

**GHOSH KHANNA & CO.**  
CHARTERED ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of M/s NIIT Institute of Process Excellence Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2016 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 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.



**Branches:**

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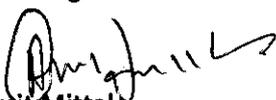
## Opinion

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, 2016, and its profit 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 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors as on March 31, 2016, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 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 does not have any pending litigations which would impact its financial position;
    - 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.

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

  
**Amit Mittal**  
**Partner**  
**Membership No. 508748**



## 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:

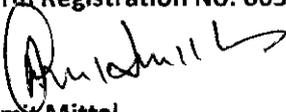
The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company
  
3. The company has granted unsecured loan to its holding company covered in register maintained under section 189 of the Companies Act, 2013 ("the Act").
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
  - (b) In respect of the aforesaid loans, the party has repaid the principal amount as stipulated and was also regular in the payment of interest, where applicable.
  - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
  
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
  
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.



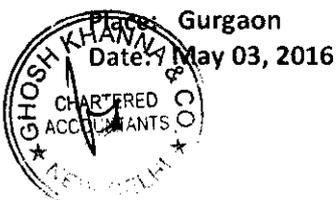
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months 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 does not have 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
  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**



## **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 NIIT Institute of Process Excellence Limited ("the Company") as of 31 March 2016 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**

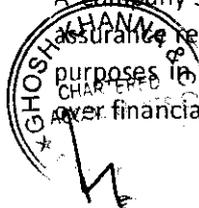
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on 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.

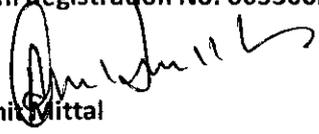
#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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 2016, 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 03, 2016**

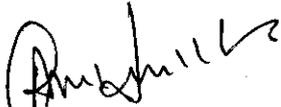


NIT Institute of Process Excellence Limited				
Balance Sheet as at March 31, 2016				
	PARTICULARS	Notes	As at March 31 2016 Rs.	As at March 31 2015 Rs.
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
	Share capital	2	220,000,000	220,000,000
	Reserves and surplus	3	(45,730,032)	(76,384,911)
2	<b>Current liabilities</b>			
	Trade Payables	4		
	-Total outstanding due of micro and small enterprises		2,016	-
	-Total outstanding due of creditor other than micro and small enterprises		17,507,097	20,484,494
	Other current liabilities	5	10,313,866	9,144,585
	Short-term provisions	6	2,594,232	3,086,324
	<b>TOTAL</b>		<b>204,687,179</b>	<b>176,330,492</b>
<b>II</b>	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	Fixed assets	7		
	Tangible assets		306,732	556,468
	Intangible assets		673,461	1,344,408
	Long-term loans and advances	8	40,421,603	41,526,512
	Other non-current assets	10	123,479	123,479
2	<b>Current assets</b>			
	Trade receivables	9	8,479,687	12,957,898
	Cash and bank balances	12	40,900,608	90,769,845
	Short-term loans and advances	8	92,299,197	6,427,589
	Other current assets	10	21,482,412	22,624,293
	<b>TOTAL</b>		<b>204,687,179</b>	<b>176,330,492</b>

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

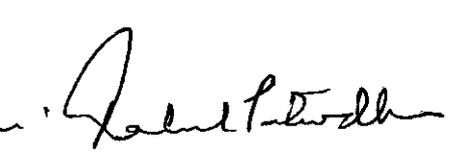
This is the Balance Sheet referred to in our report of even date

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

  
Anil Mittal  
Partner  
Membership No. 508748

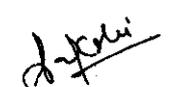
For and on behalf of the Board

  
Vijay K. Thadani  
Director  
DIN-00042527

  
Rahul Keshav Patwardhan  
Director  
DIN-01832386

Place: Gurgaon  
Date : May 03, 2016

  
Gaurav Relhan  
Chief Financial Officer

  
Sakshi Sardana  
Company Secretary



NIT Institute of Process Excellence Limited

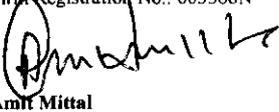
Statement of Profit & Loss for the Year ended March 31, 2016

PARTICULARS	Notes	Year ended	Year ended
		March 31 2016	March 31 2015
		Rs.	Rs.
<b>INCOME</b>			
I. Revenue from Operations	13	186,353,137	205,457,344
II. Other Income	14	9,447,007	5,834,860
III. Total Revenue		<b>195,800,144</b>	<b>211,292,204</b>
<b>IV. EXPENDITURE</b>			
(Increase) / Decrease in Inventory	11	-	208,263
Employee Benefits Expense	15	52,887,451	53,508,158
Professional & Technical Outsourcing Expenses for Execution		93,474,941	104,466,419
Finance Costs	17	-	2,934
Depreciation and Amortization Expenses	7	986,742	2,021,360
Other Expenses	18	15,985,253	13,948,493
Total Expenses		<b>163,334,387</b>	<b>174,155,627</b>
V. Profit before tax (III-IV)		<b>32,465,757</b>	<b>37,136,577</b>
VI. Tax expense:			
- Current tax	20	2,995,732	3,883,295
- MAT Credit Entitlement	20	(1,184,854)	(3,883,295)
VII Profit for the year (V-VI)		<b>30,654,879</b>	<b>37,136,577</b>
VIII. Earnings per equity share (Face Value Rs. 10 each):	24		
-Basic & Diluted		1.39	1.69

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

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

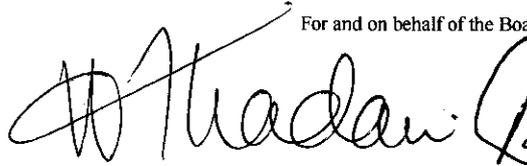
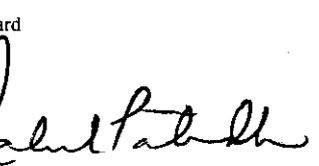
For Ghosh Khanna & Co.  
Chartered Accountants  
Firm Registration No.: 003366N



