

**AUDITORS' REPORT****THE MEMBERS OF NIIT Institute of Process Excellence Limited**

We have audited the attached Balance Sheet of M/s **NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED** as at 31st March, 2011 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.

1. 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

**Branches:**

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 2010, Net worth of company was Rs.40, 400,000/- and during the current year company has incurred loss from operations of Rs. 63,363,240/-. In view of new business opportunities, cost optimization plans and current business projections,



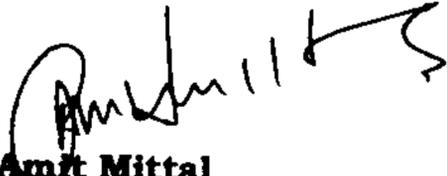
management is hopeful of generating profits in subsequent years, henceforth improving its net-worth position.

- 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, 2011 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, 2011 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, 2011 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



**Amit Mittal**  
PARTNER  
Membership No. 508748



Place: Gurgaon  
Date: April 29, 2011

**NIIT Institute of Process Excellence Limited**  
**Balance Sheet as at 31st March , 2011**

	Schedule No./ (Note Reference)	As At 31st March, 2011 (Rs.)	As At 31st March, 2010 (Rs.)
<b>SOURCES OF FUNDS:</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	180,000,000	120,000,000
Share Application Money			30,000,000
<b>LOANS FUNDS</b>			
Unsecured Loans	3	15,000,000	
		<u>195,000,000</u>	<u>150,000,000</u>
<b>APPLICATION OF FUNDS:</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	35,189,464	34,200,094
Less: Depreciation		<u>17,599,704</u>	<u>8,846,662</u>
Net Block		17,589,760	25,353,432
Capital work-in-progress (including Capital Advances)	'18(14)'	1,284,616	526,695
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	'5'	448,221	1,574,547
Sundry Debtors	'6'	6,631,350	5,056,291
Cash and Bank Balances	'7'	1,345,677	15,813,179
Other Current Assets	'8'	5,268,086	1,014,000
Loans and Advances	'9'	<u>22,372,429</u>	<u>13,330,731</u>
		<u>36,065,763</u>	<u>36,788,748</u>
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	'10'	30,669,834	20,440,636
Provisions	'11'	<u>2,233,545</u>	<u>1,828,239</u>
		<u>32,903,379</u>	<u>22,268,875</u>
Net Current Assets		3,162,384	14,519,873
PROFIT & LOSS ACCOUNT (DR.)	'2'	172,963,240	109,600,000
		<u>195,000,000</u>	<u>150,000,000</u>
<b>NOTES TO ACCOUNTS</b>	'18'		

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 Gurgaon

Date April,29,2011



*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**  
**Profit and Loss Account for the year ended 31st March,2011**

	Schedule No./ (Note Reference)	year ended 31st March, 2011 (Rs.)	year ended 31st March, 2010 (Rs.)
<b>INCOME</b>			
Revenue from Operations	'18[1 (iv) & 9]'	87,947,709	69,328,140
Other Income	'12'	229,513	391,136
		<b>88,177,222</b>	<b>69,719,276</b>
<b>EXPENDITURE</b>			
Personnel	'13'	71,424,944	44,262,098
Development, Production and Execution	'14'	25,597,333	28,759,578
Administration and Others	'15'	25,921,598	24,224,537
Marketing	'16'	19,034,376	22,166,952
Interest and Finance Charges	'17'	601,707	120,667
Depreciation and Amortisation	'3'	8,960,504	6,921,458
		<b>151,540,462</b>	<b>126,455,290</b>
Profit before Tax		(63,363,240)	(56,736,014)
Income Tax Expense - Current	'18[1(viii) & 12]'	-	-
<b>Profit after Tax</b>		<b>(63,363,240)</b>	<b>(56,736,014)</b>
Balance brought forward from previous year		(109,600,000)	(52,863,986)
Balance available for appropriation		<b>(172,963,240)</b>	<b>(109,600,000)</b>
<b>APPROPRIATION</b>			
Balance Carried to Balance Sheet		(172,963,240)	(109,600,000)
		<b>(172,963,240)</b>	<b>(109,600,000)</b>
Earnings per share -Basic	'18[10]'	(3.63)	(5.11)
-Diluted		(3.63)	(5.11)

