

Evolv Services Limited

Balance Sheet as at March 31, 2014

PARTICULARS	Notes	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	14,750,960	14,750,960
Reserves and surplus	4	40,754,088	34,187,885
Non-current liabilities			
Long-term provisions	8	64,310	1,151,730
Current liabilities			
Short-term borrowings	5	-	2,467,334
Trade Payables	6	10,468,194	12,677,222
Other current liabilities	7	1,856,507	4,596,193
Short-term provisions	8	859,645	932,610
TOTAL		68,753,704	70,763,934
ASSETS			
Non-current assets			
Fixed assets	9		
Tangible assets		157,908	238,085
Intangible assets		5,503,576	8,258,700
Long-term loans and advances	10	24,590,328	19,281,962
Other non-current assets	13	101,063	101,063
Current assets			
Cash and bank balances	14	5,332,421	851,418
Short-term loans and advances	10	5,765,337	4,178,460
Trade receivables	11	24,666,912	33,677,331
Other current assets	13	2,636,159	4,176,915
TOTAL		68,753,704	70,763,934

The accompanying notes 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.
Firm Registration No: 003366N
Chartered Accountants

For and on behalf of the Board

Amit Mittal
Partner
Membership No: 508748

Vijay K Thadani
Director
DIN : 00042527

Manish Mohan
Director
DIN : 03056384

Place: Gurgaon
Date : May 16, 2014

Evolv Services Limited

Statement of Profit & Loss for the year ended March 31, 2014

PARTICULARS	Notes	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
INCOME			
Revenue from Operations		50,035,104	69,032,820
Other Income	15	945,678	591,366
Total Revenue		50,980,782	69,624,186
EXPENDITURE			
Professional & Technical Outsourcing Expenses		19,043,319	28,637,294
Employee Benefits Expense	16	12,492,047	20,542,716
Finance Costs	19	27,175	550,965
Depreciation and Amortization Expenses	9	2,835,301	3,585,824
Other Expenses	18	9,990,112	9,404,529
Total Expenses		44,387,954	62,721,328
Profit before tax		6,592,828	6,902,858
Current tax		-	305,306
MAT Credit Entitlement		-	(305,306)
Provision for Tax relating to earlier years		26,625	632,058
Profit (Loss) for the year		6,566,203	6,270,800
Earnings per equity share (Face Value Rs. 10 each):	21		
- Basic		4.45	4.25
- Diluted		4.45	4.25

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.
Firm Registration No: 003366N
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For and on behalf of the Board

Amit Mittal
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Evolv Services Limited
Cash Flow Statement for the year ended March 31, 2014

	PARTICULARS	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Profit before tax	6,592,828	6,902,858
	Adjustments for:		
	Depreciation and Amortisation	2,835,301	3,585,824
	Interest Expenses	27,175	550,965
	Interest Income	(221,860)	(591,366)
	Loss on sale of fixed assets	-	491,942
	Provision for Doubtful Debts	462,784	128,431
	Liabilities Written Back	(653,302)	-
	Provision for Gratuity & Compensated Absences	(1,160,385)	638,340
	Operating profit before working capital changes	7,882,541	11,706,994
	Add / (Less): (Increase)/ Decrease in operating working capital:		
	(Increase)/Decrease Current Trade Receivables	8,547,635	21,448,304
	(Increase)/Decrease Long Term Loans and Advances	(11,498)	54,600
	(Increase)/Decrease Short Term Loans and Advances	(1,586,877)	(3,240,946)
	(Increase)/Decrease Other Current Assets	1,549,506	(3,067,298)
	Increase/(Decrease) Trade Payables	(1,555,726)	(10,231,130)
	Increase/(Decrease) in Other Current Liabilities	(2,739,686)	(1,065,845)
	Cash generated from operations	12,085,895	15,604,679
	Taxes paid (including TDS)	(5,323,493)	(5,073,809)
	Net cash from Operating activities (A)	6,762,402	10,530,870
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Interest Received	213,110	581,970
	Net cash used for Investing activities (B)	213,110	581,970
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Working Capital / Short Term Borrowings (Net)	(2,467,334)	(10,713,328)
	Interest Paid (including financing charges on finance lease arrangements)	(27,175)	(550,965)
	Net cash from / (used in) Financing activities (C)	(2,494,509)	(11,264,293)
	Net Increase/(Decrease) in Cash & Cash equivalents (A) + (B) + (C)	4,481,003	(151,453)
	Cash and Cash equivalents as at the beginning of the year (Note 1)	851,418	1,002,871
	Cash and cash equivalents as at the end of the year (Note 1)	5,332,421	851,418

