

GHOSH KHANNA & CO.
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

THE MEMBERS NIIT TECHNOLOGIES PTY LTD., AUSTRALIA

1. We have audited the attached Balance sheet of **NIIT TECHNOLOGIES PTY. LTD., AUSTRALIA** as at 31st March, 2013 and also the Profit and Loss statement read with the notes to accounts of the Company for the year ended on that date annexed thereto both of which we have signed under reference to this report. 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 of 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 31st March, 2013 and
 - (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

Rohit Kohli

ROHIT KOHLI
PARTNER
Membership No.87722

Place : New Delhi

Date : **06.05.2013**

Branches:

NIIT Technologies Pty Ltd. Australia

Balance Sheet as at 31st March 2013

	PARTICULARS	Notes	As at 31st March 2013 AUD	As at 31st March 2012 AUD
I	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	Share capital	3	1,002	1,002
	Reserves and surplus	4	23,56,646	24,46,498
2	Non-current liabilities			
	Deferred tax liabilities (net)		4,94,035	5,19,514
3	Current liabilities			
	Short-term borrowings	5	78,81,252	37,56,439
	Trade Payables	6	67,21,254	1,06,00,241
	Other current liabilities	7	4,18,958	2,68,883
	Short-term provisions	8	5,32,026	4,58,645
	TOTAL		1,84,05,173	1,80,51,222
II	ASSETS			
1	Non-current assets			
	Fixed assets	9		
	Tangible assets		3,689	11,330
	Intangible assets		-	-
	Capital work-in-progress		-	-
2	Current assets			
	Cash and bank balances	14	17,62,791	7,73,285
	Short-term loans and advances	11	99,751	2,48,349
	Trade receivables	12	37,54,397	25,81,907
	Other current assets	13	1,27,84,545	1,44,36,351
	TOTAL		1,84,05,173	1,80,51,222

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

Glenn Merchant
Glenn Merchant
 Director

Arvind Mehrotra
Arvind Mehrotra
 Director



Place: New Delhi
 Date: 06.05.2013

NIIT Technologies Pty Ltd. Australia

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

PARTICULARS	Notes	Year ended	Year ended
		31st March 2013 AUD	31st March 2012 AUD
INCOME			
I. Revenue from Operations	16	1,85,45,443	1,83,22,335
II. Other Income	17	1,24,912	18,584
III. Total Revenue (I + II)		1,86,70,355	1,83,40,919
EXPENDITURE			
IV. Production, Development and Execution	18	1,02,08,836	97,71,462
Employee Benefits Expense	19	74,43,904	65,26,138
Other Expenses	20	8,81,174	10,49,460
Finance Costs	22	2,44,131	58,975
Depreciation and Amortization Expenses	9	7,641	7,572
Total Expenses		1,87,85,686	1,74,13,607
V Profit before tax (III- IV)		(1,15,331)	9,27,312
VI Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(25,479)	2,86,869
(3) MAT Credit Entitlement			
(4) Provision for Tax relating to earlier years			
VII Profit (Loss) for the period		(89,852)	6,40,443

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

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

For and on behalf of the Board

Rohit Kohli

Partner

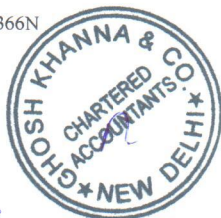
Membership No. 87722

For and on behalf of

Ghosh Khanna & Co

Firm Registration No. 003366N

Chartered Accountants



Place: New Delhi

Date: 06.05.2013

Glenn Merchant
Glenn Merchant
Director

Arvind Mehrotra
Arvind Mehrotra
Director

NIIT Technologies Pty Ltd. Australia

3	SHARE CAPITAL	As at	As at
		31st March 2013	31st March 2012
		AUD	AUD
	Authorised 1002 Equity Shares of AUD.1/- each (Previous year 1002 Equity Shares of AUD. 1/- each)	1.002	1.002
		<u>1.002</u>	<u>1.002</u>
	Issued 1002 Equity Shares of AUD.1/- each (Previous year 1002 Equity Shares of AUD. 1/- each)	1.002	1.002
		<u>1.002</u>	<u>1.002</u>
	Subscribed and fully paid 1002 Equity Shares of AUD.1/- each (Previous year 1002 Equity Shares of AUD. 1/- each)	1.002	1.002
		<u>1.002</u>	<u>1.002</u>

