

GHOSH KHANNA & CO.
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

THE MEMBERS OF NIIT GIS LIMITED

1. We have audited the attached Balance Sheet of M/s **NIIT GIS LIMITED** as at 31st March, 2014 and the related Profit and Loss Statement and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' 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 is maintaining proper records showing full particulars Including quantitative details and situation of Fixed Assets.
 - b. The Fixed Assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the company and its nature of assets and no discrepancies between the book records and physical assets have been noticed.
 - c. In our opinion and according to information and explanation given to us, a substantial part of fixed assets has not been disposed off by the company during the year.
 - ii.a. The stocks of the finished goods of the Company at all its locations have been physically verified by the management at reasonable intervals.
 - b. In our opinion procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of business.



Branches:

- c. The company is maintaining proper records of inventory and the discrepancies between the physical stocks and the book stocks have been properly dealt with and were not material.
- iii. The Company has neither granted nor taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of services and goods.
- v. Purchase of goods and materials and sale of goods, material and services in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 aggregating during the year to Rs. 5 Lacs or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices (based on Transfer Pricing study carried out by the company under the Income Tax Act) for such goods, materials or services or the prices at which transactions of similar goods or services have been made with other parties. However, in case of purchase or sale of goods, materials or services of a specialised nature, it is not possible to compare the prices paid or received.
- vi. The Company's present internal audit system is commensurate with its size and nature of business.
- vii. The Central Government has not prescribed under section 209 (1) (d) of the Companies Act, 1956 for maintenance of Cost Records by the Company for any of its products.
- viii. The Company has regularly deposited, during the year, Provident Fund, Employee State Insurance, Income Tax, Custom Duty and other statutory dues with the appropriate authorities in India.
- ix. According to the information and explanation given to 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. There is a demand of Rs.40,375,327 by the Income Tax department for the A.Y 2006-07 Rs.5,43,72,720/- for A.Y 2007-08 and 58,374,769/- for A.Y 2008-09 against which company has preferred an appeal to the Commissioner of Income Tax(Appeals) and demands set aside by CIT (A) matter now in departmental appeal at ITAT (Refer Note No. 17).

There is a demand of Rs.2,600,327 by the Income Tax department for the A.Y 2009-10 against which company has preferred an appeal to the Commissioner of Income Tax(Appeals)



There is a demand of Rs.50,158,522 by the Income Tax department for the A.Y 2010-11 against which company has preferred an appeal to the Commissioner of Income Tax(Appeals)

The Central Excise, Chandigarh raised a demand of Rs.120,582,449 and equivalent amount of Rs.120,582,449 as penalty. The company has received an unconditional stay order from the Excise Tribunal against the said order.

- x. The company has not accepted any deposits to which the provisions of section 58-A of the Companies Act, 1956 are applicable.
- xi. The company has no accumulated losses as at March 31, 2014 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xii. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- 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. The company has not obtained any terms loans.
- xviii. On the basis of an overall examination of the balance sheet of the company, on 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.
- xix. 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.
- xx. The company has not issued any debentures hence clause(xix) of the order is not applicable to the company.
- xxi. The company has not raised any money by public issues during the year.
- xxii. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.



xxiii. 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, Statement of Profit & Loss and cash flow Statement dealt with by this report are in agreement with the books of account;
 - d) 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;
 - e) On the basis of written representations received from the Directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act; 1956.
 - 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.
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014 and
 - (b) In the case of the Profit and Loss Statement, of the Profit for the period of twelve months ended on that date.
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

A. Ghosh

ASHISH GHOSH
PARTNER

Membership No.81732

Place : New Delhi
Date : 5th May 2014



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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Financials Statements are prepared to comply in all material aspects with the applicable accounting principles in India , the applicable accounting standards notified under section 211(3C) of the Companies Act 1956 and the relevant provision of the Companies Act 1956.

i) Fixed Assets

Fixed Assets are stated at acquisition cost.

ii) Depreciation and Amortization

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

| | |
|--|--|
| Vehicles | 10 years 6 months |
| Plant and Machinery- Computers and Peripherals | 2-5 years |
| All other assets | Rates prescribed under schedule XIV to the Companies Act, 1956 |

iii) Impairment of Assets

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

iv) Revenue Recognition

Software Products

Revenue from sale of products including sale of software user licenses are recognized when dispatch/delivery to the customer has occurred. In case of multiple element contracts involving products and services, revenue is recognized on proportionate completion basis except where individual components are separable products or services that can be dealt with on a standalone basis in which case revenue in respect of each component is recognized separately as per the terms of contract.

Software Services.

The revenue from time and material contracts is recognized on a man month basis. Revenue from fixed price contracts is recognized on proportionate completion method basis and foreseeable loss on the completion of contracts if any, is provided for

Annual Maintenance Contracts

Revenue from Annual Maintenance Contracts are recognized in relation to time elapsed on Straight line basis.



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v) Employee Benefits

a) Retirement Benefit Plans:

- Provident Fund

The company has obtained permission dated 13th August 2009 from the office of Regional Provident Commissioner, New Delhi for participation into NIIT Technologies Limited Employees Provident Fund Trust. Accordingly the company has started making Provident Fund contribution to the Trust benefit from 1st August 2009. It is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investment of the Trust and interest rate notified every year by the Government. The Company's obligation in this regard is determined and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

The Company made defined contribution to Regional Provident Fund Commissioner w.e.f. 1st October 2005 till 31st July 2009 in respect of Provident Fund. The Company does not have any further obligation in this respect.

For the period up to 30th September 2005, the Company made contribution to NIIT Limited Employees' Provident Fund Trust (NIIT Limited Trust) established for the purpose of Provident Fund by NIIT Limited which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investment of the Trust and interest rate notified every year by the Government. The Company's obligation towards any possible shortfall is actuarially determined and provided for. The company is in the process of completing the formalities of transferring the accumulated balances of Corpus of NIIT Limited Trust as relatable to NIIT GIS Limited to the NIIT Technologies Limited Employees' Provident Fund Trust.

The Company's contribution towards provident fund is charged to Profit and Loss Account..

- Superannuation

The Company has made defined contribution to a Trust established for the purpose by NIIT Technologies Limited. The Company has no further obligation beyond its monthly contributions.

- Gratuity

Gratuity is a post employment defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. Actuarial gains and losses arising from changes in actuarial assumptions are charged or credited to the Profit and loss account in the year in which such gains or losses arise.

b) Compensated absences

Liability in respect of compensated absences is provided both for encashable leave and those expected to be availed based on actuarial valuation, which considers undiscounted value of the benefits expected to be paid/availed during the next one year and appropriate discounted value for the benefits expected to be paid/availed after one year.



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vi) Foreign Currency Transaction

Transactions in foreign currency are booked at standard rates determined periodically, which approximate the actual rates, and all monetary assets and liabilities in foreign currency are restated at the year-end. Gain/Loss arising out of fluctuations on realization/payment or restatement is charged/credited to the profit & loss account.

vii) Leases

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of the related lease arrangement.

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.

Minimum Alternative Tax (MAT) credit asset is recognized in the Balance Sheet where it is likely that it will be adjusted against discharge of the tax liability in future.

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) Inventory

Inventory is carried at lower of cost or Net realizable value.

