

GHOSH KHANNA & CO.
CHARTERED ACCOUNTANTS

L-2A, Hauz Khas Enclave, New Delhi-110016, India
Phones: +91 (011) 2696 2981/2 Fax: +91 (011) 2696 2985
E-mail: gkc@vsnl.com website: www.gkcindia.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NIIT SMARTSERVE LTD

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s NIIT SmartServe Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Branches:

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors as on March 31, 2016, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position;
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii) The company does not require to be transfer any amount to the Investor Education and Protection Fund.

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

Amit Mittal
Partner
Membership No. 508748



Place: New Delhi
Date: April 21, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
 - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. In respect of the Company's inventories:

The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company
3. The company has outstanding unsecured loan from previous year, to its holding company covered in register maintained under section 189 of the Act. The maximum amount involved during the year and year-end balance of such loan aggregates to Rs.200, 000,000/-and Rs. NIL respectively.
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
 - (b) In respect of the aforesaid loans, the party has repaid the principal amount as stipulated and was also regular in the payment of interest, where applicable.
 - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. The provisions of clause (3)(vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to



it with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Assessment order under section 143(3) of Income Tax Act, 1961	Rs. 253,560/-	2011-12	Appeals filed with CIT(A)

8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Amit Mittal
Partner
Membership No. 508748

Place: New Delhi
Date: April 21, 2016



Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s NIIT SmartServe Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:



- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposal of the assets of the company;
- (2) provide assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management of the company; and
- (3) provide reasonable assurance regarding prevention and timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Amit Mittal
Partner
Membership No. 508748

Place: New Delhi
Date: April 21, 2016



NIIT SMARTSERVE LIMITED

Balance Sheet as at 31st March 2016

	PARTICULARS	Notes	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
I	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
	Share Capital	3	500,000,000	500,000,000
	Reserves and Surplus	4	64,643,963	61,194,303
2	Non-Current Liabilities			
	Long-Term Borrowings	5	3,454,222	1,496,397
	Long-Term Provisions	6	10,265,727	8,400,775
3	Current Liabilities			
	Trade Payables	7	29,360,964	31,181,882
	Other Current Liabilities	7	114,340,388	26,245,872
	Short-Term Provisions	6	3,529,407	3,220,504
	TOTAL		725,594,671	631,739,733
II	ASSETS			
1	Non-Current Assets			
	Fixed Assets	8		
	Tangible Assets		35,862,935	33,342,354
	Intangible Assets		3,803,351	3,605,077
	Deferred Tax Assets (net)	9	13,622,950	8,248,185
	Long-Term Loans and Advances	10	76,834,286	89,101,309
	Other Non-Current Assets	12	405,943,298	147,136,369
2	Current Assets			
	Trade Receivables	11	70,778,965	60,351,490
	Cash and Bank Balances	13	89,365,772	68,852,761
	Short-Term Loans and Advances	10	16,557,260	213,958,408
	Other Current Assets	12	12,825,854	7,143,780
	TOTAL		725,594,671	631,739,733

The accompanying notes 1-29 are an integral part of the financial statement.
This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board of Directors of
NIIT SmartServe Limited

For and on behalf of
Ghosh Khanna & Co.
Chartered Accountants
Firm Registration No.003366N

Rajendra S Pawar
Director
DIN: 00042516

Arvind Thakur
Managing Director
DIN: 00042534

Amit Mittal
Partner
Membership No. 308748

Place : New Delhi
Date : 21st April, 2016
CIN: U72900DL2002PLC11496



Amit Kumar Garg
Chief Financial Officer

Barkha Sharma
Company Secretary

NIIT SMARTSERVE LIMITED

Statement of Profit & Loss for the year ended 31st March 2016

	PARTICULARS	Notes	Period ended	Year ended
			31st March 2016 Rs.	31st March 2015 Rs.
	INCOME			
I.	Revenue from Operations	14	536,698,959	479,551,986
II.	Other Income	15	38,511,599	27,115,990
III.	Total Revenue (I + II)		575,210,558	506,667,976
	EXPENDITURE			
	Employee Benefit Expenses	16	248,106,697	215,865,702
	Administration and Other Operating Expenses	17	179,184,005	157,481,925
	Selling and Marketing Expenses	18	1,183,261	533,228
	Finance Expenses	19	289,676	401,505
	Depreciation and Amortization Expenses	8	22,832,701	20,269,766
	Total Expenses		451,596,340	394,552,127
V.	Profit before exceptional and extraordinary items and tax (III-IV)		123,614,218	112,115,849
VI.	Exceptional and Extraordinary items		-	-
VII.	Profit before tax (V- VI)		123,614,218	112,115,849
VIII.	Tax expense:			
	(1) Current tax		45,751,032	39,337,490
	(2) Deferred tax	9	(5,374,765)	(2,497,698)
IX.	Profit for the year (VII - VIII)		83,237,951	75,276,057
X.	Earnings per equity share (Face Value Rs. 10/- each):			
	(1) Basic		1.66	1.51
	(2) Diluted		1.66	1.51

The accompanying notes 1-29 are an integral part of the financial statement.
This is the Profit & Loss Account referred to in our report of even date.

