learning Systems Limited Rs. 43,246/- (Previous Year Rs. Nil)

b) Includes Amount receivables from:

NIIT Foundation Rs. 4,994/- (Previous Year Rs. 190,490/-)

c) Includes Amount payable to:

NIIT Foundation Rs. 94,898/- (Previous Year Rs. 621,828/-)

*Previous year figures are shown in parenthesis

26 Segment Reporting

The Company is in the business of imparting education and training in the field of skill building which is viewed by the management as a single segment in accordance with AS-17 'Segment Reporting'. As Company operates in a single geography, India, secondary segment reporting is not applicable.



NIIT YUVA JYOTI LIMITED
Notes to the Financial Statements for the year ended March 31, 2017

27 Operating Lease

- (i) All the significant operating leases entered into by the Company are cancellable on giving a notice of 1 to 3 months.
(ii) Aggregate payments during the year under operating leases are as shown hereunder:

Particulars	For the year ended March 31, 2017 (Rs.)	For the year ended March 31, 2016 (Rs.)
In respect of Premises	2,107,220	2,567,479
In respect of Vehicles	684,971	1,077,858

- 28** In consideration of NSDC supporting the skill development activities and initiatives of the Company (by way of tangible and intangible support), the Company has entered into a revenue sharing agreement with NSDC. In terms of this agreement, the Company has agreed to pay an amount equal to 10% of Operating Revenues of NYJL or the agreed amounts (as per agreement), whichever is higher, over the Revenue / Royalty Sharing Period (April 1, 2017 to March 31, 2020). The first advance payment Royalty of Rs. 72,386,000/- was paid during the year. The Balance amount of Rs. 136,492,063/- is to be paid in 8 quarterly instalments starting from April 2017. The entire loan amount is also covered by a Corporate Guarantee from NIIT Limited, the holding company. The guarantee shall progressively stand discharged on diminishing basis upon payment of the Royalty Amounts or parts thereof as per the terms of the Revenue / Royalty Sharing agreement, as payable by NYJL.
- 29** The Term Loan agreement with NSDC was amended to reduce the total sanctioned limit to availed amount of Rs. 142,642,256/-. Out of total availed Loan Rs. 52,642,256/- was pre-paid to NSDC subsequent to signing of the agreements and a balance loan of Rs. 90,000,000/- remained outstanding as at the end of the year. The Term Loan, bearing interest rate of 7.5% and repayable in 5 years starting from December 2017 as per the amended agreement. The entire loan amount is also covered by a Corporate Guarantee from NIIT Limited, (the holding company) which shall progressively reduce for any repayments made by the Company.
- 30** The Company entered into a Market Development Assistance (MDA) Agreement with NSDC, whereby NSDC agreed to provide assistance for the specified purpose of market development in the focus sectors. MDA was to be disbursed in instalments over a period of 4 years and 4 months until March 31, 2016. The Company received cumulative amount of Rs.166,942,134/- which was fully utilized by the end of previous year. During the year, The Company has entered into a new definitive agreement, wherein it was agreed that NYJL shall not take any further assistance from NSDC and Market Development Assistance agreement with NSDC superseded by definitive agreement to its closure.
- 31** The Company has been unable to achieve its original business plan which has impacted its profitability resulting in an erosion of net worth of the Company as of March 31, 2017. The Company has secured certain long term skill development contracts, and has an open order book which can be executed, and these are expected to help in improving the profitability of the Company. Additionally, the Company has also aligned its strategy to focus on its core competencies e.g. Content and courseware development, provision of Assessment & Certification services, train the trainer services, and services to align courses to the Qualification Packs (QP) according to National Occupancy Standards (NOS). The company will also foray into Program Management services for education, training and skill development programs in partnership with private sector firms, which is further expected to give financial boost of the company. Further, the holding company - NIIT Limited has confirmed operational and financial support for a period of at least one year from the date of approval of these financial statements. Considering the above, these financial statements have been prepared as Going Concern basis.
- 32** The holding company initiated steps to consolidate physical capacity across its various offerings which was spread across its own centers and those that were also owned by other subsidiaries. This included consolidation of roles and responsibilities across people organization. As a result of these activities, people were transferred to the holding company effective April 01, 2015. Pursuant to this arrangement, w.e.f. April 01, 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 a royalty income.
- 33** 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 does not hold or deal in SBN's during the period from November 8, 2016 to December 30, 2016.



NIIT YUVA JYOTI LIMITED
Notes to the Financial Statements for the year ended March 31, 2017

34 Previous year figures have been reclassified wherever necessary to conform the current year classification.

Signatures to the Notes '1' to '34' above

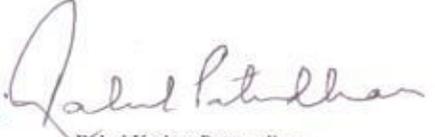
For Ghosh Khanna & Co.
Firm Registration No.: 003366N
Chartered Accountants


Amit Mittal
Partner
Membership No. 508748



Place: Gurugram
Date: May 10, 2017

For and on behalf of the Board



Vijay K. Thadani
Director
DIN - 00042527

Rahul Keshav Patwardhan
Director
DIN - 01832386


Sanjay Jain
Chief Financial Officer


Arjun Arora
Company Secretary