2. **OTHER NOTES:**

(i) **Earnings per Share:**

| | 2013-14 | 2012-13 |
|--|---------------|--------------|
| Profit Attributable to Shareholders (Rs.) | 154,771,548 | 44,634,288 |
| Basic/Diluted average Equity Shares (Nos.) | 1,000,070 | 1,000,070 |
| Nominal Value of Equity Share (Rs.) | 10 | 10 |
| Basic / Diluted Earnings per share | 154.76 | 44.63 |

Note:

The company does not have any outstanding dilutive potential equity shares. Consequently, the basic and dilutive EPS of the company remains the same.



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(ii) **EARNINGS IN FOREIGN CURRENCY**

| | 2013-14 (Rs.) | 2012-13 (Rs.) |
|-------------------|------------------|------------------|
| Software Services | 105,693,316 | 80,484,536 |

(iii) **CIF VALUE OF IMPORTS**

| | 2013-14 (Rs.) | 2012-13 (Rs.) |
|--|------------------|------------------|
| Bought out packages / products & Raw Materials | 20,443,069 | 3,702,943 |

(iv) **EXPENDITURE IN FOREIGN CURRENCY** (Considered on accrual basis)

| | 2013-14 (Rs.) | 2012-13 (Rs.) |
|----------------------|------------------|------------------|
| Travel | 6,475,552 | 12,083,224 |
| Royalty (Net of TDS) | 142,056,970 | 134,248,026 |
| Others | 35,606,327 | 15,806,027 |

(v) **RELATED PARTY TRANSACTION AS PER ACCOUNTING STANDARD 18:**

(a) Related parties relationship where controls exist

Holding Company

- (i) NIIT Technologies Limited, India

Fellow Subsidiaries

- (i) NIIT SmartServe Limited, India
(ii) NIIT Technologies Limited, United Kingdom
(iii) NIIT Technologies BV, Netherlands
(iv) NIIT Technologies Pte Limited, Singapore
(v) NIIT Technologies Ltd, Thailand
(vi) NIIT Technologies Pty Ltd, Australia
(vii) NIIT Technologies Co. Ltd, Japan
(viii) NIIT Technologies GmbH, Germany
(ix) NIIT Technologies Brazil LTD A
(x) NIIT Technologies AG, Switzerland
(xi) NIIT Technologies Inc, USA
(xii) NIIT Technologies NV, Belgium
(xiii) NIIT Insurance Technologies Limited, U.K (erstwhile ROOM Solutions Limited)
(xiv) NIIT Technologies Limited, Canada
(xv) NIIT Airline Technologies GmbH, Germany (Softec GmbH)
(xvi) NIIT Technologies FZ LLC, Dubai



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(b) Other related parties with whom the company has transacted:

(i) Parties of whom the company is an associate:
 - NIIT Limited, India
 - Environmental Systems Research Institute, Inc. USA

(ii) Key managerial Personnel
 - Rajesh C Mathur

(c) Details of transaction with related parties on an arms length basis.

| Nature of Transaction | (Amount in Rs.) | | | |
|---|--|--|--|--|
| | Holding Company and Fellow Subsidiaries | Parties to whom company is an associate | Key Managerial personnel | Total |
| Purchase of Goods (Note 2) | NIL (NIL) | NIL (9,850,158) | NIL (NIL) | NIL (9,850,158) |
| Payment of Royalty/Other Ser. (Note 3) | NIL (NIL) | 218,752,953 (118,635,794) | NIL (NIL) | 118,635,794 (118,635,794) |
| Rendering of services/Sale of software (Note 4) | 77,509,005 (61,988,011) | NIL (NIL) | NIL (NIL) | 77,509,005 (61,988,011) |
| Receiving of services (Note 5) | 6,989,364 (6,615,243) | 73,101 (NIL) | NIL (NIL) | 7,062,465 (6,615,243) |
| Transfer of expenses from (Note 6) | 19,155,550 (48,047,357) | 405,363 (914,532) | NIL (NIL) | 19,560,913 (48,961,889) |
| Transfer of expenses to (Note 7) | 3,464,903 (737,164) | NIL (NIL) | NIL (NIL) | 3,464,903 (737,164) |
| Remuneration | NIL (NIL) | NIL (NIL) | 2,379,718 (5,770,282) | 2,379,718 (5,770,282) |
| Total | 107,118,822 (117,387,775) | 219,231,417 (129,400,484) | 2,379,718 (5,770,282) | 252,558,541 (252,558,541) |

(d) Details of balances with related parties as at year end

| Nature of Transaction | Amount in Rs. | | | |
|-----------------------|---|---|--------------------------|----------------------------|
| | Holding Company and Fellow Subsidiaries | Parties to whom company is an associate | Key Managerial personnel | Total |
| Receivable (Note 8) | 14,974,943 (22,046,500) | 1,496,968 (1,496,968) | NIL (NIL) | 16,471,911 (23,543,468) |
| Payable (Note 9) | 4,399,340 (11,886,876) | 2,668,520 (2,274,404) | NIL (2,666) | 7,067,860 (14,143,946) |



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

2. Includes transactions for the year mainly with;
Environmental Systems Research, Inc., USA Rs.NIL (Previous year Rs.9, 850,158)
3. Includes transactions for the year mainly with;
Environmental Systems Research, Inc., USA Rs.218,752,953 (Previous year Rs.118,635,794)
4. Includes transactions for the year mainly with;
NIIT Technologies Inc., USA Rs.72,462,443 (Previous year Rs.53,812,696)
NIIT Technologies Limited Rs.1,780,380 (Previous year Rs. 5,107,506)
NIIT Technologies PTE Ltd., Singapore Rs.2,837,251(Previous year Rs.3,067,809)
NIIT Insurance Technologies Limited Rs.Rs.428,931 (Previous year Rs.NIL)
5. Includes transactions for the year mainly with;
NIIT Technologies Limited Rs.5,915,028 (Previous year Rs.5,598,036)
NIIT Smart Serve Limited Rs.1,074,336 (Previous Year Rs.1,017,207)
Evolv Services Limited Rs 73,101(Previous Year Rs NIL)
6. Includes transactions for the year mainly with;
NIIT Technologies Limited Rs.13,472,046 (Previous year Rs.44,528,075)
NIIT Smart Serve Limited Rs.4,676,768 (Previous year RsNIL)
NIIT Technologies FZ LLC, Dubai Rs.1,006,736 (Previous year Rs. 3,519,282)
NIIT Limited, India Rs.405,363 (Previous year Rs.914,532)
7. Includes transactions for the year mainly with;
NIIT Technologies Limited -USA Branch Rs.2,846,762 (Previous year Rs. 737,164)
NIIT Technologies Pte Limited, Singapore Rs.578,428 (Previous year Rs.NIL)
NIIT Smartserve Limited Rs 39,713 (Previous year Rs NIL)
8. Includes balances mainly with;
NIIT Technologies Limited Rs.2,559,100 (Previous year Rs.4,380,453)
NIIT Technologies Inc., USA Rs.9,578,593 (Previous year Rs.14,598,238)
NIIT Technologies Pte Limited, Singapore Rs.2,837,251 (Previous year Rs.3,067,809)
NIIT Limited, India Rs.1, 496,968 (Previous Year Rs.1,496,968)
- 9 . Includes balances mainly with;
NIIT Technologies Limited Rs.3,697,680 (Previous year Rs.8,009,774)
NIIT Smart Serve Limited Rs.701,660 (Previous Year Rs.337,820)
NIIT Technologies FZ LLC, Dubai Rs.NIL (Previous year Rs. 3,519,282)
NIIT Limited, India Rs.2,657,623 (Previous year Rs.2,251,986)
Evolv Services Limited Rs 10,897 (previous Year Rs NIL)
Environmental Systems Research Institute, Inc. Rs.22,418 (Previous year Rs.22,418)
Rajesh C Mathur Rs.NIL (Previous year Rs. 2,666)

(vi). Employee Benefits:

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

A. Defined Contribution Plans

- a) Provident Fund.
- b) Superannuation Fund.