**NOTES TO ACCOUNTS**

'18'

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

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

**Amit Mittal**  
 Partner,  
 Membership No. 508748  
 Place: Gurgaon  
 Date: April,29,2011



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

**G. Raghavan**  
 Director  
 DIN-00820000

**Pankaj Virmani**  
 Company Secretary

**NIT Institute of Process Excellence Limited**

**CashFlow Statement for the Year ended 31st March,2011**

	Year Ended 31st March, 2011 Rs.	Year Ended 31st March, 2010 Rs.
<b>A Cash flow from operating activities:</b>		
Net (Profit/loss) before tax	(63,363,240)	(56,736,014)
Adjustments for		
Depreciation and Ammortisation	8,960,504	6,921,458
Provision for compensated absences & gratuity	405,306	747,988
Provision written back	(179,619)	-
Profit on the sale of asset	(46,196)	-
Gain on foreign exchange	(3,698)	-
Interest Income	(10,517)	(391,136)
Interest Expense	206,211	-
<b>Operating (profit) before working capital changes</b>	<b>(54,031,249)</b>	<b>(49,457,704)</b>
Adjustments for changes in working capital :		
- (INCREASE)/DECREASE in Sundry Debtors	(1,575,059)	18,520,222
- (INCREASE)/DECREASE in Inventories/Other Receivables	(4,349,138)	(3,362,305)
- INCREASE/(DECREASE) in Trade and Other Payables	10,232,896	(40,221,092)
- Provision written back	179,619	-
<b>Cash generated from operations</b>	<b>(49,542,931)</b>	<b>(74,520,879)</b>
- Taxes (Paid)	(7,817,811)	(8,352,898)
<b>Net cash used in operating activities</b>	<b>(57,360,742)</b>	<b>(82,873,777)</b>
<b>B Cash flow from Investing activities:</b>		
Purchase of fixed assets (including capital work in progress)	(2,333,420)	(4,983,647)
Sale of fixed assets	424,863	-
Interest Received (Revenue)	8,008	560,602
<b>Net cash from / (used in) investing activities</b>	<b>(1,900,549)</b>	<b>(4,423,045)</b>
<b>C Cash flow from financing activities:</b>		
Proceeds from issue of equity share capital	30,000,000	60,000,000
Share Application Money Received	-	30,000,000
Receipt of Loan from Holding Company	15,000,000	-
Interest Paid	(206,211)	-
<b>Net cash from financing activities</b>	<b>44,793,789</b>	<b>90,000,000</b>
<b>Net (Increase) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(14,467,502)</b>	<b>2,703,178</b>
<b>Cash and cash equivalents as at the beginning of the year</b> (Refer Note 1 below)	<b>15,813,179</b>	<b>13,110,001</b>
<b>Cash and cash equivalents as at the end of the year</b> (Refer Note 1 below)	<b>1,345,677</b>	<b>15,813,179</b>
<b>Notes :</b>		
<b>1 Cash and cash equivalents comprise of</b>		
Cash/Cheques in hand	139,034	702,384
Balances with Banks in		
- Current Account	1,106,643	15,110,795
- Fixed Deposit Account	100,000	-
	<u>1,345,677</u>	<u>15,813,179</u>

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 18 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 Gurgaon  
Date April,29,2011



C. Murugesan  
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,2011**

Schedule No.	As At 31st March,2011 (Rs.)	As At 31st March,2010 (Rs.)
<b>1. SHARE CAPITAL</b> (Refer Notes 15(a) on Schedule 18)		
<b>Authorised</b> 200,00,000 Equity Shares of Rs. 10/- each [Previous year-20,000,000 Equity Shares of Rs. 10/- each]	200,000,000	200,000,000
	<b>200,000,000</b>	<b>200,000,000</b>
<b>Issued</b> 180,00,000 Equity shares of Rs. 10/- each [Previous year-120,00,000 Equity Shares of Rs. 10/- each]	180,000,000	120,000,000
	<b>180,000,000</b>	<b>120,000,000</b>
<b>Subscribed</b> 180,00,000 Equity shares of Rs. 10/- each [Previous year-12,000,000 Equity Shares of Rs. 10/- each]	180,000,000	120,000,000
	<b>180,000,000</b>	<b>120,000,000</b>
<b>Paid-up</b> 180,00,000 Equity shares of Rs. 10/- each {135 lakhs shares of Rs 10 each issued to NIIT Limited- (Previous Year- 90 lakhs shares) & 45lakhs shares of Rs 10 each issued to Genpact India Holdings- (Previous Year- 30 lakhs shares)}	180,000,000	120,000,000
	<b>180,000,000</b>	<b>120,000,000</b>
<b>Share Application Money - Pending Allotment</b> (Received from NIIT Limited)	-	30,000,000
	<b>-</b>	<b>30,000,000.00</b>
<b>2. PROFIT &amp; LOSS ACCOUNT</b>		
<b>Profit and Loss Account</b>	(172,963,240)	(109,600,000)
	<b>(172,963,240)</b>	<b>(109,600,000)</b>
<b>3 UNSECURED LOANS</b>		
<b>Loans from Holding Company</b> (Due within one year Rs.Nil) (Previous year Rs.Nil)	15,000,000	-
	<b>15,000,000</b>	<b>-</b>