Amit Mittal  
Partner  
Membership No. 508748

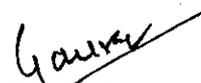
Place: Gurgaon  
Date : May 03, 2016

For and on behalf of the Board

Vijay K. Thadani  
Director  
DIN-00042527

Rahul Keshav Patwardhan  
Director  
DIN-01832386

  
Gaurav Relhan  
Chief Financial Officer

  
Sakshi Sardana  
Company Secretary



NIIT Institute of Process Excellence Limited

Cash Flow Statement for the year ended March 31, 2016

	Year ended March 31 2016 Rs.	Year ended March 31 2015 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before Tax	32,465,757	37,136,577
<b>Add/(Less):</b>		
Depreciation and Amortisation	986,742	2,021,360
Interest Expenses	-	2,934
Interest Income	(9,340,611)	(5,362,130)
Profit on Fixed Assets sold	(5,693)	(787)
Provision for Doubtful Debts	34,400	-
Provision for Doubtful Advances	-	10,121
Provision for Inventory	-	208,263
Provision for Gratuity and Compensated absences	(492,092)	800,476
Foreign Exchange Adjustments	5,360	(40,866)
<b>Operating profit before working capital changes</b>	<b>23,653,863</b>	<b>34,775,948</b>
<b>Add / (Less): Changes in operating working capital:</b>		
Increase/(Decrease) in Trade Payables	(2,980,741)	4,869,452
Increase/(Decrease) in Other Current Liabilities	1,169,281	2,569,730
(Increase)/Decrease in Current Trade Receivables	4,443,811	(1,587,541)
(Increase)/Decrease in Short Term Loans and Advances	(871,608)	881,552
(Increase)/Decrease in Long Term Loans and Advances	-	72,954
(Increase)/Decrease in Other Current Assets	2,537,405	(5,677,260)
(Increase)/Decrease in Other Bank Balances	60,885,978	(10,305,787)
<b>Net Cash From / (Used in) operations</b>	<b>88,837,989</b>	<b>25,599,048</b>
Direct Tax- (paid including TDS)/ refund received (net)	(705,969)	(3,398,383)
<b>Net Cash From Operating activities (A)</b>	<b>88,132,020</b>	<b>22,200,665</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets (including Capital Work-in-progress, internally developed intangibles and Capital advances)	(66,066)	(312,524)
Proceeds from sale of Fixed Assets	5,700	800
Loan Given to Holding Company	(85,000,000)	-
Interest Received	7,945,087	4,317,579
<b>Net Cash Used in Investing activities (B)</b>	<b>(77,115,279)</b>	<b>4,005,855</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
<b>Net Cash From / (Used in) Financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents (A) + (B) + (C)</b>	<b>11,016,741</b>	<b>26,206,520</b>
<b>Cash and Cash Equivalents as at the beginning of the year (Note 1)</b>	<b>29,883,867</b>	<b>3,677,347</b>
<b>Cash and Cash Equivalents as at the end of the year (Note 1)</b>	<b>40,900,608</b>	<b>29,883,867</b>

(Contd..)



Notes:

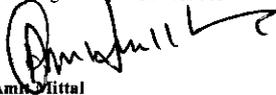
1	Cash and cash equivalents	March 31 2016 Rs.	March 31 2015 Rs.
	Cash on hand	20,370	800
	Balances with banks:		
	Current Accounts	12,880,238	9,883,067
	Bank deposits with original maturity of 3 months or less	28,000,000	20,000,000
		<b>40,900,608</b>	<b>29,883,867</b>

2 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) of (Companies (Accounting Standards) Rule 2006)

3 Figures in Parenthesis indicate cash Outflow.

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

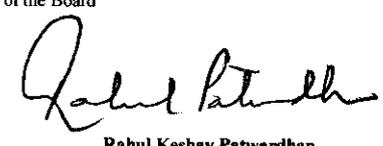
For Ghosh Khanna & Co.  
Chartered Accountants  
Firm Registration No.: 003366N

  
Anil Mittal  
Partner  
Membership No. 508748

Place: Gurgaon  
Date : May 03, 2016

For and on behalf of the Board

  
Vijay K. Thadani  
Director  
DIN-00042527

  
Rahul Keshav Patwardhan  
Director  
DIN-01832386

  
Gauhar Relhan  
Chief Financial Officer

  
Sakshi Sardana  
Company Secretary



**I SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of Preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to the section 133 of the Companies Act, 2013, read with the rule 7 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 and/or 1956.

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.

**1.2 Other significant accounting policies adopted by the company are detailed below:**

**i) 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 which are carried at cost, are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets or the rates prescribed under Schedule II to the Companies Act, 2013, whichever is higher, as follows:

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

**ii) Intangible Fixed Assets and Amortisation**

Expenses incurred on internal development of educational content and products are capitalised either individually or as a knowledge bank in the form of software, 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.

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, investments 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.

**iv) Revenue Recognition**

The revenue in respect of sale of courseware and other goods are recognised on dispatch / delivery of the material to the customer as per trade practice and agreed terms whereas the revenue from the training is recognised over the period of the course programs or as per the terms of agreement, as the case may be. Revenue from recruitment services is recognised on placement of candidate with the client as per the terms of the contract. Revenue from assessment of personnel is recognised on completion of the assessment as per the terms of the contract.



**v) Other Income**

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

**vi) Inventory Valuation- Traded goods**

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

**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 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. Company's liability is actuarially determined at the end of the year and any shortfall in the fund size maintained by the trust set up by NIIT Ltd. (the Holding Company) with Life Insurance Corporation of India is additionally provided for. Actuarial gains, if any, are recognized in the Statement of Profit & Loss and disclosed as an asset in the Balance Sheet.

