

**NIIT Institute of Process Excellence Limited**

**Balance Sheet as at March 31, 2014**

	<b>PARTICULARS</b>	<b>Notes</b>	<b>As at March 31, 2014 Rs.</b>	<b>As at March 31, 2013 Rs.</b>
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	Share capital	<b>2</b>	220,000,000	220,000,000
	Reserves and surplus	<b>3</b>	(113,521,488)	(147,312,332)
<b>2</b>	<b>Current liabilities</b>			
	Trade Payables	<b>4</b>	15,652,974	11,049,321
	Other current liabilities	<b>5</b>	6,574,855	16,541,548
	Short-term provisions	<b>6</b>	2,285,848	2,061,016
	<b>TOTAL</b>		<b>130,992,189</b>	<b>102,339,553</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	Fixed assets	<b>7</b>		
	Tangible assets		762,027	918,812
	Intangible assets		2,847,698	4,348,661
	Intangible assets under development		-	1,483,549
	Long-term loans and advances	<b>9</b>	38,201,083	24,786,376
	Other non-current assets	<b>11</b>	123,479	100,000
<b>2</b>	<b>Current assets</b>			
	Inventories	<b>12</b>	208,263	279,302
	Cash and bank balances	<b>13</b>	54,257,538	34,809,252
	Short-term loans and advances	<b>9</b>	7,319,262	6,262,053
	Trade receivables	<b>10</b>	11,370,357	17,094,290
	Other current assets	<b>11</b>	15,902,482	12,257,258
	<b>TOTAL</b>		<b>130,992,189</b>	<b>102,339,553</b>

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

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

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

For and on behalf of the Board

**Amit Mittal**  
Partner  
Membership No. 508748

**Vijay K. Thadani**  
Director  
DIN-00042527

**Kirti Seth**  
Whole Time Director  
DIN-00723827

Place: Gurgaon  
Date : May 12, 2014

**Jaswinder Singh Chadha**  
Chief Financial Officer

**Vandana Bhatia**  
Company Secretary

**NIIT Institute of Process Excellence Limited**

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

	<b>PARTICULARS</b>	<b>Notes</b>	<b>Year ended March 31, 2014 Rs.</b>	<b>Year ended March 31, 2013 Rs.</b>
	<b>INCOME</b>			
<b>I.</b>	Revenue from Operations	<b>14</b>	173,298,107	156,663,304
<b>II.</b>	Other Income	<b>15</b>	4,123,940	1,686,412
<b>III.</b>	<b>Total Revenue</b>		<b>177,422,047</b>	<b>158,349,716</b>
<b>IV.</b>	<b>EXPENDITURE</b>			
	(Increase) / Decrease in Inventory	<b>12</b>	71,039	38,592
	Professional & Technical Outsourcing Expenses for Execution		84,614,965	73,017,550
	Employee Benefits Expense	<b>16</b>	44,723,279	47,363,772
	Finance Costs	<b>19</b>	122,463	-
	Depreciation and Amortization Expenses	<b>7</b>	3,728,441	3,892,213
	Other Expenses	<b>18</b>	10,371,016	11,483,070
	<b>Total Expenses</b>		<b>143,631,203</b>	<b>135,795,197</b>
<b>V.</b>	<b>Profit before tax</b>		<b>33,790,844</b>	<b>22,554,519</b>
<b>VI.</b>	<b>Tax expense:</b>			
	-Current tax		3,241,021	2,614,702
	- MAT Credit Entitlement		(3,241,021)	(2,614,702)
	- Reversal of MAT credit entitlement of previous year		1,646,001	-
	- Reversal of current tax provision of previous year		(1,646,001)	-
<b>VII.</b>	<b>Profit for the year</b>		<b>33,790,844</b>	<b>22,554,519</b>
<b>VIII.</b>	<b>Earnings per equity share (Face Value Rs. 10 each):</b>	<b>22</b>		
	-Basic & Diluted		1.54	1.03