NIT Institute of Process Excellence Limited

Schedules annexed to and forming part of the Balance Sheet as at 31st March,2011 [Contd.]

4. Fixed Assets  
[Refer Notes 1 (i), (ii), (iii) & 14 on Schedule 18]

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	Cost As on 01.04.2010	Additions during the year	Sales / Adj. during the year	Total as on 31.03.2011	As on 01.04.2010	For the year	Sales / Adj. during the year	Total as on 31.03.2011	As on 31.03.2011	As on 31.03.2010
<b>Tangible</b>										
Plant & Machinery	11,240,249	235,083	252,479	11,222,853	3,765,092	2,740,971	65,807	6,440,256	4,782,597	7,475,168
Lease Hold Improvements	10,241,982	1,061,845	-	11,303,827	3,927,917	3,341,866	-	7,269,783	4,034,044	6,314,065
Furniture & Fixtures	1,910,180	278,571	333,650	1,855,101	901,967	175,747	141,655	936,059	919,042	1,008,213
<b>Sub Total (a)</b>	<b>23,392,411</b>	<b>1,575,499</b>	<b>586,129</b>	<b>24,381,781</b>	<b>8,594,976</b>	<b>6,258,584</b>	<b>207,462</b>	<b>14,646,098</b>	<b>9,735,683</b>	<b>14,797,435</b>
<b>Intangible (educational contents/products)</b>										
Software-Internally generated	10,807,683	-	-	10,807,683	251,686	2,701,920	-	2,953,606	7,854,076	10,555,997
<b>Sub Total (b)</b>	<b>10,807,683</b>	<b>-</b>	<b>-</b>	<b>10,807,683</b>	<b>251,686</b>	<b>2,701,920</b>	<b>-</b>	<b>2,953,606</b>	<b>7,854,076</b>	<b>10,555,997</b>
<b>Total (a+b)</b>	<b>34,200,094</b>	<b>1,575,499</b>	<b>586,129</b>	<b>35,189,464</b>	<b>8,846,662</b>	<b>8,960,504</b>	<b>207,462</b>	<b>17,599,704</b>	<b>17,589,760</b>	<b>25,353,432</b>
Previous year	21,815,399	12,384,695	-	34,200,094	1,925,204	6,921,458	-	8,846,662	-	25,353,432

Capital work in progress (Including capital advances) 1,284,616 526,695



**NIT Institute of Process Excellence Limited**  
**Schedules annexed to and forming part of the Balance Sheet**  
**as at 31st March,2011 [Contd.]**

Schedule No.	As At 31st March,2011 (Rs.)	As At 31st March,2010 (Rs.)
<b>5. INVENTORIES (Finished Goods)</b> [Refer Notes 1(v) on Schedule 18]		
Education and Training Material	337,024	913,592
Promotional Educational Material	111,197	660,955
	<u>448,221</u>	<u>1,574,547</u>
<b>6. SUNDRY DEBTORS</b> (Unsecured) [Refer Note 11(F) on Schedule 18]		
Outstanding for over six months		
- Considered Good	537,930	-
Other Debts - Considered Good	<u>6,093,420</u>	<u>5,056,291</u>
	6,631,350	5,056,291
	<u>6,631,350</u>	<u>5,056,291</u>
<b>7. CASH AND BANK BALANCES</b>		
Cash and Cheques in Hand	139,034	702,384
Balances with Scheduled Banks in :		
- Current Accounts	1,106,643	15,110,795
- Fixed Deposit Accounts	100,000	-
	<u>1,345,677</u>	<u>15,813,179</u>
<b>8. OTHER CURRENT ASSETS</b> (Unsecured, considered good)		
Interest Receivable	2,509	-
Unbilled Revenue	5,265,577	1,014,000
	<u>5,268,086</u>	<u>1,014,000</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,2011**