**Compensated Absences**

Liability in respect of compensated absences is provided for leaves expected to be availed. The Company has defined benefit plans for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year any gain or loss arising out of such valuation is recognized in the Statement of Profit & Loss as income or expense.

**Superannuation**

The Company makes defined contribution to a Trust established for the purpose by NIIT Limited (the Holding Company). The Company has no further obligation beyond its monthly contributions. Contribution made during the year is charged to Statement of Profit & Loss.

**Provident Fund**

The Company makes contribution of Provident Fund to the trust "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" set up by the Holding Company. Company's contribution towards Provident Fund is charged to the Statement of Profit & Loss as a defined contribution plan.

**Pension Fund**

The Company makes defined contribution to the government administered pension fund on behalf of its employees. The Company's contribution towards employees pension scheme is charged to the Statement of Profit and Loss.

**viii) Foreign Currency Transactions**

Transactions in foreign currency are booked at rates determined periodically which approximates the actual rates, and all monetary assets and liabilities in foreign currency are restated at the end of accounting year. Gains/Losses arising out of fluctuations on realization / payment or restatement are charged / credited to the Statement of Profit & Loss.

**ix) Taxation**

Tax expense, comprising of both current tax and deferred tax is 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) paid in excess of normal income tax is recognised as asset (MAT Credit entitlement) only to the extent, there is reasonable certainty that the Company shall be liable to pay tax as per the normal provisions of the Act in future. MAT Credit is utilised in the year when normal income tax is higher than the MAT.

Deferred Tax is recognised for all timing differences, subject to consideration of prudence in respect of DTA. DTA are recognised and carried forward only to the extent that there is reasonable certainty.



**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. 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.

**xi) Lease**

Lease rental in respect of operating lease arrangements are charged as expense to the Statement of Profit and Loss on a straight line basis as per the terms of the related agreements.

**xii) Cash and Cash Equivalents**

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

**xiii) 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, it is capitalised.

**xiv) Earnings Per Share**

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



NIIT Institute of Process Excellence Limited  
Notes to the Financial statement for the year ended March 31, 2016

2	SHARE CAPITAL	As at	As at
		March 31 2016	March 31 2015
		Rs.	Rs.
	<b>Authorised</b> 25,000,000 Equity Shares of Rs. 10/- each (Previous year 25,000,000 Equity Shares of Rs. 10/- each)	250,000,000	250,000,000
		<b>250,000,000</b>	<b>250,000,000</b>
	<b>Issued</b> 22,000,000 Equity Shares of Rs. 10/- each (Previous year - 22,000,000 Equity Shares of Rs. 10/- each)	220,000,000	220,000,000
		<b>220,000,000</b>	<b>220,000,000</b>
	<b>Subscribed and fully paid</b> 22,000,000 Equity Shares of Rs. 10/- each (Previous year - 22,000,000 Equity Shares of Rs. 10/- each)	220,000,000	220,000,000
		<b>220,000,000</b>	<b>220,000,000</b>

2.1	Reconciliation of the number of shares outstanding	As at		As at	
		March 31, 2016		March 31, 2015	
		No. of shares	Value Rs.	No. of shares	Value Rs.
	<b>Equity Shares</b> Shares outstanding at the beginning and at end of the year	22,000,000	220,000,000	22,000,000	220,000,000
		<b>22,000,000</b>	<b>220,000,000</b>	<b>22,000,000</b>	<b>220,000,000</b>

2.2	Shares in respect of each class in the company held by	Name of the company	Class of shares Equity/ Preference	As at	As at
				March 31 2016 No. of shares	March 31 2015 No. of shares
	Holding company	NIIT Limited	Equity	16,500,000	16,500,000

2.3	Shares held by each shareholder holding more than 5% shares	As at		As at	
		March 31, 2016		March 31, 2015	
		% of holding	No. of shares	% of holding	No. of shares
	<b>Equity Shares</b>				
	NIIT Ltd	75%	16,500,000	75%	16,500,000
	Genpact India Holdings Mauritius	25%	5,500,000	25%	5,500,000
		<b>100%</b>	<b>22,000,000</b>	<b>100%</b>	<b>22,000,000</b>

2.4 The Company has one class of equity shares having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to their holding



3	RESERVES AND SURPLUS	As at	As at
		March 31 2016	March 31 2015
		Rs.	Rs.
	(Deficit) in the Statement of Profit & Loss		
	Balance Brought Forward from Previous year	(76,384,911)	(113,521,488)
	Add : Current Year Profit	30,654,879	37,136,577
		<b>(45,730,032)</b>	<b>(76,384,911)</b>

4	TRADE PAYABLES	Current	
		As at	As at
		March 31 2016	March 31 2015
		Rs.	Rs.
	Due to Micro Enterprises and Small Enterprises	2,016	-
	Others	17,507,097	20,484,494
		<b>17,509,113</b>	<b>20,484,494</b>

4.1	Particulars	As At	
		March 31 2016	March 31 2015
	a) The principal amount and the interest due thereon remaining unpaid to any supplier		
	i) Principal amount	-	-
	ii) Interest thereon	2,016	-
	b) The amount of payment made to the supplier beyond the appointed day and the interest thereon, during an accounting year		
	i) Principal amount	34,020	-
	ii) Interest thereon	-	-
	c) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
	d) The amount of interest accrued and remaining unpaid at the end of accounting year	2,016	-
	e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	-	-

5	OTHER LIABILITIES	Current	
		As at	As at
		March 31 2016	March 31 2015
		Rs.	Rs.
	Advances from Customers	462,798	520,000
	Payable to Employees	7,244,627	5,339,660
	Statutory Dues	2,606,441	3,284,925
		<b>10,313,866</b>	<b>9,144,585</b>

6	PROVISIONS	Short-Term	
		As at	As at
		March 31 2016	March 31 2015
		Rs.	Rs.
	Provision for employee benefits : (Refer Note 16)		
	Provision for Gratuity	590,232	793,324
	Provision for Compensated Absences	2,004,000	2,293,000
		<b>2,594,232</b>	<b>3,086,324</b>