3.1	Reconciliation of the number of shares outstanding	31st March 2013		31st March 2012	
		No. of shares	Value AUD	No. of shares	Value AUD
	Equity Shares				
	Shares outstanding at the beginning of the year	1.002	1.002	1.002	1.002
	Shares Issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	1,002	1,002	1,002	1,002

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 Pte Ltd.	Equity	1,002	1,002



NIIT Technologies Pty Ltd. Australia

4	RESERVES AND SURPLUS	As at 31st March 2013 AUD	As at 31st March 2012 AUD
Profit & Loss Account			
Balance Brought Forward from Previous year			
		24,46,498	18,06,055
Add : Current Year Profit / (Loss) attributable to Share Holders			
		(89,852)	6,40,443
Less:-			
Proposed Dividend on Equity Shares			
		-	-
Corporate Dividend Tax			
		-	-
Transferred to General Reserve			
		-	-
Transferred to/ (from) Debenture Redemption Reserve			
		-	-
Share in Corporate Dividend Tax of Associates			
		-	-
		<u>23,56,646</u>	<u>24,46,498</u>
		<u>23,56,646</u>	<u>24,46,498</u>



NIIT Technologies Pty Ltd. Australia

5	LONG TERM BORROWINGS	Current Maturities	
		As at 31st March 2013 AUD	As at 31st March 2012 AUD
	UNSECURED		
	Loans from Related Parties	78,81,252	37,56,439
	Sub Total	78,81,252	37,56,439
	Total	78,81,252	37,56,439



NIIT Technologies Pty Ltd. Australia

6	Trade Payables	Current	
		As at 31st March 2013 AUD	As at 31st March 2012 AUD
	- Due to Micro Enterprises and Small Enterprises	-	-
	- Due to Others	67,21,254	1,06,00,241
		67,21,254	1,06,00,241

7	OTHER LIABILITIES	Current Liabilities	
		As at 31st March 2013 AUD	As at 31st March 2012 AUD
	Other Payables	4,18,958	2,68,883
		4,18,958	2,68,883

8	Provisions	SHORT-TERM	
		As at 31st March 2013 AUD	As at 31st March 2012 AUD
	Provision for employee benefits : Provision for Compensated Absences	5,32,026	4,58,645
		5,32,026	4,58,645



NHIT Technologies Pty Ltd. Australia

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	Total as on 31.03.2013	As on 01.04.2012	For the year	Sales / Adj. during the year	Total as on 31.03.2013	As on 31.03.2013	As on 31.03.2012
i) Tangible										
Plant & Equipment	30,884	-	-	30,884	19,554	7,641	-	27,195	3,689	11,330
- Plant & Machinery										
Furniture & Fixtures	5,030	-	-	5,030	5,030	-	-	5,030	-	-
-Owned										
Sub Total (a)	35,914	-	-	35,914	24,584	7,641	-	32,225	3,689	11,330
ii) Intangible										
Sub Total (b)	-	-	-	-	-	-	-	-	-	-
Total (a+b)	35,914	-	-	35,914	24,584	7,642	-	32,225	3,689	11,330
Previous Year	30,979	4,935	-	35,914	17,012	7,572	-	24,584	11,330	13,967



NIIT Technologies Pty Ltd. Australia

10 Deferred Tax Asset (net)

AUD

Deferred Tax Assets/Liabilities	Opening	Charged/ (Credited) to Profit & Loss	Closing
	As on 01.04.2011		As on 31.03.2012
Deferred Tax Liabilities:			
a) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.			
b) Others	-43,48,178	4,77,476	-38,70,702
Total (A)	-43,48,178	4,77,476	-38,70,702
Deferred Tax Assets:			
a) Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax:	17,40,323	-1453833	2,86,490
-Provision for doubtful debts and advances			
-Provision for Inventory			
-Provision for Compensated Absences, Bonus, Gratuity and other timing differences	2,09,453	3,53,631	5,63,084
Carry forward of losses & unabsorbed depreciation	18,78,890	6,48,204	25,27,094
-Deferred Income on sale and lease back transaction			
-Provision for Employee Reimbursements on claim basis	-	-	-
Total (B)	38,28,666	-4,51,998	33,76,668
Net Deferred Tax (Liabilities)/ Assets (A+B)	-5,19,513	25,478	-4,94,035



