

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

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**AUDITORS' REPORT**

**THE MEMBERS OF NIIT Healthcare Technologies Inc USA**

**Report on the Financial Statements**

1. We have audited the attached Balance Sheet of **NIIT Healthcare Technologies Inc USA** as at 31st March, 2013 and the related Profit and Loss Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

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

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards. This responsibility includes the design, implementation and maintenance of internal control 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. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. 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, 2013 and

**Branches:**

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(ii) In the case of the Profit and Loss Statement, of the Loss for the year ended on that date.

For **GHOSH KHANNA & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No. 003366N

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

Place : New Delhi  
Date :



**NIIT Healthcare Technologies Inc, USA**

**Balance Sheet as at 31st March 2013**


	PARTICULARS	Notes	As at 31st March 2013 US \$	As at 31st March 2012 US \$
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	Share capital	3	-	50,000
	Reserves and surplus	4	-	(8,84,509)
<b>2</b>	<b>Non-current liabilities</b>			
	Deferred tax liabilities (net)		-	-
	Long-term borrowings		-	-
	Trade Payables		-	-
	Other Long term liabilities		-	-
	Long-term provisions		-	-
<b>3</b>	<b>Current liabilities</b>			
	Short-term borrowings	5	-	9,00,000
	Trade Payables	6	-	81,238
	Other current liabilities	7	-	1,894
	Short-term provisions	8	-	13,000
	<b>TOTAL</b>		<b>-</b>	<b>1,61,623</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	Fixed assets	9		
	Tangible assets		-	4,288
	Intangible assets		-	-
	Capital work-in-progress		-	-
	Intangible assets under development		-	-
<b>2</b>	<b>Current assets</b>			
	Cash and bank balances	12	-	67,865
	Short-term loans and advances	10	-	39,019
	Trade receivables	11	-	50,451
	<b>TOTAL</b>		<b>-</b>	<b>1,61,623</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**  
 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:

  
**Rajendra S Pawar**  
 Director

Place: New Delhi  
 Date:

Place: New Delhi  
 Date:



NIIT Healthcare Technologies Inc, USA

Statement of Profit & Loss for the year ended 31st March 2013

PARTICULARS	Notes	Year Ended	Year Ended
		31st March 2013 US \$	31st March 2012 US \$
<b>INCOME FROM DISCONTINUED OPERATIONS</b>			
I. Revenue from Operations	13	9,000	4,51,305
II. Other Income		230	-
<b>II. Total Revenue</b>		<b>9,230</b>	<b>4,51,305</b>
<b>III. EXPENDITURE OF DISCONTINUED OPERATIONS</b>			
Production, Development and Bought Out Packages	14	(1,749)	42,369
Employee Benefits Expense	15	1,57,251	6,28,282
Other Expenses	16	1,08,876	4,27,177
Finance Costs	18	9,321	15,875
Depreciation and Amortization Expenses	9	2,228	1,781
<b>Total Expenses of Discontinued Operations</b>		<b>2,75,927</b>	<b>11,15,484</b>
Profit before extraordinary items & Tax		(2,66,697)	(6,64,179)
Extraordinary Items		11,51,206	
<b>IV Profit before tax of discontinued operations</b>		<b>8,84,509</b>	<b>(6,64,179)</b>
<b>V Profit (Loss) for the year of discontinued operations</b>		<b>8,84,509</b>	<b>(6,64,179)</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

*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

For and on behalf of the Board

*Rajendra S Pawar*  
**Rajendra S Pawar**  
 Director

Place: New Delhi  
 Date:



## NIIT Healthcare Technologies Inc., USA

### 1. 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 Account.

(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.



## NIIT Healthcare Technologies Inc., USA

### 2 Other Notes

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

- a) Ultimate Holding Company: NIIT Technologies Limited
- b) Holding Company : NIIT Technologies Inc USA
- c) 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 AG, Schweiz
  11. NIIT Insurance Technologies Limited, UK
  12. NIIT Airline Technologies GMBH
  13. NIIT Technologies Limited, Canada
  14. NIIT Technologies FZ LLC
  15. NIIT Technologies Inc Philippines
  16. NIIT Technologies S.A, Spain

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

(All figures in US\$)

Nature of Transactions	F. Year	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel	Parties in which Key Managerial Personnel are interested	Total
- Loan Received	31.03.13	175,000	-	-	-	-	175,000
	31.03.12	700,000	-	-	-	-	700,000
- Interest Paid	31.03.13	9,321	-	-	-	-	9,321
	31.03.12	15,875	-	-	-	-	15,875