For and on behalf of the Board of Directors of
NIIT SmartServe Limited

For and on behalf of
Ghosh Khanna & Co.
Chartered Accountants
Firm Registration No.003366N

Rajendra S Pawar
Director
DIN: 00042516

Arvind Thakur
Managing Director
DIN: 00042534

Amit Mittal
Partner
Membership No. 508748



Amit Kumar Garg
Chief Financial Officer

Barkha Sharma
Company Secretary

Place : New Delhi
Date : 21st April, 2016
CIN: U72900DL2002PLC114946

NIIT SMARTSERVE LIMITED

Cash Flow Statement for the year ended 31st March 2016

	Particular	Year ended 31st March 2016 Rs.	Year ended 31st March 2015 Rs.
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Profit before Tax and share of Associates' profits but after exceptional items	123,614,218	112,115,849
	Non cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation and Amortisation	22,832,701	20,269,766
	Interest Expenses	289,676	401,505
	Interest Income	(38,816,821)	(33,916,219)
	(Profit)/ Loss on Fixed Assets sold	363,718	372,793
	Provision for Doubtful Debts	-	-
	Provision for Gratuity & Compensated Absences	2,173,855	1,048,201
	Foreign Exchange Adjustments	(1,031,980)	(811,822)
	Operating profit before working capital changes	109,425,367	99,480,073
	Movement in Working Capital		
	Decrease/(Increase) in Trade Receivables	(9,415,980)	2,055,403
	Loans and Advances & Other Current Assets	(11,618,886)	24,683,403
	Current Liabilities and Provisions	6,630,739	8,323,295
	Cash generated from/(Used in) operations	(14,404,127)	35,062,101
	Taxes paid (including TDS)	(30,146,050)	(47,313,630)
	Net cash Flow from/(Used in) Operating activities (A)	64,875,190	87,228,544
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets (including Capital Work-in-progress)	(26,218,119)	(16,512,284)
	Proceeds from sale of Fixed Assets	302,845	-
	Loan received from NIIT Technologies Limited, India	200,000,000	-
	Interest Received	38,816,821	33,916,219
	Net cash used for Investing activities (B)	212,901,547	17,403,935
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Vehicle Loans repaid during the year	(1,669,869)	(1,928,327)
	Vehicle Loan raised during the year	3,502,748	-
	Interest Paid (including financing charges on finance lease arrangements)	(289,676)	(401,505)
	Net cash from / (used in) Financing activities (C)	1,543,203	(2,329,832)
	Net Increase/(Decrease) in Cash & Cash equivalents (A) + (B) + (C)	279,319,940	102,302,648
	Adjustment on account of Foreign Exchange Fluctuations		
	Cash and Cash equivalents as at the beginning of the year (Note 1)	215,989,130	113,686,482
	Cash and cash equivalents as at the end of the year (Note 1)	495,309,070	215,989,130
Notes:			
1	Cash and cash equivalents as on	31st March 2016	31st March 2015
		Rs.	Rs.
	Cash, Cheques & Drafts (in hand) and Remittances in transit	-	-
	Balances with banks - In Current Account	19,805,772	18,377,761
	Balances with banks - In Deposit Account	475,503,298	197,611,369
		495,309,070	215,989,130

2. The Notes 1 - 29 form an integral part of the Cash Flow Statement.

3. Previous year figures, to the extent feasible, have been regrouped/recast wherever necessary to conform to the current year's classification. This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board of Directors of
NIIT SmartServe Limited

For Ghosh Khanna & Co.
Chartered Accountants
Firm Registration No.: 003566N

Rajendra S Pawar
Director
DIN: 00042516

Arvind Thakur
Managing Director
DIN: 00042534

Amit Mittal
Partner
Membership No. 0508748

Amit Kumar Gare
Chief Financial Officer

Barkha Sharma
Company Secretary

Place: New Delhi
Date: 21st April, 2016

CIN: U72900DL2002PLC114946



NIIT SMARTSERVE LIMITED

Notes to Financial Statements for the year ended 31st March 2016

SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 133 [read with Rule 7 of the Companies (Accounts) Rules, 2014] and other relevant provisions of the Companies Act, 2013

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule II to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

2) Other significant accounting policies adopted by the company are detailed below:

i) Tangible Fixed Assets and Depreciation

Fixed Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets or the rates prescribed under Schedule II to the Companies Act, 2013, whichever is higher, as follows:

Plant and Equipments including: - Computers, printers and related accessories - Electronic Equipments - Vehicles	3 Years 8 years 8 years
All other assets	Rates prescribed under Schedule II to the Companies Act, 2013

ii) Intangible Fixed Assets and Amortisation

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

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

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

iii) Impairment of Assets

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



iv) Revenue Recognition

As a consistent practice, the company recognizes revenue on accrual basis. Revenue in respect of IT enabled services is recognized based on services performed in accordance with specific agreements with the customers.

v) Other Income

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

vi) Inventory Valuation- Traded goods

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

vii) Employee Benefits

Gratuity

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

Compensated Absences

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

Superannuation

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

Provident Fund

The Company makes defined contribution of Provident Fund to the trust "NIIT TECHNOLOGIES LIMITED EMPLOYEES' PROVIDENT FUND TRUST" set up by the Holding Company. Company's contribution towards Provident Fund is charged to the Statement of Profit & Loss.

Pension Fund

The Company makes defined contribution to the government administered pension fund on behalf of its employees. The Company's contribution towards employees pension scheme is charged to the Statement of Profit and Loss.



viii) Foreign Currency Transactions

Transactions in foreign currency are booked at rates determined periodically which approximates the actual rates, and all monetary assets and liabilities in foreign currency are restated at the end of accounting year. Gains/Losses arising out of fluctuations on realization / payment or restatement are charged / credited to the Statement of Profit & Loss.

ix) Taxation

Tax expense, comprising of both current tax and deferred tax is included in determining the net results for the year. Deferred Tax reflects the effect of timing differences between the assets and liabilities recognised for financial reporting purposes and the amounts that are recognised for current tax purposes. As a matter of prudence, deferred tax assets are recognised and carried forward only to the extent, there is reasonable/ virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the prevailing taxation laws. Minimum Alternate Tax (MAT) paid in excess of normal income tax is recognised as asset (MAT Credit entitlement) only to the extent, there is reasonable certainty that the Company shall be liable to pay tax as per the normal provisions of the Act in future. MAT Credit is utilised in the year when normal income tax is higher than the MAT.

