

NIIT Institute of Process Excellence Limited

Balance Sheet as at March 31, 2013

	PARTICULARS	Notes	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
I	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	Share capital	3	220,000,000	220,000,000
	Reserves and surplus	4	(147,312,332)	(169,866,851)
2	Current liabilities			
	Trade Payables	5	11,049,321	25,778,267
	Other current liabilities	6	16,541,548	4,245,278
	Short-term provisions	7	2,061,016	1,475,000
	TOTAL		102,339,553	81,631,694
II	ASSETS			
1	Non-current assets			
	Fixed assets	9		
	Tangible assets		918,812	1,103,364
	Intangible assets		4,348,661	7,887,902
	Intangible assets under development		1,483,549	-
	Long-term loans and advances	8	24,786,376	19,429,674
	Other non-current assets	12	100,000	100,000
2	Current assets			
	Inventories	13	279,302	317,894
	Cash and bank balances	14	34,809,252	14,732,535
	Short-term loans and advances	8	6,262,053	5,810,586
	Trade receivables	11	17,094,290	22,172,201
	Other current assets	12	12,257,258	10,077,538
	TOTAL		102,339,553	81,631,694

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 : May 13, 2013

Kirti Seth
Manager

NIIT Institute of Process Excellence Limited

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

	PARTICULARS	Notes	Year ended March 31, 2013 Rs.	Year ended March 31, 2012 Rs.
	INCOME			
I.	Revenue from Operations	16	156,663,304	128,995,341
II.	Other Income	17	1,686,412	2,327,533
III.	Total Revenue		158,349,716	131,322,874
IV.	EXPENDITURE			
	(Increase) / Decrease in Inventory	13	38,592	130,327
	Professional & Technical Outsourcing Expenses for Execution		73,017,550	54,334,615
	Employee Benefits Expense	18	47,363,772	47,355,039
	Other Expenses	20	11,483,070	17,650,253
	Finance Costs	21	-	2,385,723
	Depreciation and Amortization Expenses	9	3,892,213	6,370,528
	Total Expenses		135,795,197	128,226,485
V.	Profit before tax		22,554,519	3,096,389
VI.	Tax expense:			
	-Current tax		2,614,702	-
	- MAT Credit Entitlement		(2,614,702)	-
VII.	Profit (Loss) for the period		22,554,519	3,096,389
VIII.	Earnings per equity share (Face Value Rs. 10 each):	23		
	-Basic		1.03	0.17
	-Diluted		1.03	0.17

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
Date : May 13, 2013

Vijay K. Thadani
Director
DIN-00042527

G Raghavan
Director
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Kirti Seth
Manager

NIIT Institute of Process Excellence Limited
Cash Flow Statement for the year ended March 31, 2013

		Year ended March 31, 2013 Rs.	Year ended March 31, 2012 Rs.
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Profit before Tax for the year	22,554,519	3,096,389
	Adjustments for:		
	Depreciation and Amortisation	3,892,213	6,370,528
	Interest Expenses	-	2,385,723
	Interest Income	(1,678,354)	(311,131)
	(Profit)/ Loss on Fixed Assets sold	-	(1,451,582)
	Provision for Doubtful Debts	336,355	537,930
	Provision for Gratuity and Compensated absences	586,016	(758,545)
	Liabilities / Provisions no longer required written back	(8,058)	(2,016,402)
	Foreign Exchange Adjustments	(19,652)	45,317
	Operating profit before working capital changes	25,663,039	7,898,227
	Add / (Less): (Increase)/ Decrease in operating working capital:		
	Increase/(Decrease) Trade Payables	(14,701,236)	6,416,409
	Increase/(Decrease) Other Current Liabilities	12,296,270	(5,081,149)
	(Decrease)/Increase Current Trade Receivables	4,741,556	(16,082,416)
	(Decrease)/Increase Inventories	38,592	130,327
	(Decrease)/Increase Short Term Loans and Advances	(451,467)	255,721
	(Decrease)/Increase Long Term Loans and Advances	(37,500)	-
	(Decrease)/Increase Other Current Assets	(2,098,791)	(4,802,186)
	Cash generated from operations	25,450,463	(11,265,067)
	Taxes paid (including TDS)	(5,319,202)	(3,123,552)
	Net cash from Operating activities (A)	20,131,261	(14,388,619)
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets (including Capital Work-in-progress, internally developed intangibles and Capital advances)	(1,651,969)	(1,623,918)
	Proceeds from sale of Fixed Assets	-	6,588,082
	Interest Received	1,597,425	303,859
	Net cash used for Investing activities (B)	(54,544)	5,268,023
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from fresh issue of Share Capital (including Share Premium)	-	40,000,000
	Proceeds from Long Term Borrowings	-	(15,000,000)
	Long Term Borrowings repaid during the year	-	(2,392,546)
	Interest Paid (including financing charges on finance lease arrangements)	-	-
	Net cash from / (used in) Financing activities (C)	-	22,607,454
	Net Increase/(Decrease) in Cash & Cash equivalents (A) + (B) + (C)	20,076,717	13,486,858
	Cash and Cash equivalents as at the beginning of the year (Note 1)	14,832,535	1,345,677
	Cash and cash equivalents as at the end of the year (Note 1)	34,909,252	14,832,535