#### Balances outstanding as on 31<sup>st</sup> March 2013

	Year	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel	Parties in which Key Managerial Personnel are interested
Payable (Note 1)	31.03.13	-	-	-	-	-
	31.03.12	938,425	-	-	-	938,425

#### Note 1

Particulars	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
NIIT Technologies Inc USA	-	919,696
NIIT Technologies Ltd. (US Branch)	-	18,729



NIIT Healthcare Technologies Inc., USA

II During the year the Company has closed the operations and filed the application for voluntary dissolution to the Florida Department of State Division of Corporations

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

*Rohit Kohli*

Rohit Kohli  
Partner  
Member Ship No. 87722  
Ghosh Khanna & Co.  
Firm Registration No. 003366N  
Chartered Accountants



Arvind Thakur  
Director



Rajendra S Pawar  
Director

Place: New Delhi  
Date:

Place: New Delhi  
Date:

Place: New Delhi  
Date:



**NIIT Healthcare Technologies Inc, USA**

3	SHARE CAPITAL	As at	As at
		31st March 2013	31st March 2012
		US \$	US \$
	<b>Authorised</b> 5,000,000 Equity Shares of US\$ 1/- each (Previous year 5,000,000 Equity Shares of US\$ 1/- each)	50,00,000	50,00,000
		<u>50,00,000</u>	<u>50,00,000</u>
	<b>Issued</b> 50,000 Equity Shares of US\$ 1/- each (Previous year - 50,000 Equity Shares of US\$ 1/- each)	-	50,000
		<u>-</u>	<u>50,000</u>
	<b>Subscribed and fully paid</b> 50,000 Equity Shares of US\$ 1/- each (Previous year - 50,000 Equity Shares of US\$ 1/- each)	-	50,000
		<u>-</u>	<u>50,000</u>

3.1	Reconciliation of the number of shares outstanding	31st March 2013		31st March 2012	
		No. of shares	Value US \$	No. of shares	Value US \$
	<b>Equity Shares</b>				
	Shares outstanding at the beginning of the year	-	-	50,000	50,000
	Shares Issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	<b>Shares outstanding at the end of the year</b>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
	<b>1.1.2 Preference Shares</b>				
	Shares outstanding at the beginning of the year				
	Shares Issued during the year				
	Shares bought back during the year				
	<b>Shares outstanding at the end of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

3.2	Shares in respect of each class in the company held by	Name of the company	Class of shares Equity/ Preference	As at	As at
				31st March 2013	31st March 2012
				No. of shares	No. of shares
	Holding company	NIIT Technologies Inc	Equity	50,000	50,000
	Ultimate holding company				
	Subsidiaries of holding company;				
	Subsidiaries of ultimate holding company;				
	Associates of holding company				
	Associates of ultimate holding company				





NIIT Healthcare Technologies Inc, USA

4	RESERVES AND SURPLUS	As at 31st March 2013 US \$	As at 31st March 2012 US \$
	<b>General Reserve (Note 1 below)</b>		
	As per Last Balance Sheet	-	-
	Less: General Reserve of Associates	-	-
	Add : Transferred from Profit and Loss Account	-	-
		-	-
	<b>Profit &amp; Loss Account</b>		
	Balance Brought Forward from Previous year	(8,84,509)	(2,20,330)
	Add : Current Year Profit / (Loss) attributable to Share Holders	8,84,509	(6,64,179)
	<b>Less:-</b>		
	Proposed Dividend on Equity Shares	-	-
	Corporate Dividend Tax	-	-
	Transferred to General Reserve	-	-
	Share in Corporate Dividend Tax of Associates	-	(8,84,509)
		-0	-
		(0)	(8,84,509)



## NIIT Healthcare Technologies Inc, USA

5	LONG TERM BORROWINGS	Current Maturities	
		As at 31st March 2013 US \$	As at 31st March 2012 US \$
	<b>UNSECURED</b> Loans from Related Parties	-	9,00,000
		-	<b>9,00,000</b>
	<b>Total</b>	-	<b>9,00,000</b>



## NIIT Healthcare Technologies Inc, USA

6	Trade Payables	Current Liabilities	
		As at 31st March 2013 US \$	As at 31st March 2012 US \$
	- Due to Micro Enterprises and Small Enterprises	-	-
	- Due to Others	-	81,238
		-	81,238

7	OTHER LIABILITIES	Current Liabilities	
		As at 31st March 2013 US \$	As at 31st March 2012 US \$
	Other Payables	-	1,894
		-	1,894