Notes:

1	Cash and cash equivalents as on	March 31, 2014 Rs.	March 31, 2013 Rs.
	Balances with Banks	5,332,421	851,418
	Cash and cash equivalents as at the end of the year	5,332,421	851,418

- 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 The accompanying notes form an integral part of the Cash Flow Statement.
This is the Cash Flow Statement referred to in our report of even date.

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

For and on behalf of the Board

Amit Mittal
Partner
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Vijay K Thadani
Director
DIN : 00042527

Manish Mohan
Director
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Place: Gurgaon
Date : May 16, 2014

1 BASIS OF PREPARATION OF ACCOUNTS

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. Pursuant to the circular 15/2013 dated September 13, 2013 read with circular 08/2014 dated April 4, 2014, till the Standards of Accounting or any addendum thereto are presented by 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, 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 Revised 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) 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 XIV to the Companies Act, 1956, whichever is higher, as follows:

Plant and Equipments including:	
- Computers, printers and related accessories	3-5 years
- Electronic Equipments	8 years
Office Equipments	8 years
All other assets	Rates prescribed under Schedule XIV to the Companies Act, 1956

Further, educational content, computer system and software are technically evaluated each year for their useful economic life and the unamortised depreciable amount of the asset is charged to Statement of Profit and Loss as depreciation/ amortisation over their revised remaining useful life.

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 XIV to the Companies Act, 1956, whichever is higher, as follows:

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.

Intangible Fixed Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses.

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

-Internally Generated (Software, Educational Content and Products)	3-5 years
-Acquired Tools	3-5 years

Further, educational content 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) **Revenue Recognition**

Revenue from training activity is recognized on accrual basis over the period of course commencing from the start of batch.

Revenue from assessment business is recognized on accrual basis to the extent of completion of the assessment as per the terms of the contract.

iv) **Other Income**

Interest income is recognised on a time proportion basis taking in to account the amount outstanding and the applicable rate of interest.

v) **Foreign Currency Transactions**

Initial recognition: Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Exchange Difference: Any income or expense on account of exchange differences either on settlement or on translation of transactions (including fixed assets) is recognized in the Statement of Profit and Loss.

Conversion: Monetary items denominated in foreign currencies at the year-end are translated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies are carried at cost.

vi) **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 (Using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the trust set up by the NIIT Limited (Holding Company) with Life Insurance Corporation of India is additionally provided for.

Actuarial losses/ gains are charged/ credited to the Statement of Profit and Loss in the year in which such losses/ gains arise.

Compensated Absences

Liability in respect of compensated absences is provided both for encashable leave and those expected to be availed. The Company has benefit plan for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation (Using the Projected Unit Credit method) at the end of the year. Any gain or loss arising out of such valuation is recognized in the Statement of Profit and Loss.

In respect of employees on deputation from other companies, the contribution for the period is recovered by their respective companies and debited to Statement of Profit and Loss based on the actuarial valuation.

Provident Fund

The Company's contribution is charged to the Statement of Profit and Loss. The Contribution in respect of employees is made to the Regional Provident Fund Commissioner. The Company's contribution towards Provident Fund is charged to the Statement of Profit and Loss as a defined contribution plan.

vii) **Earnings per Share**

The earnings considered in ascertaining the Company's Earnings per share ('EPS') comprises the Profit/ (Loss) 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, if any.

viii) **Leases**

The Company has taken vehicles as well as premises on lease. Lease rental in respect of operating lease arrangements are charged as expense to Statement of Profit and Loss on a straight line over the period of the lease.

