

**GHOSH KHANNA & CO.**  
CHARTERED ACCOUNTANTS

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**AUDITORS' REPORT**

**THE MEMBERS OF NIIT TECHNOLOGIES LIMITED, CANADA**

1. We have audited the attached Balance sheet of **NIIT TECHNOLOGIES LIMITED, CANADA** as at 31<sup>st</sup> March, 2014 and the Profit and Loss Statement and cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
  - a) We have obtained all the information and explanations, which to the best our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of account have been kept by the company as far as appears from our examination of those books.
  - c) The Balance Sheet & Profit & Loss Statement dealt with by this report is in agreement with the books of account.
  - d) In our opinion and to the best of our information and according to the explanation given to us, the said accounts together with notes thereto and Statement on Significant Accounting Policies give the information, to give, a true and fair view in conformity with the generally accepted accounting principles.
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014 and
    - (ii) In the case of the Profit and Loss Statement, of the Profit for the year ended on that date.
    - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

For **GHOSH KHANNA & CO.**  
**CHARTERED ACCOUNTANTS**



*Rohit Kohli*  
**ROHIT KOHLI**  
PARTNER  
Membership No. 87722

Place : New Delhi  
Date :

**Branches:**

**NIIT TECHNOLOGIES LTD. CANADA**

**Balance Sheet as at 31st March 2014**

	PARTICULARS	Notes	As at 31st March 2014 CAD	As at 31st March 2013 CAD
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	Share capital	2.1	49,101	49,101
	Reserves and surplus	2.4	6,010	84,160
<b>2</b>	<b>Current liabilities</b>			
	Trade Payables	2.5	2,065	2,070
	Short-term provisions	2.6	500	5,800
	<b>TOTAL</b>		<b>57,676</b>	<b>141,131</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	Fixed assets			
<b>2</b>	<b>Current assets</b>			
	Cash and bank balances	2.9	57,255	118,683
	Short-term loans and advances	2.7	421	3,600
	Trade receivables	2.8	-	18,848
	<b>TOTAL</b>		<b>57,676</b>	<b>141,131</b>

The accompanying notes referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board

*Rohit Kohli*

**Rohit Kohli**  
Partner  
Membership No. 87722  
For and on behalf of  
Ghosh Khanna & Co  
Firm Registration No. 003366N  
Chartered Accountants

*Arvind Thakur*

**Arvind Thakur**  
Director

Place : New Delhi  
Date :

*Lalit Kumar Dhingra*

**Lalit Kumar Dhingra**  
Director

Place : Atlanta USA  
Date :

Place: New Delhi  
Date:



**NIIT TECHNOLOGIES LTD. CANADA**

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

PARTICULARS		Notes	Year ended 31st March 2014 CAD	Year ended 31st March 2013 CAD
<b>INCOME</b>				
I.	Revenue from Operations	2.10	73,459	352,197
II.	Other Income	2.11	-	1
III.	<b>Total Revenue (I + II)</b>		<b>73,459</b>	<b>352,198</b>
<b>IV. EXPENDITURE</b>				
	Employee Benefits Expense	2.12	63,410	164,302
	Other Expenses	2.13	7,935	166,902
	<b>Total Expenses</b>		<b>71,345</b>	<b>331,204</b>
V.	<b>Profit before tax (III- IV)</b>		<b>2,114</b>	<b>20,994</b>
VI	<b>Tax expense:</b>			
	Current tax		264	4,948
VII	<b>Profit (Loss) for the year</b>		<b>1,850</b>	<b>16,046</b>

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

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

For and on behalf of the Board

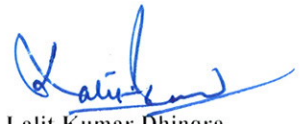


**Rohit Kohli**  
Partner  
Membership No. 87722  
For and on behalf of  
Ghosh Khanna & Co  
Firm Registration No. 003366N  
Chartered Accountants