NIIT Technologies Pty Ltd. Australia

11	LOANS AND ADVANCES	Short Term	
		As at 31st March 2013 AUD	As at 31st March 2012 AUD
	Security Deposits Receivable Unsecured, considered good	6,436	10,936
	Less: Provision for doubtful security deposits		
	(A)	6,436	10,936
	Advances recoverable in cash or in kind Unsecured, considered good	93,315	95,854
	Less: Provision for doubtful advances	-	-
	(B)	93,315	95,854
	Advance Tax	-	1,41,559
	Less : Provision for Tax	-	-
		-	1,41,559
	(C)	-	1,41,559
	Total (A+B+C)	99,751	2,48,349



NIIT Technologies Pty Ltd. Australia

12 Trade Receivables	Current	
	As at 31st March 2013 AUD	As at 31st March 2012 AUD
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
Other Trade Receivables		
Unsecured, considered good	37,54,397	25,81,907
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	37,54,397	25,81,907
	37,54,397	25,81,907

13 OTHER ASSETS	Current	
	As at 31st March 2013 AUD	As at 31st March 2012 AUD
Non Current Bank Balances	-	-
Unbilled revenue	1,27,84,545	1,44,36,351
Interest Receivable	-	-
	1,27,84,545	1,44,36,351



14 Cash and Bank Balances	Current	
	As at 31st March 2013 AUD	As at 31st March 2012 AUD
Cash and cash equivalents:		
Balance with banks	17,10,848	7,23,810
Current Accounts		
Cash on hand	-	-
	17,10,848	7,23,810
Other bank balances:		
Bank deposits:		
With original maturity of more than 3 months and upto 12 months	-	-
With original maturity of more than 12 months	51,943	49,475
	51,943	49,475
	17,62,791	7,73,285

15 Contingent Liabilities

There is no Contingent Liabilities



NIIT Technologies Pty Ltd. Australia

16	Revenue from Operations	Year ended 31st March 2013 AUD	Year ended 31st March 2012 AUD
	Sale of Services	1,85,45,443	1,83,22,335
		<u>1,85,45,443</u>	<u>1,83,22,335</u>

17	Other Income	Year ended 31st March 2013 AUD	Year ended 31st March 2012 AUD
	Interest Income	2,468	2,808
	Gain on foreign currency translation and transaction (net)	1,21,408	-
	Other non-operating income (net of expenses)	1,036	15,776
		<u>1,24,912</u>	<u>18,584</u>

18	Production, Development and Bought Out Packages	Year ended 31st March 2013 AUD	Year ended 31st March 2012 AUD
	Software Development - Offshore	59,45,622	96,30,427
	Professional Services Expenses for Production	42,63,148	1,41,035
	Equipment Hiring - Non Production	66	-
		<u>1,02,08,836</u>	<u>97,71,462</u>



NIIT Technologies Pty Ltd. Australia

19	Employee Benefits Expenses	Year ended 31st March 2013 AUD	Year ended 31st March 2012 AUD
	Salaries and Benefits	68,34,292	59,06,293
	Contribution to Provident and Other Funds	5,19,985	4,60,256
	Welfare and Other expenses	89,627	1,59,589
		<u>74,43,904</u>	<u>65,26,138</u>



NIIT Technologies Pty Ltd. Australia

20 Other Expenses	Year ended 31st March 2013 AUD	Year ended 31st March 2012 AUD
Rent (net of recoveries)	1,14,153	1,47,850
Rates and Taxes	24,050	7,730
Power & Fuel	2,485	2,273
Communication	55,010	63,223
Legal and Professional	1,95,130	3,35,979
Traveling and Conveyance	1,78,511	1,97,822
Insurance	76,458	72,547
Repairs and Maintenance		
- Plant and Machinery	2,842	1,856
- Buildings	-	-
- Others	375	57
Loss on foreign currency translation and transaction (net)	-	1,01,963
Bank Charges	79,501	10,261
Other Marketing Expenses	55,297	13,282
Sundry Expenses	97,362	94,617
	<u>8,81,174</u>	<u>10,49,460</u>