(Contd..)

Notes:

1	Cash and cash equivalents as on	March 31, 2013 Rs.	March 31, 2012 Rs.
	Cash, Cheques & Drafts (in hand) and Remittances in transit	-	-
	Balances with banks *	34,909,252	14,832,535
		34,909,252	14,832,535

- 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 : May 13,2013

Kirti Seth
Manager

NIIT Institute of Process Excellence Limited

Notes to the financial statement for the year ended March 31, 2013

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India on accrual basis, under historical cost convention. These financial statements have been prepared to comply with all material aspects of 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.

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 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.

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" 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, 2013

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 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.

v) Other Income

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

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) 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 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 defined 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.

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. 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. Minimum Alternate Tax (MAT) paid in excess of normal income tax is recognized as asset (MAT Credit Entitlement) only to the extent there is reasonable certainty that Company shall be liable to pay tax as per the normal provision of the Act in future. MAT credit is utilised in the year when normal income tax is higher than the Minimum Alternate Tax.

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 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, 2013

3	SHARE CAPITAL	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
	Authorised 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
		250,000,000	250,000,000
	Issued 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
		220,000,000	220,000,000
	Subscribed and fully paid 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
		220,000,000	220,000,000

3.1	Reconciliation of the number of shares outstanding	As at 31st March 2013		As at 31st March 2012	
		No. of shares	Value Rs.	No. of shares	Value Rs.
	Equity Shares				
	Shares outstanding at the beginning of the year	22,000,000	220,000,000	18,000,000	180,000,000
	Shares Issued during the year	-	-	4,000,000	40,000,000
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	22,000,000	220,000,000	22,000,000	220,000,000

3.2	Shares in respect of each class in the company held by	Name of the company	Class of shares Equity/ Preference	As at March 31, 2013 No. of shares	As at March 31, 2012 No. of shares
	Holding company	NIIT Limited	Equity	16,500,000	16,500,000

3.3	Shares held by each shareholder holding more than 5% shares	March 31, 2013		March 31, 2012	
		% of holding	No. of shares	% of holding	No. of shares
	Equity Shares				
	NIIT Ltd	75%	16,500,000	75%	16,500,000
	Genpact India Holdings Mauritius	25%	5,500,000	25%	5,500,000
	Total	100%	22,000,000	100%	22,000,000

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2013

4	RESERVES AND SURPLUS	As at	As at
		March 31, 2013	March 31, 2012
		Rs.	Rs.
	Surplus/ (Deficit) in the Statement of Profit & Loss Account		
	Balance Brought Forward from Previous year	(169,866,851)	(172,963,240)
	Add : Current Year Profit / (Loss) attributable to Share Holders	22,554,519	3,096,389
		(147,312,332)	(169,866,851)

5	TRADE PAYABLES	Non Current		Current	
		As at	As at	As at	As at
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
		Rs.	Rs.	Rs.	Rs.
	Sundry Creditors	-	-	11,049,321	25,778,267
		-	-	11,049,321	25,778,267

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2013

6	OTHER LIABILITIES	Long Term Liabilities		Current Liabilities	
		As at March 31, 2013 Rs.	As at March 31, 2012 Rs.	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
	Deferred Revenue	-	-	8,600,000	-
	Advances from Customers	-	-	69,436	52,775
	Payable to Employees	-	-	5,701,501	1,990,582
	Statutory Dues	-	-	2,168,511	2,201,921
	Other Payables	-	-	2,100	-
		-	-	16,541,548	4,245,278

