

NIIT Institute of Process Excellence Limited

Balance Sheet as at 31st March 2012

	PARTICULARS	Notes	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
I	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	Share capital	3	220,000,000	180,000,000
	Reserves and surplus	4	(169,866,851)	(172,963,240)
2	Non-current liabilities			
	Long-term borrowings	5	-	15,000,000
3	Current liabilities			
	Trade Payables	6	25,778,267	21,343,401
	Other current liabilities	7	4,245,278	9,326,427
	Short-term provisions	8	1,475,000	2,233,545
	TOTAL		81,631,694	54,940,133
II	ASSETS			
1	Non-current assets			
	Fixed assets	10		
	Tangible assets		1,103,364	9,735,684
	Intangible assets		7,887,902	7,854,076
	Intangible assets under development		-	1,284,616
	Long-term loans and advances	9	19,429,674	16,306,122
	Other non-current assets	12	100,000	100,000
2	Current assets			
	Inventories	13	317,894	448,221
	Cash and bank balances	14	14,732,535	1,245,677
	Short-term loans and advances	9	5,810,586	6,066,307
	Trade receivables	11	22,172,201	6,631,350
	Other current assets	12	10,077,538	5,268,080
	TOTAL		81,631,694	54,940,133

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

For Ghosh Khanna&Co.

Firm Registration No.:003366N

Amit Mittal
Partner
Membership No. 508748

Vijay K. Thadani
Director
DIN-00042527

G Raghavan
Director
DIN-00820000

Place: Gurgaon
Date : April 27,2012

Meenakshi Gupta
Company Secretary

NITT Institute of Process Excellence Limited

Statement of Profit & Loss for the year ended 31st March 2012

	PARTICULARS	Notes	Year ended 31st March 2012 Rs.	Year ended 31st March 2011 Rs.
	INCOME			
I.	Revenue from Operations	16	128,995,341	87,947,709
II.	Other Income	17	2,327,533	240,030
III.	Total Revenue		131,322,874	88,187,739
IV.	EXPENDITURE			
	(Increase) / Decrease in Inventory	13	130,327	887,762
	Professional & Technical Outsourcing Expenses for Execution		54,334,615	23,624,776
	Employee Benefits Expense	18	47,355,039	71,424,944
	Other Expenses	20	17,650,253	46,446,782
	Finance Costs	21	2,385,723	206,211
	Depreciation and Amortization Expenses	10	6,370,528	8,960,504
	Total Expenses		128,226,485	151,550,979
V	Profit (Loss) for the period		3,096,389	(63,363,240)
VI	Earnings per equity share (Face Value Rs. 10 each):			
	(1) Basic	24	0.17	(3.63)
	(2) Diluted	24	0.17	(3.63)

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 and on behalf of the Board

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

Amit Mittal
Partner
Membership No. 508748

Place: Gurgaon
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Vijay K. Thadani
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Meenakshi Gupta
Company Secretary

NIIT Institute of Process Excellence Limited
Cash Flow Statement for the year ended 31st March 2012

		Year ended 31st March 2012 Rs.	Year ended 31st March 2011 Rs.
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Profit before Tax but after exceptional items for the year	3,096,389	(63,363,240)
	Adjustments for:		
	Depreciation and Amortisation	6,370,528	8,960,504
	Interest Expenses	2,385,723	206,211
	Interest Income	(311,131)	(10,517)
	(Profit)/ Loss on Fixed Assets sold	(1,451,582)	(46,196)
	Provision for Doubtful Debts	537,930	
	Liabilities / Provisions no longer required written back	(2,016,402)	(179,619)
	Provision for Gratuity & Compensated Absences	(758,545)	405,306
	Foreign Exchange Adjustments	45,317	(3,698)
	Operating profit before working capital changes	7,898,227	(54,031,249)
	Add / (Less): (Increase)/ Decrease in operating working capital:		
	Trade Receivables	(16,082,416)	(1,575,059)
	Loans and Advances & Other Current Assets	(4,546,465)	(5,448,464)
	Inventories	130,327	1,099,326
	Current Liabilities and Provisions	1,335,260	10,412,515
	Cash generated from operations	(11,265,067)	(49,542,931)
	Taxes paid (including TDS)	(3,123,552)	(7,817,811)
	Net cash from Operating activities (A)	(14,388,619)	(57,360,742)
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets (including Capital Work-in-progress)	(1,623,918)	(2,333,420)
	Proceeds from sale of Fixed Assets	6,588,082	424,863
	Interest Received	303,859	8,008
	Net cash used for Investing activities (B)	5,268,023	(1,900,549)
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from fresh issue of Share Capital (including Share Premium)	40,000,000	30,000,000
	Proceeds from Long Term Borrowings		
	Long Term Borrowings repaid during the year	(15,000,000)	15,000,000
	Interest Paid (including financing charges on finance lease arrangements)	(2,392,546)	(206,211)
	Net cash from / (used in) Financing activities (C)	22,607,454	44,793,789
	Net Increase/(Decrease) in Cash & Cash equivalents (A) + (B) + (C)	13,486,858	(14,467,502)
	Cash and Cash equivalents as at the beginning of the year (Note 1)	1,345,677	15,813,179
	Cash and cash equivalents as at the end of the year (Note 1)	14,832,535	1,345,677