x) Provisions and Contingencies

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

xi) Lease

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

xii) Cash and Cash Equivalents

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

xiii) Borrowing Cost

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

xiv) Earnings Per Share

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



NIIT SMARTSERVE LIMITED

Notes to Financial Statements for the period ended 31st March 2016

3	SHARE CAPITAL	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
	Authorised 50,000,000 Equity Shares of Rs. 10/- each (Previous year 50,000,000 Equity Shares of Rs. 10/- each)	500,000,000	500,000,000
		500,000,000	500,000,000
	Issued 50,000,000 Equity Shares of Rs. 10/- each (Previous year - 50,000,000 Equity Shares of Rs. 10/- each)	500,000,000	500,000,000
		500,000,000	500,000,000
	Subscribed and fully paid 50,000,000 Equity Shares of Rs. 10/- each (Previous year - 50,000,000 Equity Shares of Rs. 10/- each)	500,000,000	500,000,000
		500,000,000	500,000,000

3.1	Reconciliation of the number of shares outstanding		
	Equity Shares		
	Shares outstanding at the beginning of the year	50,000,000	50,000,000
	Shares Issued during the year	-	-
	Shares bought back during the year	-	-
	Shares outstanding at the end of the year	50,000,000	50,000,000

3.2	Shares in respect of each class in the company held by	Name of the company	Class of shares Equity/ Preference	As at 31st March 2016 No. of shares	As at 31st March 2015 No. of shares
	Holding company	NIIT Technologies Limited	Equity	49,999,940	49,999,940
	Others (representative shareholders)		Equity	60	60

3.3	Shares held by each shareholder holding more than 5% shares	31st March 2016		31st March 2015	
		% of holding	No. of shares	% of holding	No. of shares
	Equity Shares				
	NIIT Technologies Limited	100%	50,000,000	100%	50,000,000
		100%	50,000,000	100%	50,000,000

CIN: U72900DL2002PLC114946



NIIT SMARTSERVE LIMITED

Notes to Financial Statements for the period ended 31st March 2016

4	RESERVES AND SURPLUS	As at 31st March 2016		As at 31st March 2015	
		Rs.		Rs.	
	Profit & Loss Account				
	Balance Brought Forward from Previous year	61,194,303		(10,065,232)	
	Less: Adjustment for Change in Useful life of Fixed Assets	-		(4,016,522)	
	Add: Current Year Profit / (Loss)	83,237,951		75,276,057	
		144,432,254		61,194,303	
	Less:-				
	Proposed Dividend on Equity Shares	66,292,663		-	
	Corporate Dividend Tax for Current Year	13,495,628		-	
		79,788,291	64,643,963		61,194,303
			64,643,963		61,194,303

5	LONG TERM BORROWINGS	Non Current Portion		Current Maturities	
		As at 31st March 2016 Rs.	As at 31st March 2015 Rs.	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
	SECURED LONG TERM BORROWINGS				
	- Vehicle Loans (Secured By Hypothecation of vehicles) (Terms of Repayment 1 to 5 years)	3,454,222	1,496,397	1,261,885	1,386,832
	Sub Total	3,454,222	1,496,397	1,261,885	1,386,832
	Amount disclosed under the head "Other Current Liabilities" (Note 7)	-	-	(1,261,885)	(1,386,832)
		3,454,222	1,496,397	-	-

6	PROVISIONS	LONG-TERM		SHORT-TERM	
		As at 31st March 2016 Rs.	As at 31st March 2015 Rs.	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
	Provision for employee benefits :				
	Provision for Gratuity	2,601,398	1,395,551	-	-
	Provision for Compensated Absences	7,664,329	7,005,224	3,529,407	3,220,504
		10,265,727	8,400,775	3,529,407	3,220,504

7	OTHER CURRENT LIABILITIES	As at 31st March 2016		As at 31st March 2015	
		Rs.		Rs.	
	Trade Payables				
	- Due to Micro Enterprises and Small Enterprises *		29,360,964		31,181,882
	- Due to Others				
			29,360,964		31,181,882
	Others:				
	Current Maturities of Long Term Borrowings (Note 5)		1,261,885		1,386,832
	Employee Benefit Payable		9,143,441		6,746,316
	Statutory Dues Payable		17,132,464		4,537,486
	Other Payables		7,014,307		13,575,238
	Proposed Dividend on Equity Shares for the year		66,292,663		-
	Corporate Dividend Tax on Proposed Dividend on Equity Shares		13,495,628		-
			114,340,388		26,245,872
			143,701,352		57,427,754

* There are no micro and small scale enterprises to which the Company owes dues as at 31st March 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

CIN: U72900DL2002PLC



NIIT SMARTSERVE LIMITED
Notes to Financial Statements for the period ended 31st March 2016