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

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

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

For and on behalf of the Board

**Amit Mittal**  
Partner  
Membership No. 508748

**Vijay K. Thadani**  
Director  
DIN-00042527

**Kirti Seth**  
Whole Time Director  
DIN-00723827

Place: Gurgaon  
Date : May 12, 2014

**Jaswinder Singh Chadha**  
Chief Financial Officer

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Company Secretary

**NIIT Institute of Process Excellence Limited**

**Cash Flow Statement for the year ended March 31, 2014**

		<b>Year ended March 31, 2014 Rs.</b>	<b>Year ended March 31, 2013 Rs.</b>
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	<b>Profit before Tax for the year</b>	<b>33,790,844</b>	<b>22,554,519</b>
	Adjustments for :		
	Depreciation and Amortisation	3,728,441	3,892,213
	Interest Expenses	122,463	-
	Interest Income	(2,853,626)	(1,678,354)
	Provision for Doubtful Debts	215,150	336,355
	Provision for Doubtful Advances	79,543	-
	Provision for Inventory	58,642	-
	Provision for Gratuity and Compensated absences	224,832	586,016
	Liabilities / Provisions no longer required written back	(551,925)	(8,058)
	Foreign Exchange Adjustments	15,177	(19,652)
	<b>Operating profit before working capital changes</b>	<b>34,829,541</b>	<b>25,663,039</b>
	<b>Add / (Less): (Increase)/ Decrease in operating working capital:</b>		
	Increase/(Decrease) Trade Payables	5,017,938	(14,701,236)
	Increase/(Decrease) Other Current Liabilities	(9,966,693)	12,296,270
	Decrease/(Increase) Current Trade Receivables	5,508,783	4,741,556
	Decrease/(Increase) Inventories	12,397	38,592
	Decrease/(Increase) Short Term Loans and Advances	(1,136,752)	(451,467)
	Decrease/(Increase) Long Term Loans and Advances	(35,454)	(37,500)
	Decrease/(Increase) Other Current Assets	(2,105,922)	(2,098,791)
	Decrease/(Increase) Other Non-current Assets	(23,479)	-
	Decrease/(Increase) Other Bank Balances	(50,580,191)	-
	<b>Net Cash From /(Used in) operations</b>	<b>(18,479,832)</b>	<b>25,450,463</b>
	Taxes paid (including TDS)	(13,379,253)	(5,319,202)
	<b>Net Cash From /(Used in) Operating activities (A)</b>	<b>(31,859,085)</b>	<b>20,131,261</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Purchase of Fixed Assets (including Capital Work-in-progress, internally developed intangibles and Capital advances)	(587,144)	(1,651,969)
	Interest Received	1,314,324	1,597,425
	<b>Net Cash From/ (Used in) Investing activities (B)</b>	<b>727,180</b>	<b>(54,544)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	<b>Net Cash From / (Used in) Financing activities (C)</b>	<b>-</b>	<b>-</b>
	<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents (A) + (B) + (C)</b>	<b>(31,131,905)</b>	<b>20,076,717</b>
	<b>Cash and Cash Equivalents as at the beginning of the year (Note 1)</b>	<b>34,809,252</b>	<b>14,732,535</b>
	<b>Cash and Cash Equivalents as at the end of the year (Note 1)</b>	<b>3,677,347</b>	<b>34,809,252</b>

(Contd..)

**Notes:**

<b>1</b>	<b>Cash and cash equivalents as on</b>	<b>March 31, 2014 Rs.</b>	<b>March 31, 2013 Rs.</b>
	Balances with banks:		
	Current Accounts	3,677,347	22,309,252
	Bank deposits with original maturity of 3 months or less	-	12,500,000
		<b>3,677,347</b>	<b>34,809,252</b>

**2** The above Cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 as notified under Section 211 (3C) of the Companies Act, 1956.

**3** Figures in Parenthesis indicate cash Outflow.

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

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

For and on behalf of the Board

**Amit Mittal**  
Partner  
Membership No. 508748

**Vijay K. Thadani**  
Director  
DIN-00042527

**Kirti Seth**  
Director  
DIN-00723827

Place: Gurgaon  
Date : May 12, 2014

**Jaswinder Singh Chadha**  
Chief Financial Officer

**Vandana Bhatia**  
Company Secretary

## 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 under the historical cost convention on accrual basis. 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 prescribed 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.

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

#### i) Tangible Fixed Assets and Depreciation

Fixed Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Losses arising from the retirement of , and gains or losses arising from disposal of fixed assets which are carried at cost, are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets or the rates prescribed under Schedule XIV to the Companies Act, 1956, whichever is higher, 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	7-10 years
Leasehold Improvements	3-5 years or lease period, whichever is shorter
Assets under employee benefits scheme	3 years
All other assets	Rates prescribed under Schedule XIV to the Companies Act, 1956

#### ii) Intangible Fixed Assets and Amortisation

Expenses incurred on internal development of educational content and products are capitalised either individually or as a knowledge bank in the form of software, once their technical feasibility and ability to generate future economic benefits is established in accordance with the requirements of Accounting Standard 26, "Intangible Assets". Expenses incurred during the research phase till the establishment of commercial feasibility is charged to the Statement of Profit and Loss.