Notes:

- 1 Cash and cash equivalents as on**

	31st March 2012 Rs.	31st March 2011 Rs.
Cash, Cheques & Drafts (in hand) and Remittances in transit	-	139,034
Balances with banks *	14,832,535	1,206,643
	14,832,535	1,345,677
- 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 The Companies Act, 1956.
- 3** Previous year figures, to the extent feasible, have been regrouped/recast wherever necessary to conform to the current year's classification.

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

For and on behalf of the Board

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

Amit Mittal
Partner
 Membership No. 508748

Vijay K. Thadani
 Director
 DIN-00042527

G Raghavan
 Director
 DIN-00820000

Place: Gurgaon
Date : April 27,2012

Meenakshi Gupta
 Company Secretary

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2012

1 BASIS OF PREPARATION OF ACCOUNTS

These financial statements are prepared on an accrual basis, under historical cost convention and in compliance in all material aspects with all the applicable accounting principles in India, the applicable accounting standards as notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. The significant accounting policies adopted by the Company are detailed below:

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 VI to the Companies Act, 1956. 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.

2 SIGNIFICANT ACCOUNTING POLICIES

i) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from those estimates.

ii) Tangible Fixed Assets and Depreciation

Fixed Assets are stated at acquisition cost except where they are taken over pursuant to an acquisition at a consolidated price. Individual fixed assets taken over pursuant to acquisition are recorded at their fair value on the date of acquisition based on valuation carried out by independent valuers.

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

Plant and Equipments including:	
- Computers, printers and related accessories	2-5 years
- Electronic Equipments	8 years
- Air Conditioners	10 years
Office Equipments	
	8 years
Furniture, Fixtures & Electric Fittings	
	7-10 years
Leasehold Improvements	3-5 years or lease period, whichever is lower
Assets under employee benefits scheme except vehicles	3 years
Assets acquired under lease (Included under Plant & Equipments and Furniture & Fixtures)	Lease Period
All other assets (including vehicles)	Rates prescribed under Schedule XIV to the Companies Act, 1956

Fixed Assets purchased for utilization in implementing certain contractual obligations with the customers under a project are depreciated over the period of the contract.

iii) 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" as notified under section 211(3C) of the Companies Act, 1956. 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 the assets determined as follows: -

-Acquired and Internally Generated (Computer Software, Educational Content and Products)	3-5 years
-Patents	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.

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2012

iv) 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.

v) Revenue Recognition

The revenue in respect of sale of courseware including technical information and reference material and other goods are recognized on dispatch / delivery of the material to the customer whereas the revenue from the training activity is recognized over the period of the course programmes 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. TIRM fee is recognized when the related technical information material is dispatched to the business partner. Interest on bank deposits is recognized on accrual basis.

vi) Inventory Valuation

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) Retirement Benefits

1. 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 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.

2. 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.

3. 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.

4. Provident Fund:

The Company makes contribution to "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" in respect of all its employees. The approval for same was accorded by RPFC New Delhi vide letter dated 16/09/08. Company's contribution towards Provident Fund and Employee Pension Scheme is charged to Statement of Profit & Loss. As the obligation to fund the deficit, if any, lies with the holding company, the same has been accounted for as a defined contribution plan.

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.

