

**GHOSH KHANNA & CO.**  
**CHARTERED ACCOUNTANTS**

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**AUDITORS' REPORT**

**THE MEMBERS OF NIIT Institute of Process Excellence Limited**

1. We have audited the attached Balance Sheet of M/s **NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED** as at 31st March, 2010 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 dated 12<sup>th</sup> June 2003 as amended by the Companies (Auditor's report) (Amendment) Order, 2004 (together "the order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956 of India (the 'Act) and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us. We further report that
  - i. a. The Company has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets.
  - b. As per information and explanation given to us, Fixed Assets have been physically verified by the management during the year and no material discrepancies between the book records and physical inventory has been noticed during such verification.
  - c. In our opinion and according to the information and explanation given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
  - ii. a. The inventory has been physically verified by the management as at the year end. In our opinion, the frequency of verification is reasonable.
  - b. In our opinion, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The



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discrepancies noticed on physical verification of inventory as compared to books records were not material.

- iii. As per information and explanations given to us, the company has not defaulted in repayment of dues to Banks and Financial Institutions.
- iv. Based on the audit procedures applied by us and as per the information and explanations provided by the management, we are of the opinion that the transactions contracts or arrangements that need to be entered in the register maintained under section 301 have been so entered.
- v. The Central Government of India has not prescribed the maintenance of cost records under the clause (d) of section 209 of the Act, for any of the products of the company.
- vi. According to information & explanation provided to us, transactions entered in pursuance of contracts or arrangements entered in the register in pursuance of Section 301 of the Act, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. The management has informed us that, in case of transactions of a specialized nature, comparable prices are not available.
- vii. There are adequate internal control procedures, commensurate with the size of the Company and the nature of its business, for the purchase of plant and machinery, equipment and similar assets and for the sale of goods. Further on the basis of our examination of the books and records of the company and according to information and explanation given to us, we have neither come across nor have been informed of any continuing major weaknesses in the internal control procedures.
- viii. The Company's present internal audit system is commensurate with its size and nature of business.
- ix. According to the information and explanation given to us and records examined by us, the Company has regularly deposited, during the year, Income Tax and other statutory dues with the appropriate authorities in India. As at the last day of Financial Year, there were no arrears of outstanding statutory dues for a period of more than six months from the date they became payable.
- x. According to the information and explanation given to us and based on records examined by us there are no dues of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and Cess, which have not been paid on account of any dispute.
- xi. The company has not accepted any deposits to which the provisions of section 58-A and 58AA of the Companies Act, 1956 and the rules framed there under are applicable.
- xii. The net worth of the company has been eroded exceeding 50% at the end of the financial year. As on 31<sup>st</sup> March 2009, Net worth of company was Rs.7,136,014/- and during the current year company has incurred loss from operations of Rs. 56,736,014/-. In view of new business opportunities, cost optimization plans and current business projections,



management is hopeful of generating profits in subsequent years, henceforth improving its net-worth position.

- xiii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiv) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
- xv) In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
- xvi) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvii) On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix) The company did not have any debentures outstanding during the year.
- xx) The company has not raised any money by public issues during the year.
- xxi) As per information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.
- xxii) All other provisions of the Order are not applicable to the Company.

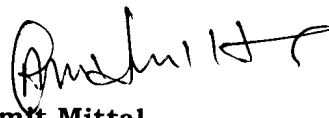
4. Further to our comments in Paragraph 3 above, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet dealt with by this report are in agreement with the books of account;
- d. On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act; 1956.
- e. In our opinion, these accounts have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Act.



- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes thereto and Statement on Significant Accounting Policies give in the prescribed manner the information required by the Act, and also give, a true and fair view in conformity with the accounting principles generally accepted in India.
- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010 and
  - (ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date.
  - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

For **GHOSH KHANNA & CO.**  
Firm Registration No: 003366N  
CHARTERED ACCOUNTANTS



**Amlt Mittal**  
PARTNER  
Membership No. 508748

Place: New Delhi  
Date: 3 May 2010



**NIIT Institute of Process Excellence Limited**  
**Balance Sheet as at 31st March, 2010**

	Schedule No./ (Note Reference)	As At 31st March, 2010 (Rs.)	As At 31st March, 2009 (Rs.)
<b>SOURCES OF FUNDS:</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	'1'	120,000,000	60,000,000
Share Application Money		30,000,000	-
		<b>150,000,000</b>	<b>60,000,000</b>
<b>APPLICATION OF FUNDS:</b>			
<b>FIXED ASSETS</b>			
Gross Block	'3'	34,200,094	21,815,399
Less: Depreciation		8,846,662	1,925,204
Net Block		25,353,432	19,890,195
Capital work-in-progress (including Capital Advances)	'17(14)'	526,695	7,927,743
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	'4'	1,574,547	560,637
Sundry Debtors	'5'	5,056,291	23,576,513
Cash and Bank Balances	'6'	15,813,179	13,110,001
Other Current Assets	'7'	1,014,000	169,466
Loans and Advances	'8'	13,330,731	3,675,353
		36,788,748	41,091,970
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	'9'	20,440,636	60,661,728
Provisions	'10'	1,828,239	1,112,166
		22,268,875	61,773,894
Net Current Assets		14,519,873	(20,681,924)
PROFIT & LOSS ACCOUNT (DR )	'2'	109,600,000	52,863,986
		<b>150,000,000</b>	<b>60,000,000</b>
<b>NOTES TO ACCOUNTS</b>			
	'17'	-	-

The Schedules 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.