**Arvind Thakur**  
Director

Place : New Delhi  
Date :



**Lalit Kumar Dhingra**  
Director

Place : Atlanta USA  
Date :



Place: New Delhi  
Date:

## NIT Technologies Limited, CANADA

### I. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared on an accrual basis, under historical cost convention and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India. The disclosure requirements as specified in the Schedule VI to the Companies Act, 1956 have been complied with to the extent practicable. The significant accounting policies adopted by the company are detailed below:

(i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

(ii) Revenue Recognition

The company recognizes revenue on accrual basis. Revenue in respect of IT enabled services is recognized based on services performed in accordance with specific agreements with the customers.

(iii) Retirement Benefits

Contributions are made by the Company to the social security schemes and charged off as expense when incurred.

(iv) Foreign Currency Transactions

Initial Recognition

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Conversion

All outstanding monetary assets and liabilities in foreign currency are restated at the year-end rate.

Exchange Differences

Gain/Loss arising out of fluctuation on realization/repayment/restatement is charged /credited to the Profit and Loss Statement.

(v) Provisions and contingencies

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

(vi) Income Tax

The current tax expense is the tax payable on the current year's taxable income based on the provisions applicable under Canadian Taxation Laws.



**NHT TECHNOLOGIES LTD. CANADA**

2.1 SHARE CAPITAL	As at 31st March 2014 CAD	As at 31st March 2013 CAD
<b>Authorised</b> 10 Equity Shares of US\$.5000/- each (Previous year 10 Equity Shares of US\$. 5000/- each)	49,101	49,101
	<u>49,101</u>	<u>49,101</u>
<b>Issued</b> 10 Equity Shares of US\$.5000/- each (Previous year 10 Equity Shares of US\$. 5000/- each)	49,101	49,101
	<u>49,101</u>	<u>49,101</u>
<b>Subscribed and fully paid</b> 10 Equity Shares of US\$.5000/- each (Previous year 10 Equity Shares of US\$. 5000/- each)	49,101	49,101
	<u>49,101</u>	<u>49,101</u>

2.2 Reconciliation of the number of shares outstanding	31st March 2014		31st March 2013	
	No. of shares	Value CAD	No. of shares	Value CAD
<b>Equity Shares</b>				
Shares outstanding at the beginning of the year	10	49,101	10	49,101
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<u>10</u>	<u>49,101</u>	<u>10</u>	<u>49,101</u>

2.3 Shares in respect of each class in the company held by	Name of the company	Class of shares Equity/ Preference	As at 31st March 2014 No. of shares	As at 31st March 2013 No. of shares
Holding company	NHT Technologies Ltd. India	Equity	10	10
Ultimate holding company				
Subsidiaries of holding company:				
Subsidiaries of ultimate holding company:				
Associates of holding company				
Associates of ultimate holding company				



**NIIT TECHNOLOGIES LTD. CANADA**

2.4	RESERVES AND SURPLUS	As at 31st March 2014 CAD	As at 31st March 2013 CAD
	<b>Profit &amp; Loss Account</b>		
	Balance Brought Forward from Previous year	81,160	68,111
	Add : Current Year Profit / (Loss) attributable to Share Holders	1,850	16,046
	<b>Less:-</b>		
	Proposed Dividend on Equity Shares	68,000	-
	Corporate Dividend Tax	12,000	-
	Transferred to General Reserve	-	-
	Transferred to/ (from) Debenture Redemption Reserve	-	-
	Share in Corporate Dividend Tax of Associates	-	-
		6,010	84,160
		<u>6,010</u>	<u>84,160</u>



## NIIT TECHNOLOGIES LTD. CANADA

2.5	Trade Payables	Current	
		As at 31st March 2014 CAD	As at 31st March 2013 CAD
	- Due to Others	2,065	2,070
		2,065	2,070

2.6	Provisions	SHORT-TERM	
		As at 31st March 2014 CAD	As at 31st March 2013 CAD
	Provision for Tax	500	5,800
		500	5,800