Schedule No.		For the Year ended 31st March 2011 (Rs.)	For the Year ended 31st March 2010 (Rs.)
<b>12. OTHER INCOME</b>			
	<b>[Refer Note 6 on Schedule 18]</b>		
	Profit on sale of		
	- Fixed Assets (net)	<u>46,196</u>	<u>-</u>
	Provisions/Other Liabilities written back	179,619	-
	Interest Received on deposits (Gross )		391,136
	Gain on exchange fluctuations (Net)	3,698	-
		<u><b>229,513</b></u>	<u><b>391,136</b></u>
<b>13. PERSONNEL</b>			
	<b>[Refer Notes 1(vi), 3 &amp; 7 on Schedule 18]</b>		
	Salaries and Benefits	70,489,614	43,496,566
	(Includes Contribution towards Provident & other funds Rs 2,149,749(Previous year-Rs 1,367,007)		
	Welfare and Other Expenses	935,330	765,532
		<u><b>71,424,944</b></u>	<u><b>44,262,098</b></u>
<b>14. DEVELOPMENT, PRODUCTION AND EXECUTION</b>			
	<b>[Refer Notes 11 (E) &amp; 15 on Schedule 18]</b>		
	Courseware and Manuals	1,352,846	363,671
	Professional Charges	23,123,451	25,680,835
	Equipment Hiring	800,929	2,462,182
	Place: ( Consumables	-	10,570
	Freight and Cartage	269,283	227,190
	Miscellaneous & Others	50,824	15,130
		<u><b>25,597,333</b></u>	<u><b>28,759,578</b></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,2011**

Schedule No.	For the Year ended 31st March 2011 (Rs.)	For the Year ended 31st March 2010 (Rs.)
<b>15. ADMINISTRATION AND OTHERS</b> [Refer Notes 1 (ix), 5, 8,11(E), 14, 15 & 17 on Schedule 18]		
Rent	11,886,738	10,598,575
Electricity and Water	1,107,279	1,545,848
Communication	1,406,314	1,315,415
Legal and Professional	860,284	1,061,313
Traveling and Conveyance	2,936,009	2,907,931
Insurance Premium	235,041	92,839
Repairs and Maintenance		
- Plant and Machinery	159,114	67,819
- Buildings	102,665	66,110
- Others	153,973	643,593
Loss on exchange fluctuations (Net)	-	3,635
Security and Administration services	6,766,368	5,523,203
Sundry Expenses	307,813	398,256
	<b><u>25,921,598</u></b>	<b><u>24,224,537</u></b>
<b>16. MARKETING</b>		
Advertisement and Publicity	18,643,663	22,100,712
Seminar Conference & Others	390,713	66,240
	<b><u>19,034,376</u></b>	<b><u>22,166,952</u></b>
<b>17. INTEREST AND FINANCE CHARGES</b>		
Bank, Discounting and Other Financial Charges	406,013	118,217
Interest expenses		
- Fixed Loans	189,863	-
- others	16,348	2,450
	<u>612,224</u>	<u>120,667</u>
Less: Interest Received		
Place: ( On Fixed Deposits (Gross)	(10,517.00)	-
	<b><u>601,707</u></b>	<b><u>120,667</u></b>



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 18: Notes to Accounts for the year ended 31<sup>st</sup> March, 2011**

**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, printers and related accessories (included in Plant and Machinery)	3-5 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
Software (courseware and products ) and patents	3-5 years

**(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



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 18: Notes to Accounts for the year ended 31<sup>st</sup> March, 2011**

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personnel is recognised on completion of the assessment as per the terms of the contract. TIRM fee is recognized when the related technical information material is dispatched to the business partner.

Interest on bank deposits is recognized on accrual basis.