8 FIXED ASSETS											
Description of Assets	GROSS BLOCK				DEPRECIATION AND AMORTISATION					NET BLOCK	
	Cost As on 01.04.2015	Additions during the year	Sales / Adj. during the year	Total as on 31.03.2016	As on 01.04.2015	For the year	Sales during the year	Adj. during the year	Total as on 31.03.2016	As on 31.03.2016	As on 31.03.2015
(i) Tangible											
Plant & Equipment -Owned	157,632,209	10,511,113	-	168,143,323	130,149,833	10,766,675	-	-	140,916,508	27,226,814	27,482,376
Office Equipments	4,993,943	797,559	-	5,791,502	4,627,096	117,317	-	-	4,744,413	1,047,089	366,847
Lease Hold Improvements	17,818,752	-	-	17,818,752	17,818,752	-	-	-	17,818,752	-	-
Furniture & Fixtures -Owned	7,003,365	-	-	7,003,365	6,712,341	166,187	-	-	6,878,528	124,837	291,023
Vehicles	7,307,364	3,928,911	1,057,822	10,178,453	2,105,256	1,000,261	391,260	-	2,714,258	7,464,195	5,202,108
Sub Total (a)	194,755,633	15,237,583	1,057,822	208,935,395	161,413,278	12,050,440	391,260	-	173,072,459	35,862,935	33,342,354
(ii) Intangible											
Software -Acquired	101,351,858	10,980,535	-	112,332,393	97,746,781	10,782,261	-	-	108,529,042	3,803,351	3,605,077
Sub Total (b)	101,351,858	10,980,535	-	112,332,393	97,746,781	10,782,261	-	-	108,529,042	3,803,351	3,605,077
Total (a+b)	296,107,491	26,218,119	1,057,822	321,267,788	259,160,059	22,832,701	391,260	-	281,601,501	39,666,286	36,947,431
Previous Year	282,930,227	17,627,892	4,450,628	296,107,491	237,835,997	20,269,767	2,962,228	4,016,524	259,160,059	36,947,431	45,094,229

CIN: U72900DL2002PLC114946



NIIT SMARTSERVE LIMITED

Notes to Financial Statements for the period ended 31st March 2016

9	DEFERRED TAX ASSET (NET)	Opening	Charged/ (Credited)	Closing
		As at 31st March 2015	to Profit and Loss Account	As at 31st March 2016
		Rs.	Rs.	Rs.
	Deferred Tax Assets / Liabilities			
	Deferred Tax Liabilities			
	Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	-	-	-
	(A)	-	-	-
	Deferred Tax Assets			
	Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	4,281,374	269,095	4,550,469
	Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax:			
	Provision for Bonus	-	4,278,882	4,278,882
	Provision for Compensated Absences, Gratuity and other timing differences	3,966,811	826,788	4,793,599
	(B)	8,248,185	5,374,765	13,622,950
	Net Deferred Tax Liabilities / (Assets) (A+B)	(8,248,185)	(5,374,765)	(13,622,950)
	Previous Year	(5,750,486)	(2,497,699)	(8,248,185)

10	LONG TERM LOANS AND ADVANCES	Non Current		Current	
		As at 31st March 2016 Rs.	As at 31st March 2015 Rs.	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
i)	Security Deposits				
	Secured, considered good				
	Unsecured, considered good	25,809,246	20,102,340	-	-
	Unsecured, considered doubtful	-	-	-	-
	Less: Provision for doubtful security deposits	-	-	-	-
	(A)	25,809,246	20,102,340	-	-
ii)	Loans and advances to related parties (refer note 1)				
	Secured, considered good				
	Unsecured, considered good	-	-	-	200,000,000
	Unsecured, considered doubtful	-	-	-	-
	Less: Provision for doubtful advances	-	-	-	-
	(B)	-	-	-	200,000,000
iii)	Advances recoverable in cash or in kind				
	Secured, considered good				
	Unsecured, considered good	-	-	16,557,260	13,958,408
	Service Tax claimable	38,372,418	40,741,366	-	-
	Unsecured, considered doubtful	-	-	-	-
	Less: Provision for doubtful advances	-	-	-	-
	(C)	38,372,418	40,741,366	16,557,260	13,958,408
iv)	Other Advances				
	Advance tax	113,893,149	83,747,099	-	-
	Less: Provision for tax	(101,240,528)	(55,489,496)	-	-
	MAT Credit entitlement	-	-	-	-
	(D)	12,652,621	28,257,603	-	-
	(A+B+C+D)	76,834,286	89,101,309	16,557,260	213,958,408

Note 1: Loans & Advances to related parties includes Rs.NIL given to NIIT Technologies Ltd. India (Previous Year Rs.200,000,000 -).

Loans and advances due by	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
Directors *	-	-	-	-
Other officers of the Company *	-	-	-	-
Firm in which director is a partner *	-	-	-	-
Private Company in which director is a member	-	-	-	-

*Either severally or jointly

CIN: U72900DL2002PLA114946



NIIT SMARTSERVE LIMITED
Notes to Financial Statements for the period ended 31st March 2016

11	TRADE RECEIVABLES	Non Current		Current	
		As at 31st March 2016 Rs.	As at 31st March 2015 Rs.	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
a)	Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
	Unsecured, considered good	-	-	819,360	-
		-	-	819,360	-
b)	Other Trade Receivables				
	Unsecured, considered good	-	-	69,959,605	60,551,490
	Unsecured, considered doubtful	-	-	-	-
	Less: Provision for doubtful debts	-	-	-	-
		-	-	69,959,605	60,551,490
		-	-		
		-	-	70,778,965	60,351,490
c)	Trade Receivable stated above include debts due by:				
	Directors *	-	-	-	-
	Other officers of the Company *	-	-	-	-
	Firm in which director is a partner *	-	-	-	-
	Private Company in which director is a member	-	-	-	-
	Holding Company	-	-	4,073,595	9,997,395
	Fellow Subsidiary Companies	-	-	58,430,489	46,606,715
	Associate Companies	-	-	-	-
		-	-	62,504,085	56,604,110

*Either severally or jointly

12	OTHER ASSETS	Non Current		Current	
		As at 31st March 2016 Rs.	As at 31st March 2015 Rs.	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
	Non Current Bank Balances (Note 13)	405,943,298	147,136,369	-	-
	Interest Receivable	-	-	12,825,854	7,143,780
		405,943,298	147,136,369	12,825,854	7,143,780