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2012

ix) Taxation

Tax expense comprising of both current tax and deferred tax is included in determining the net results for the year. Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. 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. Current tax is determined based on the provisions of Income-tax Act, 1961.

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) Leases

Lease rental in respect of operating lease arrangements are charged to expense 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.

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2012

3	SHARE CAPITAL	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
	Authorised 25,000,000 Equity Shares of Rs. 10/- each (Previous year 20,000,000 Equity Shares of Rs. 10/- each)	250,000,000	200,000,000
		250,000,000	200,000,000
	Issued 22,000,000 Equity Shares of Rs. 10/- each (Previous year - 18,000,000 Equity Shares of Rs. 10/- each)	220,000,000	180,000,000
		220,000,000	180,000,000
	Subscribed and fully paid 22,000,000 Equity Shares of Rs. 10/- each (Previous year - 18,000,000 Equity Shares of Rs. 10/- each)	220,000,000	180,000,000
		220,000,000	180,000,000

3.1	Reconciliation of the number of shares outstanding	For the Year 2011-12		For the Year 2010-11	
		No. of shares	Value Rs.	No. of shares	Value Rs.
	Equity Shares				
	Shares outstanding at the beginning of the year	18,000,000	180,000,000	12,000,000	120,000,000
	Shares Issued during the year	4,000,000	40,000,000	6,000,000	60,000,000
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	22,000,000	220,000,000	18,000,000	180,000,000

3.2	Shares in respect of each class in the company held by	Name of the company	Class of shares Equity/ Preference	As at 31st March 2012 No. of shares	As at 31st March 2011 No. of shares
	Holding company	NIIT Limited	Equity	16,500,000	13,500,000

3.3	Shares held by each shareholder holding more than 5% shares	31st March 2012		31st March 2011	
		% of holding	No. of shares	% of holding	No. of shares
	Equity Shares				
	NIIT Ltd	75%	16,500,000	75%	13,500,000
	Genpact India Holdings Mauritius	25%	5,500,000	25%	4,500,000
	Total	100%	22,000,000	100%	18,000,000

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2012

4	RESERVES AND SURPLUS		As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
	Profit & Loss Account			
	Balance Brought Forward from Previous year		(172,963,240)	(109,600,000)
	Add : Current Year Profit / (Loss) attributable to Share Holders		3,096,389	(63,363,240)
			(169,866,851)	(172,963,240)

5	LONG TERM BORROWINGS	Non Current Portion		Current Maturities	
		As at 31st March 2012 Rs.	As at 31st March 2011 Rs.	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
	UNSECURED				
	Loans from Related Parties	-	15,000,000	-	-
		-	15,000,000	-	-

Note. Above mention Loan in previous year taken from NIIT Limited for 3 Years @ 10.5% . Per Annum which is repaid druring the current year.

6	Trade Payables	Non Current		Current	
		As at 31st March 2012 Rs.	As at 31st March 2011 Rs.	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
	- Due to Micro Enterprises and Small Enterprises	-	-	-	-
	- Due to Others	-	-	25,778,267	21,343,401
		-	-	25,778,267	21,343,401

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2012

7	OTHER LIABILITIES	Long Term Liabilities		Current Liabilities	
		As at 31st March 2012 Rs.	As at 31st March 2011 Rs.	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
	Interest accrued but not due on borrowings	-	-	-	6,823
	Advances from Customers	-	-	52,775	4,350,212
	Payable to Employees	-	-	1,990,582	2,292,721
	Statutory Dues	-	-	2,201,921	2,675,671
	Other Payables	-	-	-	1,000
		-	-	4,245,278	9,326,427

8	Provisions	LONG-TERM		SHORT-TERM	
		As at 31st March 2012 Rs.	As at 31st March 2011 Rs.	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
	Provision for employee benefits :				
	Provision for Gratuity	-	-	-	202,545
	Provision for Compensated Absences	-	-	1,475,000	2,031,000
		-	-	1,475,000	2,233,545

9	LOANS AND ADVANCES	Long Term		Short Term	
		As at 31st March 2012 Rs.	As at 31st March 2011 Rs.	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
i)	Security Deposits Receivable				
	Unsecured, considered good	-	-	371,872	2,690,872
	(A)	-	-	371,872	2,690,872
ii)	Advances recoverable in cash or in kind				
	Unsecured, considered good	-	-	5,438,714	3,375,435
	(B)	-	-	5,438,714	3,375,435
iii)	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	19,429,674	16,306,122	-	-
	Less : Provision for Tax	-	-	-	-
	(C)	19,429,674	16,306,122	-	-
	Total (A+B+C)	19,429,674	16,306,122	5,810,586	6,066,307

Note Amount Receivable from Key Managerial Personnel Rs. 403,512.