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 timing differences between the assets and liabilities recognised for financial reporting purposes and the amounts that are recognised for current tax purposes. As a matter of prudence, deferred tax assets are recognised and carried forward only to the extent, there is reasonable/ virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdiction. 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 Minimum Alternate Tax (MAT).

x) **Borrowing Costs**

Borrowing costs are recognized 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 its intended use, in which case, it is capitalized.

xi) **Provisions & 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.

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.

Evolv Services Limited
Notes to the financial statement for the year ended March 31, 2014

3	Share Capital	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	Authorised 1,600,000 Equity Shares of Rs.10/- each (Previous year 1,600,000 Equity Shares of Rs. 10/- each)	16,000,000	16,000,000
		16,000,000	16,000,000
	Issued 1,475,096 Equity Shares of Rs. 10/- each (Previous year - 1,475,096 Equity Shares of Rs. 10/- each)	14,750,960	14,750,960
		14,750,960	14,750,960
	Subscribed and fully paid up 1,475,096 Equity Shares of Rs. 10/- each (Previous year - 1,475,096 Equity Shares of Rs. 10/- each)	14,750,960	14,750,960
		14,750,960	14,750,960

3.1	Reconciliation of the number of shares outstanding	As at March 31, 2014		As at March 31, 2013	
		No. of shares	Value Rs.	No. of shares	Value Rs.
	Equity Shares				
	Shares outstanding at the beginning of the year	1,475,096	14,750,960	1,475,096	14,750,960
	Shares Issued during the year	-	-	-	-
	Shares outstanding at the end of the year	1,475,096	14,750,960	1,475,096	14,750,960

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, 2014 No. of shares	As at March 31, 2013 No. of shares
	Holding company	NIIT Limited	Equity	1,475,096	1,475,096

3.3	Shares held by each shareholder holding more than 5% shares	As at March 31, 2014		As at March 31, 2013	
		% of holding	No. of shares	% of holding	No. of shares
	Equity Shares				
	NIIT Limited	100%	1,475,096	100%	1,475,096
	Total	100%	1,475,096	100%	1,475,096

Evolv Services Limited
Notes to the financial statement for the year ended March 31, 2014

4	Reserves and Surplus	As at March 31, 2014 Rs.		As at March 31, 2013 Rs.	
	Security Premium		79,307,583		79,307,583
	Surplus/ (Deficit) in the Statement of Profit and Loss				
	Balance Brought Forward from Previous year	(45,119,698)		(51,390,498)	
	Add : Current Year Profit / (Loss)	6,566,203	(38,553,495)	6,270,800	(45,119,698)
			40,754,088		34,187,885

5	Short Term Borrowings	As at March 31, 2014 Rs.		As at March 31, 2013 Rs.	
	UNSECURED				
	Short Term Loan from Banks - Cash Credit *		-		2,467,334
			-		2,467,334

*The Company has availed fund based limits from a bank which are covered within the working capital limits of the holding company, NIIT Limited. The outstanding in respect of such facility as at the year end is Rs. NIL /- (Previous Year Rs. 2,467,334/-)

Evolv Services Limited
Notes to the financial statement for the year ended March 31, 2014

6	Trade Payables	Non-current		Current	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	- Due to Others (Refer note 24)	-	-	10,468,194	12,677,222
		-	-	10,468,194	12,677,222

7	Other Liabilities	Long-term Liabilities		Current Liabilities	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	Advances from Customers	-	-	51,195	75,837
	Payable to Employees	-	-	1,310,070	3,198,571
	Statutory Dues	-	-	495,242	1,321,785
		-	-	1,856,507	4,596,193

8	Provisions	Long-term		Short-term	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	Provision for employee benefits :				
	Provision for Gratuity	-	1,040,340	377,665	-
	Provision for Compensated Absences	64,310	111,390	481,980	932,610
		64,310	1,151,730	859,645	932,610

Evolv Services Limited
Notes to the financial statement for the year ended March 31, 2014