Firm Registration No. : 003366N

Chartered Accountants

  
Amit Mittal

Partner,

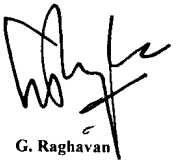
Membership No. 508748

Place: New Delhi

Date: May 3, 2010



**C. Murugan**  
Whole-time Director  
DIN-02444694



**G. Raghavan**  
Director  
DIN-00820000



**Pankaj Virmani**  
Company Secretary



**NIIT Institute of Process Excellence Limited**  
**Profit and Loss Account for the year ended 31st March,2010**

	Schedule No./ (Note Reference)	For the year ended 31st March, 2010 (Rs.)	For the period April 10, 2008 to 31st March,2009 (Rs.)
<b>INCOME</b>			
Revenue from Operations	'17[1 (iv) & 9]'	69,328,140	25,084,750
Other Income	'11'	391,136	653,070
		<b>69,719,276</b>	<b>25,737,820</b>
<b>EXPENDITURE</b>			
Personnel	'12'	44,262,098	14,811,166
Development, Production and Execution	'13'	28,759,578	26,811,003
Administration and Others	'14'	24,224,537	16,884,008
Marketing	'15'	22,166,952	17,963,238
Interest and Finance Charges	'16'	120,667	35,272
Depreciation and Amortisation	'3'	6,921,458	1,925,204
		<b>126,455,290</b>	<b>78,429,891</b>
Profit before Tax		(56,736,014)	(52,692,071)
Income Tax Expense	'17[1(viii) & 12]'	-	-
- Current		-	-
- Fringe Benefit Tax		-	171,915
<b>Profit after Tax</b>		<b>(56,736,014)</b>	<b>(52,863,986)</b>
Balance brought forward from previous year		(52,863,986)	-
Balance available for appropriation		<b>(109,600,000)</b>	<b>(52,863,986)</b>
<b>APPROPRIATION</b>			
Balance Carried to Balance Sheet		(109,600,000)	(52,863,986)
		<b>(109,600,000)</b>	<b>(52,863,986)</b>
Earnings per share -Basic	'17[10]'	(5.11)	(26.79)
-Diluted		(5.11)	(26.79)

**NOTES TO ACCOUNTS**

'17'

The Schedules referred to above form an integral part of the Profit and Loss Account

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

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

*Amit Mittal*  
Amit Mittal  
Partner,  
Membership No. 508748  
Place: New Delhi  
Date: May 3, 2010



*C. Murugan*  
C. Murugan  
Whole-time Director  
DIN-02444694

*G. Raghavan*  
G. Raghavan  
Director  
DIN-00820000

*Pankaj Virmani*  
Pankaj Virmani  
Company Secretary

# NIIT Institute of Process Excellence Limited

## CashFlow Statement for the year ended 31st March,2010

	For the year ended 31st March, 2010	For the period April 10, 2008 to 31st March,2009
	Rs.	Rs.
<b>A. Cash flow from operating activities:</b>		
Net (Profit/loss) before tax	(56,736,014)	(52,692,071)
Adjustments for:		
Depreciation and Ammoritsation	6,921,458	1,925,204
Provision for compensated absences & gratuity	747,988	1,080,251
Interest Income	(391,136)	(653,070)
<b>Operating (profit) before working capital changes</b>	<b>(49,457,704)</b>	<b>(50,339,686)</b>
<b>Adjustments for changes in working capital :</b>		
- (INCREASE)/DECREASE in Sundry Debtors	18,520,222	(23,576,513)
- (INCREASE)/DECREASE in Inventories/Other Receivables	(3,362,305)	(4,068,662)
- INCREASE/(DECREASE) in Trade and Other Payables	(40,221,092)	60,661,728
<b>Cash generated from operations</b>	<b>(74,520,879)</b>	<b>(17,323,133)</b>
- Taxes (Paid)	(8,352,898)	(307,328)
<b>Net cash used in operating activities</b>	<b>(82,873,777)</b>	<b>(17,630,461)</b>
<b>B. Cash flow from Investing activities:</b>		
Purchase of fixed assets (including capital work in progress)	(4,983,647)	(29,743,142)
Interest Received (Revenue)	560,602	483,604
<b>Net cash from / (used in) investing activities</b>	<b>(4,423,045)</b>	<b>(29,259,538)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from equity share capital	60,000,000	60,000,000
Share Application Money Received	30,000,000	
<b>Net cash from financing activities</b>	<b>90,000,000</b>	<b>60,000,000</b>
<b>Net (Increase) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>2,703,178</b>	<b>13,110,001</b>
<b>Cash and cash equivalents as at the beginning of the year</b> (Refer Note 1 below)	<b>13,110,001</b>	-
<b>Cash and cash equivalents as at the end of the year</b> (Refer Note 1 below)	<b>15,813,179</b>	<b>13,110,001</b>
<b>Notes :</b>		
<b>1 Cash and cash equivalents comprise of</b>		
Cash/Cheques in hand	702,384	453,527
Balances with Banks in		
- Current Account	15,110,795	2,656,474
- Fixed Deposit Account	-	10,000,000
	<b>15,813,179</b>	<b>13,110,001</b>

2 The above Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 "Cash Flow Statements", as notified under Companies (Accounting Standards) Rules, 2006 by the Government of India.