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2012
10 Fixed Assets

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	Cost As on 01.04.2011	Additions during the year	Sales / Adj. during the year	Total as on 31.03.2012	As on 01.04.2011	For the year	Sales / Adj. during the year	Total as on 31.03.2012	As on 31.03.2012	As on 31.03.2011
a) Tangible										
Plant & Equipment										
-Owned	9,238,707	93,305	5,772,225	3,559,787	5,858,806	1,422,755	4,409,904	2,871,657	688,130	3,379,901
Office Equipments	1,984,147		1,440,250	543,897	581,450	141,861	492,319	230,992	312,905	1,402,697
Lease Hold Improvements	11,303,827		10,407,251	896,576	7,269,783	1,931,085	8,356,612	844,256	52,320	4,034,044
Furniture & Fixtures										
-Owned	1,855,101		1,664,577	190,524	936,059	93,424	888,968	140,515	50,009	919,042
Sub Total (a)	24,381,782	93,305	19,284,303	5,190,784	14,646,098	3,589,125	14,147,803	4,087,420	1,103,364	9,735,684
b) Intangible(Educational Content/Products)										
Intellectual Property Rights										
- Internally generated	10,807,682	2,815,229		13,622,911	2,953,606	2,781,403		5,735,009	7,887,902	7,854,076
Sub Total (b)	10,807,682	2,815,229	-	13,622,911	2,953,606	2,781,403	-	5,735,009	7,887,902	7,854,076
Total (a+b)	35,189,464	2,908,534	19,284,303	18,813,695	17,599,704	6,370,528	14,147,803	9,822,429	8,991,266	17,589,760
Previous Year	34,200,094	1,575,499	586,129	35,189,464	8,846,662	8,960,504	207,462	17,599,704	17,589,760	25,353,432
(iii) Capital work-in-progress									-	-
(iv) Intangible assets under development									-	1,284,616

10.1 Note of Capitalization of Intangibles

An amount of Rs. Nil(Previous Year – Rs 1,284,616) representing the cost of unfinished work is lying in Capital Work in Progress account.

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2012

11	Trade Receivables	Non Current		Current	
		As at 31st March 2012 Rs.	As at 31st March 2011 Rs.	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
a)	Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
	Unsecured, considered good	-	-	931,953	537,930
	Unsecured, considered doubtful	537,930	-	-	-
	Less: Provision for doubtful debts	(537,930)	-	-	-
		-	-	931,953	537,930
b)	Other Trade Receivables				
	Unsecured, considered good	-	-	21,240,248	6,093,420
		-	-	21,240,248	6,093,420
		-	-	22,172,201	6,631,350

12	OTHER ASSETS	Non Current		Current	
		As at 31st March 2012 Rs.	As at 31st March 2011 Rs.	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
	Non Current Bank Balances	100,000	100,000	-	-
	Unbilled revenue	-	-	10,067,763	5,265,577
	Interest Receivable	-	-	9,775	2,503
		100,000	100,000	10,077,538	5,268,080

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2012

13 Inventories	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
As at the end of the year		
Raw Material		
Traded Goods		
a) Education and Training Material	317,894	448,221
- Others	317,894	448,221
As at the beginning of the year		
Raw Material		
Traded Goods		
a) Education and Training Material	448,221	1,335,983
- Others	448,221	1,335,983
(Increase) / Decrease in Inventory	130,327	887,762

14 Cash and Bank Balances	Non Current		Current	
	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Cash and cash equivalents:				
Balance with banks	-	-	14,732,535	1,106,643
Current Accounts	-	-	-	44,399
Cash on hand	-	-	-	94,635
Cheques, drafts on hand	-	-	14,732,535	1,245,677
Other bank balances:				
Bank deposits:				
With original maturity of more than 12 months	100,000	100,000	-	-
[Includes Rs. 100,000 (Previous year Rs. 100,000) pledged as margin money]	100,000	100,000	-	-
Amount disclosed under non-current assets (Note12)	(100,000)	(100,000)	-	-
	-	-	14,732,535	1,245,677

15 Contingent Liabilities

The company has no contingent liabilities as at the balance sheet date.