NIIT Institute of Process Excellence Limited  
Notes to the Financial statement for the year ended March 31, 2016  
7 FIXED ASSETS

Description of Assets	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK		
	Cost As on April 1, 2015	Additions during the year	Sales / Adj. during the year	Total as on March 31, 2016	As on April 1, 2015	For the year	Sales / Adj. during the year	Total as on March 31, 2016	As on March 31, 2016
<b>a) Tangible</b>									
Plant & Equipment	4,324,528	41,580	-	4,366,108	3,835,181	258,854	-	4,094,035	272,073
Lease Hold Improvements	954,526	-	-	954,526	902,183	19,317	-	921,500	33,025
Furniture & Fixtures	190,524	-	4,703	185,821	175,758	13,138	4,701	184,195	1,626
Office Equipments	114,275	-	38,199	76,076	114,262	-	38,194	76,068	8
<b>Sub Total (a)</b>	<b>5,583,853</b>	<b>41,580</b>	<b>42,902</b>	<b>5,582,531</b>	<b>5,027,384</b>	<b>291,309</b>	<b>42,895</b>	<b>5,275,798</b>	<b>306,732</b>
<b>b) Intangible</b>									
Intellectual Property Rights (Contents and Products) - Internally generated	15,512,834	-	-	15,512,834	14,254,609	629,974	-	14,884,583	628,251
Software acquired	183,750	24,486	-	208,236	97,567	65,459	-	163,026	45,210
<b>Sub Total (b)</b>	<b>15,696,584</b>	<b>24,486</b>	<b>-</b>	<b>15,721,070</b>	<b>14,352,176</b>	<b>695,433</b>	<b>-</b>	<b>15,047,609</b>	<b>673,461</b>
<b>Total (a+b)</b>	<b>21,280,437</b>	<b>66,066</b>	<b>42,902</b>	<b>21,303,601</b>	<b>19,379,560</b>	<b>986,742</b>	<b>42,895</b>	<b>20,323,407</b>	<b>980,193</b>



**NIIT Institute of Process Excellence Limited**  
**Notes to the Financial statement for the year ended March 31, 2016**  
**7.1 FIXED ASSETS for Financial year 2014-15**

Description of Assets	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK		
	Cost As on April 1, 2014	Additions during the year	Sales / Adj. during the year	Total as on March 31, 2015	As on April 1, 2014	For the year	Sales / Adj. during the year	Total as on March 31, 2015	As on March 31, 2015
<b>a) Tangible</b>									
Plant & Equipment	4,133,828	215,200	24,500	4,324,528	3,498,245	361,431	24,495	3,835,181	489,347
Lease Hold Improvements	896,576	57,950	-	954,526	851,748	50,435	-	902,183	52,342
Furniture & Fixtures	190,524	-	-	190,524	164,009	11,749	-	175,758	14,766
Office Equipments	174,671	-	60,396	114,275	119,570	55,080	60,388	114,262	13
<b>Sub Total (a)</b>	<b>5,395,599</b>	<b>273,150</b>	<b>84,896</b>	<b>5,583,853</b>	<b>4,633,572</b>	<b>478,695</b>	<b>84,883</b>	<b>5,027,384</b>	<b>556,468</b>
<b>b) Intangible</b>									
Intellectual Property Rights (Contents and Products) - Internally generated	15,512,834	-	-	15,512,834	12,765,858	1,488,751	-	14,254,609	1,258,225
Software acquired	144,375	39,375	-	183,750	43,653	53,914	-	97,567	86,183
<b>Sub Total (b)</b>	<b>15,657,209</b>	<b>39,375</b>	<b>-</b>	<b>15,696,584</b>	<b>12,809,511</b>	<b>1,542,665</b>	<b>-</b>	<b>14,352,176</b>	<b>1,344,408</b>
<b>Total (a+b)</b>	<b>21,052,808</b>	<b>312,525</b>	<b>84,896</b>	<b>21,280,437</b>	<b>17,443,083</b>	<b>2,021,360</b>	<b>84,883</b>	<b>19,379,560</b>	<b>1,900,876</b>

**Note:-**

Depreciation for the year includes an amount of Rs. 247,837/- charged directly to the depreciation expense under the Statement of Profit and Loss account for the year on account of revision in estimate useful life of fixed asset as per rates prescribed under Schedule II to the Companies Act, 2013.



**NIT Institute of Process Excellence Limited**  
**Notes to the Financial statement for the year ended March 31, 2016**

8	LOANS AND ADVANCES	Long Term		Short Term	
		As at March 31 2016	As at March 31 2015	As at March 31 2016	As at March 31 2015
		Rs.	Rs.	Rs.	Rs.
i)	Security Deposits Receivable Unsecured, considered good	-	-	37,500	37,500
(A)		-	-	37,500	37,500
ii)	Loans and advances Loan Given to Holding Company Unsecured, considered good	-	-	85,000,000	-
(B)		-	-	85,000,000	-
iii)	Advances recoverable in cash or in kind* Unsecured, considered good	-	-	7,261,697	6,390,089
	Unsecured, considered doubtful	-	-	89,664	89,664
	Less: Provision for doubtful advances	-	-	(89,664)	(89,664)
(C)		-	-	7,261,697	6,390,089
iv)	Other Advances				
a)	Advance payment of Fringe Benefit Tax	171,915	171,915	-	-
	Less: Provision for Fringe Benefit Tax	(171,915)	(171,915)	-	-
		-	-	-	-
b)	Advance Tax	41,263,780	41,526,512	-	-
	Less : Provision for Tax	(10,120,048)	(8,093,017)	-	-
		31,143,732	33,433,495	-	-
c)	MAT Credit entitlement				
	- Opening Balance	8,093,017	4,209,722	-	-
	- During the year	1,184,854	3,867,380	-	-
	-MAT credit entitlement relating to previous year	-	15,915	-	-
		9,277,871	8,093,017	-	-
(D)		40,421,603	41,526,512	-	-
	<b>Total (A+B+C+D)</b>	<b>40,421,603</b>	<b>41,526,512</b>	<b>92,299,197</b>	<b>6,427,589</b>

\* Advances recoverable include input service tax credit aggregating to Rs.4,087,639 (Previous year Rs 4,146,151).