**(v) 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.



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 18: Notes to Accounts for the year ended 31<sup>st</sup> March, 2011**

**(viii) Taxation**

Tax expense comprising of both current tax and deferred tax is included in determining the net results for the year. Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. As a matter of prudence deferred tax assets are recognized and carried forward only to the extent, there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Current tax is determined based on the provisions of Income-tax Act, 1961.

**(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 2011 (Rs.)	For the year ended 31 <sup>st</sup> March 2010 (Rs.)
1.	Employers Contribution to Provident Fund	1,412,788	889,181
2.	Employers Contribution to Superannuation Fund	1,31,066	26,520
3.	Employers Contribution to Pension Fund	736,961	451,306

\* Includes Rs 126,964 (Previous Period- Rs 155,756) contributed on account of liability in respect of key managerial personnel.



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 18: Notes to Accounts for the year ended 31<sup>st</sup> March, 2011**

**2) Defined Benefit Plans**

**a. Compensated Absences**

S. No.	Particulars	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
<b>i.</b>	<b>Change in Present value of Obligation :</b>		
	Present Value of obligation at the beginning of the year	1,688,440	871,568
	Benefits Paid	NIL	NIL
	Current Service Cost	342,560	816,872
	Actuarial (gain)/ loss on Obligation	NIL	NIL
	Present value of obligation at the end of the year	2,031,000	16,88,440
	Amount debited / (credited) to the Profit and Loss Account*	342,560	816,872

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

**ii. Assumptions used:**

Discount Rate (per annum) 8.00%

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

**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, 2011 (Rs.)	As at March 31, 2010 (Rs.)
<b>Change in benefit obligation:-</b>		
Present Value of Obligation at the beginning of the year	960,551	846,481
Interest cost	76,840	67,720
Current service cost	407,550	196,870
Benefits Paid	Nil	NIL
Actuarial (gain)/ loss on Obligations	(82,940)	(150,520)
Present value obligation as at the end of the year	<b>1,362,001</b>	<b>960,551</b>

**Change in Plan Assets-**

Fair value of Plan Assets at the beginning of the year	820,750	637,798
Expected return on Plan Assets	89,250	65,300
Contributions	257,510	121,262
Benefits Paid	NIL	NIL
Actuarial gain/ (loss) on Plan Assets	(8,050)	(3,610)
Fair value of Plan Assets as at end of the year	<b>1,159,460</b>	<b>820,750</b>



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 18: Notes to Accounts for the year ended 31<sup>st</sup> March, 2011**

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

Particulars	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)	As at March 31, 2009 (Rs.)
Fair value of Plan Assets	1,159,460	820,750	637,798
Present value of obligation	1,362,005	960,551	846,481
<b>Net Asset/(Liability) recognized in the Balance Sheet</b>	<b>(202,545)</b>	<b>(139,799)</b>	<b>(208683)</b>

Particulars	Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
Current service cost*	407,550	196,870	846,481
Interest Cost	76,840	67,720	-
Expected Return on Plans Assets	(89,250)	(65,300)	-
Net Actuarial (gain)/ loss recognized during the period	(74,890)	(146,917)	(625,149)
Expense / (Credit) recognized in profit and loss Account	320,250	52,373	221,332

\* includes an amount of Rs257,510 (Previous Period- Rs 121,257) paid for a defined benefit scheme of LIC. The total cost includes Rs 132,604(Previous Year-Rs. 40,556) incurred for the key managerial personnel. Contribution expected for next year is Rs.250,000

**Assumptions used:-**

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

**Investment details of plan assets:**

During the year, the Company has contributed to the Gratuity fund of the holding company, maintained by the Life Insurance Corporation of India. The details of investment maintained by Life Insurance Corporation are not available with the Company and have not been disclosed.

The expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical result of the return on plan assets.

4. NIIT institute of Process Excellence Limited ('NIPEL'), a JV between NIIT Limited and Genpact India Holdings has incurred a loss of Rs 63,363,240/- during the Financial Year 2010-11. After taking into account accumulated losses of Rs 109,600,000/- incurred for the period ended March 31, 2010, total accumulated losses as at March 31, 2011 is Rs 172,963,240; consequently total net worth of the company has eroded by the matching amount.