9 Fixed Assets

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	Cost As on 01.04.2013	Additions during the year	Sales / Adj. during the year	Total as on 31.03.2014	As on 01.04.2013	For the year	Sales / Adj. during the year	Total as on 31.03.2014	As on 31.03.2014	As on 31.03.2013
<u>i) Tangible</u>										
Computer	1,187,275	-	-	1,187,275	1,078,571	49,343	-	1,127,914	59,361	108,704
Office Equipments	246,662	-	-	246,662	117,281	30,834	-	148,115	98,547	129,381
Sub Total (a)	1,433,937	-	-	1,433,937	1,195,852	80,177	-	1,276,029	157,908	238,085
<u>ii) Intangible</u>										
Intellectual Property Rights - Internally generated	12,418,996	-	-	12,418,996	4,174,405	2,741,017	-	6,915,422	5,503,574	8,244,591
Acquired Tools	85,379	-	-	85,379	71,270	14,107	-	85,377	2	14,109
Sub Total (b)	12,504,375	-	-	12,504,375	4,245,675	2,755,124	-	7,000,799	5,503,576	8,258,700
Total (a+b)	13,938,312	-	-	13,938,312	5,441,527	2,835,301	-	8,276,828	5,661,484	8,496,785
Previous Year	18,079,908	-	4,141,596	13,938,312	5,505,357	3,585,824	3,649,654	5,441,527	8,496,785	

Evolv Services Limited
Notes to the financial statement for the year ended March 31, 2014

10	Loans and Advances	Long-term		Short-term	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
i)	Security Deposits Receivable				
	Unsecured, considered good	176,153	164,655	-	-
	Unsecured, considered doubtful	564,220	564,220		
	Less: Provision for doubtful security deposits	(564,220)	(564,220)	-	-
	(A)	176,153	164,655	-	-
ii)	Advances recoverable in cash or in kind				
	Unsecured, considered good	-	-	5,765,337	4,178,460
	(B)	-	-	5,765,337	4,178,460
iii)	Other Advances				
a)	Advance payment of Fringe Benefit Tax	1,455,353	1,455,353	-	-
	Less: Provision for Fringe Benefit Tax	(1,267,514)	(1,267,514)	-	-
		187,839	187,839	-	-
b)	Advance Tax	24,226,336	18,929,468	-	-
	Less : Provision for Tax	(4,418,079)	(5,776,074)	-	-
		19,808,257	13,153,394	-	-
c)	MAT Credit entitlement				
	- Opening Balance	5,776,074	5,470,768	-	-
	- (Reversed)/Created during the Year	(1,357,995)	305,306	-	-
		4,418,079	5,776,074	-	-
	(C)	24,414,175	19,117,307	-	-
	Total (A+B+C)	24,590,328	19,281,962	5,765,337	4,178,460

Evolv Services Limited
Notes to the financial statement for the year ended March 31, 2014

11	Trade Receivables	Non-current		Current	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
a)	Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
	Unsecured, considered good	-	-	15,848,295	7,266,259
	Unsecured, considered doubtful	2,712,550	2,249,766	-	-
	Less: Provision for doubtful debts	(2,712,550)	(2,249,766)	-	-
		-	-	15,848,295	7,266,259
b)	Other Trade Receivables				
	Unsecured, considered good	-	-	8,818,617	26,411,072
		-	-	8,818,617	26,411,072
		-	-	24,666,912	33,677,331

12	Provision for Doubtful Debts	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	Opening Provision	2,249,766	2,121,335
	Add: Additional Provision Created during the year	462,784	128,431
	Closing Provision	2,712,550	2,249,766

13	OTHER ASSETS	Non-current		Current	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	Non Current Bank Balances (Refer Note 14)	101,063	101,063	-	-
	Unbilled Revenue	-	-	2,608,617	4,158,123
	Interest Receivable	-	-	27,542	18,792
		101,063	101,063	2,636,159	4,176,915