13	CASH AND CASH EQUIVALENTS	Non Current		Current	
		As at 31st March 2016 Rs.	As at 31st March 2015 Rs.	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
	Cash and cash equivalents:				
	Balance with banks				
	Current Accounts	-	-	19,805,772	18,377,761
	Exchange Earners' Foreign Currency Account	-	-	-	-
	Bank deposits with original maturity of 3 months or less	-	-	69,560,000	50,475,000
	[Includes Rs. NIL (Previous year Rs. NIL) pledged as margin money]	-	-	-	-
		-	-	89,365,772	68,852,761
	Other bank balances:				
	Balance with banks				
	Bank deposits:				
	With original maturity of more than 3 months and upto 12 months	369,748,891	106,588,854	-	-
	[Includes Rs. 15,363,522 (Previous year Rs. 12,777,676) pledged as margin money]	-	-	-	-
	With original maturity of more than 12 months	36,194,407	40,547,515	-	-
	[Includes Rs. NIL (Previous year Rs. 1,547,515) pledged as margin money]	-	-	-	-
		405,943,298	147,136,369	-	-
		405,943,298	147,136,369	89,365,772	68,852,761
	Amount disclosed under non-current assets (Note12)	(405,943,298)	(147,136,369)	-	-
		-	-	89,365,772	68,852,761



NIIT SMARTSERVE LIMITED
Notes to Financial Statements for the period ended 31st March 2016

14	REVENUE FROM OPERATIONS	Period ended 31st March 2016 Rs.	Year ended 31st March 2015 Rs.
	Sale of Services	536,698,959	479,551,986
		536,698,959	479,551,986

15	OTHER INCOME	Period ended 31st March 2016 Rs.	Year ended 31st March 2015 Rs.
	Interest Income	38,816,821	33,916,219
	Gain/(loss) on foreign currency translation and transaction (net)	(424,249)	(7,423,332)
	Other non-operating income*	119,027	623,103
		38,511,599	27,115,990

* Other non-operating income includes Staff recovery and Sale of Scrap

16	EMPLOYEE BENEFIT EXPENSES	Period ended 31st March 2016 Rs.	Year ended 31st March 2015 Rs.
	Salaries and Benefits	229,638,330	196,801,283
	Contribution to Provident and Other Funds	9,425,881	9,899,632
	Welfare and Other expenses	9,042,486	9,164,787
		248,106,697	215,865,702

16.1 Employee Benefits:

The company has calculated the various benefits provided to employees as under:

A.	Defined Contribution Plans	2015-2016	2014-2015
	Employers Contribution to Provident Fund.*	2,746,696	2,796,691
	Employers Contribution to Superannuation Fund.*	-	-

B.	State Plans	2015-2016	2014-2015
	Employers Contribution to Employee State Insurance.*	1,244,105	1,382,376
	Employers Contribution to Employee's Pension Scheme 1995.*	3,924,815	3,250,099

* Included in Contribution towards Provident and Other Funds under Personnel Expenditure (Refer Note 16)

C. Defined Benefit Plans

Contribution to Gratuity Funds – Employer's Gratuity Fund
Disclosures as per actuarial report of independent actuary:

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

Description	Year ended 31 st March 2016 (Rs.in Thousand)	Year ended 31 st March 2015 (Rs.in Thousand)
Present value of obligation as at the beginning of the year	7,177.51	5,212.68
Interest Cost	535.09	453.30
Current Service Cost	1,673.43	1,288.20
Benefit paid	(686.13)	(735.35)
Actuarial (gain) loss on obligations	(551.91)	958.68
Present value of obligation as at the end of the year	8,147.99	7,177.51

CIN: U72900DL2002PLC114946



NIIT SMARTSERVE LIMITED
Notes to Financial Statements for the period ended 31st March 2016

Change in Plan Assets:

Description	Year ended 31 st March 2016 (Rs.in Thousand)	Year ended 31 st March 2015 (Rs.in Thousand)
Plan assets at the beginning at fair value	5,781.96	4,539.96
Expected return on plan assets	477.73	432.86
Contributions	41.65	1,549.37
Benefit paid	(686.13)	(735.35)
Actuarial gain / (loss) on plan assets	(68.61)	(4.89)
Present value of Assets as at the end of the year	5,546.59	5,781.96

Amount of the obligation recognized in the Balance Sheet:

Description	As at 31 st March 2016 (Rs. in Thousand)	As at 31 st March 2015 (Rs. in Thousand)
Present value of the defined benefit obligation at the end of the year	8,147.99	7,177.51
Fair value of plan assets at the end of the year	5,546.59	5,781.96
Net Asset/(Liability) recognized in the Balance Sheet	2,601.40	1,395.55

Amount of gratuity expense recognized in the Profit and Loss account:

Description	Year ended 31 st March 2016 (Rs.in Thousand)	Year ended 31 st March 2015 (Rs.in Thousand)
Current service cost	1,673.43	1,288.20
Interest Cost	535.09	453.30
Expected return on plan assets	(477.73)	(432.86)
Actuarial (gain) / loss recognized during the year	(483.29)	963.57
Total	1,247.50	2,272.21

D. Compensated Absences

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

Description	Year ended 31 st March 2016 (Rs.in Thousand)	Year ended 31 st March 2015 (Rs.in Thousand)
Present value of defined benefit obligation as at the beginning of the year	10,225.73	9,900.36
Interest Cost	667.70	779.50
Current Service Cost	2,458.43	2,141.53
Benefit paid	-	-
Actuarial (gain) / loss on obligations	(2,158.13)	(2,595.66)
Present value of obligation as at the end of the year	11,193.74	10,225.73

Change in Plan Assets:

Description	Year ended 31 st March 2016 (Rs.in Thousand)	Year ended 31 st March 2015 (Rs.in Thousand)
Plan assets at the beginning at fair value	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Actuarial gain / (loss) on plan assets	-	-
Present value of Assets as at the end of the year	-	-