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

| | 2013-2014 | 2012-2013 |
|---|-----------|-----------|
| Employers Contribution to Provident Fund.* | 4,046,154 | 3,678,153 |
| Employers Contribution to Superannuation Fund.* | 678,174 | 864,437 |

B. State Plans

- a) Employers Contribution to Employee State Insurance.*
- b) Employers Contribution to Employee's Pension Scheme 1995.*

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

| | 2013-2014 | 2012-2013 |
|--|-----------|-----------|
| Employers Contribution to Employee State Insurance.* | 139,972 | 153,242 |
| Employers Contribution to Employee's Pension Scheme 1995.* | 1,454,296 | 1,552,589 |

* Included in Contribution towards Provident and Other Funds under Personnel Expenditure (Refer Note 22)

C. Defined Benefit Plans

- a) Provident Fund:

An actuarial analysis of the interest earning of the Provident Fund Trust to whom the company had made contribution was carried out by an independent actuary. The actuary has recommended that no additional provision is required considering overall interest earning, cumulative surplus and present statutory rate of interest. Accordingly no additional provision in respect of provident fund liability is considered necessary.

- b) Contribution to Gratuity Funds – Employee's Gratuity Fund

(vii). The dominant source of risk and returns of the enterprise is considered to be the business in which it operates viz – software solutions. Being a single business segment Company, no primary segment as per Accounting Standard -17 Segmental Reporting information is being provided. 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 | | Addition to fixed assets | |
|--------------|---|--------------------|---|--------------------|--------------------------|------------------|
| | 31.03.2014 | 31.03.2013 | 31.03.2014 | 31.03.2013 | 31.03.2014 | 31.03.2013 |
| India | 678,358,838 | 691,333,400 | 867,017,241 | 725,897,644 | 22,474,885 | 5,340,780 |
| America | 72,462,443 | 54,278,929 | 9,578,593 | 15,064,472 | Nil | Nil |
| Europe | 5,546,988 | 471,231 | 1,531,529 | 471,231 | Nil | Nil |
| Asia Pacific | 9,157,904 | 9,762,436 | 3,487,151 | 3,152,624 | Nil | Nil |
| Middle East | 18,305,042 | 15,971,940 | 10,655,197 | 9,394,707 | Nil | Nil |
| Total | 783,831,215 | 771,817,936 | 89,2269,710 | 753,980,678 | 22,474,885 | 5,340,780 |



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(viii). All operating leases entered into by Company are cancelable on giving notice of 1 to 3 months. Aggregate expenditure in respect of operating lease amounts to Rs 8,851,878 (Previous year Rs.2,262,226).

(ix). **Investments:**

During the Year the Company acquired and sold units of mutual funds on various dates as per detail below:

| Scheme | As on 1 st April 2013 | | | | | | As on 31 st March 2014 | | |
|--------------------------------------|----------------------------------|----------------------|------------------------|----------------------|-------------------|------------------|--------------------------------------|--|-------------------------------------|
| | No. of units Purchased | Purchase Value (Rs.) | No. of units Purchased | Purchase Value (Rs.) | No. of units Sold | Sale Value (Rs.) | No. of units in hand at the year end | Value of units in hand at the year end at cost (Rs.) | Market Value of units in hand (Rs.) |
| QIP/FMP | | | | | | | | | |
| Reliance Monthly Interval Fund-Sr II | | | 6,10,120.682 | 1,00,00,000 | | | 6,10,120.682 | 1,00,00,000 | 10,541,970 |
| Reliance Monthly Interval Fund-Sr I | | | 6,09,083.877 | 1,00,00,000 | | | 6,09,083.877 | 1,00,00,000 | 10,486,719 |
| Reliance Monthly Interval Fund-Sr I | | | 6,09,083.877 | 1,00,00,000 | | | 6,09,083.877 | 1,00,00,000 | 10,486,719 |
| Subtotal(A) | - | - | 18,28,288.436 | 3,00,00,000 | - | - | 18,28,288.436 | 3,00,00,000 | 31,515,408 |
| Liquid Scheme | | | | | | | | | |
| HDFC Cash Management Fund-Growth | 4,22,770.415 | 1,00,00,000 | | | 4,22,770.415 | 1,10,30,926 | - | - | |
| HDFC Cash Management Fund-Growth | 4,22,770.415 | 1,00,00,000 | | | 4,22,770.415 | 1,10,30,926 | - | - | |
| Templeton Ultra short Bond | 7,03,442.648 | 1,00,00,000 | | | 7,03,442.648 | 1,07,54,864 | - | - | |
| Templeton Ultra short Bond | 7,01,478.717 | 1,00,00,000 | | | 7,01,478.717 | 1,08,74,393 | - | - | |
| HDFC Cash Management Fund-Growth | 4,11,678.496 | 1,00,00,000 | | | | | 4,11,678.496 | 1,00,00,000 | 11,539,142 |
| Templeton Low Duration Fund-Growth | 8,10,333.371 | 1,00,00,000 | | | | | 8,10,333.371 | 1,00,00,000 | 11,295,399 |
| Rel. Liquid Fund-Treasury Plan | 3,539.247 | 1,00,00,000 | | | 3,539.247 | 1,01,84,379 | - | - | |
| Rel. Liquid Fund-Treasury Plan | | | 17,404.332 | 5,00,00,000 | 15,663.896 | 46,207,903 | 1,740.436 | 50,00,000 | 5,438,817 |
| Templeton Low Duration Fund-Growth | | | 7,68,799.059 | 1,00,00,000 | | | 7,68,799.059 | 1,00,00,000 | 10,716,444 |
| Templeton Low Duration Fund-Growth | | | 7,68,799.059 | 1,00,00,000 | | | 7,68,799.059 | 1,00,00,000 | 10,716,444 |
| Templeton Low Duration Fund-Growth | | | 7,52,094.583 | 1,00,00,000 | | | 7,52,094.583 | 1,00,00,000 | 10,483,597 |
| Templeton Low Duration Fund-Growth | | | 7,52,094.583 | 1,00,00,000 | | | 7,52,094.583 | 1,00,00,000 | 10,483,597 |
| HDFC Cash Management Fund-Growth | | | 5,71,759.647 | 1,50,00,000 | | | 5,71,759.647 | 1,50,00,000 | 15,573,989 |
| HDFC Cash Management Fund-Growth | | | 5,69,011.627 | 1,50,00,000 | | | 5,69,011.627 | 1,50,00,000 | 15,499,137 |
| Rel. Liquid Fund-Treasury Plan | | | 4,848.832 | 1,50,00,000 | | | 4,848.832 | 1,50,00,000 | 15,152,500 |
| Templeton Low Duration Fund-Growth | | | 7,25,631.481 | 1,00,00,000 | | | 7,25,631.481 | 1,00,00,000 | 10,114,722 |
| Subtotal (B) | 34,76,013.309 | 7,00,00,000 | 49,30,443.203 | 14,50,00,000 | 22,69,665.338 | 10,00,83,391 | 61,36,791.174 | 12,00,00,000 | 127,013,788 |
| TOTAL (A+B) | 34,76,013.309 | 7,00,00,000 | 67,58,731.639 | 17,50,00,000 | 22,69,665.338 | 10,00,83,391 | 79,65,079.610 | 15,00,00,000 | 158,529,196 |
| Previous Year | 55,79,913 | 8,37,46,957 | 70,87,124 | 20,91,56,314 | 91,91,025 | 23,10,52,203 | 34,76,012 | 7,00,00,000 | 7,39,01,608 |