3 The Schedule nos. 1 to 17 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

**Amit Mittal**  
Partner,  
Membership No. 508748  
Place: New Delhi  
Date: May 3, 2010

**C. Murugan**  
Whole-time Director  
DIN-02444694

**G. Raghavan**  
Director  
DIN-00820000

**Pankaj Virmani**  
Company Secretary



**NIIT Institute of Process Excellence Limited**

**Schedules annexed to and forming part of the Balance Sheet  
as at 31st March,2010**

Schedule No.	As At 31st March,2010 (Rs.)	As At 31st March, 2009 (Rs.)
<b>1. SHARE CAPITAL</b> (Refer Notes 15(a) on Schedule 17)		
<b>Authorised</b> 200,00,000 Equity Shares of Rs. 10/- each [Previous Period-150,00,000 Equity Shares of Rs. 10/- each]	200,000,000	150,000,000
	<b>200,000,000</b>	<b>150,000,000</b>
<b>Issued</b> 120,00,000 Equity shares of Rs. 10/- each [Previous Period-60,00,000 Equity Shares of Rs. 10/- each]	120,000,000	60,000,000
	<b>120,000,000</b>	<b>60,000,000</b>
<b>Subscribed</b> 120,00,000 Equity shares of Rs. 10/- each [Previous Period-60,00,000 Equity Shares of Rs. 10/- each]	120,000,000	60,000,000
	<b>120,000,000</b>	<b>60,000,000</b>
<b>Paid-up</b> 120,00,000 Equity shares of Rs. 10/- each {90 lakhs shares of Rs 10 each issued to NIIT Limited- (Previous Year- 45 lakhs shares) & 30 lakhs shares of Rs 10 each issued to Genpact India Holdings- (Previous Year- 15 lakhs shares)}	120,000,000	60,000,000
	<b>120,000,000</b>	<b>60,000,000</b>
Share Application Money - Pending Allotment (Received from NIIT Limited)	30,000,000	-
	<b>30,000,000</b>	<b>-</b>
<b>2. PROFIT &amp; LOSS ACCOUNT</b>		
<b>Profit and Loss Account</b>	(109,600,000)	(52,863,986)
	<b>(109,600,000)</b>	<b>(52,863,986)</b>





Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2010 [Contd.]

Description of Assets	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK			
	Cost As on 01.04.2009	Additions during the year	Sales / Adj. during the year	Total as on 31.03.2010	As on 01.04.2009	For the year	Sales / Adj. during the year	Total as on 31.03.2010	As on 31.03.2010	As on 31.03.2009
<u>Tangible</u>										
Plant & Machinery	11,229,032	11,218	-	11,240,250	934,234	2,830,857	-	3,765,092	7,475,158	10,294,798
Lease Hold Improvements	9,623,698	618,284	-	10,241,982	722,957	3,204,960	-	3,927,917	6,314,065	8,900,741
Furniture & Fixtures	962,669	947,511	-	1,910,180	268,013	633,954	-	901,967	1,008,213	694,656
Sub Total (a)	21,815,399	1,577,013	-	23,392,411	1,925,204	6,669,772	-	8,594,976	14,797,436	19,890,195
<u>Intangible (courseware/products)</u>										
Software	-	10,807,682	-	10,807,682	-	251,686	-	251,686	10,555,996	-
Patents	-	-	-	-	-	-	-	-	-	-
Sub Total (b)	-	10,807,682	-	10,807,682	-	251,686	-	251,686	10,555,996	-
Total (a+b)	21,815,399	12,384,695	-	34,200,094	1,925,204	6,921,458	-	8,846,662	25,355,432	19,890,195
Previous Year	-	21,815,399	-	21,815,399	-	1,925,204	-	1,925,204	19,890,195	-

Capital Work-in Progress  
(Including Capital Advances)

7,927,743



**NIIT Institute of Process Excellence Limited**  
**Schedules annexed to and forming part of the Balance Sheet**  
**as at 31st March,2010 [Contd.]**

Schedule No.	As At 31st March,2010 (Rs.)	As At 31st March, 2009 (Rs.)
4. INVENTORIES (Finished Goods) [Refer Notes I(v) on Schedule 17]		
Education and Training Material	913,592	391,935
Promotional Educational Material	660,955	168,702
	<u>1,574,547</u>	<u>560,637</u>
5. SUNDRY DEBTORS (Unsecured) [Refer Note 11(F) on Schedule 17]		
Outstanding for over six months - Considered Good	-	-
Other Debts - Considered Good	5,056,291	23,576,513
	<u>5,056,291</u>	<u>23,576,513</u>
6. CASH AND BANK BALANCES		
Cash and Cheques in Hand	702,384	453,527
Balances with Scheduled Banks in : - Current Accounts - Fixed Deposit Accounts	15,110,795 -	2,656,474 10,000,000
	<u>15,813,179</u>	<u>13,110,001</u>
7. OTHER CURRENT ASSETS (Unsecured, considered good)		
Interest Receivable	-	169,466
Unbilled Revenue	1,014,000	-
	<u>1,014,000</u>	<u>169,466</u>



**NIIT Institute of Process Excellence Limited**  
**Schedules annexed to and forming part of the Balance Sheet**  
**as at 31st March,2010 [Contd.]**