Amount of the obligation recognized in the Balance Sheet:

Description	As at 31 st March 2016 (Rs. in Thousand)	As at 31 st March 2015 (Rs. in Thousand)
Present value of the defined benefit obligation at the end of the year	11,193.74	10,225.73
Fair value of plan assets at the end of the year	-	-
Net Asset/(Liability) recognized in the Balance Sheet	(11,193.74)	(10,225.73)

Amount of Compensated Absence expense recognized in the Profit and Loss account:

Description	Year ended 31 st March 2016 (Rs.in Thousand)	Year ended 31 st March 2015 (Rs.in Thousand)
Current service cost	2,458.43	2,141.53
Interest Cost	667.70	779.50
Expected return on plan assets	-	-
Actuarial (gain) / loss recognized during the year	(2,158.13)	(2,595.66)
Total	968.01	325.36

CIN: U72900DL2002PLC114946



NIIT SMARTSERVE LIMITED

Notes to Financial Statements for the period ended 31st March 2016

Investment details of plan assets:

The plan assets are maintained with Life Insurance Corporation Gratuity Scheme. The details of investment maintained by Life Insurance Corporation are not available with the company and have not been disclosed.

Principal actuarial assumptions at the Balance sheet date:

Description	2015-16	2014-15
Discounting Rate	7.80%	7.75%
Expected Rate of return on plan assets	8.75%	8.75%

The estimates of the future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market

17	ADMINISTRATION AND OTHER OPERATING EXPENSES	Period ended 31st March 2016 Rs.	Year ended 31st March 2015 Rs.
	Rent (net of recoveries)	50,792,546	42,356,692
	Rates and Taxes	397,017	49,347
	Power & Fuel	13,722,806	16,536,526
	Communication	13,068,304	12,016,670
	Charity & Donations	1,673,319	1,429,112
	Legal and Professional	15,870,128	12,805,440
	Travelling and Conveyance	56,526,468	47,745,111
	Insurance	2,344,137	1,902,252
	Repairs and Maintenance		
	- Plant and Machinery	5,464,510	6,685,083
	- Buildings	-	113,616
	- Others	3,185,380	2,609,123
	Loss on Sale of Fixed Assets (Net)	363,718	372,793
	Security and Administration Services	10,865,030	9,484,631
	Bank Charges	825,907	160,213
	Sundry Expenses	4,084,735	2,862,816
		179,184,005	157,481,925

18	SELLING AND MARKETING EXPENSES	Period ended 31st March 2016 Rs.	Year ended 31st March 2015 Rs.
	Advertisement and Publicity	243,709	-
	Other Marketing Expenses	939,552	533,228
		1,183,261	533,228

19	FINANCE EXPENSES	Period ended 31st March 2016 Rs.	Year ended 31st March 2015 Rs.
	Interest Expense		
	On Vehicle Loan	289,676	401,505
		289,676	401,505

CIN: U72900DL2002PLA114946



NIIT SMARTSERVE LIMITED

Notes to Financial Statements for the year ended 31st March 2016

20) **Contingent Liabilities**

Counter guarantees issued by bankers in favour of Custom Department, Sales Tax Department and Department of Telecommunications which is outstanding at 31st March 2016 amount to Rs.11,100,000 (Previous Year Rs.11,100,000).

21) (a) Estimated amount of contracts remaining to be executed on capital account for Rs.12,788,612 (Previous Year Rs.7,818,428).

(b) **CIF Value of Imports (on accrual basis)**

	31 st March 2016 (Rs.)	31 st March 2015 (Rs.)
Capital Goods	3,324,048	NIL

22) (a) **Expenditure in Foreign Currency -Net of Taxes (on accrual basis)**

	31 st March 2016 (Rs.)	31 st March 2015 (Rs.)
Foreign Travel	4,159,185	3,546,049
Others	5,083,482	3,965,371

(b) **Earnings in Foreign Currency (on accrual basis)**

	31 st March 2016 (Rs.)	31 st March 2015 (Rs.)
IT Enabled Services	533,526,637	475,055,555

23) **Payment to Auditors (excluding Service tax)**

	31 st March 2016 (Rs.)	31 st March 2015 (Rs.)
Audit Fees	137,500	137,500
Tax Audit Fees	93,500	93,500
Others	<u>134,000</u>	<u>120,000</u>
Total	<u>365,000</u>	<u>351,000</u>



NIIT SMARTSERVE LIMITED
Notes to Financial Statements for the year ended 31st March 2016

24) Segment Information

Primary Segment Information – Business Segment

The sub businesses are fully aligned to the BPO and IT Enabled Services business of the Company and the same are being viewed as primary segment.

Secondary Segment Information – Geographical

The secondary segment information in relation to the geographies is as follows:

Particulars	Revenue from customers by location of customers	Carrying amount of segment assets by location of the assets
India	3,172,322	4,263,141
America	385,397,190	39,012,249
Europe	142,563,893	25,689,348
ME	5,565,554	2,828,890
Total	536,698,959	71,793,628

25) Related Party Disclosure as per Accounting Standard (AS) -18

Related Parties Disclosures for the year 2015-16

A. Key Managerial Personnel

Sr. No.	Name	Remarks
1.	Mr. Arvind Thakur	Managing Director

B. Relatives of Key Managerial Personnel

Sr. No.	Name	Remarks
1.	Ms. Rati Thakur	Spouse of Mr. Arvind Thakur
2.	Mr. G.R.S. Thakur	Father of Mr. Arvind Thakur
3.	Ms. Sneha Thakur	Mother of Mr. Arvind Thakur
4.	Mr. Ankur Thakur	Son of Mr. Arvind Thakur
5.	Ms. Seema Arora	Daughter-in-law of Mr. Arvind Thakur
6.	Ms. Mallika Thakur	Daughter of Mr. Arvind Thakur
7.	Ms. Mala Singh	Sister of Mr. Arvind Thakur