NIIT GIS LTD

(x). TAXATION

CURRENT TAX

The Company avails deduction under the provisions of section 80 IC of the Income Tax Act, available to certain undertakings or enterprises setup in certain special category States. The current tax charge during the year relates to Minimum Alternate Tax under section 115 JB, part of which is expected to be recovered in future years. Accordingly amount aggregating to Rs.1249.03 Lacs (including Rs 320.73 Lacs for the Financial Year 2013-14, Rs 6.02 Lacs for the Financial Year 2012-13 Rs.404.86 lacs for Financial Year 2011-12, Rs.105.47 lacs for Financial Year 2010-11, Rs.167.95 lacs for Financial Year 2009-10, Rs.53.61 lacs for Financial Year 2008-09, Rs.123.28 lacs for Financial Year 2007-08 and Rs.67.11 lacs for the Financial Year 2006-07) has been recognized as MAT credit entitlement in these accounts.

(xi). Previous year figures have been regrouped / recast wherever necessary to conform to current year's classification.



NIIT GIS Limited

Balance Sheet as at 31st March 2014

| PARTICULARS | | Notes | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. |
|-------------|--------------------------------|-------|---------------------------------|---------------------------------|
| I | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | Share capital | 3 | 10,000,700 | 10,000,700 |
| | Reserves and surplus | 4 | 572,363,415 | 534,715,575 |
| 2 | Non-current liabilities | | | |
| | Long-term provisions | 7 | - | 692,861 |
| 3 | Current liabilities | | | |
| | Trade Payables | 5 | 119,337,352 | 130,057,388 |
| | Other current liabilities | 6 | 58,675,768 | 41,900,914 |
| | Short-term provisions | 7 | 131,892,475 | 33,348,165 |
| | TOTAL | | 892,269,710 | 750,715,603 |
| II | ASSETS | | | |
| 1 | Non-current assets | | | |
| | Fixed assets | 8 | | |
| | Tangible assets | | 31,234,038 | 36,536,569 |
| | Intangible assets | | 9,859,050 | 1,197,679 |
| | Deferred tax assets (net) | 10 | 5,550,125 | 2,986,755 |
| | Long-term loans and advances | 11 | 206,618,965 | 168,066,100 |
| | Other non-current assets | 14 | 2,593,646 | 2,593,646 |
| 2 | Current assets | | | |
| | Current investments | 9 | 150,000,000 | 70,000,000 |
| | Inventories | 15 | 4,387,395 | 3,763,825 |
| | Cash and bank balances | 16 | 57,158,036 | 38,558,691 |
| | Short-term loans and advances | 11 | 28,558,030 | 21,223,916 |
| | Trade receivables | 12 | 367,612,552 | 368,106,522 |
| | Other current assets | 14 | 28,697,873 | 37,681,900 |
| | TOTAL | | 892,269,710 | 750,715,603 |

The accompanying notes 1 to 25 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 and on behalf of the Board

Ashish Ghosh
Ashish Ghosh
 Partner
 Membership No. 81732
 For and on behalf of
 Ghosh Khanna & Co
 Firm Registration No. 003366N
 Chartered Accountants

Rajendra S Pawar
Rajendra S Pawar
 Director
 DIN - 00042516

Arvind Thakur
Arvind Thakur
 Director
 DIN - 00042534

Place: New Delhi
 Date: 5th May 2014



NIIT GIS Limited

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

| PARTICULARS | Notes | Year ended | Year ended |
|---|-------|------------------------|------------------------|
| | | 31st March 2014 Rs. | 31st March 2013 Rs. |
| INCOME | | | |
| I. Revenue from Operations | 19 | 783,831,214 | 771,817,935 |
| II. Other Income | 20 | 6,753,178 | 13,017,756 |
| III. Total Revenue (I + II) | | 790,584,392 | 784,835,691 |
| IV. EXPENDITURE | | | |
| (Increase) / Decrease in Inventory | 15 | (623,570) | 3,626,060 |
| Production, Development and Bought Out Packages | 21 | 282,948,412 | 360,123,309 |
| Employee Benefits Expense | 22 | 197,764,468 | 206,906,433 |
| Other Expenses | 24 | 141,278,760 | 159,001,817 |
| Depreciation and Amortization Expenses | 8 | 15,139,334 | 8,005,190 |
| Total Expenses | | 636,507,404 | 737,662,809 |
| V. Profit before tax (III- IV) | | 154,076,988 | 47,172,882 |
| VI. Tax expense: | | | |
| (1) Current tax | | 32,072,654 | 1,000,000 |
| (2) Deferred tax | | (2,563,370) | 2,538,594 |
| (3) MAT Credit Entitlement | | (30,203,844) | (1,000,000) |
| VII. Profit (Loss) for the year | | 154,771,548 | 44,634,288 |
| VIII. Earnings per equity share (Face Value Rs.10 each): | | | |
| (1) Basic | | 154.76 | 44.63 |
| (2) Diluted | | 154.76 | 44.63 |

The accompanying notes 1 to 25 referred to above form an integral part of the Profit and Loss Account

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

For and on behalf of the Board

Ashish Ghosh

Ashish Ghosh
Partner
Membership No. 81732
For and on behalf of
Ghosh Khanna & Co
Firm Registration No. 003366N
Chartered Accountants