Schedule No.	As At 31st March,2010 (Rs.)		As At 31st March,2009 (Rs.)	
<b>8. LOANS AND ADVANCES</b> (Unsecured, considered good except where otherwise stated)				
Advances recoverable in cash or in kind or for value to be received				
-Considered good	2,326,670		2,748,275	
-Considered doubtful	-		-	
	<u>2,326,670</u>		<u>2,748,275</u>	
Less : Provision for Doubtful Advances	-	2,326,670	-	2,748,275
Security Deposits				
-Considered good	2,515,750		759,750	
-Considered doubtful	-		-	
	<u>2,515,750</u>		<u>759,750</u>	
Less : Provision for Doubtful Security Deposits	-	2,515,750	-	759,750
Advance payment of Income Tax	8,488,311		167,328	
Less: Provision for Current Tax	-	8,488,311	-	167,328
		<u>13,330,731</u>		<u>3,675,353</u>
<b>9. CURRENT LIABILITIES</b> [Refer Note 11(F) on Schedule 17]				
Sundry Creditors				
- Due to Micro, Small and Medium Enterprises [Previous Period- Nil]	-		-	
- Others	14,953,904	14,953,904	40,927,276	40,927,276
	<u>14,953,904</u>		<u>40,927,276</u>	
Amount Payable to Fellow Subsidiaries/Holding Company		2,528,228		10,643,171
Advances from Customers		949,697		427,500
Other Liabilities		2,008,807		8,663,781
		<u>20,440,636</u>		<u>60,661,728</u>
<b>10. PROVISIONS</b> [Refer Notes 1(vi), 3 on Schedule 17]				
Provision for Compensated absences		1,688,440		871,568
Provision for Gratuity		139,799		208,683
Provision for Fringe Benefit Tax	171,915		171,915	
Less : Advance FBT	(171,915)	-	(140,000)	31,915
		<u>1,828,239</u>		<u>1,112,166</u>



**NIIT Institute of Process Excellence Limited**  
**Schedules annexed to and forming part of the Profit and Loss Account**  
**for the year ended 31st March,2010**

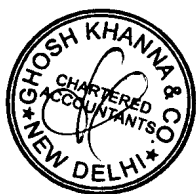
Schedule No.	For the Year ended 31st March 2010 (Rs.)	For the Period April 10, 2008 to 31st March 2009 (Rs.)
<b>11. OTHER INCOME</b> [Refer Note 6 on Schedule 17]		
Interest Received (Gross) :		
- Deposits	391,136	653,070
	<b>391,136</b>	<b>653,070</b>
<b>12. PERSONNEL</b> [Refer Notes 1(vi), 3 & 7 on Schedule 17]		
Salaries and Benefits (Includes Contribution towards Provident & other funds Rs 1,367,007 (Previous Period-Rs 507,581)	43,496,566	14,201,781
Welfare and Other Expenses	765,532	609,385
	<b>44,262,098</b>	<b>14,811,166</b>
<b>13. DEVELOPMENT, PRODUCTION AND EXECUTION</b> [Refer Notes 11 (E) & 15 on Schedule 17]		
Courseware and Manuals	363,671	159,039
Professional Charges	25,680,835	23,241,551
Equipment Hiring	2,462,182	3,128,470
Consumables	10,570	0
Freight and Cartage	227,190	152,328
Miscellaneous & Others	15,130	129,615
	<b>28,759,578</b>	<b>26,811,003</b>



**NIIT Institute of Process Excellence Limited**

**Schedules annexed to and forming part of the Profit and Loss Account  
for the year ended 31st March,2010**

Schedule No.	For the year ended 31st March 2010 (Rs.)	For the Period April 10, 2008 to 31st March 2009 (Rs.)
<b>14. ADMINISTRATION AND OTHERS</b> [Refer Notes 1 (ix), 5, 8,11(E), 14, 15 & 17 on Schedule 17]		
Rent	10,598,575	8,046,727
Electricity and Water	1,545,848	549,137
Communication	1,315,415	536,597
Legal and Professional	1,061,313	2,356,638
Traveling and Conveyance	2,907,931	1,768,257
Insurance Premium	92,839	20,271
Repairs and Maintenance		
- Plant and Machinery	67,819	40,755
- Buildings	66,110	437,892
- Others	643,593	345,211
Loss on exchange fluctuations (Net)	3,635	-
Expenses on Equipment Hiring	33,726	113,843
Security and administration services	5,523,203	2,592,975
Sundry Expenses	364,530	75,705
	<b>24,224,537</b>	<b>16,884,008</b>
<b>15. MARKETING</b>		
Advertisement and Publicity	22,100,712	17,926,764
Others	66,240	36,474
	<b>22,166,952</b>	<b>17,963,238</b>
<b>16. INTEREST AND FINANCE CHARGES</b>		
Bank, Discounting and Other Financial Charges	118,217	35,272
Interest expenses	2,450	-
	<b>120,667</b>	<b>35,272</b>



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 17: Notes to Accounts for the year ended 31<sup>st</sup> March, 2010**