7	PROVISIONS	LONG-TERM		SHORT-TERM	
		As at March 31, 2013 Rs.	As at March 31, 2012 Rs.	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
	Provision for employee benefits :				
	Provision for Gratuity	-	-	23,016	-
	Provision for Compensated Absences	-	-	2,038,000	1,475,000
		-	-	2,061,016	1,475,000

8	LOANS AND ADVANCES	Long Term		Short Term	
		As at March 31, 2013 Rs.	As at March 31, 2012 Rs.	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
i)	Security Deposits Receivable Unsecured, considered good	37,500	-	43,000	371,872
	(A)	37,500	-	43,000	371,872
ii)	Advances recoverable in cash or in kind Unsecured, considered good	-	-	6,219,053	5,438,714
	(B)	-	-	6,219,053	5,438,714
iii)	Other Advances				
a)	Advance payment of Fringe Benefit Tax Less: Provision for Fringe Benefit Tax	171,915 (171,915)	171,915 (171,915)	- -	- -
		-	-	-	-
b)	Advance Tax Less : Provision for Tax	24,748,876 (2,614,702)	19,429,674 -	- -	- -
		22,134,174	19,429,674	-	-
c)	MAT Credit entitlement	2,614,702	-	-	-
		2,614,702	-	-	-
	(C)	24,748,876	19,429,674	-	-
	Total (A+B+C)	24,786,376	19,429,674	6,262,053	5,810,586

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2013
9 FIXED ASSETS

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	Cost As on 01.04.2012	Additions during the year	Sales / Adj. during the year	Total as on 31.03.2013	As on 01.04.2012	For the year	Sales / Adj. during the year	Total as on 31.03.2013	As on 31.03.2013	As on 31.03.2012
a) Tangible										
Plant & Equipment										
-Owned	3,929,013	63,420	-	3,992,433	3,018,873	210,834	-	3,229,707	762,726	910,140
Office Equipments	174,671	-	-	174,671	83,776	17,897	-	101,673	72,998	90,895
Lease Hold Improvements	896,576	-	-	896,576	844,256	7,492	-	851,748	44,828	52,320
Furniture & Fixtures										
-Owned	190,524	-	-	190,524	140,515	11,749	-	152,264	38,260	50,009
Sub Total (a)	5,190,784	63,420	-	5,254,204	4,087,420	247,972	-	4,335,392	918,812	1,103,364
b) Intangible										
Intellectual Property Rights										
- Internally generated	13,622,911	-	-	13,622,911	5,735,009	3,640,405	-	9,375,414	4,247,497	7,887,902
Software acquired	-	105,000	-	105,000	-	3,836	-	3,836	101,164	-
Sub Total (b)	13,622,911	105,000	-	13,727,911	5,735,009	3,644,241	-	9,379,250	4,348,661	7,887,902
Total (a+b)	18,813,695	168,420	-	18,982,115	9,822,429	3,892,213	-	13,714,642	5,267,473	8,991,266
Previous Year	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	
									-	
c) Intangible assets under development (refer note 10)									1,483,549	-

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2013

10 Capitalization of Internally Developed Intangibles

The company internally develops software tools, platforms and content. The management estimates that this would result in enhanced productivity and offer more technology based learning products / solutions to the customers in future. The Company is confident of its ability to generate future economic benefits out of these assets. The costs incurred towards the development are as follows:

Description	As at	As at
	March 31, 2013	March 31, 2012
	Rs.	Rs.
Opening balance at the beginning of the year	-	1,284,616
Add: Costs incurred during the year (as per details provided below)	1,483,549	1,530,613
Less: Capitalised during the year	-	(2,815,229)
Closing Balance at the end of the year	1,483,549	-

Details of Costs incurred during the year:

Particulars	Year ended	Year ended
	March 31, 2013	March 31, 2012
	Rs.	Rs.
Salary & Employee Benefits	1,003,549	1,530,613
Professional Charges	480,000	-
Total	1,483,549	1,530,613

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2013

11	TRADE RECEIVABLES	Non Current		Current	
		As at March 31, 2013 Rs.	As at March 31, 2012 Rs.	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
a)	Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
	Unsecured, considered good	-	-	5,620,267	931,953
	Unsecured, considered doubtful	874,285	537,930	-	-
	Less: Provision for doubtful debts	(874,285)	(537,930)	-	-
		-	-	5,620,267	931,953
b)	Other Trade Receivables				
	Unsecured, considered good	-	-	11,474,023	21,240,248
		-	-	11,474,023	21,240,248
		-	-	17,094,290	22,172,201