NIIT Institute of Process Excellence Limited  
Notes to the Financial statement for the year ended March 31, 2016

9	TRADE RECEIVABLES (Unsecured)	Non Current		Current	
		As at March 31 2016	As at March 31 2015	As at March 31 2016	As at March 31 2015
		Rs.	Rs.	Rs.	Rs.
a)	Outstanding for a period exceeding six months from the date they are due for payment				
	Considered good	-	-	146,930	-
	Considered doubtful	1,117,764	1,083,364	-	-
	Less: Provision for doubtful debts	(1,117,764)	(1,083,364)	-	-
	(A)	-	-	146,930	-
b)	Other Trade Receivables				
	Considered good	-	-	8,332,757	12,957,898
	Considered doubtful	-	-	-	-
	Less: Provision for doubtful debts	-	-	-	-
	(B)	-	-	8,332,757	12,957,898
	<b>Total (A+B)</b>	-	-	<b>8,479,687</b>	<b>12,957,898</b>

9.1	MOVEMENT OF PROVISION FOR DOUBTFUL DEBTS	Non Current	
		As at March 31 2016 Rs.	As at March 31 2015 Rs.
	Opening Provision	1,083,364	1,089,435
	Add: Additional Provision	34,400	-
	Less: Bad Debts written off	-	(6,071)
	Closing Provision	1,117,764	1,083,364

10	OTHER ASSETS	Non Current		Current	
		As at March 31 2016 Rs.	As at March 31 2015 Rs.	As at March 31 2016 Rs.	As at March 31 2015 Rs.
			Non Current Bank Balances (Refer note 12)	123,479	123,479
	Unbilled Revenue	-	-	17,412,331	19,949,736
	Interest Receivable	-	-	4,070,081	2,674,557
		123,479	123,479	21,482,412	22,624,293

11	INVENTORIES	As at March 31 2016 Rs.	As at March 31 2015 Rs.
		As at the end of the year	
Traded Goods			
Education and Training Material*	-	-	
	-	-	
As at the beginning of the year			
Traded Goods			
Education and Training Material	-	208,263	
	-	208,263	
<b>(Increase) / Decrease in Inventory</b>	-	<b>208,263</b>	

\*Provision for non- moving inventories of Rs.Nil (Previous year Rs.208,263/-)



12	CASH AND BANK BALANCES	Non Current		Current	
		As at March 31 2016	As at March 31 2015	As at March 31 2016	As at March 31 2015
		Rs.	Rs.	Rs.	Rs.
	<b>Cash and cash equivalents:</b>				
	Balance with banks				
	Current Accounts	-	-	12,880,238	9,883,067
	Bank deposits with original maturity of 3 months or less	-	-	28,000,000	20,000,000
	Cash on hand	-	-	20,370	800
	<b>Sub Total (A)</b>	-	-	<b>40,900,608</b>	<b>29,883,867</b>
	<b>Other bank balances:</b>				
	Bank deposits:				
	With original maturity of more than 3 months and upto 12 months	-	-	-	60,885,978
	With original maturity of more than 12 months *pledged as margin money	123,479	123,479	-	-
	<b>Sub Total (B)</b>	<b>123,479</b>	<b>123,479</b>	-	<b>60,885,978</b>
	<b>Total (A+B)</b>	<b>123,479</b>	<b>123,479</b>	<b>40,900,608</b>	<b>90,769,845</b>
	<b>Amount disclosed under non-current assets (Refer note 11) ('C)</b>	<b>(123,479)</b>	<b>(123,479)</b>	-	-
	<b>Total (A+B+C)</b>	-	-	<b>40,900,608</b>	<b>90,769,845</b>

13	REVENUE FROM OPERATIONS	Year ended March 31 2016	Year ended March 31 2015
		Rs.	Rs.
	Sale of Services	186,353,137	205,457,344
		<b>186,353,137</b>	<b>205,457,344</b>

14	OTHER INCOME	Year ended March 31 2016	Year ended March 31 2015
		Rs.	Rs.
	Interest Income	9,340,611	5,362,130
	Profit on Sale of Fixed Assets (Net)	5,693	787
	Gain on foreign currency transactions (Net)	-	3,722
	Other non-operating income	100,703	468,221
		<b>9,447,007</b>	<b>5,834,860</b>

15	EMPLOYEE BENEFITS EXPENSES	Year ended March 31 2016	Year ended March 31 2015
		Rs.	Rs.
	Salaries and Benefits	51,009,504	50,322,151
	Contribution to Provident and Other Funds	1,383,551	2,369,276
	Welfare and Other expenses	494,396	816,731
		<b>52,887,451</b>	<b>53,508,158</b>



16 EMPLOYEE BENEFITS

1) Defined Contribution Plan

The Company makes contribution towards Provident Fund, Pension Fund and Superannuation Fund, a defined contribution retirement benefit plan, for eligible employees. During the year the Company has recognized the following amounts in the Statement of Profit and Loss :

Particulars	Year ended March 31 2016 (Rs.)	Year ended March 31 2015 (Rs.)
Employer's Contribution to Superannuation Fund	19,656	12,246
Employer's Contribution to Employees Pension Scheme	635,198	483,497

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

Particulars	Year ended March 31 2016 (Rs.)	Year ended March 31 2015 (Rs.)
Employer's Contribution to Employees Pension Scheme	22,540	22,011

2) Defined Benefit Plans

I. Provident Fund

The Company makes contributions to the "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" ("the Trust"), in respect of employees deputed from the Holding Company. The plan has been classified as a Defined Benefit plan in accordance with AS-15 'Employee Benefits'. During the year the Company contributed Rs.758,496/- (Previous year Rs.992,380/-) to the Trust which includes Key managerial personnel for Rs.227,604/- (Previous year 464,561) The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Company's obligation in this regard is actuarially determined and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. Based on actuarial valuation carried out, there is no shortfall to be provided by the Company.