Amortization is provided on a pro-rata basis on the straight-line method over the estimated useful lives of 3-5 years.

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

#### iii) Impairment of Assets

All assets other than inventories, investments and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

#### iv) Revenue Recognition

The revenue in respect of sale of courseware including Technical Information and Reference Material ('TIRM') 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.

**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- Traded goods**

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

**vii) Employee Benefits**

**Gratuity**

The Company provides for gratuity, a defined benefit retirement plan (the “Gratuity Plan”) covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment. Company’s liability is actuarially determined at the end of the year and any shortfall in the fund size maintained by the trust set up by NIIT Ltd. (the Holding Company) with Life Insurance Corporation of India is additionally provided for. Actuarial gains, if any, are recognized in the Statement of Profit & Loss and disclosed as an asset in the Balance Sheet.

**Compensated Absences**

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

**Superannuation**

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

**Provident Fund**

The Company makes 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 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 prevailing taxation laws. Minimum Alternate Tax (MAT) paid in excess of normal income tax is recognised as asset (MAT Credit entitlement) only to the extent, there is reasonable certainty that the Company shall be liable to pay tax as per the normal provisions of the Act in future. MAT Credit is utilised in the year when normal income tax is higher than the MAT.

**x) Provisions and Contingencies**

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

**xi) Lease**

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

**xii) Cash and Cash Equivalents**

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

**xiii) Borrowing Cost**

Borrowing costs are recognised in the Statement of Profit and Loss for the period in which they are incurred except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for intended use, in which case, it is capitalised.

**xiv) Earnings Per Share**

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

**NIIT Institute of Process Excellence Limited**
**Notes to the financial statement for the year ended March 31, 2014**

<b>2</b>	<b>SHARE CAPITAL</b>	<b>As at March 31, 2014 Rs.</b>	<b>As at March 31, 2013 Rs.</b>
	<b>Authorised</b> 25,000,000 Equity Shares of Rs. 10/- each (Previous year 25,000,000 Equity Shares of Rs. 10/- each)	250,000,000	250,000,000
		<b>250,000,000</b>	<b>250,000,000</b>
	<b>Issued</b> 22,000,000 Equity Shares of Rs. 10/- each (Previous year - 22,000,000 Equity Shares of Rs. 10/- each)	220,000,000	220,000,000
		<b>220,000,000</b>	<b>220,000,000</b>
	<b>Subscribed and fully paid</b> 22,000,000 Equity Shares of Rs. 10/- each (Previous year - 22,000,000 Equity Shares of Rs. 10/- each)	220,000,000	220,000,000
		<b>220,000,000</b>	<b>220,000,000</b>

<b>2.1</b>	<b>Reconciliation of the number of shares outstanding</b>	<b>As at March 31, 2014</b>		<b>As at March 31, 2013</b>	
		<b>No. of shares</b>	<b>Value Rs.</b>	<b>No. of shares</b>	<b>Value Rs.</b>
	<b>Equity Shares</b> Shares outstanding at the beginning and at end of the year	22,000,000	220,000,000	22,000,000	220,000,000
		<b>22,000,000</b>	<b>220,000,000</b>	<b>22,000,000</b>	<b>220,000,000</b>

<b>2.2</b>	<b>Shares in respect of each class in the company held by</b>	<b>Name of the company</b>	<b>Class of shares Equity/ Preference</b>	<b>As at March 31, 2014 No. of shares</b>	<b>As at March 31, 2013 No. of shares</b>
	Holding company	NIIT Limited	Equity	16,500,000	16,500,000

<b>2.3</b>	<b>Shares held by each shareholder holding more than 5% shares</b>	<b>As at March 31, 2014</b>		<b>As at March 31, 2013</b>	
		<b>% of holding</b>	<b>No. of shares</b>	<b>% of holding</b>	<b>No. of shares</b>
	<b>Equity Shares</b> NIIT Ltd Genpact India Holdings Mauritius	75%	16,500,000	75%	16,500,000
		25%	5,500,000	25%	5,500,000
		<b>100%</b>	<b>22,000,000</b>	<b>100%</b>	<b>22,000,000</b>