12	OTHER ASSETS	Non Current		Current	
		As at March 31, 2013 Rs.	As at March 31, 2012 Rs.	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
	Non Current Bank Balances (refer note 14)	100,000	100,000	-	-
	Unbilled revenue	-	-	12,166,554	10,067,763
	Interest Receivable	-	-	90,704	9,775
		100,000	100,000	12,257,258	10,077,538

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2013

13	INVENTORIES	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
	As at the end of the year		
	Traded Goods		
	Education and Training Material	279,302	317,894
		279,302	317,894
	As at the beginning of the year		
	Traded Goods		
	Education and Training Material	317,894	448,221
		317,894	448,221
	(Increase) / Decrease in Inventory	38,592	130,327

14	CASH AND BANK BALANCES	Non Current		Current	
		As at March 31, 2013 Rs.	As at March 31, 2012 Rs.	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
	Cash and cash equivalents:				
	Balance with banks				
	Current Accounts	-	-	22,309,252	14,732,535
	Bank deposits with original maturity of 3 months or less			12,500,000	-
		-	-	34,809,252	14,732,535
	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	-	-
		100,000	100,000	34,809,252	14,732,535
	Amount disclosed under non-current assets (Note 12)	(100,000)	(100,000)	-	-
		-	-	34,809,252	14,732,535

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, 2013

16	REVENUE FROM OPERATIONS	Year ended March 31, 2013 Rs.	Year ended March 31, 2012 Rs.
	Sale of Services	156,374,089	126,825,437
	Courseware Revenue	289,215	2,169,904
		156,663,304	128,995,341

17	OTHER INCOME	Year ended March 31, 2013 Rs.	Year ended March 31, 2012 Rs.
	Interest Income	1,678,354	311,131
	Provision / Other Liabilities written back	8,058	2,016,402
		1,686,412	2,327,533

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2013

18 EMPLOYEE BENEFITS EXPENSES	Year ended March 31, 2013 Rs.	Year ended March 31, 2012 Rs.
Salaries and Benefits	45,406,579	45,418,923
Contribution to Provident and Other Funds	1,658,120	1,528,596
Welfare and Other expenses	299,073	407,520
	47,363,772	47,355,039

19 EMPLOYEE BENEFITS
1) Defined Benefit Plan

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	Year ended
	March 31, 2013	March 31, 2012
	Rs.	Rs.
Employer's Contribution to Provident Fund	1,083,433	1,132,272
Employer's Contribution to Superannuation Fund	36,152	95,745
Employer's Contribution to Pension Scheme	346,395	396,339

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

Particulars	Year ended	Year ended
	March 31, 2013	March 31, 2012
	Rs.	Rs.
Employer's Contribution to Provident Fund	330,108	240,258
Employer's Contribution to Superannuation Fund	-	-
Employer's Contribution to Pension Scheme	6,492	6,492

2) Defined Benefit Plans
I. Compensated Absences

Particulars	As at March 31, 2013 (Rs.)	As at March 31, 2012 (Rs.)
i) Change in Present value of Obligation :		
Present Value of obligation at the beginning of the year	1,475,000	2,031,000
Benefits Paid	Nil	Nil
Current Service Cost	911,820	1,318,680
Interest Cost	126,850	162,480
Actuarial (gain)/ loss on Obligation	(475,670)	(2,037,160)
Present value of obligation at the end of the year	2,038,000	1,475,000
Amount debited / (credited) to the Statement of Profit and Loss	563,000	(556,000)

ii) Assumptions used:	As at March 31, 2013	As at March 31, 2012
Discount Rate (per annum)	8.25%	8.60%
Future Salary Increase	10% p.a. for first 5 Years and 7% p.a. thereafter	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, 2013