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

i.Change in Defined Benefit Obligation :

Particulars	As at March 31, 2016 (Rs.)	As at March 31, 2015 (Rs.)
Present Value of obligation at the beginning of the year	152,500	141,560
Current service cost	22,010	19,990
Interest Cost	11,820	13,100
Actuarial (gain)/ loss on obligation	(73,240)	(22,150)
Present Value of obligation at the end of the year	113,090	152,500

ii.Change in Fair Value of Assets :

Particulars	As at March 31, 2016 (Rs.)	As at March 31, 2015 (Rs.)
Fair value of Plan Assets at the beginning of the year	2,081,660	1,317,140
Actuarial gain/ (loss) on Plan Assets	(243,220)	764,520
Fair value of Plan Assets at the end of the year	1,838,440	2,081,660

iii.Estimated Net Asset/(Liability) recognized in the Balance Sheet as at the year end

Particulars	As at March 31, 2016 (Rs.)	As at March 31, 2015 (Rs.)
Present Value of defined benefit obligation	113,090	152,500
Fair value of Plan Assets	1,838,440	2,081,660
Funded Status surplus/(deficit)	1,725,350	1,929,160
Net Asset/ Liability	-	-



**iv. Assumptions used in accounting for provident fund**

Discount Rate (Per annum)	7.75%	7.75%
Expected return on Plan Assets	8.60%	8.60%
Expected guaranteed interest rate	8.60%	8.60%

**II. Compensated Absences**

**i) Change in Present value of Obligation :**

Particulars	As at March 31, 2016 (Rs.)	As at March 31, 2015 (Rs.)
Present Value of obligation at the beginning of the year	2,293,000	2,148,000
Benefits Paid	Nil	Nil
Current Service Cost	888,940	823,730
Interest Cost	177,710	198,690
Past Service Cost	(420,000)	-
Actuarial (gain)/ loss on Obligation	(935,650)	(877,420)
Present value of obligation at the end of the year	2,004,000	2,293,000
Amount debited / (credited) to the Statement of Profit and Loss	(289,000)	145,000

**ii) Assumptions used:**

Particulars	As at March 31, 2016	As at March 31, 2015
Discount Rate (per annum)	7.75%	7.75%
Future Salary Increase	8% p.a.	7% p.a.



### III. Gratuity Fund

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

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)
<b>i) Change in present value of obligation :</b>		
<b>Present Value of Obligation at the beginning of the year</b>	<b>3,203,001</b>	<b>2,125,131</b>
Interest cost	244,670	196,570
Current service cost	518,280	325,570
Benefits Paid	(1,401,560)	14,580
Actuarial (gain)/ loss on Obligations	(573,190)	541,150
Present value obligation as at the end of the year	<b>1,991,201</b>	<b>3,203,001</b>
<b>ii) Change in Plan Assets :</b>		
<b>Fair value of Plan Assets at the beginning of the year</b>	<b>2,409,677</b>	<b>1,987,283</b>
Expected return on Plan Assets	220,612	197,430
Contributions*	173,000	225,674
Benefits Paid	(1,401,560)	14,580
Actuarial gain/ (loss) on Plan Assets	(760)	(15,290)
<b>Fair value of Plan Assets as at end of the year</b>	<b>1,400,969</b>	<b>2,409,677</b>

\*Actuary's estimates of contributions for financial Year 2016-17 is Rs.1,013,000/- (Previous year Rs.1,311,000/-)

#### iii) Amount of Assets/(Obligations) recognized in the Balance Sheet-

Particulars	As at	As at	As at	As at	As at
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Fair value of Plan Assets	1,400,969	2,409,677	1,987,283	1,684,985	1,451,070
Present value of obligation	1,991,201	3,203,001	2,125,131	1,708,001	1,378,000
<b>Net Asset/(Liability) recognized in the Balance Sheet</b>	<b>(590,232)</b>	<b>(793,324)</b>	<b>(137,848)</b>	<b>(23,016)</b>	<b>73,070</b>

#### iv) Net Gratuity cost recognized in Statement of Profit and Loss :

Particulars	Year ended	Year ended
	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)
Current service cost	518,280	325,570
Interest Cost	244,670	196,570
Expected Return on Plan Assets	(220,612)	(197,430)
Net Actuarial (gain)/ loss recognized during the year	(572,430)	556,440
<b>Expense / (Credit) recognized in the Statement of Profit and Loss *</b>	<b>(30,092)</b>	<b>881,150</b>
Actual return of plan assets	219,566	182,138

\*Include Rs.152,061 (Previous year Rs. 480,474/-) towards contribution for Key managerial personnel

#### Assumptions used:-

Particulars	Year ended	Year ended
	March 31, 2016	March 31, 2015
Discount Rate (per annum)	7.75%	7.75%
Future Salary Increase	6%	6%
Expected Rate of Return on Plan Assets	9.10%	9.00%

#### Investment details of plan assets:

During the year, the Company has contributed to the Gratuity fund of the holding company, maintained by the Life Insurance Corporation of India. The details of investment maintained by Life Insurance Corporation are not available with the Company and have not been disclosed. The expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical result of the return on plan assets.