**NIIT Institute of Process Excellence Limited**

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

<b>3</b>	<b>RESERVES AND SURPLUS</b>	<b>As at March 31, 2014 Rs.</b>	<b>As at March 31, 2013 Rs.</b>
	<b>Surplus/ (Deficit) in the Statement of Profit &amp; Loss</b>		
	Balance Brought Forward from Previous year	(147,312,332)	(169,866,851)
	Add : Current Year Profit	33,790,844	22,554,519
		<b>(113,521,488)</b>	<b>(147,312,332)</b>

<b>4</b>	<b>TRADE PAYABLES</b>	<b>Current</b>	
		<b>As at March 31, 2014 Rs.</b>	<b>As at March 31, 2013 Rs.</b>
	Due to Micro Enterprises and Small Enterprises (refer note-25)	-	-
	Others	15,652,974	11,049,321
		<b>15,652,974</b>	<b>11,049,321</b>

<b>5</b>	<b>OTHER LIABILITIES</b>	<b>Current</b>	
		<b>As at March 31, 2014 Rs.</b>	<b>As at March 31, 2013 Rs.</b>
	Deferred Revenue	-	8,600,000
	Advances from Customers	-	69,436
	Payable to Employees	2,952,335	5,701,501
	Statutory Dues	3,622,520	2,168,511
	Other Payables	-	2,100
		<b>6,574,855</b>	<b>16,541,548</b>

<b>6</b>	<b>PROVISIONS</b>	<b>Short-Term</b>	
		<b>As at March 31, 2014 Rs.</b>	<b>As at March 31, 2013 Rs.</b>
	<b>Provision for employee benefits :</b>		
	Provision for Gratuity	137,848	23,016
	Provision for Compensated Absences	2,148,000	2,038,000
		<b>2,285,848</b>	<b>2,061,016</b>

## 7 FIXED ASSETS

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	Cost As on April 1, 2013	Additions during the year	Sales / Adj. during the year	Total as on March 31, 2014	As on April 1, 2013	For the year	Sales / Adj. during the year	Total as on March 31, 2014	As on March 31, 2014	As on March 31, 2013
<b>a) Tangible</b>										
Plant & Equipment	3,992,433	141,395	-	4,133,828	3,229,707	268,538	-	3,498,245	635,583	762,726
Office Equipments	174,671	-	-	174,671	101,673	17,897	-	119,570	55,101	72,998
Lease Hold Improvements	896,576	-	-	896,576	851,748	-	-	851,748	44,828	44,828
Furniture & Fixtures	190,524	-	-	190,524	152,264	11,745	-	164,009	26,515	38,260
<b>Sub Total (a)</b>	<b>5,254,204</b>	<b>141,395</b>	<b>-</b>	<b>5,395,599</b>	<b>4,335,392</b>	<b>298,180</b>	<b>-</b>	<b>4,633,572</b>	<b>762,027</b>	<b>918,812</b>
<b>b) Intangible</b>										
Intellectual Property Rights (Contents and Products) - Internally generated	13,622,911	1,889,923	-	15,512,834	9,375,414	3,390,444	-	12,765,858	2,746,976	4,247,497
Software acquired	105,000	39,375	-	144,375	3,836	39,817	-	43,653	100,722	101,164
<b>Sub Total (b)</b>	<b>13,727,911</b>	<b>1,929,298</b>	<b>-</b>	<b>15,657,209</b>	<b>9,379,250</b>	<b>3,430,261</b>	<b>-</b>	<b>12,809,511</b>	<b>2,847,698</b>	<b>4,348,661</b>
<b>Total ( a+b )</b>	<b>18,982,115</b>	<b>2,070,693</b>	<b>-</b>	<b>21,052,808</b>	<b>13,714,642</b>	<b>3,728,441</b>	<b>-</b>	<b>17,443,083</b>	<b>3,609,725</b>	<b>5,267,473</b>
<b>Previous Year</b>	<b>18,813,695</b>	<b>168,420</b>	<b>-</b>	<b>18,982,115</b>	<b>9,822,429</b>	<b>3,892,213</b>	<b>-</b>	<b>13,714,642</b>	<b>5,267,473</b>	
<b>c) Intangible assets under development (refer note 8)</b>									<b>-</b>	<b>1,483,549</b>