**1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES**

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

**(i) Use of estimates**

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

**(ii) Fixed Assets, Depreciation and Amortization**

Fixed assets are stated at cost, less accumulated depreciation. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation. Expenses incurred on internal development of courseware and products are being shown as Capital Work In progress and will be capitalized following the completion of the project. after establishing the technical feasibility in accordance with the requirement of Accounting Standard 26, "Intangible Assets" as notified under section 211(3C) of the Companies Act, 1956. Expenses incurred during the research phase have already been charged to the profit and loss account. Depreciation and amortization is provided on a pro-rata basis on a straight-line method over the estimated useful lives of the assets determined as follows: -

Computers, related accessories (included in Plant and Machinery), software and content	2-5 years
Furniture and fixtures & Electric Fittings	7 years
Electronic & Office equipments	8 years
Air Conditioners	10 years
Leasehold Improvements	3 years or lease period whichever is less.
Assets acquired under Lease (included under Plant & Machinery and Furniture & Fixtures)	Lease period
All other assets	Rates prescribed under schedule XIV to the Companies Act, 1956

**(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.



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 17: Notes to Accounts for the year ended 31<sup>st</sup> March, 2010**

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Interest on bank deposits is recognized on accrual basis.

**(v) 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.

**(vi) Retirement Benefits**

**1. Gratuity:**

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

**2. Compensated Absences:**

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

**3. Superannuation:**

The Company makes defined contribution to a Trust established for the purpose by NIIT Limited (the Holding Company). The Company has no further obligation beyond its monthly contributions.

**4. Provident Fund:**

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

**(vii) 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 profit and loss account.

**(viii) Taxation**

Tax expense, comprising of current tax is included in determining the net results for the year. Deferred Tax meant to reflect the effect of timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purpose has not been recognised in the account in keeping with the policy of prudence. Current Tax is determined based on the provisions of Income Tax Act, 1961.



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 17: Notes to Accounts for the year ended 31<sup>st</sup> March, 2010**

**(ix) 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.

**(x) Leases**

Lease rental in respect of operating lease arrangements are charged to expense as per the terms of the related agreements.

**2. CONTINGENT LIABILITIES:**

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

**3. RETIREMENT BENEFIT PLANS**

**1) Defined Contribution Plans**

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

S.No.	Nature of Contribution*	For the year ended 31 <sup>st</sup> March 2010 (Rs.)	For the period April 10, 2008 to 31 <sup>st</sup> March 2009 (Rs.)
1.	Employers Contribution to Provident Fund	889,181	357,251
2.	Employers Contribution to Superannuation Fund	26,520	20,384
3.	Employers Contribution to Pension Fund	451,306	129,946

\* Includes Rs 155,756 (Previous Period- Rs 120,682) contributed on account of liability in respect of key managerial personnel.

**2) Defined Benefit Plans**

**a. Compensated Absences**

S. No.	Particulars	As at March 31, 2010 (Rs.)	As at March 31, 2009 (Rs.)
<b>i.</b>	<b>Change in Present value of Obligation :</b>		
	Present Value of obligation at the beginning of the year	871,568	NIL
	Benefits Paid	NIL	NIL
	Current Service Cost	816,872	871,568
	Actuarial (gain)/ loss on Obligation	NIL	NIL
	Present value of obligation at the end of the year	16,88,440	871,568
	Amount debited / (credited) to the Profit and Loss Account	816,872	871,568

**ii. Assumptions used:**

Discount Rate (per annum)

8.00%

Future Salary Increase

10% p.a. for first 5 Years and 7% p.a. thereafter





**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 17: Notes to Accounts for the year ended 31<sup>st</sup> March, 2010**

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

Particulars	As at March 31, 2010 (Rs.)	As at March 31, 2009 (Rs.)
<b>Change in benefit obligation:-</b>		
Present Value of Obligation at the beginning of the year	846,481	NIL
Interest cost	67,720	NIL
Current service cost	196,870	846,481
Benefits Paid	NIL	NIL
Actuarial (gain)/ loss on Obligations	(150,520)	NIL
Present value obligation as at the end of the year	<b>960,551</b>	<b>846,481</b>

**Change in Plan Assets-**

Fair value of Plan Assets at the beginning of the year	637,798	NIL
Expected return on Plan Assets	65,302	NIL
Contributions	121,262	623,672
Benefits Paid	NIL	NIL
Actuarial gain/ (loss) on Plan Assets	(3,610)	14,126
Fair value of Plan Assets as at March 31, 2010	820,752	637,798

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

Particulars	As at March 31, 2010 (Rs.)	As at March 31, 2009 (Rs.)
Fair value of Plan Assets	820,752	637,798
Present value of obligation	960,551	846,481
<b>Net Asset/(Liability) recognized in the Balance Sheet</b>	<b>(139,799)</b>	<b>(208,683)</b>

**Net Gratuity Cost recognized in Profit and Loss Account-**

Particulars	Year ended March 31, 2010 (Rs.)	For the period April 10, 2008 to 31 <sup>st</sup> March 2009 (Rs.)
Current service cost*	196,870	846,481
Interest Cost	67,720	-
Expected Return on Plans Assets	(65,300)	-
Net Actuarial (gain)/ loss recognized during the period	(146,917)	(625,149)
Expense / (Credit) recognized in profit and loss Account	52,373	221,332

\* includes an amount of Rs 121,257 (Previous Period- Rs 12,649) paid for a defined benefit scheme of LIC. The total cost includes Rs 40,556 (Previous Year-Rs.83,211) incurred for the key managerial personnel.