Rajendra S Pawar
Rajendra S Pawar
Director
DIN - 00042516

Arvind Thakur
Arvind Thakur
Director
DIN - 00042534

Place: New Delhi
Date: 5th May 2014



NIIT GIS Limited
Cash Flow Statement for the year ended 31st March 2014

| | Year ended 31st March 2014 Rs. | Year ended 31st March 2013 Rs. |
|---|---|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Profit before Tax and share of Associates' profits but after exceptional items | 154,076,988 | 47,172,882 |
| Adjustments for: | | |
| Depreciation and Amortisation | 15,139,334 | 8,005,190 |
| Interest Expenses | - | - |
| Interest Income | (274,920) | (248,802) |
| Profit/ (Loss) on Fixed Assets sold | (1,954,662) | (135,391) |
| Profit/ (Loss) from Investments | 5,083,391 | 8,148,930 |
| Miscellaneous Expenditure written off | - | - |
| Provision for Doubtful Debts | - | 2,661,150 |
| Provision for Doubtful Advances | 2,661,150 | 25,226,622 |
| Provision for slow / non-moving Inventory | - | - |
| Inventory Scrapped | - | - |
| Dividend Income | - | - |
| Advances written off | - | - |
| Liabilities / Provisions no longer required written back | - | - |
| Provision for Gratuity & Compensated Absences | (1,019,762) | 3,245,047 |
| Foreign Exchange Adjustments | 16,638 | 915,371 |
| Employees Stock Option Expenses | - | - |
| | 19,651,169 | 47,818,117 |
| Operating profit before working capital changes | 173,728,157 | 94,990,999 |
| Add / (Less): (Increase)/ Decrease in operating working capital: | | |
| Trade Receivables | 539,050 | 3,162,444 |
| Loans and Advances & Other Current Assets | (961,419) | 2,137,454 |
| Inventories | (623,570) | 3,626,060 |
| Current Liabilities and Provisions | 5,993,100 | 4,947,161 |
| | -4,947,161 | 26,736,160 |
| Cash generated from operations | 178,675,318 | 130,653,117 |
| Taxes paid (including TDS) | (40,471,493) | (47,966,185) |
| Net cash from Operating activities (A) | 138,203,825 | 82,686,932 |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Fixed Assets (including Capital Work-in-progress) | (16,543,512) | (4,604,725) |
| Proceeds from sale of Fixed Assets | - | - |
| Proceeds from sale of Mutual Funds | (85,083,391) | 5,598,027 |
| Purchases of Mutual Funds | - | - |
| Investment in Equity Shares in Subsidiary Companies | - | - |
| Dividend received | - | - |
| (Increase) / Decrease in Receivables on Sale on Investments | - | - |
| Interest Received | 274,920 | 248,802 |
| | 274,920 | 248,802 |
| Net cash used for Investing activities (B) | (101,351,983) | 1,242,104 |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Working Capital / Short Term Borrowings (Net) | - | - |
| Proceeds / (Payments) relating to Cash Credits (Net) | - | - |
| Term Loan raised/ (repaid) during the year | - | - |
| Working Capital Loan in Foreign Currency | - | - |
| Interest Paid (including financing charges on finance lease arrangements) | - | - |
| Dividend Paid | (15,601,092) | (80,005,600) |
| Dividend Tax Paid | (2,651,405) | (12,978,908) |
| Government Grants received during the year | - | - |
| Net cash from / (used in) Financing activities (C) | (18,252,497) | (92,984,508) |
| Net Increase/(Decrease) in Cash & Cash equivalents (A) + (B) + (C) | 18,599,345 | (9,055,472) |
| Adjustment on account of Foreign Exchange Fluctuations | - | - |
| Cash and Cash equivalents as at the beginning of the year (Note 1) | 41,152,337 | 50,207,809 |
| Cash and cash equivalents as at the end of the year (Note 1) | 59,751,682 | 41,152,337 |

Notes:

| | 31st March 2014 Rs. | 31st March 2013 Rs. |
|---|--------------------------------|--------------------------------|
| 1 Cash and cash equivalents as on | | |
| Cash, Cheques & Drafts (in hand) and Remittances in transit | 23,667,418 | 20,307,788 |
| Balances with banks* | 36,084,264 | 20,844,549 |
| | 59,751,682 | 41,152,337 |

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

3 The schedules from 1 - 25 form an integral part of the Cash Flow Statement.

4 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.

Ashish Ghosh

Ashish Ghosh
Partner
Membership No. 81732
For and on behalf of
Ghosh Khanna & Co
Firm Registration No. 003366N
Chartered Accountants

Place : New Delhi
Date: 5th May 2014



Rajendra S Pawar

Rajendra S Pawar
Director
DIN - 00042516

For and on behalf of the Board

Arvind Thakur

Arvind Thakur
Director
DIN - 00042534

NIIT GIS Limited

| 3 | SHARE CAPITAL | As at | As at |
|---|--|-------------------|-------------------|
| | | 31st March 2014 | 31st March 2013 |
| | | Rs. | Rs. |
| | Authorised 2,000,000 Equity Shares of Rs.10/- each (Previous year 2,000,000 Equity Shares of Rs. 10/- each) | 20,000,000 | 20,000,000 |
| | | 20,000,000 | 20,000,000 |
| | Issued 1,000,070 Equity Shares of Rs. 10/- each (Previous year - 1,000,070 Equity Shares of Rs. 10/- each) | 10,000,700 | 10,000,700 |
| | | 10,000,700 | 10,000,700 |
| | Subscribed and fully paid 1,000,070 Equity Shares of Rs. 10/- each (Previous year - 1,000,070 Equity Shares of Rs. 10/- each) | 10,000,700 | 10,000,700 |
| | | 10,000,700 | 10,000,700 |

| 3.1 | Reconciliation of the number of shares outstanding | 31st March 2014 | | 31st March 2013 | |
|-----|--|------------------|-------------------|------------------|-------------------|
| | | No. of shares | Value Rs. | No. of shares | Value Rs. |
| | Equity Shares | | | | |
| | Shares outstanding at the beginning of the year | 1,000,070 | 10,000,700 | 1,000,070 | 10,000,700 |
| | Shares Issued during the year | - | - | - | - |
| | Shares bought back during the year | - | - | - | - |
| | Shares outstanding at the end of the year | 1,000,070 | 10,000,700 | 1,000,070 | 10,000,700 |

3.2 Note on rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the Rights, preferences and restrictions attached to shares:-

Equity Shares: The company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

| 3.3 | Shares in respect of each class in the company held by | Name of the company | Class of shares Equity/ Preference | As at | As at |
|-----|--|---------------------------|--|--------------------|-----------------|
| | | | | 31st March 2014 | 31st March 2013 |
| | | | | No. of shares | No. of shares |
| | Holding company | NIIT Technologies Limited | Equity | 890,000 | 890,000 |
| | Ultimate holding company | | | | |
| | Subsidiaries of holding company: | | | | |
| | Subsidiaries of ultimate holding company: | | | | |
| | Associates of holding company | | | | |
| | Associates of ultimate holding company | | | | |

| 3.4 | Shares held by each shareholder holding more than 5% shares | 31st March 2014 | | 31st March 2013 | |
|-----|---|-----------------|----------------|-----------------|----------------|
| | | % of holding | No. of shares | % of holding | No. of shares |
| | Equity Shares | | | | |
| | Environmental Systems Research Institute Inc, USA | 10% | 100,000 | 10% | 100,000 |
| | Total | 10% | 100,000 | 10% | 100,000 |



NIIT GIS Limited

| 4 | RESERVES AND SURPLUS | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. |
|---|--|--|--|
| | General Reserve (Note 1 below) | | |
| | As per Last Balance Sheet | 168,088,037 | 163,624,608 |
| | Less: General Reserve of Associates | | - |
| | Add : Transferred from Profit and Loss Account | 15,477,155 | 4,463,429 |
| | | 183,565,192 | 168,088,037 |
| | Profit & Loss Account | | |
| | Balance Brought Forward from Previous year | 366,627,538 | 344,588,658 |
| | Add : Current Year Profit / (Loss) attributable to Share Holders | 154,771,548 | 44,634,288 |
| | Less:- | | |
| | Proposed Dividend on Equity Shares | 100,007,000 | 15,601,092 |
| | Corporate Dividend Tax - Previous Year | 120,518 | - |
| | Corporate Dividend Tax | 16,996,190 | 2,530,887 |
| | Transferred to General Reserve | 15,477,155 | 4,463,429 |
| | Transferred to/ (from) Debenture Redemption Reserve | - | - |
| | Share in Corporate Dividend Tax of Associates | - | - |
| | | 388,798,223 | - |
| | | <u>572,363,415</u> | <u>534,715,575</u> |

Notes :

- General Reserve above represents General Reserve as per the Indian Companies Act, 1956 in respect of Indian Companies.