21 Payment to Auditors	Year ended 31st March 2013 AUD	Year ended 31st March 2012 AUD
Audit fee	13,800	14,200
	<u>13,800</u>	<u>14,200</u>

22 Finance costs	Year ended 31st March 2013 AUD	Year ended 31st March 2012 AUD
Interest Expense	2,44,131	58,975
	<u>2,44,131</u>	<u>58,975</u>

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



Glenn Merchant
Glenn Merchant
 Director

Arvind Mehrotra
Arvind Mehrotra
 Director

NIIT Technologies Pty Ltd., Australia

Notes to Accounts for the year ended 31st March 2013

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 financials statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

ii. Fixed Assets and Depreciation

Fixed Assets are stated at acquisition cost.

Depreciation is charged on a pro-rata basis on the straight-line method over the estimated useful lives of the assets determined as follows:-

Furniture and Fixtures	5 Years
Plant and Machinery	3-5 years

iii. Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Company's activities, net of goods and service tax.

Revenue is recognized as follows:

Revenue from rendering of services is recognized when services is rendered or percentage completion method depending on the contractual agreement.

Revenue from fixed price contracts is recognized based on percentage completion method and foreseeable loss on contract completion is provided for as soon as these are known.

The percentage of completion method is calculated proportion of costs incurred to date to the estimated total costs for the project.



iv. Retirement Benefits

Superannuation contributions are made by the Company to the appropriate employee Superannuation funds and are charged off as expense when incurred.

Employee entitlements to annual leave are recognized when they accrue to the employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by the employees up to the Balance sheet date

v. Foreign Currency Transactions

Functional Currency

The functional currency of the company is Australian dollars, being the currency in which the company transacts its sales and purchases.

Transaction and Balances

Transactions in currencies other than Australian dollars are recorded at the exchange rates prevailing on the date of the transaction. At each balance sheet date, recorded monetary balances that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange Differences

All the exchange differences are included in the profit and loss statement for the year.

vi. Leases

Lease where the lessor effectively retains substantially all the risk and reward of ownership of leased items are classified as operation lease. Operating lease payments are recognized as expenses in the profit and loss statement on a straight- line basis over the lease term.

vii. Provisions and contingencies

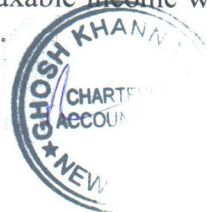
The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present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

viii. Income Tax

The tax expense comprise of both current and deferred tax.

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

Deferred tax assets and liabilities are recognized for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled based on those tax rates which are enacted or substantively enacted. As a matter of prudence deferred tax assets are recognized and carried forward only to the extent, there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.



2) **Other Notes**

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

Related Parties of the Company where control exists:

A. Holding Company

Sr. No.	Name of Company	Remarks
1.	NIIT Technologies Limited	Ultimate Parent Company
2.	NIIT Technologies Pte Limited, Singapore	Holding Company

B. Fellow Subsidiaries

Sr. No.	Name of Company	Remarks
1	NIIT Technologies Limited UK	Fellow Subsidiary
2	NIIT Thailand Limited, Thailand	Fellow Subsidiary
3	NIIT Benelux B.V., Netherlands	Fellow Subsidiary
4	NIIT Technologies Co. Limited, Japan	Fellow Subsidiary
5	NIIT GIS Limited, India	Fellow Subsidiary
6	NIIT Belgium N.V., Belgium	Fellow Subsidiary
7	NIIT Smart Serve Limited, India	Fellow Subsidiary
8	NIIT Technologies AG, Germany	Fellow Subsidiary
9	NIIT Technologies AG, Switzerland	Fellow Subsidiary
10	NIIT Technologies GMBH, Germany	Fellow Subsidiary
11	NIIT Technologies Inc., USA	Fellow Subsidiary
12	NIIT Smart Serve Limited, UK	Fellow Subsidiary
13	NIIT Insurance Technologies Limited U.K	Fellow Subsidiary
14	NIIT Technologies Services Limited – Adecco	Fellow Subsidiary
15	NIIT Technologies US Branch	Fellow Subsidiary
16	NIIT Technologies LTD Canada	Fellow Subsidiary
17	NIIT Airline Technologies GMBH Germany	Fellow Subsidiary
18	NIIT Technologies FZ LLC Dubai	Fellow Subsidiary
19	NIIT Healthcare Technologies Inc., USA	Fellow Subsidiary
20	NIIT Media Technologies Limited – Morris	Fellow Subsidiary
21	NIIT Technologies , S.A., Spain	Fellow Subsidiary