II. 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 March 31, 2013	As at March 31, 2012
	(Rs.)	(Rs.)
i) Change in present value of obligation:-		
Present Value of Obligation at the beginning of the year	1,378,001	1,362,001
Interest cost	118,510	108,960
Current service cost	332,070	408,150
Benefits Paid	Nil	Nil
Actuarial (gain)/ loss on Obligations	(120,580)	(501,110)
Present value obligation as at the end of the year	1,708,001	1,378,001

ii) Change in Plan Assets-		
Fair value of Plan Assets at the beginning of the year	1,451,070	1,159,460
Expected return on Plan Assets	140,910	117,440
Contributions*	96,055	179,860
Benefits Paid	NIL	NIL
Actuarial gain/ (loss) on Plan Assets	(3,050)	(5,690)
Fair value of Plan Assets as at end of the year	1,684,985	1,451,070
*Actuary's estimates of contributions for financial Year 2013-14 is Rs. 4,11,000/-		

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

Particulars	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
	(Rs.)	(Rs.)	(Rs.)
Fair value of Plan Assets	1,684,985	1,451,070	1,159,460
Present value of obligation	1,708,001	1,378,000	1,362,005
Net Asset/(Liability) recognized in the Balance Sheet	(23,016)	73,070	(202,545)

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

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
	(Rs.)	(Rs.)
Current service cost	332,070	408,150
Interest Cost	118,510	108,960
Expected Return on Plans Assets	(140,910)	(117,440)
Net Actuarial (gain)/ loss recognized during the period	(117,530)	(495,420)
Expense / (Credit) recognized in Statement of Profit and Loss	192,140	(95,750)
Actual return of plan assets	137,860	111,760

Assumptions used:-

	Year ended March 31, 2013	Year ended March 31, 2012
Discount Rate (per annum)	8.25%	8.60%
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, 2013

20	OTHER EXPENSES	Year ended March 31, 2013 Rs.		Year ended March 31, 2012 Rs.
	Equipment Hiring	7,185		274,260
	Freight and Cartage	34,950		38,061
	Rent	1,308,481		3,814,842
	Power & Fuel	144,638		381,286
	Communication	285,775		491,027
	Legal and Professional (refer note 20.1 below)	1,132,105		1,549,927
	Management Cost Recovery by Holding Company	4,312,761		3,798,750
	Traveling and Conveyance	2,994,292		2,991,014
	Provision for Doubtful Debts	336,355		537,930
	Insurance	59,110		44,524
	Repairs and Maintenance			
	- Plant and Machinery	41,573		29,529
	- Buildings	81,392		4,463
	- Others	101,101		74,220
	Loss on Sale of Fixed Assets (Net)	-		1,451,582
	Loss on foreign currency translation and transaction (net)	21,968		47,580
	Security and Administration Services	75,428		685,419
	Bank Charges	103,411		120,699
	Marketing & Advertising Expenses	325,091		1,158,196
	Sundry Expenses	117,454		156,949
		11,483,070		17,650,258

20.1	Payment to Auditors	Year ended March 31, 2013 Rs.		Year ended March 31, 2012 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)	19,467		23,723
		176,967		181,223

21	Finance costs	Year ended March 31, 2013 Rs.		Year ended March 31, 2012 Rs.
	Interest Expense	-		2,385,723
		-		2,385,723

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2013

22 Taxation

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

23 Earnings Per Share

Particulars	Year ended	Year ended
	March 31, 2013	March 31, 2012
	Rs.	Rs.
Profit / (Loss) as per Statement of Profit & Loss - (A)	22,554,519	3,096,389
Profit / (Loss) attributable to Equity Shareholders - (B)	22,554,519	3,096,389
Weighted Average number of Equity shares Outstanding during the period - (C)	22,000,000	18,717,808
Nominal Value of Equity Shares (Rs.)	10	10
Basic/Diluted Profit(loss) per share (Rs.) (B/C)	1.03	0.17

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

24 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 Ltd
- 2 Scantech Evaluation Services Ltd
- 3 NIIT Yuva Jyoti Limited
- 4 NIIT Institute of Finance Banking and Insurance Training Ltd
- 5 Hole In The Wall Education Ltd.
- 6 Evolv Services Limited
- 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 Ventures Inc, USA
- 19 Element K Corporation, USA (ceased to be fellow subsidiary company w.e.f October 14, 2011)
- 20 Element K India Private Limited, India (ceased to be fellow subsidiary company w.e.f October 14, 2011)
- 21 Element K (UK) Limited, United Kingdom (ceased to be fellow subsidiary company w.e.f October 14, 2011)
- 22 Element K, Canada (ceased to be fellow subsidiary company w.e.f October 14, 2011)
- 23 PT NIIT Indonesia, Indonesia (Under Liquidation)
- 24 NIIT West Africa Limited, Nigeria
- 25 Qingdao NIIT Information Technology Co., LTD (w.e.f. May 14, 2012), China
- 26 Chongqing An Dao Education Consulting Limited (w.e.f. June 5, 2012), China
- 27 Zhangjiagang NIIT Information Services Ltd. (w.e.f. September 1, 2012), China
- 28 Chengmai NIIT information technology Co., LTD (w.e.f December 19, 2012), China