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2012

16	Revenue from Operations	Year ended 31st March 2012 Rs.	Year ended 31st March 2011 Rs.
	Sale of Services	126,825,437	78,701,361
	Courseware Revenue	2,169,904	9,246,348
		128,995,341	87,947,709

17	Other Income	Year ended 31st March 2012 Rs.	Year ended 31st March 2011 Rs.
	Interest Income	311,131	10,517
	Provision / Other Liabilities written back	2,016,402	179,619
	Gain on Sale of Fixed Assets (Net)	-	46,196
	Gain on foreign currency transactions (Net)	-	3,698
		2,327,533	240,030

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2012

18 Employee Benefits Expenses	Year ended 31st March 2012 Rs.	Year ended 31st March 2011 Rs.
Salaries and Benefits	45,418,923	67,888,544
Contribution to Provident and Other Funds	1,528,596	2,601,070
Welfare and Other expenses	407,520	935,330
	47,355,039	71,424,944

19 RETIREMENT BENEFIT PLANS

1) Defined Contribution Plans

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 :-

S.No.	Nature of Contribution*	For the year ended 31st March 2012 (Rs.)	For the year ended 31st March 2011 (Rs.)
1	Employers Contribution to Provident Fund	1,132,272	1,412,788
2	Employers Contribution to Superannuation Fund	95,745	1,31,066
3	Employers Contribution to Pension Fund	396,339	736,961

* Includes Rs 246,750 (Previous Period- Rs 126,964) contributed on account of liability in respect of key managerial personnel.

2) Defined Benefit Plans

a. Compensated Absences

S.No.	Particulars	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
i.	Change in Present value of Obligation :		
	Present Value of obligation at the beginning of the year	2,031,000	1,688,440
	Benefits Paid	Nil	NIL
	Current Service Cost	1,318,680	342,560
	Interest Cost	162,480	NIL
	Actuarial (gain)/ loss on Obligation	(2,037,160)	NIL
	Present value of obligation at the end of the year	1,475,000	2,031,000
	Amount debited / (credited) to the Profit and Loss Account*	(556,000)	342,560

***This has been debited in P&L under salaries and benefits**

Assumptions used:

Discount Rate (per annum) 8.60%
Future Salary Increase 10% p.a. for first 5 Years and 7% p.a. thereafter

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2012

b. Gratuity- In accordance with Accounting Standard-15 (revised 2005)-Employee Benefits, an actuarial valuation was carried out in respect of contribution to Gratuity fund. Amount of obligation as at the year-end (as per actuarial report of independent actuary) is determined as under:

Particulars	As at March 31, 2012	As at March 31, 2011
	(Rs.)	(Rs.)
Change in benefit obligation:-		
Present Value of Obligation at the beginning of the year	1,362,001	960,551
Interest cost	108,960	76,840
Current service cost	408,150	407,550
Benefits Paid	Nil	Nil
Actuarial (gain)/ loss on Obligations	(501,110)	(82,940)
Present value obligation as at the end of the year	1,378,001	1,362,001

Change in Plan Assets-		
Fair value of Plan Assets at the beginning of the year	1,159,460	820,750
Expected return on Plan Assets	117,440	89,250
Contributions	179,860	257,510
Benefits Paid	NIL	NIL
Actuarial gain/ (loss) on Plan Assets	(5,690)	(8,050)
Fair value of Plan Assets as at end of the year	1,451,070	1,159,460
*Actuary's estimates of contributions for financial Year 2012-13 is Rs. 3,30,000 .		