**8 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:

Particulars	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
Opening balance at the beginning of the year	1,483,549	-
Add: Costs incurred during the year (as per details provided below)	406,374	1,483,549
Less: Capitalised during the year	1,889,923	-
Closing Balance at the end of the year	-	1,483,549

**Details of Costs incurred during the year:**

Particulars	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
Salary & Employee Benefits	406,374	1,003,549
Professional Charges	-	480,000
<b>Total</b>	<b>406,374</b>	<b>1,483,549</b>

9	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	72,954	37,500	43,000	43,000
	(A)	<b>72,954</b>	<b>37,500</b>	<b>43,000</b>	<b>43,000</b>
ii)	Advances recoverable in cash or in kind*				
	Unsecured, considered good	-	-	7,276,262	6,219,053
	Unsecured, considered doubtful	-	-	79,543	-
	Less: Provision for doubtful advances	-	-	(79,543)	-
	(B)	<b>-</b>	<b>-</b>	<b>7,276,262</b>	<b>6,219,053</b>
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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
b)	Advance Tax	38,128,129	24,748,876	-	-
	Less : Provision for Tax	(4,209,722)	(2,614,702)	-	-
		<b>33,918,407</b>	<b>22,134,174</b>	<b>-</b>	<b>-</b>
c)	MAT Credit entitlement				
	- Opening Balance	2,614,702	-	-	-
	- During the year	3,241,021	-	-	-
	- Reversal of MAT credit entitlement of previous year	(1,646,001)	2,614,702	-	-
		<b>4,209,722</b>	<b>2,614,702</b>	<b>-</b>	<b>-</b>
	(C)	<b>38,128,129</b>	<b>24,748,876</b>	<b>-</b>	<b>-</b>
	<b>Total (A+B+C)</b>	<b>38,201,083</b>	<b>24,786,376</b>	<b>7,319,262</b>	<b>6,262,053</b>

\* Advances recoverable include input service tax credit aggregating to Rs.3,706,340 (Previous year Rs.2,908,653).

10	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)	<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>				
	Unsecured, considered good	-	-	-	5,620,267
	Unsecured, considered doubtful	1,083,364	874,285	-	-
	Less: Provision for doubtful debts	(1,083,364)	(874,285)	-	-
		-	-	-	<b>5,620,267</b>
b)	<b>Other Trade Receivables</b>				
	Unsecured, considered good	-	-	11,370,357	11,474,023
	Unsecured, considered doubtful	6,071	-	-	-
	Less: Provision for doubtful debts	(6,071)	-	-	-
		-	-	<b>11,370,357</b>	<b>11,474,023</b>
		-	-	<b>11,370,357</b>	<b>17,094,290</b>

10.1	PROVISION FOR DOUBTFUL DEBTS	Non Current	
		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	<b>Opening Provision</b>	874,285	537,930
	Add: Additional Provision	215,150	336,355
	<b>Closing Provision</b>	<b>1,089,435</b>	<b>874,285</b>

11	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 13)	123,479	100,000	-	-
	Unbilled revenue	-	-	14,272,476	12,166,554
	Interest Receivable	-	-	1,630,006	90,704
		<b>123,479</b>	<b>100,000</b>	<b>15,902,482</b>	<b>12,257,258</b>

12	INVENTORIES	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
	<b>As at the end of the year</b>		
	<b>Traded Goods</b>		
	Education and Training Material*	208,263	279,302
		<b>208,263</b>	<b>279,302</b>
	<b>As at the beginning of the year</b>		
	<b>Traded Goods</b>		
	Education and Training Material	279,302	317,894
		<b>279,302</b>	<b>317,894</b>
	<b>(Increase) / Decrease in Inventory</b>	<b>71,039</b>	<b>38,592</b>

\* Net of Provision for non- moving inventories of Rs. 58,642/- (Previous year Rs. Nil)