Evolv Services Limited

Notes to the financial statement for the year ended March 31, 2014

14	Cash and Bank Balances	Non-current		Current	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	Cash and cash equivalents:				
	Balance with banks	-	-	5,332,421	851,418
	Current Accounts				
	Other bank balances:				
	Bank deposits:				
	With original maturity of more than 12 months	101,063	101,063	-	-
	[Includes Rs. 101,063/- (Previous year Rs. 101,063/-) pledged as margin money]				
		101,063	101,063	5,332,421	851,418
		101,063	101,063	5,332,421	851,418
	Amount disclosed under non-current assets (Note 13)	(101,063)	(101,063)	-	-
		-	-	5,332,421	851,418
15	Other Income	Year ended March 31, 2014 Rs.		Year ended March 31, 2013 Rs.	
	Interest Income	221,860		591,366	
	Provision/ Other Liabilities Written Back	653,302		-	
	Other non-operating income	70,516		-	
		945,678		591,366	

Evolv Services Limited
Notes to the financial statement for the year ended March 31, 2014

16	Employee Benefits Expenses	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
	Salaries and Benefits	12,587,487	19,864,046
	(Reversal)/Contribution to Provident and Other Funds*	(238,655)	592,356
	Welfare and Other expenses	143,215	86,314
		12,492,047	20,542,716

* Includes reversal of provision for gratuity of Rs. 431,290/- (Previous year Expenses Rs. 294,930/-) on account of actuarial valuation.

17 Disclosure of AS 15
A. Provident Fund

Company makes contribution towards provident fund and Pension fund, with the office of the Regional Provident Fund Commissioner.

During the year the Company has recognized the following amounts in the Statement of Profit and Loss :-

Nature of Contribution	Year ended March 31, 2014 (Rs.)	Year ended March 31, 2013 (Rs.)
Employers Contribution to Provident Fund	58,989	92,426
Employers Contribution to Pension Scheme	133,646	205,000

B. Defined Benefit Plans

(a) **Gratuity:** Disclosure as per actuarial report of independent actuary.

i) Change in Present value of Obligation :-

Description	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
Present value of obligation as at the beginning of the year	1,096,000	1,143,000
Interest Cost	88,670	83,560
Current Service Cost	183,490	253,520
Benefit paid	(49,490)	(342,760)
Actuarial (gain) / loss on obligations	(696,800)	(41,320)
Present value of obligation as at the end of the year	621,870	1,096,000

ii) Change in Plan Assets :-

Description	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
Fair Value of Plan Assets as at the beginning of the year	55,660	-
Expected return on plan Assets	14,106	2,580
Contributions	231,389	54,830
Benefits payments	(49,490)	-
Actuarial (loss)/ gain on plan Assets	(7,460)	(1,750)
Fair value of plan Assets as at the end of the year	244,205	55,660

Notes to the financial statement for the year ended March 31, 2014

iii) Amount of the Asset/(Obligation) recognized in the Balance Sheet :-

Description	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
Present value of the defined benefit obligation at the end of the year	621,870	1,096,000
Fair value of plan assets at the end of the year	244,205	55,660
Asset/ (obligation) Recognised in Balance Sheet	(377,665)	(1,040,340)

iv) Amount of gratuity expense recognized in the Statement of Profit and Loss :-

Description	Year ended March 31, 2014 (Rs.)	Year ended March 31, 2013 (Rs.)
Current service cost	183,490	253,520
Interest Cost	88,670	83,560
Expected return on plan assets	(14,106)	(2,580)
Actuarial (gain) / loss recognized during the year	(689,340)	(39,570)
(Reversal)/Expense Recognised in Statement of Profit and Loss	(431,286)	294,930
Actual return on plan Assets	6,653	833

(b) Compensated Absences

Amount of obligation as at the year end is determined as under:

Description	Year ended March 31, 2014 (Rs.)	Year ended March 31, 2013 (Rs.)
Present value of obligation as at the beginning of the year	1,044,000	303,000
Benefit Paid	(155,480)	(127,640)
Current Service Cost	142,150	398,200
Actuarial (gain) / loss on obligations	(564,100)	449,870
Curtailment Cost/(Credit)	-	-
Interest Cost	79,720	20,570
Plan amendment/(Credit)	-	-
Present value of obligation as at the end of the year	546,290	1,044,000
Amount debited/(Credited) to the Statement of Profit and Loss*	(342,230)	868,640

*This has been debited in Statement of Profit and Loss under Employees Benefits Expenses