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

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
	(Rs.)	(Rs.)	(Rs.)
Fair value of Plan Assets	1,451,070	1,159,460	820,750
Present value of obligation	1,378,000	1,362,005	960,551
Net Asset/(Liability) recognized in the Balance Sheet	73,070	(202,545)	(139,799)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
	(Rs.)	(Rs.)	(Rs.)
Current service cost*	408,150	407,550	196,870
Interest Cost	108,960	76,840	67,720
Expected Return on Plans Assets	(117,440)	(89,250)	(65,300)
Net Actuarial (gain)/ loss recognized during the period	(495,420)	(74,890)	(146,917)
Expense / (Credit) recognized in profit and loss Account	(95,750)	320,250	52,373

NIIT Institute of Process Excellence Limited**Notes to the financial statement for the year ended March 31, 2012**

Assumptions used:-		
	Year ended March 31, 2012	Year ended March 31,2011
Discount Rate (per annum)	8.6%	8%
Future Salary Increase	5%	5%
Expected Rate of Return on Plan Assets	9.40%	9.40%

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.

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2012

20	Other Expenses	Year ended 31st March 2012		Year ended 31st March 2011
		Rs.		Rs.
	Equipment Hiring	274,260		835,910
	Freight and Cartage	38,061		269,283
	Rent	3,814,842		11,886,738
	Power & Fuel	381,286		953,879
	Communication	491,027		1,406,314
	Legal and Professional	1,549,927		974,284
	Management Cost Recovery by Holding Company	3,798,750		4,843,614
	Traveling and Conveyance	2,991,014		2,936,009
	Provision for Doubtful Debts	537,930		-
	Insurance	44,524		235,041
	Repairs and Maintenance			
	- Plant and Machinery	29,529		164,022
	- Buildings	4,463		102,665
	- Others	74,220		153,973
	Loss on Sale of Fixed Assets (Net)	1,451,582		-
	Loss on foreign currency translation and transaction (net)	47,580		-
	Security and Administration Services	685,419		1,922,754
	Bank Charges	120,699		406,013
	Marketing & Advertising Expenses	1,158,196		19,034,376
	Sundry Expenses	156,944		321,907
		17,650,253		46,446,782

20.1	Payment to Auditors	Year ended 31st March 2012		Year ended 31st March 2011
		Rs.		Rs.
	Audit fee	100,000		100,000
	Tax Audit fees	40,000		40,000
	Others	10,000		58,750
	Reimbursement of expenses (including Service Tax)	23,723		23,595
		173,723		222,345

21	Finance costs	Year ended 31st March 2012		Year ended 31st March 2011
		Rs.		Rs.
	Interest Expense	2,385,723		206,211
		2,385,723		206,211

NIIT Institute of Process Excellence Limited**Notes to the financial statement for the year ended March 31, 2012**

22 Taxation

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

23 Expenditure in foreign currency-(Considered on accrual basis)

Particulars	Year ended on	Year ended on
	31 st March, 2012	31 st March, 2011
	(Rs.)	(Rs.)
Travel	Nil	356,384
Total	Nil	356,384

24 Earnings Per Share

Particulars	Year ended	Year ended
	31 st March, 2012	31 st March, 2011
	(Rs.)	(Rs.)
Profit / (Loss) as per Profit & Loss Account - (A)	3,096,389	(63,363,242)
Profit / (Loss) attributable to Equity Shareholders - (B)	3,096,389	(63,363,242)
Weighted Average number of Equity shares Outstanding during the	18,717,808	17,473,973
Nominal Value of Equity Shares (Rs.)	10	10
Basic/Diluted (loss) per share (Rs) (B/C)	0.17	(3.63)

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

25 Related Party Disclosures**A. HOLDING COMPANY**

NIIT Limited

B. Fellow Subsidiaries

- 1 NIIT Online Learning Ltd
- 2 Hole-in-the-Wall Education Ltd
- 3 Scantech Evaluation Services Ltd
- 4 NIIT Institute of Finance Banking and Insurance Training Ltd
- 5 NIIT Yuva Jyoti Limited (w.e.f. May 25, 2011)
- 6 Evolv Services Limited
- 7 NEO Multimedia Limited (formerly known as NIIT Multimedia Limited) ceased to be subsidiary company w.e.f. March 31, 2011
- 8 NIIT Ltd, UK
- 9 NIIT Antilles NV, Netherlands Antilles
- 10 NIIT Malaysia Sdn. Bhd, Malaysia
- 11 NIIT GC Ltd (formerly NIIT TVE Ltd, Mauritius)
- 12 NIIT China (Shanghai) Limited, Shanghai
- 13 NIIT Wu Xi Service Outsourcing Training School
- 14 Chongqing NIIT Education Consulting Limited, China
- 15 Wu Xi NIIT Information Technology Consulting Limited.
- 16 Changzhou NIIT Information Technology Consulting Limited
- 17 Su Zhou NIIT Information Technology Consulting Ltd
- 18 NIIT (USA) Inc, USA
- 19 NIIT Ventures Inc, USA
- 20 Element K Corporation, USA
(ceased to be subsidiary company w.e.f. 14/10/2011)