13	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.
	<b>Cash and cash equivalents:</b>				
	Balance with banks				
	Current Accounts	-	-	3,677,347	22,309,252
	Bank deposits with original maturity of 3 months or less		-	-	12,500,000
		-	-	<b>3,677,347</b>	<b>34,809,252</b>
	<b>Other bank balances:</b>				
	Bank deposits:				
	With original maturity of more than 3 months and upto 12 months	-	-	50,580,191	-
	With original maturity of more than 12 months [Includes Rs. 123,479 (Previous year Rs. 100,000) pledged as margin money]	123,479	100,000	-	-
		<b>123,479</b>	<b>100,000</b>	<b>50,580,191</b>	<b>-</b>
		<b>123,479</b>	<b>100,000</b>	<b>54,257,538</b>	<b>34,809,252</b>
	<b>Amount disclosed under non-current assets (Refer note 11 )</b>	(123,479)	(100,000)	-	-
		-	-	<b>54,257,538</b>	<b>34,809,252</b>

14	REVENUE FROM OPERATIONS	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
	Sale of Services	173,298,107	156,374,089
	Courseware Revenue	-	289,215
		<b>173,298,107</b>	<b>156,663,304</b>

15	OTHER INCOME	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
	Interest Income	2,853,626	1,678,354
	Provision / Other Liabilities written back	551,925	8,058
	Other non-operating income	718,389	-
		<b>4,123,940</b>	<b>1,686,412</b>

16	EMPLOYEE BENEFITS EXPENSES	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
	Salaries and Benefits	42,732,460	45,406,579
	Contribution to Provident and Other Funds	1,663,011	1,658,120
	Welfare and Other expenses	327,808	299,073
		<b>44,723,279</b>	<b>47,363,772</b>

**17 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 :

<b>Particulars</b>	<b>Year ended March 31, 2014 Rs.</b>	<b>Year ended March 31, 2013 Rs.</b>
Employer's Contribution to Provident Fund	1,055,277	1,083,433
Employer's Contribution to Superannuation Fund	41,964	36152
Employer's Contribution to Pension Scheme	291,269	346,395

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

<b>Particulars</b>	<b>Year ended March 31, 2014 Rs.</b>	<b>Year ended March 31, 2013 Rs.</b>
Employer's Contribution to Provident Fund	347,658	330,108
Employer's Contribution to Superannuation Fund	-	-
Employer's Contribution to Pension Scheme	6,492	6,492

**2) Defined Benefit Plans****I. Compensated Absences****i) Change in Present value of Obligation :**

<b>Particulars</b>	<b>As at March 31, 2014 Rs.</b>	<b>As at March 31, 2014 Rs.</b>
Present Value of obligation at the beginning of the year	<b>2,038,000</b>	<b>1,475,000</b>
Benefits Paid	Nil	Nil
Current Service Cost	991,890	911,820
Interest Cost	168,140	126,850
Actuarial (gain)/ loss on Obligation	(1,050,030)	(475,670)
Present value of obligation at the end of the year	<b>2,148,000</b>	<b>2,038,000</b>
Amount debited / (credited) to the Statement of Profit and Loss	110,000	563,000

**ii) Assumptions used:**

<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Discount Rate (per annum)	9.25%	8.25%
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

**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, 2014	As at March 31, 2013
	(Rs.)	(Rs.)
<b>i) Change in present value of obligation :</b>		
<b>Present Value of Obligation at the beginning of the year</b>	<b>1,708,001</b>	<b>1,378,001</b>
Interest cost	139,990	118,510
Current service cost	381,040	332,070
Benefits Paid	(18,020)	Nil
Actuarial (gain)/ loss on Obligations	(85,880)	(120,580)
Present value obligation as at the end of the year	<b>2,125,131</b>	<b>1,708,001</b>
<b>ii) Change in Plan Assets :</b>		
<b>Fair value of Plan Assets at the beginning of the year</b>	<b>1,684,985</b>	<b>1,451,070</b>
Expected return on Plan Assets	164,850	140,910
Contributions*	159,668	96,055
Benefits Paid	(18,020)	NIL
Actuarial gain/ (loss) on Plan Assets	(4,200)	(3,050)
<b>Fair value of Plan Assets as at end of the year</b>	<b>1,987,283</b>	<b>1,684,985</b>
*Actuary's estimates of contributions for financial year 2013-14 is Rs. 463,000		

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

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Fair value of Plan Assets	1,987,283	1,684,985	1,451,070	1,159,460	820,750
Present value of obligation	2,125,131	1,708,001	1,378,000	1,362,005	960,551
<b>Net Asset/(Liability) recognized in the Balance Sheet</b>	<b>(137,848)</b>	<b>(23,016)</b>	<b>73,070</b>	<b>(202,545)</b>	<b>(139,799)</b>

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

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
	(Rs.)	(Rs.)
Current service cost	381,040	332,070
Interest Cost	139,990	118,510
Net Actuarial (gain)/ loss recognized during the year	(81,680)	(117,530)
<b>Expense / (Credit) recognized in the Statement of Profit and Loss</b>	<b>439,350</b>	<b>333,050</b>
Actual return of plan assets	160,650	137,860

**Assumptions used:-**

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Discount Rate (per annum)	9.25%	8.25%
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.