Assumptions used:-	Year ended March 31, 2014	Year ended March 31, 2013
Discount Rate (per annum)	9.25%	8.25%
Future Salary Increase	10% For first five years and 7% thereafter	5.5%

Evolv Services Limited
Notes to the financial statement for the year ended March 31, 2014

18	Other Expenses	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
	Equipment Hiring	609,956	265,216
	Freight and Cartage	540	23,399
	Rent	733,424	683,165
	Power & Fuel	222,519	333,058
	Communication	236,844	245,983
	Legal and Professional (Refer Note 18.1)	1,276,470	574,496
	Management Cost Recovery by Holding Company	1,519,822	1,851,116
	Traveling and Conveyance	3,551,522	2,109,672
	Provision for Doubtful Debts	462,784	128,431
	Doubtful Debts Written off	-	405,323
	Repairs and Maintenance		
	- Plant and Machinery	29,047	54,858
	- Buildings	2,377	2,999
	- Others	129,153	274,762
	Loss on Sale of Fixed Assets (Net)	-	491,942
	Security and Administration Services	70,181	233,874
	Bank Charges	9,020	27,984
	Marketing & Advertising Expenses	18,995	549,423
	Sundry Expenses	1,117,458	1,148,828
		9,990,112	9,404,529

18.1	Payment to Auditors	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
	- Audit Fee	163,500	163,500
	- Tax Audit Fee	25,000	25,000
	- For reimbursement of expenses (including Service Tax)	23,299	23,299
		211,799	211,799

19	Finance costs	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
	Interest on short term borrowings	27,175	550,965
		27,175	550,965

Evolv Services Limited**Notes to the financial statement for the year ended March 31, 2014**

20 Taxation**Accounting Standard – 22 – Deferred Tax Asset / Liability**

Deferred tax Asset has not been recognised as a matter of prudence.

21 Earnings Per Share

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Profit/(Loss) as per the Statement of Profit & Loss	6,566,203	6,270,800
Profit/(Loss) attributable to Equity (A)	6,566,203	6,270,800
Weighted Average Number of Equity Shares (B)	1,475,096	1,475,096
Nominal value Of Equity shares(Rs.)	10	10
Basic /Diluted (Loss) per Share (Rs.) (B/C)	4.45	4.25

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

22 Related Party Disclosures**Related party relationship where control exists :****A) Holding Company - NIIT Limited****B) Fellow Subsidiaries**

- 1 NIIT Online Learning Limited
- 2 Hole-in-the-Wall Education Limited
- 3 Scantech Evaluation Services Limited
- 4 NIIT Institute of Finance Banking and Insurance Training Limited
- 5 NIIT Institute of Process Excellence Limited
- 6 NIIT Yuva Jyoti Limited
- 7 NIIT Limited, UK
- 8 NIIT Antilles NV, Netherlands Antilles
- 9 NIIT Malaysia Sdn. Bhd, Malaysia
- 10 NIIT GC Limited
- 11 NIIT China (Shanghai) Limited, 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 PT NIIT Indonesia, Indonesia (Under Liquidation)
- 20 NIIT West Africa Limited, Nigeria
- 21 Qingdao NIIT Information Technology Company Limited (w.e.f. May 14, 2012), China
- 22 Chongqing An Dao Education Consulting Limited (w.e.f. June 5, 2012), China
- 23 Zhangjiagang NIIT Information Services Limited (w.e.f. September 1, 2012), China
- 24 Chengmai NIIT Information Technology Company Limited (w.e.f. December 19, 2012), China

Evolv Services Limited**Notes to the financial statement for the year ended March 31, 2014****D) Details of transaction and balances with related parties***