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2012

- 21 Element K India Private Limited, India
 (ceased to be subsidiary company w.e.f. 14/10/2011)
 22 Element K (UK) Limited, United Kingdom
 (ceased to be subsidiary company w.e.f. 14/10/2011)
 23 Element K, Canada
 (ceased to be subsidiary company w.e.f. 14/10/2011)
 24 PCEC NIIT Institute of Information Technology, Shanghai- (already liquidated)
 25 PT NIIT Indonesia, Indonesia (Under liquidation)
 26 NIIT West Africa Limited, Nigeria

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:

Mr. Chockalingam Murugan- Whole-time Director (ceased to be whole-time Director w.e.f August 31, 2011)
 Ms. Kirti Seth– Manager (appointed as Manager of the Company w.e.f September 1, 2011)

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

Nature of Transactions	Holding Company	Fellow Subsidiaries	Parties to whom company is an associate	Key Managerial Personnel	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Purchase of Goods	Nil	Nil	Nil	Nil	Nil
	(215,481)	(3,640)	Nil	Nil	(219,121)
Services Rendered (Note 2)	11,366,699	45,000	99,273,048	Nil	110,684,747
	(5,772,137)	(609,930)	(60,351,239)	Nil	(66,733,306)
Services Received (Note 3)	6,684,675	2,495,162	Nil	Nil	9,179,837
	(77,210)	(6,736,152)	Nil	Nil	(6,813,362)
Transfer of expenses to	Nil	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	Nil	Nil	Nil
Transfer of expenses from (Note 4)	6,984,731	112,164		Nil	7,096,895
	(9,143,454)	(4,801,532)	(1,450,186)	Nil	(15,395,172)
Loans Taken (Note 5)	17,500,000	Nil	Nil	Nil	17,500,000
	(15,000,000)	(Nil)	(Nil)	Nil	(15,000,000)
Repayment of Loan	32,500,000	Nil	Nil	Nil	32,500,000
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Investments done	30,000,000	Nil	10,000,000	Nil	40,000,000
	(15,000,000)	(Nil)	(Nil)	Nil	(15,000,000)
Purchase of Assets	Nil	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)	Nil	Nil
Remuneration to Key Managerial Personnel	Nil	Nil	Nil	5,993,307	5,993,307
	(Nil)	(Nil)	(Nil)	(4,828,448)	(4,828,448)
Sale of Assets	2,427,969	Nil	Nil	Nil	2,427,969
	(475,353)	(Nil)	(Nil)	(Nil)	(475,353)
Sale of Goods	Nil	Nil	Nil	Nil	Nil
	(759,568)	(Nil)	(Nil)	(Nil)	(759,568)
Interest Paid	2,308,163	Nil	Nil	Nil	2,308,163
	(189,863)	(Nil)	(Nil)	(Nil)	(189,863)
TOTAL	109,772,237	2,652,326	109,273,048	5,993,307	227,690,918
	(46,633,066)	(12,151,254)	(60,351,239)	(4,828,448)	(123,964,007)

NIIT Institute of Process Excellence Limited**Notes to the financial statement for the year ended March 31, 2012**

D. Details of outstanding balances with related parties:					
Nature of Transaction	Holding Company	Fellow Subsidiaries	Parties to whom company is an associate	Key Managerial Personnel	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Receivable (Note 6)	8,971,747	Nil	10,634,403	403,512	20,009,662
	(2,058,814)	(548,937)	(1,027,039)	(Nil)	(3,634,790)
Payable (Note 7)	17,595,523	285,672	408,351	3,875	18,293,421
	(24,295,762)	(2,140,273)	(1,891,289)	(126,964)	(28,454,288)

Notes:

1 Previous year figures are given in parenthesis.

2 Includes transactions for the year mainly with;

Genpact India Rs. 99,273,048 (Previous Year –Rs 60,351,239)