<b>18</b>	<b>OTHER EXPENSES</b>	<b>Year ended March 31, 2014 Rs.</b>	<b>Year ended March 31, 2013 Rs.</b>
	Equipment Hiring	1,447	7,185
	Freight and Cartage	904	34,950
	Rent	1,716,691	1,308,481
	Power & Fuel	288,702	144,638
	Communication	195,487	285,775
	Legal and Professional (refer note 18.1 below)	1,761,053	1,132,105
	Management Cost Recovery by Holding Company	4,277,472	4,312,761
	Traveling and Conveyance	900,553	2,994,292
	Provision for Doubtful Debts	215,150	336,355
	Provision for Doubtful Advances	79,543	-
	Insurance	29,263	59,110
	Repairs and Maintenance		
	- Plant and Machinery	19,517	41,573
	- Buildings	5,271	81,392
	- Others	327,135	101,101
	Loss on Foreign Currency Translation and Transaction (net)	37,144	21,968
	Security and Administration Services	76,562	75,428
	Bank Charges	52,987	103,411
	Marketing & Advertising Expenses	313,472	325,091
	Sundry Expenses	72,663	117,454
		<b>10,371,016</b>	<b>11,483,070</b>

<b>18.1</b>	<b>Payment to Auditors</b>	<b>Year ended March 31, 2014 Rs.</b>	<b>Year ended March 31, 2013 Rs.</b>
	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	19,467
		<b>176,967</b>	<b>176,967</b>

<b>19</b>	<b>Finance costs</b>	<b>Year ended March 31, 2014 Rs.</b>	<b>Year ended March 31, 2013 Rs.</b>
	Interest Expense	122,463	-
		<b>122,463</b>	<b>-</b>



**20 Contingent Liabilities**

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

**21 Taxation**

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

**22 Earnings Per Share**

<b>Particulars</b>	<b>Year ended March 31, 2014 Rs.</b>	<b>Year ended March 31, 2013 Rs.</b>
Profit / (Loss) as per Statement of Profit & Loss - (A)	33,790,844	22,554,519
Profit / (Loss) attributable to Equity Shareholders - (B)	33,790,844	22,554,519
Weighted Average number of Equity shares Outstanding during the year - (C)	22,000,000	22,000,000
Nominal Value of Equity Shares (Rs.)	10	10
Basic/Diluted Profit/(loss) per share (Rs.) (B/C)	1.54	1.03

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

**23 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 PT NIIT Indonesia, Indonesia (Under Liquidation)
- 20 NIIT West Africa Limited, Nigeria
- 21 Qingdao NIIT Information Technology Co., Ltd. , China, (w.e.f. May 14, 2012)
- 22 Chongqing An Dao Education Consulting Limited, China, (w.e.f. June 5, 2012)
- 23 Zhangjiagang NIIT Information Services Ltd. , China, (w.e.f. September 1, 2012)
- 24 Chengmai NIIT information technology Co., Ltd., China, (w.e.f. December 19, 2012)