NIIT SMARTSERVE LIMITED
Notes to Financial Statements for the year ended 31st March 2016

C. Holding Company

Sr. No.	Name of Company	Remarks
1.	NIIT Technologies Limited	Holding Company

D. Fellow Subsidiaries

Sr. No.	Name of Company	Remarks
1.	ESRI India Technologies Limited (Erstwhile NIIT GIS Limited)	First Generation Subsidiary Company of NIIT Technologies Ltd.
2.	Incessant Technologies Limited	First Generation Subsidiary Company
3.	NIIT Technologies Services Limited (Erstwhile Adecco NIIT Technologies Limited)	First Generation Subsidiary Company
4.	NIIT Technologies Limited, UK	First Generation Subsidiary Company
5.	NIIT Technologies Pte Limited, Singapore	First Generation Subsidiary Company
6.	NIIT Technologies Inc, USA	First Generation Subsidiary Company
7.	NIIT Technologies GmbH, Germany	First Generation Subsidiary Company
8.	NIIT Technologies Co. Ltd., Japan	Second/Third Generation Subsidiary Company
9.	NIIT Technologies BV, Netherlands	Second/Third Generation Subsidiary Company
10.	NIIT Technologies NV, Belgium	Second/Third Generation Subsidiary Company
11.	NIIT Technologies Ltd, Thailand	Second/Third Generation Subsidiary Company
12.	NIIT Technologies Pty Ltd, Australia	Second/Third Generation Subsidiary Company
13.	NIIT Technologies AG, Switzerland	Second/Third Generation Subsidiary Company
14.	NIIT Insurance Technologies Limited, U.K.	Second/Third Generation Subsidiary Company
15.	NIIT Airline Technologies GmbH, Germany	First Generation Subsidiary Company
16.	NIIT Technologies FZ LLC	First Generation Subsidiary Company
17.	NIIT Media Technologies LLC	Second Generation Subsidiary Company
18.	NIIT Technologies S A	Second Generation Subsidiary Company
19.	NIIT Technologies Philippines Inc.	First Generation Subsidiary company
20.	NIIT Technologies Brazil Ltda.	Second Generation Subsidiary company
21.	Incessant Technologies. Ltd.(UK)	Second Generation Subsidiary company
22.	Incessant Technologies Inc. (Canada)	Second Generation Subsidiary company
23.	Incessant Technologies Ltd., (Ireland)	Second Generation Subsidiary company
24.	Incessant Technologies Pty Ltd. (Australia)	Second Generation Subsidiary company
25.	Incessant Technologies NA Inc (USA)	Second Generation Subsidiary company

CIN: U72900DL2002PLC114946



NIIT SMARTSERVE LIMITED
Notes to Financial Statements for the year ended 31st March 2016

E. Associate Companies with whom transaction done during the year

Sr. No.	Name of Company	Remarks
1.	NIIT Limited, India	Associate Company

F. List of other Companies in which key Managerial Personnel are interested

S No	Name of Companies/Firms	Remarks
	-----NIL-----	

- Details of transaction and balances with related parties:

Details of transaction with related parties.

Nature of Transaction	Holding Company and Fellow Subsidiaries	Parties of whom the company is an associate	Key Managerial Personnel	Total
Rendering of Services (Note 2)	479,798,962 (410,070,762)	NIL (NIL)	NIL (NIL)	479,798,962 (410,070,762)
Receiving of Services (Note 3)	7,901,617 (5,097,393)	137,706 (146,396)	NIL (NIL)	8,039,323 (5,243,789)
Transfer of Expenses from (Note 4)	11,146,918 (6,889,719)	NIL (NIL)	NIL (NIL)	11,146,918 (6,889,719)
Transfer of Expenses to (Note 5)	29,517,908 (27,541,438)	NIL (NIL)	NIL (NIL)	29,517,908 (27,541,438)
Loans received back (Note 6)	200,000,000 (NIL)	NIL (NIL)	NIL (NIL)	200,000,000 (NIL)
Interest Received (Note 7)	16,761,641 (23,054,677)	NIL (NIL)	NIL (NIL)	16,761,641 (23,054,677)
Sale of Fixed Assets (Note 8)	NIL (635,747)	NIL (NIL)	NIL (NIL)	NIL (635,747)
Corporate Social Responsibility (Note 9)	NIL (NIL)	1,655,000 (1,405,000)	NIL (NIL)	1,655,000 (1,405,000)
Total	745,127,046 (473,289,736)	1,792,706 (1,551,396)	NIL (NIL)	746,919,752 (474,841,132)



NIIT SMARTSERVE LIMITED

Notes to Financial Statements for the year ended 31st March 2016

Details of balances with related parties as at year end.

Nature of Transaction	Holding Company and Fellow Subsidiaries	Parties of whom the company is an associate	Key Managerial Personnel	Total
Receivable (Note 10)	62,504,085 (256,604,109)	NIL (NIL)	NIL (NIL)	62,504,085 (256,604,109)
Payable (Note 11)	6,413,471 (7,284,534)	2,047 (129,386)	NIL (NIL)	6,415,518 (7,413,920)

Note: 1. Figure in parenthesis represents previous year's figure.