**NIIT TECHNOLOGIES LTD. CANADA**

2.7	LOANS AND ADVANCES	Short Term	
		As at 31st March 2014 CAD	As at 31st March 2013 CAD
	Advances recoverable in cash or in kind (refer note below)		
	Unsecured, considered good	421	3,600
	Unsecured, considered doubtful	-	-
	Less: Provision for doubtful advances	-	-
		421	3,600
	<b>Total</b>	<b>421</b>	<b>3,600</b>





**NIIT TECHNOLOGIES LTD. CANADA**

2.8	Trade Receivables	Current	
		As at 31st March 2014 CAD	As at 31st March 2013 CAD
	Other Trade Receivables		
	Unsecured, considered good	-	18,848
	Unsecured, considered doubtful	-	-
	Less: Provision for doubtful debts	-	-
		-	18,848
		-	18,848



## NIIT TECHNOLOGIES LTD. CANADA

2.9	Cash and Bank Balances	Current	
		As at 31st March 2014 CAD	As at 31st March 2013 CAD
	<b>Cash and cash equivalents:</b>		
	Balance with banks		
	Current Accounts	57,255	118,683
	Bank deposits with original maturity of 3 months or less	-	-
	Cash on hand	-	-
	Cheques, drafts on hand	-	-
		57,255	118,683
		57,255	118,683



**NIIT TECHNOLOGIES LTD. CANADA**

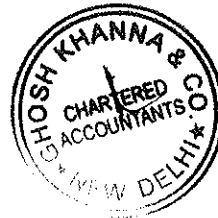
2.10	Revenue from Operations	Year ended 31st March 2014 CAD	Year ended 31st March 2013 CAD
	Sale of Services	73,459	352,197
		<u>73,459</u>	<u>352,197</u>

2.11	Other Income	Year ended 31st March 2014 CAD	Year ended 31st March 2013 CAD
	Other non-operating income (net of expenses)	-	1
		<u>-</u>	<u>1</u>



**NIIT TECHNOLOGIES LTD. CANADA**

<b>2.12</b>	<b>Employee Benefits Expenses</b>	<b>Year ended 31st March 2014 CAD</b>	<b>Year ended 31st March 2013 CAD</b>
	Salaries and Benefits	59,822	156,395
	Contribution to Provident and Other Funds	3,588	7,907
		<u>63,410</u>	<u>164,302</u>



NIFT TECHNOLOGIES LTD. CANADA

2.13	Other Expenses	Year ended 31st March 2014 CAD	Year ended 31st March 2013 CAD
	Legal and Professional	7,189	163,139
	Management Services	565	-
	Loss on foreign currency translation and transaction (net)	33	3,581
	Bank Charges	148	182
		<u>7,935</u>	<u>166,902</u>

2.14	Payment to Auditors	Year ended 31st March 2014 CAD	Year ended 31st March 2013 CAD
	Audit fee	1,500	1,500
		<u>1,500</u>	<u>1,500</u>



**NIIT Technologies Limited, CANADA**

**2.15 Other Notes**

**I Related Party Disclosure as per Accounting Standard (AS-18)**

a) Holding Company: NIIT Technologies Limited, India

b) Fellow Subsidiaries: As mentioned below:

1. NIIT GIS Limited, India
2. NIIT Smart serve Ltd, India
3. NIIT Technologies Ltd, UK
4. NIIT Technologies BV, Netherlands
5. NIIT Technologies NV, Belgium
6. NIIT Technologies Pte Limited, Singapore
7. NIIT Technologies Limited, Thailand
8. NIIT Technologies Pty Ltd., Australia
9. NIIT Technologies AG, Germany
10. NIIT Technologies GmbH, Osterreich
11. NIIT Technologies AG, Schweiz
12. NIIT Technologies Inc., USA
13. NIIT Insurance Technologies Limited, UK
14. NIIT Airline Technologies GMBH
15. NIIT Technologies FZ LLC
16. NIIT Healthcare Technologies Inc., USA
17. NIIT Technologies Inc, Philippines