**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 – Director (Director w.e.f. July 29, 2013, Manager upto July 28, 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.)
<b>Services Rendered (Note 2)</b>					
Revenue	12,571,647 (12,730,079)	236,800 (Nil)	148,905,199 (139,302,379)	Nil (Nil)	<b>161,713,646</b> <b>(152,032,458)</b>
<b>Services Received (Note 3)</b>					
Other Expenses	Nil (Nil)	373,023 (Nil)	Nil (Nil)	Nil (Nil)	<b>373,023</b> <b>(Nil)</b>
Employee Benefits Expenses	Nil (Nil)	Nil (380,000)	Nil (Nil)	Nil (Nil)	<b>-</b> <b>(380,000)</b>
Professional & Technical Outsourcing Expenses for Execution	5,806,951 (3,425,509)	3,392,223 (317,600)	Nil (Nil)	Nil (Nil)	<b>9,199,174</b> <b>(3,743,109)</b>
<b>Total</b>	<b>5,806,951</b> <b>(3,425,509)</b>	<b>3,765,246</b> <b>(697,600)</b>	<b>Nil</b> <b>(Nil)</b>	<b>Nil</b> <b>(Nil)</b>	<b>9,572,197</b> <b>(4,123,109)</b>
<b>Recovery of Expenses by</b>					
Employee Benefits Expenses	32,617 (17,624)	Nil (Nil)	Nil (Nil)	Nil (Nil)	<b>32,617</b> <b>(17,624)</b>
Other Expenses	1,860,370 (1,118,457)	Nil (Nil)	Nil (Nil)	Nil (Nil)	<b>1,860,370</b> <b>(1,118,457)</b>
Professional & Technical Outsourcing Expenses for Execution	1,284 (Nil)	Nil (380,000)	Nil (Nil)	Nil (Nil)	<b>1,284</b> <b>(380,000)</b>
<b>Total</b>	<b>1,894,271</b> <b>(1,136,081)</b>	<b>Nil</b> <b>(Nil)</b>	<b>Nil</b> <b>(Nil)</b>	<b>Nil</b> <b>(Nil)</b>	<b>1,894,271</b> <b>(1,136,081)</b>
<b>Management Charges</b>					
Other Expenses	4,277,472 (4,303,789)	Nil (Nil)	Nil (Nil)	Nil (Nil)	<b>4,277,472</b> <b>(4,303,789)</b>
<b>Remuneration to Key Managerial Personnel</b>					
Employees Benefits Expense	Nil (Nil)	Nil (Nil)	Nil (Nil)	7,690,099 (8,411,550)	<b>7,690,099</b> <b>(8,411,550)</b>
<b>Sale of Goods</b>					
Revenue	Nil (257,400)	Nil (Nil)	Nil (Nil)	Nil (Nil)	<b>-</b> <b>(257,400)</b>

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

Nature of Transaction	Holding Company	Fellow Subsidiaries	Parties of whom company is an associate	Key Managerial Personnel	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Receivable (Note 4)	3,151,543 (11,958,620)	1,216,617 Nil	5,137,561 (1,906,706)	Nil Nil	9,505,721 (13,865,326)
Payable (Note 5)	5,927,196 (1,746,252)	Nil (285,672)	Nil (408,351)	184,061 (825,866)	6,111,257 (3,266,141)

**Notes:****1 Previous year figures are given in parenthesis.****2 Includes transactions for the year mainly with;**

NIIT Institute of Finance Banking and Insurance training Ltd Rs 236,800 (Previous Year Rs Nil)

Genpact India Rs. 148,905,199 (Previous Year - Rs 139,302,379)

**3 Includes transactions for the year mainly with;**

Evolv Services Ltd. Rs.549,246 (Previous Year - Rs. Rs.57,600)

NIIT Institute of Finance Banking and Insurance training Ltd Rs 3,216,000 (Previous Year - Rs 640,000)

**4 Includes receivable from;**

NIIT Institute of Finance Banking and Insurance training Ltd Rs 1,216,617 (Previous Year - Rs Nil)

Genpact India Rs. 5,137,561 (Previous Year - Rs. 1,906,706)

**5 Includes Payable to;**

Evolv Services Ltd. Rs.16,608 (Previous Year - Rs.Nil)

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

**24 Operating Leases**

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

Particulars	Year ended March 31, 2014 Rs.	Year ended March 31, 2013 Rs.
In respect of premises	1,716,691	1,308,481

**25 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.

**26** The net worth of the company stood substantially eroded as on March 31, 2014. However during the year the company has been able to earn net profit after tax of Rs. 33,790,844 which has significantly improved the position. The Company is in the process of expanding its reach through acquisition of new customers in the Business to Business 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.

**27** 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. The Company operates in a single geography, India thus the secondary segment reporting is not applicable.

**28** 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.  
Chartered Accountants  
Firm Registration No.: 003366N

For and on behalf of the Board

**Amit Mittal**  
Partner  
Membership No. 508748

**Vijay K. Thadani**  
Director  
DIN-00042527

**Kirti Seth**  
Whole Time Director  
DIN-00723827

Place: Gurgaon  
Date : May 12, 2014

**Jaswinder Singh Chadha**  
Chief Financial Officer

**Vandana Bhatia**  
Company Secretary