The Company is in the process of expanding its reach through acquisition of new customers in the B2B segment. The company is already providing Managed Training services to Genpact and this business is set to grow. The Company is also in advanced stages of discussions with various corporate organizations in the BPO industry to provide similar services which are expected to materialized in the next financial year. In view of the demand-supply mismatch and much greater emphasis on hiring of skilled manpower, the company is confident of achieving rapid growth in its business. 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



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 18: Notes to Accounts for the year ended 31<sup>st</sup> March, 2011**

following years. Such improved financial performance will lead to an improvement in net worth position of the Company. 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 29 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, 2011 (Rs.)	Year ended 31 <sup>st</sup> March, 2010 (Rs.)
Audit Fees	100,000	100,000
Tax Audit Fees	40,000	40,000
Others	58,750	10,000
Reimbursement of Expenses (Including Service Tax)	23,595	23,323
<b>Total</b>	<b>222,345</b>	<b>173,723</b>

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

**7. MANAGERIAL REMUNERATION:**

During the year ended on 31<sup>st</sup> March 2011, an amount of Rs 4,828,448(Previous year - Rs. 5,156,218-) 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 within limit specified in the Section II (1)(C) of Part II of Schedule XIII and other applicable provisions of Companies Act,1956. Further in the compliance of provision of Section II (1)(C) of Part II of Schedule XIII, Central Govt. approval has already been received.

**Whole Time Director's Remuneration:**

Particulars	For the year ended 31 <sup>st</sup> March, 2011 (Rs.)	For the year ended 31 <sup>st</sup> March, 2010 (Rs.)
Salary, perquisites and allowances	4,707,968	5,000,462
Contribution to provident fund and other funds	120,480	155,756
<b>Total</b>	<b>4,828,448</b>	<b>5,156,218</b>

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

Particulars	Year ended on 31 <sup>st</sup> March, 2011 (Rs.)	Year ended on 31 <sup>st</sup> March, 2010 (Rs.)
Travel	356,384	Nil
<b>Total</b>	<b>356,384</b>	<b>Nil</b>



**NIIT INSTITUTE OF PROCESSEXCELLENCE LIMITED**  
**SCHEDULE 18: Notes to Accounts for the year ended 31<sup>st</sup> March, 2011**

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

**A. Traded Items :** It includes sale of courseware amounting to Rs.9,246,348 (Previous Period Rs 1,641,455).

Particulars	Year ended 31st March, 2011 (Nos.) Quantity	Year ended 31st March, 2010 (Nos.) Quantity	Year ended 31st March, 2011 (Rs.) Value	Year ended 31st March, 2010 (Rs.) Value
Opening Stock	7,493	2,986	1,574,547	560,637
Purchases	1755	9,846	226524	1,256,648
Sales	6438	5,339	9,246,348	1,641,455
Closing Stock	2810	7,493	448,221	1,574,547

**B. Services:** Revenue from Services during the period is Rs.78,701,361 (Previous Year - Rs. 67,686,685).

**10. Earnings per Share-**

Particulars	Year ended 31 <sup>st</sup> March, 2011 (Rs.)	Year ended 31 <sup>st</sup> March, 2010 (Rs.)
Profit / (Loss) as per Profit & Loss Account - (A)	(63,363,242)	(56,736,014)
Profit / (Loss) attributable to Equity Shareholders - (B)	(63,363,242)	(56,736,014)
Weighted Average number of Equity shares Outstanding during the period - (C)	17,473,973	11,095,890
Nominal Value of Equity Shares (Rs.)	10	10
Basic/Diluted (loss) per share (Rs) (B/C)	(3.63)	(5.11)

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

**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 NEO Multimedia Limited (formerly known as NIIT Multimedia Limited) ceased to be subsidiary company w.e.f March 30, 2011 .

**Subsidiary company**

- 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



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 18: Notes to Accounts for the year ended 31<sup>st</sup> March, 2011**

- 8 NIIT Antilles NV, Netherlands Antilles
- 9 NIIT Malaysia Sdn. Bhd, Malaysia
- 10 NIIT GC Ltd (formerly NIIT TVE Ltd, Mauritius)
- 11 NIIT China (Shanghai) Limited, Shanghai
- 12 NIIT Wu Xi Service Outsourcing Training School
- 13 Chongqing NIIT Education Consulting Limited, China
- 14 Wu Xi NIIT Information Technology Consulting Limited.
- 15 Changzhou NIIT Information Technology Consulting Limited
- 16 NIIT (USA) Inc, USA
- 17 NIIT Ventures Inc, USA
- 18 Element K Corporation, USA
- 19 Element K India Private Limited, India
- 20 Element K (UK) Limited, United Kingdom
- 21 Element K Canada
- 22 PT. NIIT Indonesia, Indonesia (Under Liquidation)
- 23 Su Zhou NIIT Information Technology Consulting Ltd.