NIIT Limited, Rs 11,366,699 (Previous Year -5,772,137)

EVOLV Services Ltd. Rs. 45000 (Previous Year –Rs.609,930)

3 Includes transactions for the year mainly with;

NIIT Limited, India Rs 6,684,675 (Previous Year –Rs. 77,210)

EVOLV Services Ltd. Rs.2,495,162 (Previous Year –Rs. 6,736,351)

4 Includes transactions for the year mainly with;

NIIT Limited, India Rs 6,984,731 (Previous Year –Rs. 9,143,454)

EVOLV Services Ltd. Rs 27,619 (Previous Year –Rs. 2,049,498)

Genpact India Rs. Nil (Previous Year –Rs. 720,000)

NIIT Institute of Finance Banking and Insurance training Ltd Rs84,545 (Previous Year –Rs 2,752,034)

NIIT Smart Serve Limited Rs. Nil (Previous Year –Rs. 730,186)

5 Includes transactions for the year mainly with;

NIIT Limited, India Rs. 17,500,000 (Previous Year –Rs. 15,000,000)

6 Includes balances mainly with;

NIIT Limited, India Rs. 8,971,747 (Previous Year –Rs. 2,058,814)

EVOLV Services Ltd. Rs. Nil (Previous Year –Rs. 548,937)

Genpact India Rs. 10,634,403 (Previous Year –Rs. 1,027,039)

Kirti Seth Rs 403,512 (Previous Year-Rs Nil)

7 Includes balances mainly with;

Genpact India Rs. 408,351 (Previous Year –Rs. 1,175,707)

NIIT Limited, India Rs. 17,595,523 (Previous Year –Rs. 24,495,762)

NIIT USA, Inc 285,672 (Previous Year –Rs. 285,672)

EVOLV Services Ltd. Rs. Nil (Previous Year –Rs. 1,854,601)

NIIT Smart Serve Limited RsNil (Previous Year –Rs. 7,15,582)

Kirti Seth Rs 3875(Previous Year-Rs Nil)

Chockalingam Murugan Rs Nil(Previous Year-Rs 126,964)

26 Leases - Operating & Financial

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	Year ended
	31 st March, 2012	31 st March, 2011
	(Rs.)	(Rs.)
In respect of Premises	3,814,842	11,886,738

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2012

27 Dues to micro and small enterprises

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

- 28** The net worth of the company stood substantially eroded as on March 31, 2011. However during the year the company has been able to earn a profit of Rs.3,096,389 and also additional investment made by the holding company NIIT limited and by the JV Partner Genpact India holding Mauritius amounting to Rs 3Cr. and Rs 1Cr. respectively has substantially improved the position.

The Company is in the process of expanding its reach through acquisition of new customers in the B2B segment. The company is already providing Managed Training services to Genpact and this business is set to grow. The Company is also in advanced stages of discussions with various corporate organizations in the BPO industry to provide similar services which are expected to materialized in the next financial year. As per 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. Such improved financial performance will lead to an improvement in net worth position of the Company. The company is already providing Managed Training services to Genpact and this business is set to grow in India and in other many geographies.

- 29** 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'. As notified under section 211(3C) of the Companies Act 1956, also the company operates in a single geography, India thus the secondary segment reporting is not applicable.

- 30** During the year, the company had further developed courseware content for its training programme. The management estimates that the new content added will enhance the marketability and will increase the revenue generating capacity of the company. The company is confident of ability to generate further economic benefit from these assets. The contribution during the year towards development is as follows:

Capitalisation of internally generated intangible:

Description	Year ended 31 st March, 2012	Year ended 31 st March, 2011
	(Rs.)	(Rs.)
Opening Balance	1,284,616	525,000
Salaries and Benefits (Includes contribution)	1,530,613	566,464
Other Expenses	Nil	193,152
Capitalised during the year	2,815,229	Nil
CWIP Balance	Nil	1,284,616

31 Previous Year Figures

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

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

Amit Mittal
Partner
Membership No. 508748

Place: Gurgaon
Date : April 27, 2012

Vijay K. Thadani
Director
DIN-00042527

G Raghavan
Director
DIN-00820000

Meenakshi Gupta
Company Secretary