2. Includes transactions for the year mainly with;

- NIIT Technologies Ltd., India Rs.1,985,674 (Previous Year Rs. 3,403,303)
- ESRI India Technologies Ltd., India (formerly NIIT GIS Ltd) Rs.1,186,648 (Previous Year Rs.1,093,128)
- NIIT Airline Technologies GmbH, Germany Rs.19,920,879 (Previous Year Rs.18,431,818)
- NIIT Technologies Inc., USA Rs.337,069,370 (Previous Year Rs. 271,818,895)
- NIIT Insurance Technologies Ltd, UK Rs.32,002,077 (Previous Year Rs. 33,885,840)
- NIIT Technologies Ltd., UK Rs.65,588,074 (Previous Year Rs. 70,578,718)
- NIIT Technologies FZ-LLC, Dubai Rs.5,565,554 (Previous Year Rs. 4,848,464)
- NIIT Technologies GmbH, Germany Rs.16,480,686 (Previous Year Rs. 6,010,596)

3. Includes transactions for the year mainly with;

- NIIT Technologies Ltd., India Rs.6,310,188 (Previous Year Rs. 3,346,023)
- NIIT Technologies Ltd, UK Rs.1,591,429 (Previous Year Rs. 1,751,370)
- Naya Bazar Novelties Pvt. Ltd., India Rs.32,706 (Previous Year Rs.17,010)
- Evolv Services Ltd, India Rs. NIL (Previous Year Rs. 129,386)
- NIIT IFBI Ltd, India Rs.105,000 (Previous Year Rs. NIL)

4. Includes transactions for the year mainly with;

- NIIT Technologies Ltd., India Rs.10,338,962 (Previous Year Rs. 6,889,719)
- ESRI India Technologies Ltd., India (formerly NIIT GIS Ltd) Rs. 807,956 (Previous Year Rs. NIL)

5. Includes transactions for the year mainly with;

- NIIT Technologies Ltd., India Rs.20,625,924 (Previous Year Rs. 17,056,274)
- ESRI India Technologies Ltd., India (formerly NIIT GIS Ltd) Rs. 4,346,398 (Previous Year Rs.5,049,414)
- NIIT Technologies Inc, USA Rs.3,099,498 (Previous Year Rs. 3,830,825)
- NIIT Technologies Philippines Inc, Phillipines Rs.1,446,088 (Previous Year Rs. 1,604,925)



NIIT SMARTSERVE LIMITED
Notes to Financial Statements for the year ended 31st March 2016

6. Includes transactions for the year mainly with;
 NIIT Technologies Ltd., India Rs. 200,000,000 (Previous Year Rs.NIL)
7. Includes transactions for the year mainly with;
 NIIT Technologies Ltd., India Rs.16,761,641 (Previous Year Rs. 23,054,677)
8. Includes transactions in Sale of Fixed Assets for the year mainly with;
 NIIT Technologies Ltd., India Rs.NIL (Previous Year Rs. 635,747)
9. Includes transactions in Donation under CSR policy for the year mainly with;
 NIIT Institute of Information Technology, India Rs.1,655,000 (Previous Year Rs. 1,405,000)
10. Includes balances mainly with;
 NIIT Technologies Ltd., India Rs.4,073,595 (Previous Year Rs. 209,997,395)
 NIIT Technologies Ltd.(NSU1), India Rs.4,180 (Previous Year Rs. 4,094)
 NIIT Technologies Inc., USA Rs.34,179,506 (Previous Year Rs. 24,804,523)
 NIIT Insurance Technologies Ltd, UK Rs.4,810,340 (Previous Year Rs. 2,384,812)
 NIIT Technologies Ltd., UK Rs.12,049,339 (Previous Year Rs. 14,763,878)
 ESRI India Technologies Lts (erstwhile NIIT GIS Ltd) Rs.185,366 (Previous Year Rs. 616,513)
 NIIT Technologies FZ-LLC, Dubai Rs.2,828,890 (Previous Year Rs. 1,293,042)
 NIIT Technologies GmbH, Germany Rs.1,947,021 NIL (Previous Year Rs.830,029)
 NIIT Airline Technologies GmbH, Germany Rs.2,058,429 (Previous Year Rs.1,488,399)
 NIIT Technologies Phillipines Inc, Phillipines Rs.367,419 (Previous Year Rs. 421,424)
11. Includes balances mainly with;
 NIIT Technologies Ltd., India Rs.5,649,742 (Previous Year Rs. 6,572,362)
 NIIT Technologies Ltd, UK Rs.763,729 (Previous Year Rs. 712,172)
 Evolv Services Ltd, India Rs.NIL (Previous Year Rs.129,386)
 Naya Bazar Novelties Pvt. Ltd , India Rs.2,047 (Previous Year Rs.NIL)

26) Disclosure of Operating Leases as per Standard (AS) -19

- Total of future Minimum Lease Payments under non-cancellable leases in case of premises:

Particulars	In respect of Premises Amount in Rs.	In respect of Equipment Amount in Rs.
Amount payable within the next 1 year	60,190,445	NIL
Amount payable within the next 2 to 5 years	198,628,467	NIL

- Aggregate payments during the year under operating leases amount to Rs.50,587,946 (Previous Year Rs. 42,187,992).



NIIT SMARTSERVE LIMITED
Notes to Financial Statements for the year ended 31st March 2016

- 27) Tax has been deducted at source against payments received by the company during the current year amounting to Rs.5,375,330 (Previous year Rs. 4,773,451).
- 28) The company has proposed dividend on its Equity Shares amounting to Rs.66,292,663, and Dividend Distribution Tax on the proposed dividend amounting to Rs.13,495,628, in the Board Meeting held on 21st April 2016.
- 29) Previous year figures have been regrouped wherever necessary to conform to current year classification.

Signature to the Notes '1' to '29' above.

Rajendra S Pawar
Director
DIN: 00042516

Arvind Thakur
Managing Director
DIN: 00042534

Place : New Delhi
Dated: 21st April, 2016



Amit K Garg
Chief Financial Officer

Barkha Sharma
Company Secretary