C. Key Managerial Personnel

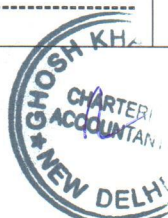
Sr No.	Name	Remarks
1.	Mr. Arvind Thakur	Director
2.	Mr. Arvind Mehrotra	Director
3.	Mr. Glenn Merchant	Director

D. Relatives of Key Managerial Personnel

Sr. No.	Name	Remarks
	-----NA-----	

E. List of other Companies in which key Managerial Personnel are interested

S No	Name of Companies/Firms	Remarks
	-----NA-----	



Details of transaction and balances with related parties (AUD)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Key managerial Personnel
Receiving of Services :			
NIIT Technologies Limited, India	5,945,622	----	----
Glenn Merchant			43,000
Rendering of Services;			
NIIT Technologies Inc,USA		136,508	
Transfer of Expenses			
NIIT Technologies Limited,India	110,069		----
NIIT Technologies Pte Limited, Singapore	1,441	----	
Loan Taken			
NIIT Technologies Pte Limited, Singapore	500,000	----	----
NIIT Insurance Technologies Ltd U.K	----	3,049,061	----
NIIT Technologies Inc, USA	----	950,751	----
Loan Paid			
NIIT Technologies Ltd, Thailand		375,000	
Interest paid			
NIIT Technologies Pte Limited, Singapore	64,325	----	----
NIIT Technologies Ltd, Thailand		11,918	
NIIT Technologies Inc, USA		99,623	
NIIT Insurance Technologies Ltd. U.K		68,265	
Other expenses			
NIIT Technologies Pte Limited, Singapore	12,287	----	----
NIIT Technologies Limited, India	129,239	----	----
Recovery of Expenses:			
NIIT Inc, USA	----	68,441	----
NIIT Technologies Inc, USA		7,135	



Outstanding Balances with related parties:

Nature of Transaction	Holding Company	Associate Companies	Key managerial Personnel
Receivables :			
NIIT Technologies Inc, USA	----	154,379	----
Payable :			
NIIT Technologies Limited	5,003,302	----	----
NIIT Technologies Pte Limited, Singapore	1,531,565	-----	----
NIIT Insurance Technologies Ltd, U.K	----	3,049,061	----
NIIT Technologies Inc, USA	----	3,266,702	----

II) Disclosure of Leases as per Accounting Standard (AS) -19**a) Operating Leases:**

Total of future Minimum Lease Payments under non-cancelable leases in case of premises and equipments:

Particulars	In respect of Premises Amount in AUD 31.03.2013
Amount payable within the next 1 year	42,000
Amount payable within the next 2 to 5 years	24,500
Amount payable beyond 5 years	NIL
Aggregate payments during the year under operating leases amount to AUD 114,153 (Previous Year AUD 147849)	

b) Finance Leases:

The company has not entered into any Finance Leases.

III) Current Tax

The Company pays taxes based on the Income tax regulations as applicable in Australia

IV) Leave encashment

The liability for annual leave in respect of employees services up to the reporting date and are measured at the amounts expected to be paid when the liability is settled. At the year end accumulated provision for leave encashment is AUD 532,026/-(previous year AUD 458,645)



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

Rohit Kohli
Rohit Kohli
Partner
Ghosh Khanna & Co.
Chartered Accountants

Glenn Merchant
Glenn Merchant
Director

Arvind Mehrotra
Arvind Mehrotra
Director

Place: New Delhi

Dated: *06.05.2013*