NIIT GIS Limited

| 5 | Trade Payables | Non Current | | Current | |
|---|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. |
| | - Due to Micro Enterprises and Small Enterprises | - | - | - | - |
| | - Due to Others | - | - | 119,337,352 | 130,057,388 |
| | | - | - | 119,337,352 | 130,057,388 |

| 6 | OTHER LIABILITIES | Long Term Liabilities | | Current Liabilities | |
|---|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. |
| | Current Maturities of Long Term Borrowings | - | - | - | - |
| | Interest accrued but not due on borrowings | - | - | - | - |
| | Interest accrued and due on borrowings | - | - | - | - |
| | Unpaid dividends | - | - | - | - |
| | Unclaimed fractional share payment | - | - | - | - |
| | Security Deposits Payable | - | - | - | - |
| | Deferred Revenue | - | - | 12,314,287 | 5,162,055 |
| | Advances from Customers | - | - | 1,378,552 | 1,099,679 |
| | Other Payables | - | - | 44,982,929 | 35,639,180 |
| | | - | - | 58,675,768 | 41,900,914 |

| 7 | Provisions | LONG-TERM | | SHORT-TERM | |
|---|--------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. |
| | Provision for employee benefits : | | | | |
| | Provision for Gratuity | - | 692,861 | - | - |
| | Provision for Compensated Absences | - | - | 14,889,285 | 15,216,186 |
| | Others : | | | | |
| | Proposed dividend | - | - | 100,007,000 | 15,601,092 |
| | Provision for Corporate Dividend Tax | - | - | 16,996,190 | 2,530,887 |
| | | - | 692,861 | 131,892,475 | 33,348,165 |



NIIT GIS Limited

8 Fixed Assets

| Description of Assets | GROSS BLOCK | | | | DEPRECIATION AND AMORTISATION | | | NET BLOCK | | |
|------------------------|-----------------------|---------------------------|------------------------------|------------------------|-------------------------------|-------------------|------------------------------|------------------------|-------------------|-------------------|
| | Cost As on 01.04.2013 | Additions during the year | Sales / Adj. during the year | Total as on 31.03.2014 | As on 01.04.2013 | For the year | Sales / Adj. during the year | Total as on 31.03.2014 | As on 31.03.2014 | As on 31.03.2013 |
| ii) Tangible | | | | | | | | | | |
| Plant & Equipment | | | | | | | | | | |
| - Plant & Machinery | 31,071,540 | 2,132,090 | 2,175 | 33,201,456 | 24,702,787 | 2,706,669 | 2,067 | 27,407,390 | 5,794,066 | 6,368,753 |
| - Others | 21,340,850 | 31,684 | - | 21,372,534 | 4,098,733 | 1,348,960 | - | 5,447,693 | 15,924,841 | 17,242,117 |
| Furniture & Fixtures | | | | | | | | | | |
| -Owned | 7,812,456 | 1,220,381 | - | 9,032,837 | 3,890,290 | 1,025,738 | - | 4,916,028 | 4,116,809 | 3,922,166 |
| Vehicles | 12,560,105 | 1,138,332 | 5,651,861 | 8,046,576 | 3,556,572 | 766,940 | 1,675,258 | 2,648,254 | 5,398,322 | 9,003,533 |
| Sub Total (a) | 72,784,951 | 4,522,487 | 5,654,036 | 71,653,403 | 36,248,382 | 5,848,307 | 1,677,325 | 40,419,365 | 31,234,038 | 36,536,569 |
| iii) Intangible | | | | | | | | | | |
| Computer Software | 6,481,255 | 17,952,398 | - | 24,433,652 | 5,283,576 | 9,291,027 | - | 14,574,602 | 9,859,050 | 1,197,679 |
| Sub Total (b) | 6,481,255 | 17,952,398 | - | 24,433,652 | 5,283,576 | 9,291,027 | - | 14,574,602 | 9,859,050 | 1,197,679 |
| Total (a+b) | 79,266,206 | 22,474,885 | 5,654,036 | 96,087,055 | 41,531,958 | 15,139,334 | 1,677,325 | 54,993,967 | 41,093,088 | 37,734,248 |
| Previous Year | 76,545,091 | 5,340,780 | 2,619,665 | 79,266,206 | 35,545,769 | 8,005,190 | 2,019,001 | 41,531,958 | 37,734,248 | 40,999,322 |

(Amount in Rs.)



NIIT GIS Limited

| 9 INVESTMENTS | Current | | | |
|---|-----------------|--------------------|-----------------|-------------------|
| | As at | | As at | |
| | 31st March 2014 | | 31st March 2013 | |
| | Rs. | | Rs. | |
| SHORT TERM, NON TRADE [UNQUOTED] In Mutual Funds | | 150,000,000 | | 70,000,000 |
| | | 150,000,000 | | 70,000,000 |
| | | | | |



NIIT GIS Limited

10 Deferred Tax Asset (net)

| Deferred Tax Assets/Liabilities | Opening | Charged/ (Credited) to Profit & Loss | Closing |
|--|---------------------|--|---------------------|
| | As on 01.04.2013 | | As on 31.03.2014 |
| Deferred Tax Liabilities: | | | |
| a) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation. | -514,743 | -2,650,894 | -3,165,637 |
| Total (A) | -514,743 | -2,650,894 | -3,165,637 |
| Deferred Tax Assets: | | | |
| a) Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax: | | | |
| -Provision for doubtful debts and advances | 80,732 | 3,495,775 | 3,576,507 |
| -Provision for Inventory | | | |
| -Provision for Compensated Absences, Bonus, Gratuity and other timing differences | 3,420,766 | 1,447,232 | 4,867,998 |
| -Deferred Income on sale and lease back transaction | | | |
| -Provision for Employee Reimbursements on claim basis | - | 271,257 | 271,257 |
| Total (B) | 3,501,498 | 5,214,264 | 8,715,762 |
| Net Deferred Tax (Liabilities) / Assets (A+B) | 2,986,755 | 2,563,370 | 5,550,125 |