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 17: Notes to Accounts for the year ended 31<sup>st</sup> March, 2010**

**Assumptions used:-**

Discount Rate (per annum)	8%	8%
Future Salary Increase	5%	5%
Expected Rate of Return on Plan Assets	9.40%	9.35%

**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.

4. NIIT institute of Process Excellence Limited ('NIPEL'), a JV between NIIT Limited and Genpact India Holdings has incurred a loss of Rs 56,736,014/- during the Financial Year 2009-10. After taking into account accumulated losses of Rs 52,863,986/- incurred for the period ended March 31, 2009, total accumulated losses as at March 31, 2010 will be Rs 109,600,000; consequently total net worth of the company has eroded by the matching amount.

However the company is confident of clocking a much improved performance during the ensuing financial years owing to its association with Genpact, an undisputed industry leader in the BPO space. The company is already providing Managed Training services to Genpact and this business is set to grow. In addition to this, the company is also operating a network of 16 centres to offer training to the BPO aspirants at all the leading BPO centres of the country. In view of the demand-supply mismatch and much greater emphasis on hiring of skilled manpower, the company is hopeful of achieving a rapid growth in its Individual Training business. The company expects to clock an improved performance in following years and it is expected to lead to an improvement in net worth position.

**5. Payment to auditors**

Particulars	Year ended 31 <sup>st</sup> March, 2010 (Rs.)	For the period April 10, 2008 to 31 <sup>st</sup> March 2009 (Rs.)
Audit Fees	100,000	80,000
Tax Audit Fees	40,000	20,000
Others	10,000	20,000
Reimbursement of Expenses (Including Service Tax)	23,323	12,360
<b>Total</b>	<b>173,723</b>	<b>132,360</b>

6. Interest received is gross of tax deducted at source of Rs 37,582/- (Previous Period-Rs 160, 753/-)

**7. MANAGERIAL REMUNERATION:**

During the year ended on 31<sup>st</sup> March 2010, an amount of Rs 5,156,218 (Previous Period - Rs.1,321,906/-) has been paid as remuneration to the "Whole Time Director" of the Company appointed under Section 269 of The Companies Act, 1956.

The above-said remuneration paid to the Whole Time Director is as per Section II (1)(C) of Part II of Schedule XIII and Central Govt. approval has already been received.



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 17: Notes to Accounts for the year ended 31<sup>st</sup> March, 2010**

**Whole Time Director's Remuneration:**

Particulars	For the year ended 31 <sup>st</sup> March, 2010 (Rs.)	For the period April 10, 2008 to 31 <sup>st</sup> March 2009 (Rs.)
Salary, perquisites and allowances	5,000,462	1,201,224
Contribution to provident fund and other funds	155,756	120,682
<b>Total</b>	<b>5,156,218</b>	<b>1,321,906</b>

**8. Expenditure in foreign currency-(Considered on accrual basis)**

Particulars	Year ended on 31 <sup>st</sup> March, 2010 (Rs.)	Period April 10, 2008 to 31 <sup>st</sup> March 2008 (Rs.)
Travel	Nil	285,672
<b>Total</b>	<b>Nil</b>	<b>285,672</b>

**9. The details relating to revenue from operations are as under :**

**A. Traded Items :** It includes sale of courseware amounting to Rs. 1,641,455 (Previous Period Rs 159,894).

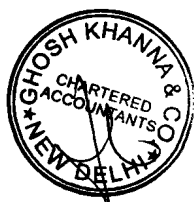
Particulars	Year ended 31st March, 2010 (Nos.) Quantity	Period April 10, 2008 to 31 <sup>st</sup> March 2009 (Nos.) Quantity	Year ended 31st March, 2010 (Rs.) Value	Period April 10, 2008 to 31 <sup>st</sup> March 2009 (Rs.) Value
Opening Stock	2,986		560,637	-
Purchases	9,846	5,714	1,256,648	623,117
Sales	5,339	2,728	1,641,455	159,894
Closing Stock	7,493	2,986	1,574,547	560,637

**B. Services:** Revenue from Services during the period is Rs. 67,686,685 (Previous Period - Rs.24,924,856).

**10. Earnings per Share-**

Particulars	Year ended 31 <sup>st</sup> March, 2010 (Rs.)	Period April 10, 2008 to 31 <sup>st</sup> March 2009 (Rs.)
Profit / (Loss) as per Profit & Loss Account - (A)	(56,736,014)	(52,863,986)
Profit / (Loss) attributable to Equity Shareholders - (B)	(56,736,014)	(52,863,986)
Weighted Average number of Equity shares Outstanding during the period - (C)	11,095,890	1,973,425
Nominal Value of Equity Shares (Rs.)	10	10
Basic/Diluted (loss) per share (Rs) (B/C)	(5.11)	(26.79)

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



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 17: Notes to Accounts for the year ended 31<sup>st</sup> March, 2010**