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:

Ms. Kirti Seth – Manager

NIIT Institute of Process Excellence Limited
Notes to the financial statement for the year ended March 31, 2013

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.)
Services Rendered (Note 2)	12,730,079	Nil	139,302,379	Nil	152,032,458
	(11,366,699)	(45,000)	(99,273,048)	(Nil)	(110,684,747)
Services Received (Note 3)	3,425,509	697,600	Nil	Nil	4,123,109
	(6,684,675)	(2,495,162)	(Nil)	(Nil)	(9,179,837)
Recovery of Expenses by	1,136,081	Nil	Nil	Nil	Nil
	(3,185,981)	(112,164)	(Nil)	(Nil)	(3,298,145)
Loan Taken	Nil	Nil	Nil	Nil	Nil
	(17,500,000)	(Nil)	(Nil)	(Nil)	(17,500,000)
Repayment of Loan	Nil	Nil	Nil	Nil	Nil
	(32,500,000)	(Nil)	(Nil)	(Nil)	(32,500,000)
Investments done (Note 5)	Nil	Nil	Nil	Nil	Nil
	(30,000,000)	(Nil)	(10,000,000)	(Nil)	(40,000,000)
Management Charges	4,303,789	Nil	Nil	Nil	4,303,789
	(3,798,750)	(Nil)	(Nil)	(Nil)	(3,798,750)
Remuneration to Key Managerial Personnel	Nil	Nil	Nil	8,411,550	8,411,550
	(Nil)	(Nil)	(Nil)	(5,993,307)	(5,993,307)
Sale of Assets	Nil	Nil	Nil	Nil	Nil
	(2,427,969)	(Nil)	(Nil)	(Nil)	(2,427,969)
Sale of Goods	257,400	Nil	Nil	Nil	257,400
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Interest Paid	Nil	Nil	Nil	Nil	Nil
	(2,308,163)	(Nil)	(Nil)	(Nil)	(2,308,163)

D. 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 6)	11,958,620	Nil	1,906,706	Nil	13,865,326
	(8,971,747)	(Nil)	(10,634,403)	(403,512)	(20,009,662)
Payable (Note 7)	1,746,252	285,672	408,351	825,866	3,266,141
	(17,595,523)	(285,672)	(408,351)	(3,875)	(18,293,421)

Notes:

1 Previous year figures are given in parenthesis.

2 Includes transactions for the year mainly with;

Genpact India Rs. 139,302,379/- (Previous Year –Rs 99,273,048)

3 Includes transactions for the year mainly with;

Evolv Services Ltd. Rs.57,600/- (Previous Year –Rs. 2,495,162/-)

NIIT Institute of Finance Banking and Insurance training Ltd Rs 640,000 (Previous Year –Rs Nil)

4 Includes transactions for the year mainly with;

Evolv Services Ltd. Rs Nil (Previous Year –Rs 27,619/-)

NIIT Institute of Finance Banking and Insurance training Ltd Rs Nil (Previous Year –Rs 84,545)

5 Includes Investments done by;

Genpact India Rs. Nil (Previous Year –Rs 10,000,000/-)

6 Includes receivable from;

Genpact India Rs. 1,906,706/- (Previous Year –Rs. 10,634,403/-)

7 Includes Payable to;

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

25 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
	March 31, 2013	March 31, 2012
	Rs.	Rs.
In respect of Premises	1,308,481	3,814,842

26 Due 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.

NIIT Institute of Process Excellence Limited**Notes to the financial statement for the year ended March 31, 2013**

- 27** The net worth of the company stood substantially eroded as on March 31, 2013. However during the year the company has been able to earn net profit after tax of Rs. 22,554,519/- which 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 materialize 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.
- 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'. 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** 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.

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

Vijay K. Thadani
Director
DIN-00042527

G Raghavan
Director
DIN-00820000

Amit Mittal
Partner
Membership No. 508748

Place: Gurgaon
Date : May 13,2013

Kirti Seth
Manager