8	Provisions	Short Term	
		As at 31st March 2013 US \$	As at 31st March 2012 US \$
	Provision for employee benefits : Provision for Compensated Absences	-	13,000
		-	13,000



NIIT Healthcare Technologies Inc, USA

9 Fixed Assets

Description of Assets	GROSS BLOCK		DEPRECIATION AND AMORTISATION		NET BLOCK			
	Cost As on 01.04.2012	Additions during the year	Sales /Adj. during the year	As on 01.04.2012	For the year	Total as on 31.03.2013	As on 31.03.2013	As on 31.03.2012
<u>i) Tangible</u>								
Plant & Equipment								
- Plant & Machinery	6,165	-	6,165	1,877	2,228	4,105	-	4,288
Furniture & Fixtures								
-Owned								
<b>Total</b>	6,165	-	6,165	1,877	2,228	4,105	-	4,288
<b>Previous Year</b>	3,656	2,509		96	1,781	1,877	4,288	3,560



**NIIT Healthcare Technologies Inc, USA**

10	LOANS AND ADVANCES	Short Term	
		As at 31st March 2013 US \$	As at 31st March 2012 US \$
	Advances recoverable in cash or in kind (refer note below)		
	Unsecured, considered good	-	38,214
	Unsecured, considered doubtful	-	-
	Less: Provision for doubtful advances	-	-
	(A)	-	38,214
	Advance Tax	-	805
	Less : Provision for Tax	-	-
		-	805
	(B)	-	805
	<b>Total (A+B)</b>	-	<b>39,019</b>



NIIT Healthcare Technologies Inc, USA

11	Trade Receivables	Current	
		As at 31st March 2013 US \$	As at 31st March 2012 US \$
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	-	50,451
	Unsecured, considered doubtful	-	-
	Less: Provision for doubtful debts	-	-
		-	50,451
		-	50,451



NIIT Healthcare Technologies Inc, USA

12	Cash and Bank Balances	Current	
		As at 31st March 2013 US \$	As at 31st March 2012 US \$
	<b>Cash and cash equivalents:</b>		
	Balance with banks		
	Current Accounts	-	67,865
	Bank deposits with original maturity of 3 months or less	-	-
	Cash on hand	-	-
	Cheques, drafts on hand	-	-
		-	67,865



NIIT Healthcare Technologies Inc, USA

13	Revenue from Operations	Year Ended	Year Ended
		31st March 2013	31st March 2012
		US \$	US \$
	Sale of Services	9,000	451,305
		<u>9,000</u>	<u>451,305</u>

14	Production, Development and Bought Out Packages	Year Ended	Year Ended
		31st March 2013	31st March 2012
		US \$	US \$
	Cost of goods sold	-	1,080
	Cost of goods sold-Services	2,251	37,289
	Professional Services Expenses for Production	(4,000)	4,000
		<u>(1,749)</u>	<u>42,369</u>





**NIIT Healthcare Technologies Inc, USA**

<b>15</b>	<b>Employee Benefits Expenses</b>	<b>Year Ended 31st March 2013 US \$</b>	<b>Year Ended 31st March 2012 US \$</b>
	Salaries and Benefits	1,55,021	6,27,884
	Contribution to Provident and Other Funds	2,204	6
	Welfare and Other expenses	26	392
		<u>1,57,251</u>	<u>6,28,282</u>



**NIIT Healthcare Technologies Inc, USA**

16 Other Expenses	Year Ended 31st March 2013 US \$	Year Ended 31st March 2012 US \$
Rent (net of recoveries)	-	38,475
Rates and Taxes	-	7,522
Communication	-33	5,903
Legal and Professional	21,100	1,25,652
Traveling and Conveyance	9,265	98,340
Provision for Doubtful Debts	34,000	15,000
Insurance	1,762	1,097
Repairs and Maintenance		
- Plant and Machinery	240	327
- Buildings	-	-
- Others	-	709
Other Marketing Expenses	41,053	1,33,421
Sundry Expenses	1,489	731
	<u>1,08,876</u>	<u>4,27,177</u>

17 Payment to Auditors	Year Ended 31st March 2013 US \$	Year Ended 31st March 2012 US \$
Audit fee	1,000	2,000
Tax Audit fees		
Reimbursement of expenses (including Service Tax)		
	<u>1,000</u>	<u>2,000</u>

18 Finance costs	Year Ended 31st March 2013 US \$	Year Ended 31st March 2012 US \$
Interest Expense	9,321	15,875
	<u>9,321</u>	<u>15,875</u>