Nature of Transactions	Holding Company (Rs.)	Fellow Subsidiaries (Rs.)	Key Managerial Personnel (Rs.)	Total (Rs.)
Rendering of Services (Note 1)				
-Revenue from Operations	23,401,709 (23,378,886)	476,950 (393,600)	Nil (Nil)	23,878,659 (23,772,486)
Recovery of Expenses from (Note 2)				
-Employee Benefits Expense	Nil (Nil)	339,112 (Nil)	Nil (Nil)	339,112 (Nil)
-Other Expenses	1,071,602 (1,882,627)	25,241 (18,800)	Nil (Nil)	1,096,843 (1,901,427)
-Other Income	Nil (Nil)	33,911 (Nil)	Nil (Nil)	33,911 (Nil)
Interest Expenses				
-Other Expenses	Nil (121,593)	Nil (Nil)	Nil (Nil)	Nil (121,593)
Recovery of Expenses By				
-Employee Benefits Expense	18,972 (27,150)	Nil (Nil)	Nil (Nil)	18,972 (27,150)
-Professional & Technical Outsourcing Expenses	9,471 (54,005)	Nil (Nil)	Nil (Nil)	9,471 (54,005)
-Other Expenses	3,305,889 (3,276,699)	Nil (Nil)	Nil (Nil)	3,305,889 (3,276,699)
Repayment of Loan				
-Short-term borrowings	Nil (6,750,000)	Nil (Nil)	Nil (Nil)	Nil (6,750,000)

E) Balances as on March 31, 2014*

Receivables (Note 3)	4,581,196 (11,155,728)	248,509 (358,787)	Nil (Nil)	4,829,705 (11,514,515)
Payable	1,248,359 (1,322,748)	Nil (Nil)	Nil (Nil)	1,248,359 (1,322,748)

*Previous year figures are shown in parenthesis

Note**1 Includes transactions with following fellow subsidiaries;**

NIIT Institute of Process Excellence Ltd. Rs. 176,129/- (Previous Year Rs.57,600/-)

NIIT Institute of Finance Banking & Insurance Training Ltd. Rs. 230,704/- (Previous Year Rs. 336,000/-)

Hole-in-the-Wall Education Ltd. Rs. 3,273/- (Previous Year Rs. NIL)

NIIT Yuva Jyoti Ltd. Rs. 66,844/- (Previous Year Rs. NIL)

2 Includes transactions with following fellow subsidiaries;

Employee Benefits Expense

NIIT Institute of Process Excellence Ltd. Rs. 339,112/- (Previous Year Rs. NIL)

Other Expenses

NIIT Institute of Process Excellence Ltd. Rs. 94/- (Previous Year Rs. NIL)

NIIT Institute of Finance Banking & Insurance Training Ltd. Rs. 22,577/- (Previous Year Rs. 18,800/-)

NIIT Yuva Jyoti Ltd. Rs. 2,570/- (Previous Year Rs. NIL)

Other Income

NIIT Institute of Process Excellence Ltd. Rs. 33,911/- (Previous Year Rs. NIL)

3 Includes balance receivables from with following fellow subsidiaries;

NIIT Institute of Finance Banking & Insurance Training Ltd. Rs. 150,551/- (Previous Year Rs.358,787/-)

NIIT Institute of Process Excellence Ltd. Rs. 16,608/- (Previous Year Rs. NIL)

Hole-in-the-Wall Education Ltd. Rs. 3,350/- (Previous Year Rs. NIL)

NIIT Yuva Jyoti Ltd. Rs. 78,000/- (Previous Year Rs. NIL)

Evolv Services Limited**Notes to the financial statement for the year ended March 31, 2014**

23 Leases - Operating

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, 2014	Year ended March 31, 2013
	(Rs.)	(Rs.)
In respect of Premises	733,424	683,165

24 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. Hence there are no applicable disclosures required under the act.

25 The Company is in the business of imparting education and training in the fields of Soft Skills and BPO Training which is viewed by the management as a single segment in accordance with AS 17 'Segment Reporting' as notified under section 211(3C) of the Companies Act, 1956. The Company operates in a single geography, India, thus the secondary segment reporting is not applicable.

26 Previous period figures have been reclassified to confirm the current year classification. Reclassification of previous period figures does not impact recognition and measurement principles followed for preparation of financial statements.

Signature to the Notes '1' to '26' above

For Ghosh Khanna & Co.

Firm Registration No.:003366N

For and on behalf of the Board

Amit Mittal

Partner

Membership No. 508748

Vijay K Thadani

Director

DIN : 00042527

Manish Mohan

Director

DIN : 03056384

Place: Gurgaon

Date : May 16, 2014