NIT Institute of Process Excellence Limited  
Notes to the Financial statement for the year ended March 31, 2016

17	Finance Costs	Year ended March 31 2016 Rs.	Year ended March 31 2015 Rs.
	Interest Expense	-	2,934
		-	2,934

18	OTHER EXPENSES	Year ended March 31 2016 Rs.	Year ended March 31 2015 Rs.
	Equipment Hiring	17,480	26,575
	Rent	1,815,249	1,902,209
	Power & Fuel	247,134	306,948
	Rates and Taxes	130,588	44,243
	Communication	261,835	275,611
	Loss on foreign currency transactions (Net)	1,638	-
	Legal and Professional (Refer note 18.1 below)	1,727,141	965,704
	Management Cost Recovery by Holding Company	6,207,567	5,647,123
	Traveling and Conveyance	3,796,968	1,688,877
	Provision for Doubtful Debts	34,400	-
	Provision for Doubtful Advances	-	10,121
	Insurance	88,957	11,287
	Repairs and Maintenance		
	- Plant and Machinery	192,381	78,654
	- Buildings	5,693	19,851
	- Others	323,368	317,806
	Security and Administration Services	58,074	65,778
	Bank Charges	537	125,224
	Marketing & Advertising Expenses	703,900	2,246,727
	Sundry Expenses	372,343	215,755
		<b>15,985,253</b>	<b>13,948,493</b>

18.1	Payment to Auditors	Year ended March 31 2016 Rs.	Year ended March 31 2015 Rs.
	Audit fee	100,000	100,000
	Tax Audit fees	40,000	40,000
	Others	17,500	17,500
	Reimbursement of expenses (including Service Tax @ 14.50%)	37,088	19,467
		<b>194,588</b>	<b>176,967</b>



19 **Contingent Liabilities**

Income Tax demand for Rs.Nil (Previous year Rs. 100,425/-). Management has settled that liability by making payment of the same in current financial year.

20 **Taxation**

Deferred tax asset has not been recognized on account of prudence.

21 **CIF Value of Imports**

Particulars	Year ended	Year ended
	March 31 2016	March 31 2015
	Rs.	Rs.
Purchase of Traded Goods	179,531	-

22 **Expenditure in foreign currency**

Particulars	Year ended	Year ended
	March 31 2016	March 31 2015
	Rs.	Rs.
Travel	178,116	200,316
Professional and Technical Outsourcing Expense	91,408	-
<b>Total</b>	<b>269,524</b>	<b>200,316</b>

23 **Earnings in foreign currency**

Particulars	Year ended	Year ended
	March 31 2016	March 31 2015
	Rs.	Rs.
Sale of Services	-	1,596,242
<b>Total</b>	<b>-</b>	<b>1,596,242</b>

24 **Earnings Per Share**

Particulars	Year ended	Year ended
	March 31 2016	March 31 2015
	Rs.	Rs.
Profit attributable to Equity Shareholders	30,654,879	37,136,577
Weighted Average number of Equity shares Outstanding during the year	22,000,000	22,000,000
Nominal Value of Equity Shares (Rs.)	10	10
Basic/Diluted Earning per share (Rs.)	1.39	1.69

There are no potential dilutive shares as at the year-end. Accordingly, basic and diluted earnings per share are the same.



**25 Related Party Transactions as per the Accounting Standard 18:**

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

Holding Company - NIIT Limited

**B. Fellow Subsidiaries**

- 1 NIIT Online Learning Limited (Amalgamated with NIIT Limited w.e.f. May 23, 2015 from appointed date April 1, 2014)
- 2 Scantech Evaluation Services Limited (Amalgamated with NIIT Limited w.e.f. May 23, 2015 from appointed date April 1, 2014)
- 3 Evolv Services Limited (Amalgamated with NIIT Limited w.e.f. May 23, 2015 from appointed date April 1, 2014)
- 4 NIIT Yuva Jyoti Limited
- 5 NIIT Institute of Finance Banking and Insurance Training Ltd
- 6 Mindchampion Learning Systems Limited (Formerly Known as Hole In The Wall Education Ltd.)
- 7 NIIT Ltd, UK
- 8 NIIT Antilles NV, Netherlands Antilles
- 9 NIIT Malaysia Sdn. Bhd, Malaysia
- 10 NIIT GC Ltd (formerly NIIT TVE Ltd, Mauritius), Mauritius
- 11 NIIT China (Shanghai) Limited, Shanghai, China
- 12 NIIT Wu Xi Service Outsourcing Training School, China
- 13 Chongqing NIIT Education Consulting Limited, China
- 14 Wu Xi NIIT Information Technology Consulting Limited, China
- 15 Changzhou NIIT Information Technology Consulting Limited, China
- 16 Su Zhou NIIT Information Technology Consulting Limited, China
- 17 NIIT (USA) Inc, USA
- 18 NIIT Ventues Inc., USA (Amalgamated with NIIT (USA) Inc., USA w.e.f. December 1, 2014)
- 19 PT NIIT Indonesia, Indonesia (Under Liquidation)
- 20 NIIT West Africa Limited, Nigeria
- 21 Qingdao NIIT Information Technology Co., Ltd., China
- 22 Chongqing An Dao Education Consulting Limited, China
- 23 Zhangjiagang NIIT Information Services Ltd., China
- 24 Chengmai NIIT information technology Co., Ltd., China
- 25 NIIT Ireland Limited
- 26 Dafeng NIIT information technology Co., LTD
- 27 Guizhou NIIT information technology consulting Co., LTD
- 28 NIIT Learning Solutions (Canada) Limited

**C. Other related parties with whom the Company has transacted:**

**a. Parties of whom the Company is an associate:**

Genpact India Holdings, Mauritius  
Genpact India

**b. Key Managerial Personnel:**

Kirti Seth – Whole Time Director (Till July 06, 2015)  
Sanjeev Dhar-Manager (Appointed w.e.f. Jan 06, 2016)  
Jaswinder Singh Chadha -Chief Financial Officer