NIIT GIS Limited

| 11 | LOANS AND ADVANCES | Long Term | | Short Term | |
|----|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. |
| | i) Security Deposits Receivable | | | | |
| | Unsecured, considered good | 2,257,455 | 2,307,273 | - | - |
| | Unsecured, considered doubtful | - | - | - | - |
| | Less: Provision for doubtful security deposits | - | - | - | - |
| | (A) | 2,257,455 | 2,307,273 | - | - |
| | ii) Advances recoverable in cash or in kind | | | | |
| | Unsecured, considered good | - | - | 28,558,030 | 21,223,916 |
| | Unsecured, considered doubtful | - | - | - | - |
| | Less: Provision for doubtful advances | - | - | - | - |
| | (B) | - | - | 28,558,030 | 21,223,916 |
| | iii) Other Advances | | | | |
| | a) Advance payment of Fringe Benefit Tax | 1,878,589 | 1,878,589 | - | - |
| | Less: Provision for Fringe Benefit Tax | (1,878,589) | (1,878,589) | - | - |
| | | - | - | - | - |
| | b) Advance Tax | 335,830,320 | 295,358,827 | - | - |
| | Less : Provision for Tax | (256,372,654) | (224,300,000) | - | - |
| | | 79,457,666 | 71,058,827 | - | - |
| | c) MAT Credit entitlement | | | | |
| | - Opening Balance | 94,700,000 | 93,700,000 | - | - |
| | - Reversal of MAT credit | - | - | - | - |
| | - Created during the Year | 30,203,844 | 1,000,000 | - | - |
| | | 124,903,844 | 94,700,000 | - | - |
| | (C) | 204,361,510 | 165,758,827 | - | - |
| | Total (A+B+C) | 206,618,965 | 168,066,100 | 28,558,030 | 21,223,916 |



NIIT GIS Limited

| 12 Trade Receivables | Current | |
|--|---------------------------------|---------------------------------|
| | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. |
| a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| Unsecured, considered good | 91,628,377 | 57,584,804 |
| Unsecured, considered doubtful | 10,839,542 | 2,661,150 |
| Less: Provision for doubtful debts | (10,839,542) | (2,661,150) |
| | 91,628,377 | 57,584,804 |
| b) Other Trade Receivables | | |
| Unsecured, considered good | 275,984,175 | 310,521,718 |
| Unsecured, considered doubtful | - | - |
| Less: Provision for doubtful debts | - | - |
| | 275,984,175 | 310,521,718 |
| | 367,612,552 | 368,106,522 |

| 13 Provision for Doubtful Debts | Current | |
|---|---------------------------------|---------------------------------|
| | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. |
| Opening Provision | 2,661,150 | 45,137,762 |
| Add: Additional Provision Created | 10,839,542 | 20,030,955 |
| Add: Balances transferred from an associate company | | |
| Less: Provision written back | - | 3,763,251 |
| Less: Provision utilised | 2,661,150 | 58,744,316 |
| Closing Provision | 10,839,542 | 2,661,150 |



NIIT GIS LIMITED

| 14 | OTHER ASSETS | Non Current | | Current | |
|----|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. |
| | Non Current Bank Balances (Refer Note 16) | 2,593,646 | 2,593,646 | - | - |
| | Unbilled revenue | - | - | 28,102,118 | 37,313,356 |
| | Interest Receivable | - | - | 595,755 | 368,544 |
| | | 2,593,646 | 2,593,646 | 28,697,873 | 37,681,900 |



| 15 Inventories | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. |
|---|---------------------------------|---------------------------------|
| As at the end of the year | | |
| Raw Material | 571,330 | 582,815 |
| Traded Goods | 3,577,419 | 2,678,449 |
| Finished Goods | 238,646 | 502,561 |
| | 4,387,395 | 3,763,825 |
| As at the beginning of the year | | |
| Raw Material | 582,815 | 285,599 |
| Traded Goods | 2,678,449 | 6,719,251 |
| Finished Goods | 502,561 | 385,035 |
| | 3,763,825 | 7,389,885 |
| (Increase) / Decrease in Inventory | (623,570) | 3,626,060 |

| 16 Cash and Bank Balances | Non Current | | Current | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. | As at 31st March 2014 Rs. | As at 31st March 2013 Rs. |
| Cash and cash equivalents: | | | | |
| Balance with banks | | | | |
| Current Accounts | | | 33,490,618 | 18,250,903 |
| Bank deposits with original maturity of 3 months or less | | | - | - |
| Cash on hand | | | 1,241 | - |
| Cheques, drafts on hand | | | 23,666,177 | 20,307,788 |
| | | | 57,158,036 | 38,558,691 |
| Other bank balances: | | | | |
| Bank deposits: | | | | |
| With original maturity of more than 3 months and upto 12 months | | | - | - |
| With original maturity of more than 12 months [Includes Rs. 2,593,646 (Previous year Rs. 2,593,646) pledged as margin money] | 2,593,646 | 2,593,646 | - | - |
| Dividend Accounts | | | - | - |
| | 2,593,646 | 2,593,646 | - | - |
| | 2,593,646 | 2,593,646 | 57,158,036 | 38,558,691 |
| Amount disclosed under non-current assets (Note 14) | (2,593,646) | (2,593,646) | | |
| | - | - | 57,158,036 | 38,558,691 |

17 Contingent Liabilities

- (a) Bank Guarantees at the period end Rs.2,695,920 (Previous year Rs.5,904,555)
- (b) The Income Tax department has raised a demand of Rs.40,375,327 for A.Y 2006-07 primarily on account of disallowance of claim u/s 80IC of the Income Tax Act 1961. The company has preferred an appeal to the Commissioner of Income Tax (Appeal) and demands set aside by CIT (A) matter now in departmental appeal at ITAT.
- (c) The Income Tax department has raised a demand of Rs.54,372,720 for A.Y 2007- 08 primarily on account of disallowance of claim u/s 80IC of the Income Tax Act, 1961. The company has preferred an appeal to the Commissioner of Income Tax (Appeals) and demands set aside by CIT (A) matter now in departmental appeal at ITAT.
- (d) The income Tax Department has raised a demand of Rs. 58,374,769 for the Assessment year 2008-09, primarily on account of disallowance of claim u/s 80IC of the income Tax Act, 1961. The company has preferred an appeal to the Commissioner of Income Tax (Appeals) and demands set aside by CIT (A) matter now in departmental appeal at ITAT
- (e) The income Tax Department has raised a demand of Rs. 2,600,307 for the Assessment year 2009-10, primarily on account of disallowance of claim u/s 80IC of the income Tax Act, 1961. The company has preferred an appeal to the Commissioner of Income Tax (Appeals)
- (f) The income Tax Department has raised a demand of Rs. 50,158,522 for the Assessment year 2010-11, primarily on account of disallowance of claim u/s 80IC of the income Tax Act, 1961. The company has preferred an appeal to the Commissioner of Income Tax (Appeals)
- (g) The Central Excise, Chandigarh raised a demand of Rs.120,582,449 and equivalent amount of Rs.120,582,449 as Penalty. However GIS has been granted unconditional stay from CESTAT, New Delhi. The order of stay has been extended by the order of Tribunal dated 3rd August 2012 till further order since the appeal could not be heard by Tribunal in stipulated 180 days

18 Proposed Dividend

Dividend proposed of Rs.100,007,000 (Rs.100 per Equity Share)