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

a. Parties of whom the company is an associate:

Genpact India Holdings, Mauritius

Genpact India

b. Key Managerial Personnel:

Mr. Chockalingam Murugan – Whole time director

**D. Associate Company**

NIIT Smart Serve

**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	215481 (Nil)	3,640 (Nil)	Nil (Nil)	Nil (Nil)	219,921 (Nil)
Services Rendered (Note 2)	5,772,137 (187,500)	609,930 (Nil)	60,351,239 (50,900,371)	Nil (Nil)	66,733,306 (51,087,871)
Services Received (Note 3)	77,210 (601,579)	6,736,152 (9,067,544)	Nil (Nil)	Nil (Nil)	6,813,362 (9,669,123)
Transfer of expenses to	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Transfer of expenses from	9,143,454	4,801,532	1450186	Nil	15,395,172



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 18: Notes to Accounts for the year ended 31<sup>st</sup> March, 2011**

(Note 4)	(7,077,359)	(2,967,689)	(20,141,428)	(Nil)	(30,186,476)
Loans Taken	15,000,000	Nil	Nil	Nil	15,000,000
(Note 5)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Investments done	15,000,000	Nil	Nil	Nil	15,000,000
	(75,000,000)	(Nil)	(Nil)	(Nil)	(75,000,000)
Purchase of Assets	Nil	Nil	Nil	Nil	Nil
	(Nil)	(312,701)	(Nil)	(Nil)	(312,701)
Remuneration to Key Managerial Personnel	Nil	Nil	Nil	4,828,448	4,828,448
	(Nil)	(Nil)	(Nil)	(5,156,218)	(5,156,218)
Sale of Assets	475,353	Nil	Nil	Nil	475,353
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Sale of Goods	759,568	Nil	Nil	Nil	759,568
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Interest Paid	189,863	Nil	Nil	Nil	189,863
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
<b>TOTAL</b>	<b>46,633,066</b>	<b>12,881,440</b>	<b>61,071,239</b>	<b>4,828,448</b>	<b>125,414,193</b>
	<b>(82,866,438)</b>	<b>(12,347,934)</b>	<b>(71,041,799)</b>	<b>(5,156,218)</b>	<b>(171,412,389)</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)	2,058,814 (Nil)	548,937 (Nil)	1,027,039 (4,521,125)	Nil (Nil)	3,634,790 (4,521,125)
Payable (Note 7)	24,495,762 (656,474)	2,140,273 (1,871,754)	1891289 (408,351)	126,964 (Nil)	28,654,288 (2,936,579)

Notes:

1. Previous year figures are given in parenthesis.
2. Includes transactions for the period mainly with;
  - Genpact India Rs. 60,351,239 (Previous Year –Rs 50,900,371)
  - NIIT Limited, Rs 5,772,137 (Previous Year -187,500)
  - EVOLV Services Ltd. Rs. 609,930(Previous Year –Rs.Nil)
3. Includes transactions for the period mainly with;
  - NIIT Limited, India Rs77,210 (Previous Year –Rs. 601,579)
  - NIIT Institute of Finance Banking and Insurance training Ltd RsNil (Previous Year –Rs 4,284,060)
  - EVOLV Services Ltd. Rs.6,736,351 (Previous Year –Rs. 4,783,484)
4. Includes transactions for the period mainly with;
  - NIIT Limited, India Rs9,143,454 (Previous Year –Rs. 7,077,359)
  - NIIT USA, Inc Nil (Previous Year - Rs. Nil)
  - EVOLV Services Ltd. Rs2,049,498 (Previous Year –Rs. 2,967,689)
  - Genpact India Rs. 720,000 (Previous Year –Rs. 20,141,428)
  - NIIT Institute of Finance Banking and Insurance training Ltd Rs2,752,034 (Previous Year –Rs



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 18: Notes to Accounts for the year ended 31<sup>st</sup> March, 2011**

Nil)