**D. Details of significant transactions with the Related Parties carried out on an arm's length basis:**

Nature of Transactions	Holding Company	Fellow Subsidiaries	Parties of whom company is an associate	Key Managerial Personnel	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>Services Rendered (Note 2)</b>					
Revenue	8,726,927 (12,569,913)	Nil (1,109,450)	151,988,027 (158,138,030)	Nil (Nil)	160,714,954 (171,817,393)
Loan Given	85,000,000 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	85,000,000 (Nil)
Interest Received on Loan	6,186,372 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	6,186,372 (Nil)
<b>Services Received (Note 3)</b>					
Professional & Technical Outsourcing Expenses for Execution	194,000 (4,182,070)	552,000 (3,487,200)	Nil (Nil)	Nil (Nil)	746,000 (7,669,270)
<b>Recovery of Expenses by</b>					
Employee Benefits Expenses	23,643 (45,106)	Nil (Nil)	Nil (Nil)	Nil (Nil)	23,643 (45,106)
Other Expenses	3,318,465 (1,921,358)	Nil (205,820)	Nil (Nil)	Nil (Nil)	3,318,465 (2,127,178)
Professional & Technical Outsourcing Expenses for Execution	2,015 (8,440)	Nil (Nil)	Nil (Nil)	Nil (Nil)	2,015 (8,440)
<b>Total</b>	<b>3,344,123 (1,974,904)</b>	<b>Nil (Nil)</b>	<b>Nil (Nil)</b>	<b>Nil (Nil)</b>	<b>3,344,123 (1,974,904)</b>
<b>Management Charges</b>					
Other Expenses	6,201,824 (5,647,123)	Nil (Nil)	Nil (Nil)	Nil (Nil)	6,201,824 (5,647,123)
<b>Remuneration to Key Managerial Personnel (Note 4)</b>					
Employees Benefits Expense	Nil (Nil)	Nil (Nil)	Nil (Nil)	7,500,338 (12,696,985)	7,500,338 (12,696,985)

**E. Details of outstanding balances with related parties:**

Nature of Transaction	Holding Company	Fellow Subsidiaries	Parties of whom company is an associate	Key Managerial Personnel	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Receivable (Note 5)	6,939,465 (2,977,745)	- (1,224,389)	1,071,547 (4,386,624)	- (51,660)	8,011,012 (8,640,418)
Loan Receivable	85,000,000 -	- -	- -	- -	85,000,000 -
Payable (Note 6)	3,582,138 (6,223,632)	- (1,271,126)	408,351 (408,351)	145,704 (Nil)	4,136,193 (7,903,109)

**Notes:**

1 Previous year figures are given in parenthesis.

2 Includes transactions for the year mainly with;

NIIT Institute of Finance Banking and Insurance Training Ltd Rs Nil (Previous Year Rs 1,109,450)  
Genpact India Rs. 151,988,027 (Previous Year - Rs 158,138,030)

3 Includes transactions for the year mainly with;

NIIT Institute of Finance Banking and Insurance Training Ltd Rs 552,000 (Previous Year Rs 3,487,200)

4 Includes Remuneration to;

Kirti Seth Rs. 1,986,520 (Previous Year Rs. 9,932,675)  
Sanjeev Dhar Rs. 1,235,084 (Previous Year Rs.Nil)  
Jaswinder Singh Chadha Rs. 4,278,734 (Previous Year Rs. 2,764,310)

5 Includes receivable from;

Genpact India Rs. 1,071,547 (Previous Year - Rs. 4,386,624)  
NIIT Institute of Finance Banking and Insurance Training Ltd Rs. Nil (Previous Year - Rs 1,224,389)

6 Includes Payable to;

NIIT Institute of Finance Banking and Insurance Training Ltd Rs Nil (Previous Year - Rs 1,271,126)



**NIIT Institute of Process Excellence Limited**  
**Notes to the Financial statement for the year ended March 31, 2016**

**26 Operating Leases**

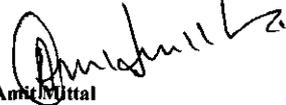
The Company has entered into leases for office premises and employee accommodations which are cancelable at the option of the Company by giving the requisite notice. Aggregate payments during the year under operating leases are as shown hereunder:

Particulars	Year ended March 31 2016 Rs.	Year ended March 31 2015 Rs.
In respect of premises	1,036,437	1,525,678
In respect of Vehicles	778,812	376,531

- 27** The company has an accumulated losses of Rs. 45,730,032/- against the Equity share capital of Rs.220,000,000/- on March 31, 2016. However during the year the company has been able to earn net profit after tax of Rs. 30,654,879/- which has significantly improved the net worth of the company. Also the Company is in the process of expanding its reach through acquisition of new customers. Based on the business estimates and financial projections, the future outlook of the Company looks bright and the Company is expected to witness improved performance in following years.
- 28** The Company is in the business of imparting BPO training which is viewed by the management as a single business segment in accordance with AS 17 'Segment Reporting'. Since the revenue in other geographical location is not more than threshold limit as prescribed under AS 17 ;therefore secondary segment information is not applicable.
- 29** Previous year figures have been reclassified to confirm the current year classification. Reclassification of previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

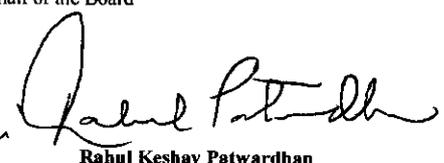
Signatures to Notes '1' to '29' of these Financial Statements.

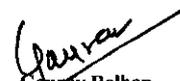
For Ghosh Khanna & Co.  
Chartered Accountants  
Firm Registration No.: 003366N

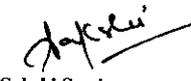
  
Anil Mittal  
Partner  
Membership No. 508748

For and on behalf of the Board

  
Vijay K. Thadani  
Director  
DIN-00042527

  
Rahul Keshav Patwardhan  
Director  
DIN-01832386

  
Gaurav Relhan  
Chief Financial Officer

  
Sakshi Sardana  
Company Secretary

Place: Gurgaon  
Date : May 03, 2016