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**11. RELATED PARTY TRANSACTIONS AS PER 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 Multimedia Limited
- 4 NIIT Institute of Finance Banking and Insurance Training Ltd
- 5 Evolv Services Limited
- 6 Hole-In-The-Wall Education Limited
- 7 NIIT Ltd, UK
- 8 NIIT Antilles NV, Netherlands Antilles
- 9 NIIT Middle East LLC, Bahrain - Liquidated on May 26, 2009
- 10 NIIT Malaysia Sdn. Bhd, Malaysia
- 11 NIIT GC Ltd (formerly NIIT TVE Ltd, Mauritius)
- 12 NIIT China (Shanghai) Limited, Shanghai
- 13 NIIT Wu Xi Service Outsourcing Training School (w.e.f. June 19, 2009)
- 14 Chongqing NIIT Education Consulting Limited, China
- 15 Wu Xi NIIT Information Technology Consulting Limited.
- 16 Changzhou NIIT Information Technology Consulting Limited (w.e.f. September 2, 2009)
- 17 Imperia China (Shanghai) Limited (Till May 28, 2009)
- 18 PCEC NIIT Institute of Information Technology, Shanghai- (Under Liquidation)
- 19 NIIT (USA) Inc, USA
- 20 NIIT Ventures Inc, USA
- 21 Element K Corporation, USA
- 22 Element K India Private Limited, India
- 23 Element K (UK) Limited, United Kingdom
- 24 Element K Canada
- 25 PT. NIIT Indonesia, Indonesia (Under Liquidation)

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

a. Parties of whom the company is an associate:

Genpact India Holdings, Mauritius

b. Key Managerial Personnel:

Mr. Chockalingam Murugan – Whole Time Director

**D. Associate Company**

NIIT Technologies Ltd. India

NIIT GIS Ltd.



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 17: Notes to Accounts for the year ended 31<sup>st</sup> March, 2010**

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

Nature of Transactions	Holding Company	Fellow Subsidiaries	Parties to whom company is an associate	Key Managerial Personnel	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Purchase of Goods	Nil (126,723)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (126,723)
Services Rendered (Note 2)	187,500 (Nil)	Nil (Nil)	50,900,371 (20,924,705)	Nil (Nil)	51,087,871 (20,924,705)
Services Received (Note 3)	601,579 (4,147,417)	9,067,544 (4,004,928)	Nil (Nil)	Nil (Nil)	9,669,123 (8,152,345)
Transfer of expenses to	Nil (63,170)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (63,170)
Transfer of expenses from (Note 4)	7,077,359 (6,797,659)	2,967,689 (1,077,813)	20,141,428 (26,618,378)	Nil (Nil)	30,186,476 (34,493,850)
Securities Paid (Note 5)	Nil (Nil)	Nil (525,000)	Nil (Nil)	Nil (Nil)	Nil (525,000)
Investments done	75,000,000 (45,000,000)	Nil (Nil)	Nil (Nil)	Nil (Nil)	75,000,000 (45,000,000)
Purchase of Assets		312,701 (Nil)			312,701 (Nil)
Remuneration to Key Managerial Personnel (Refer note 7 above)	Nil (Nil)	Nil (Nil)	Nil (Nil)	5,156,218 (1,321,906)	5,156,218 (1,321,906)
<b>TOTAL</b>	<b>82,866,438 (56,134,969)</b>	<b>12,347,934 (5,607,741)</b>	<b>71,041,799 (47,543,083)</b>	<b>5,156,218 (1,321,906)</b>	<b>171,412,389 (110,607,699)</b>

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

Nature of Transaction	Holding Company (Rs.)	Fellow Subsidiaries (Rs.)	Parties to whom company is an associate (Rs.)	Key Managerial Personnel (Rs.)	Total (Rs.)
Receivable (Note 6)	Nil (Nil)	NIL (Nil)	4,521,125 (23,576,513)	Nil (Nil)	4,521,125 (23,576,513)
Payable (Note 7)	656,474 (10,063,269)	1,871,754 (579,902)	408,351 (20,422,814)	Nil (Nil)	2,936,579 (31,065,985)

Notes:

1. Previous year figures are given in parenthesis.
2. Includes transactions for the period mainly with;  
Genpact India Rs. 50,900,371 (Previous Period –Rs 20,924,705)  
NIIT Limited, Rs 187,500 (Previous Period - Nil)
3. Includes transactions for the period mainly with;  
NIIT Limited, India Rs.601,579 (Previous Period –Rs. 4,147,417)  
NIIT Institute of Finance Banking and Insurance training Ltd Rs. 4,284,060 (Previous Period –Rs



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 17: Notes to Accounts for the year ended 31<sup>st</sup> March, 2010**

- 1,730,515)  
 EVOLV Services Ltd. Rs. 4,783,484 (Previous Period –Rs. 2,274,413)
4. Includes transactions for the period mainly with;  
 NIIT Limited, India Rs.7,077,359 (Previous Period –Rs. 6,797,659)  
 NIIT USA, Inc Nil (Previous Period- Rs.285,672)  
 EVOLV Services Ltd. Rs.2,967,689 (Previous Period –Rs. 792,141)  
 Genpact India Rs. 20,141,428 (Previous Period –Rs. 26,618,378)
5. Includes transactions for the period mainly with;  
 EVOLV Services Ltd. Rs. Nil (Previous Period –Rs. 525,000)
6. Includes balances mainly with;  
 Genpact India Rs. 4,521,125 (Previous Period –Rs. 23,576,513)
7. Includes balances mainly with;  
 Genpact India Rs. 408,351 (Previous Period –Rs. 20,422,814)  
 NIIT Limited, India Rs. 656,474 (Previous Period –Rs. 10,063,269)  
 NIIT USA, Inc 285,672 (Previous Period –Rs. 285,672)  
 EVOLV Services Ltd. Rs. 1,586,082 (Previous Period –Rs. 4,190)  
 NIIT Institute of Finance Banking and Insurance Training Limited Nil (Previous Period –Rs. 290,040)
12. Deferred tax asset has not been recognized on account of prudence.
13. The Company is in the business of providing BPO training. Being a single business segment, no segment information is being provided. The dominant source of risk and returns of the enterprise is considered to be the business in which it operates.
14. During the year, the company completed majority of internal development of new course material project; consequent to which an amount of Rs 10,807,682 representing expenses/costs incurred on the project were capitalized. The costs debited to capital work in progress on account of the above are as follows:

Description	Year ended 31 <sup>st</sup> March, 2010 (Rs.)	Period April 10, 2008 to 31 <sup>st</sup> March 2009 (Rs.)
Salaries and Benefits (Includes contribution towards Provident and Other Funds)	1,858,226	3,081,682
Direct production overheads	1,234,013	2,994,413
Other Expenses	312,701	1,851,648
<b>Total</b>	<b>3,404,940</b>	<b>7,927,743</b>

An amount of Rs 525,001 representing the cost of unfinished work is lying in Capital Work in Progress account and will be capitalized following completion of the project in the next financial year.

15. a. The company is a subsidiary of NIIT Limited with 75% stake being held by it.  
 b. Rent includes rent recovered by the Holding Company amounting to Rs. 19,58,493 (Previous Period-Rs 4,446,499).  
 c. Security and Administration Expenses includes Management charges by Holding Company amounting to Rs.2,960,163 (Previous Period -2,195,527).  
 d. Expenses during the year are inclusive of reimbursements of common expenses to Holding company amounting to Rs. 2,207,868 (Previous Period - 4,303,050).



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 17: Notes to Accounts for the year ended 31<sup>st</sup> March, 2010**

- e. Pursuant to Employee Secondment Agreement dated 15th Sept 2008, certain identified employees of Genpact India were seconded and deputed to the company for providing the services to Genpact India. In consideration of such secondment of employees, Genpact India has charged Rs. 19,213,101 (Previous Period -25,945,380) during the year ended on 31<sup>st</sup> March 2010.
16. 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.
17. **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 period under operating leases are as shown hereunder:

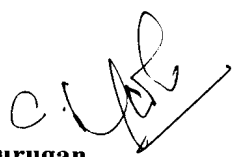
Particulars	Year ended 31 <sup>st</sup> March, 2010 (Rs.)	Period April 10, 2008 to 31 <sup>st</sup> March 2009 (Rs.)
In respect of Premises	10,577,375	87,59,999

18. Previous Period figures have been regrouped / recast to conform to Current Year classification.

Signatures to the Schedule '1' to '17' above.

For Ghosh Khanna & Co.  
Chartered Accountants

  
**Amit Mittal**  
Partner  
Membership No.508748

  
**C Murugan**  
Whole time Director  
DIN-02444694

  
**G Raghavan**  
Director  
DIN-00820000

Place: New Delhi  
Date: May 3, 2010

  
**Pankaj Virmani**  
Company Secretary



# NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED

Information pursuant to Schedule VI of the Companies Act, 1956  
is given below:

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

<b>1</b>	<b><u>Registration Details</u></b>	:	
	Registration No.	:	176,254
	State Code	:	55
	Balance Sheet Date	:	31.03.2010
<b>2</b>	<b><u>Capital Raised during the year (Amount in Rs.Thousands)</u></b>		
	Public Issue	:	NIL
	Rights Issue	:	60,000
	Bonus Issue	:	NIL
	Private Placement	:	NIL
<b>3</b>	<b><u>Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)</u></b>		
	Total Liabilities	:	15,000.00
	Total Assets	:	15,000.00
	<u>Sources of Funds</u>		
	Paid-up Capital	:	120,000.00
	Reserves & Surplus	:	NIL
	Secured Loans	:	NIL
	Unsecured Loans	:	NIL
	Deferred Tax Liability	:	NIL
	<u>Application of Funds</u>		
	Net Fixed Assets	:	25,353.43
	Investments	:	NIL
	Net Current Assets	:	14,519.87
	Deferred Tax Assets	:	
	Accumulated Losses	:	(109,600.00)
<b>4</b>	<b><u>Performance of Company(Amount in Rs.Thousands)</u></b>		
	Turnover	:	69,328
	Total Expenditure	:	126,455
	Profit/Loss Before Tax	:	(56,736)
	Profit/Loss After Tax	:	(56,736)
	Earning per share in Rs	:	5.11
	Diluted Earning per Share(in Rs.)	:	5.11
	Dividend rate %	:	NIL
<b>5</b>	<b><u>Generic Names of Three Principal products/Service of Company</u></b>		
	<u>(As per monetary terms)</u>		
	Item Code No.	:	N.A
	(ITC Code)	:	
	Product Description	:	Education and Training
	Item Code No.	:	N.A
	(ITC Code)	:	
	Product Description	:	N.A
	Item Code No.	:	N.A
	(ITC Code)	:	
	Product Description	:	N.A

**C.Murugan**  
whole-time -Director  
DIN-02444694

**G.Raghavan**  
Director  
DIN-00820000

Place : New Delhi.  
Dated :May,03,2010