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

5. Includes transactions for the period mainly with;

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

6. Includes balances mainly with;

NIIT Limited, India Rs. 2,058,814 (Previous Year –Rs. Nil)

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

Genpact India Rs. 1,027,039 (Previous Year –Rs. 4,521,125)

7. Includes balances mainly with;

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

NIIT Limited, India Rs. 24,495,762 (Previous Year –Rs. 656,474)

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

EVOLV Services Ltd. Rs. 1,854,601(Previous Year –Rs. 1,586,082)

NIIT Smart Serve Limited Rs7,15,582(Previous Year –Rs. Nil)

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. The costs debited to capital work in progress are as follows:

Description	Year ended 31 <sup>st</sup> March, 2011 (Rs.)	Year ended 31 <sup>st</sup> March, 2010 (Rs.)
Salaries and Benefits (Includes contribution towards Provident and Other Funds)	566,464	1,858,226
Direct production overheads	Nil	1,234,013
Other Expenses	193,152	312,701
<b>Total</b>	<b>759,616</b>	<b>3,404,940</b>

An amount of Rs.1,284,616 (Previous Year –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. During the year company issued 4.5Mn shares to NIIT Ltd.
- b. Rent includes rent recovered by the Holding Company amounting to Rs. 3,345,189 (Previous Year -Rs 19,58,493).
- c. Security and Administration Expenses includes Management charges by Holding Company amounting to Rs.4,869,488(Previous Year -2,960,163).
- d. Expenses during the year are inclusive of reimbursements of common expenses to Holding company amounting to Rs.2,347,508 (Previous Year - 2,207,868).
- 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. Nil (Previous Year -19,213,101) during the year on 31<sup>st</sup> March 2011.



**NIIT INSTITUTE OF PROCESS EXCELLENCE LIMITED**  
**SCHEDULE 18: Notes to Accounts for the year ended 31<sup>st</sup> March, 2011**

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:**

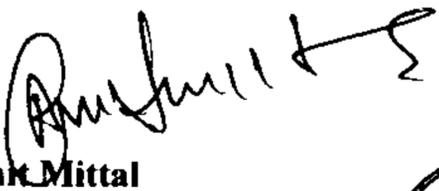
The Company has entered into leases for office premises and employee accommodations which are cancelable at the option of the Company by giving the requisite notice. Aggregate payments during the period under operating leases are as shown hereunder:

Particulars	Year ended 31 <sup>st</sup> March, 2011 (Rs.)	Year ended 31 <sup>st</sup> March, 2010 (Rs.)
In respect of Premises	11,886,738	10,577,375

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

Signatures to the Schedule '1' to '18' above.

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



**Amit Mittal**  
**Partner**  
**Membership No. 508748**



**Place: New Delhi**  
**Date : April 29,2011**



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



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

  
**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**

**REGISTRATION DETAILS**

Registration No.  State Code   
 Balance Sheet Date

**CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSANDS)**

Public Issue  Right Issue   
 Bonus Issue  Private Placement   
 Conversion of Bonds  Employees Stock Option

**POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN Rs. THOUSANDS)**

Total Liabilities  Total Assets

**SOURCES OF FUNDS**

Paid up Capital  Reserves & Surplus   
 Employee Stock option outstanding  Secured Loans   
 Unsecured Loans

**APPLICATION OF FUNDS**

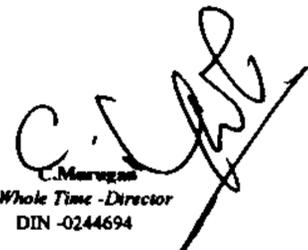
Net Fixed Assets  Investments   
 Deferred Tax Asset (Net)  Net Current Assets   
 Miscellaneous Expenditure  Accumulated Losses

**PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)**

Turnover  Total Expenditure   
 Profit(Loss) before Tax  Profit(Loss) after Tax   
 Earning per share (in Rs.)   
 Dividend (%) - Equity  Diluted Earning per share (in Rs.)

**GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)**

1. Item Code   
 Product Description
2. Item Code   
 Product Description
3. Item Code   
 Product Description

  
 C. Maragan  
 Whole Time - Director  
 DIN -0244694

  
 G. Raghavan  
 Director  
 DIN -00820000

Place : Gurgaon  
 Date : April 29, 2011