**Detail of transactions and balances with related parties:**

**(All figures in CAD)**

Nature of Transactions	F. Year	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel	Parties in which Key Managerial Personnel are interested	Total
Rendering of Services (Note 1)	31.03.14	-	-	72,894	-	-	72,894
	31.03.13	-	-	352,197	-	-	352,197

**Balances outstanding as on 31<sup>st</sup> March 2014**

	Year	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel	Parties in which Key Managerial Personnel are interested
Receivable/ (Payable) (Note 2)	31.03.14	-	-	(565)	-	-
	31.03.13	-	-	18,844	-	-

**Note 1**

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
NIIT Technologies Inc USA	73,459	363,599
NIIT Technologies Ltd, UK	(565)	(11,402)



NIIT Technologies Limited, CANADA

Note 2

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
NIIT Technologies Inc USA	-	18,427
NIIT Technologies Ltd. UK	(565)	417

2.16 Income Tax

**Current Tax:** The Company has provided taxes based on the Income Tax Regulations as applicable in Canada.

2.17 Previous year figures have been regrouped wherever necessary to confirm to current year classification.



Rohit Kohli  
Partner  
Member ship No. 87722  
For & on behalf of  
Ghosh Khanna & Co.  
Firm Registration No. 003366N  
Chartered Accountants



Arvind Thakur  
Director



Lalit Kumar Dhingra  
Director

Place: New Delhi  
Date:

Place: New Delhi  
Date:

Place: Atlanta, USA  
Date:



NIIT Technologies Ltd, CANADA  
Cash flow statement for the Year ended 31st March 2014

	Year ended 31st March 2014 CAD	Year ended 31st March 2013 CAD
<b>A. Cash flow from operating activities:</b>		
Net profit	2,114	20,994
Adjustments for:		
Interest Expense		
<b>Operating profit</b>	<u>2,114</u>	<u>20,994</u>
<b>Adjustments for changes in working capital :</b>		
(Increase)/Decrease in Sundry Debtors	18,848	25,689
(Increase)/Decrease in Loan & Advances	3,179	4,239
- Increase/(Decrease) in Trade and Other Payables	(5,569)	(7,693)
<b>Cash generated from operations</b>	<u>18,572</u>	<u>43,229</u>
Taxes paid		
<b>Net cash from operating activities</b>	(A) <u>18,572</u>	<u>43,229</u>
<b>B. Cash flow from Investing activities:</b>		
- Dividend Paid		
<b>Net cash from investing activities</b>	(B) <u>-</u>	<u>-</u>
<b>C. Cash flow from financing activities:</b>		
- Dividend Paid	(68,000)	
- Dividend Tax Paid	(12,000)	
<b>Net cash from financing activities</b>	(C) <u>(80,000)</u>	<u>-</u>
<b>Cash and cash equivalents as at the beginning of the year</b>	118,683	75,454
<b>Cash and cash equivalents as at the end of the year</b>	57,255	118,683
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	(A)+(B)+(C) <u>(61,428)</u>	<u>43,229</u>
<b>Notes</b>		
1 Cash and cash equivalents comprise		
Cheques in Hand		
Balance with Banks	<u>57,255</u>	<u>118,683</u>
	57,255	118,683

2 The above cash flow statement has been prepared under the indirect method set out in Accounting Standard 3 notified u/s 211(3C) of the Companies Act, 1956.

This is the Cash flow referred to in our report of even date

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

*Rohit Kohli*

Rohit Kohli  
Partner  
Membership No.: 87722

Place : New Delhi  
Date :



*Arvind Thakur*  
Arvind Thakur  
Director

Place : New Delhi  
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*Lalit Kumar Dhingra*  
Lalit Kumar Dhingra  
Director

Place : Atlanta, USA  
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