NIIT GIS Limited

| 19 | Revenue from Operations | Year ended 31st March 2014 Rs. | Year ended 31st March 2013 Rs. |
|----|---|--------------------------------------|--------------------------------------|
| | Sale of Products : Computer Software & Hardware | 563,523,099 | 565,308,621 |
| | Sale of Services | 220,308,115 | 206,509,314 |
| | | <u>783,831,214</u> | <u>771,817,935</u> |

| 20 | Other Income | Year ended 31st March 2014 Rs. | Year ended 31st March 2013 Rs. |
|----|--|--------------------------------------|--------------------------------------|
| | Interest Income | 274,920 | 248,802 |
| | Profit on sale of Current Investments (Net) | 5,083,391 | 8,148,930 |
| | Other non-operating income (net of expenses) | 1,394,867 | 4,620,024 |
| | | <u>6,753,178</u> | <u>13,017,756</u> |

| 21 | Production, Development and Bought Out Packages | Year ended 31st March 2014 Rs. | Year ended 31st March 2013 Rs. |
|----|---|--------------------------------------|--------------------------------------|
| | Internal Production Offset | (783,546) | (720,099) |
| | Cost of Goods Sold - Software | 18,144,819 | 29,458,538 |
| | Cost of Goods Sold - Services | 49,775,996 | 39,259,589 |
| | Production Consumable | 325,018 | 1,079,978 |
| | Professional Services Expenses for Production | 43,171,827 | 114,162,163 |
| | Hiring Expenses for Production | 2,783,107 | 4,413,434 |
| | Equipment Hiring - Non Production | 15,289 | 78,871 |
| | Royalties | 166,595,534 | 175,233,750 |
| | Computer Room Consumables | 148,342 | 304,384 |
| | Dispatch/Shipping Costs | 811,319 | 458,506 |
| | Packing Material Costs | 39,483 | 20,255 |
| | Material Scrapped | 1,297,654 | - |
| | Increase / (Decrease) in Inventory | 623,570 | (3,626,060) |
| | | <u>282,948,412</u> | <u>360,123,309</u> |



NIIT GIS Limited

| 22 | Employee Benefits Expenses | Year ended | Year ended |
|----|---|--------------------|--------------------|
| | | 31st March 2014 | 31st March 2013 |
| | | Rs. | Rs. |
| | Salaries and Benefits | 187,605,229 | 195,727,730 |
| | Contribution to Provident and Other Funds | 7,482,134 | 8,520,102 |
| | Welfare and Other expenses | 2,677,105 | 2,658,601 |
| | | <u>197,764,468</u> | <u>206,906,433</u> |

23 Disclosure of AS 15

Disclosures as per actuarial report of independent actuary:

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

| Description | Year ended | Year ended |
|---|-----------------|-----------------|
| | 31st March 2014 | 31st March 2013 |
| | (Rs. In '000) | (Rs. In '000) |
| Present value of obligation as at the beginning of the year | 6,555.82 | 4,410.53 |
| Interest Cost | 512.25 | 341.72 |
| Current Service Cost | 1,429.77 | 1,201.50 |
| Benefit paid | (1,191.86) | (659.42) |
| Actuarial (gain) / loss on obligations | (255.01) | 1,261.49 |
| Present value of obligation as at the end of the year | <u>7,050.97</u> | <u>6,555.82</u> |

Change in Plan Assets:

| Description | Year ended | Year ended |
|---|-----------------|-----------------|
| | 31st March 2014 | 31st March 2013 |
| | (Rs. In '000) | (Rs. In '000) |
| Plan assets at the beginning at fair value | 5,862.96 | 4,446.57 |
| Expected return on plan assets | 591.19 | 454.31 |
| Contributions | 1,977.86 | 1,696.69 |
| Benefit paid | (1,191.86) | (659.42) |
| Actuarial gain / (loss) on plan assets | (53.63) | (75.19) |
| Present value of obligation as at the end of the year | <u>7,186.52</u> | <u>5,862.96</u> |

Amount of the obligation recognized in the Balance Sheet:

| Description | Year ended | Year ended |
|--|-----------------|-----------------|
| | 31st March 2014 | 31st March 2013 |
| | (Rs. In '000) | (Rs. In '000) |
| Present value of the defined benefit obligation at the end of the year | 7,050.96 | 6,555.82 |
| Fair value of plan assets at the end of the year | 7,186.50 | 5,862.96 |
| Net Asset/(Liability) recognized in the Balance Sheet | <u>135.54</u> | <u>-692.86</u> |

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

| Description | Year ended | Year ended |
|--|-----------------|-----------------|
| | 31st March 2014 | 31st March 2013 |
| | (Rs. In '000) | (Rs. In '000) |
| Current service cost | 1,429.77 | 1,201.50 |
| Interest Cost | 512.25 | 341.72 |
| Expected return on plan assets | (591.19) | (454.31) |
| Actuarial (gain) / loss recognized during the year | (201.38) | 1,336.68 |
| Total | <u>1,149.45</u> | <u>2,425.59</u> |

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 | 2013-14 | 2012-13 |
|--|---------|---------|
| Discounting Rate | 9.15% | 8.10% |
| Expected Rate of return on plan assets | 9.45% | 9.15% |

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



| 24 Other Expenses | Year ended | Year ended |
|--|--------------------|--------------------|
| | 31st March 2014 | 31st March 2013 |
| | Rs. | Rs. |
| Freight and Cartage | 811,319 | 458,506 |
| Rent (Net of recoveries) | 19,255,659 | 32,876,065 |
| Rates and Taxes | 18,665,108 | 751,709 |
| Power & Fuel | 6,874,263 | 6,924,244 |
| Communication | 3,306,217 | 3,495,371 |
| Legal and Professional | 17,346,508 | 25,794,466 |
| Traveling and Conveyance | 33,774,445 | 35,309,478 |
| Provision for Doubtful Debts | | |
| - Provision During the Year | 10,839,542 | |
| - Less:- Actual written off | <u>2,661,150</u> | <u>2,661,150</u> |
| Bad Debts | 2,661,150 | 25,226,622 |
| Insurance | 1,599,406 | 1,945,366 |
| Repairs and Maintenance | | |
| - Plant and Machinery | 630,873 | 1,035,775 |
| - Buildings | - | 39,000 |
| - Others | 6,089,566 | 5,603,137 |
| Loss on Sale of Fixed Assets (Net) | 1,954,662 | 135,391 |
| Loss on foreign currency translation and transaction (Net) | 7,133,921 | 1,331,290 |
| Security and Administration Services | 3,403,536 | 3,963,486 |
| Bank Charges | 985,909 | 659,566 |
| Advertisement and Publicity | 763,265 | 2,949,815 |
| Other Marketing Expenses | 5,592,035 | 5,710,201 |
| Sundry Expenses | 2,252,526 | 2,131,179 |
| | <u>141,278,760</u> | <u>159,001,817</u> |

| 25 Payment to Auditors | Year ended | Year ended |
|------------------------|-----------------|-----------------|
| | 31st March 2014 | 31st March 2013 |
| | Rs. | Rs. |
| Audit fee | 600,000 | 600,000 |
| Tax Audit fees | 100,000 | 100,000 |
| | <u>700,000</u> | <u>700,000</u> |

Ashish Ghosh

Ashish Ghosh
Partner
Membership No. 81732
For and on behalf of
Ghosh Khanna & Co
Firm Registration No. 003366N
Chartered Accountants



Rajendra S Pawar

For and on behalf of the Board
Rajendra S Pawar
Director
DIN - 00042516

Arvind Thakur

Arvind Thakur
Director
DIN - 00042534

Place: New Delhi
Date: 5th May 2014