

NIIT

Consolidated Q4 Net Profit
up 40% YoY

Q4 Operating Margin at 16%
up 401 bps YoY

Q4 IT Program enrolments
up 18% YoY

Board recommends dividend
of 70%

NIIT Limited
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Audited Financial Results for the Year Ended 31st March, 2010

(Rs. Lacs)

Particulars	STANDALONE FINANCIALS				CONSOLIDATED FINANCIALS	
	3 months ended (31/03/2010)	Corresponding 3 months ended (31/03/2009)	Accounting year ended (31/03/2010)	Previous accounting year ended (31/03/2009)	Accounting year ended (31/03/2010)	Previous accounting year ended (31/03/2009)
	Unaudited	Unaudited	Audited	Audited	Audited	Audited
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1 a) Net Sales/Income from Operations	15,043	14,887	62,517	54,562	119,935	114,856
b) Other Operating Income	-	-	-	-	-	-
2 Expenditure						
a) (Increase)/ Decrease in stock	147	614	(89)	188	(292)	297
b) Consumption of Raw Material	-	-	-	-	1,164	1,575
c) Purchase of traded goods	1,799	1,940	14,440	7,690	17,858	9,067
d) Personnel Cost	3,120	2,914	11,742	13,114	30,170	33,231
e) Development, Production & Execution	2,639	3,171	11,544	11,072	29,313	31,990
f) Depreciation	1,382	1,174	5,418	4,024	7,511	6,468
g) Other expenditure	3,752	3,025	15,464	14,672	26,988	27,432
h) Total	12,839	12,838	58,519	50,760	112,712	110,060
3 Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	2,204	2,049	3,998	3,802	7,223	4,796
4 Other Income						
- Interest	298	380	1,108	776	755	532
- Others	1,175	1,271	1,960	3,391	431	2,039
5 Profit before Interest & Exceptional Items (3+4)	3,677	3,700	7,066	7,969	8,409	7,367
6 Interest Expense	674	592	2,581	1,617	3,525	2,435
7 Profit after Interest but before Exceptional Items (5-6)	3,003	3,108	4,485	6,352	4,884	4,932
8 Exceptional Items	-	-	-	-	-	-
9 Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	3,003	3,108	4,485	6,352	4,884	4,932
10 Tax expense	816	794	1,368	1,631	1,082	1,038
- Current Tax	289	557	1,021	907	1,305	1,078
- Deferred Tax Charge/ (Credit)	640	183	460	480	(109)	(315)
- Fringe Benefit Tax	-	54	-	244	-	275
- Tax Charge/ (Credit) relating to earlier years	(113)	-	(113)	-	(114)	-
11 Net Profit (+)/Loss(-) after tax (9-10) before share of Associates' Profit	2,187	2,314	3,117	4,721	3,802	3,894
12 Extraordinary item	-	-	-	-	-	-
13 Profit / (Loss) of Associates	-	-	-	-	3,045	2,832
14 Net Profit (+)/Loss(-) after tax (11+13) after share of Associates' Profit					6,847	6,726
15 Net Profit / (Loss) attributable to minority	-	-	-	-	(176)	(250)
16 Income attributable to Consolidated Group					7,023	6,976
17 Paid-up equity share capital	3,302	3,300	3,302	3,300	3,302	3,300
Face Value	Rs. 2/- each	Rs. 2/- each	Rs. 2/- each	Rs. 2/- each	Rs. 2/- each	Rs. 2/- each
18 Reserve excluding revaluation reserves			36,098	35,174	46,306	41,639
19 Earnings Per Share (EPS) (Rs.) (not annualised)						
- Basic	1.33	1.40	1.89	2.86	4.25	4.23
- Diluted	1.33	1.40	1.89	2.86	4.25	4.23
20 Debt Service Coverage Ratio			2.27	1.86	1.88	3.61
21 Interest Service Coverage Ratio			4.31	6.41	5.12	6.52
22 Public shareholding						
- Number of shares	109,022,689	108,821,619	109,022,689	108,821,619		
- Percentage of shareholding	66.04%	65.96%	66.04%	65.96%		
23 Promoters and promoter group Shareholding						
a) Pledged/Encumbered						
- Number of shares	Nil	Nil	Nil	Nil		
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NA	NA	NA	NA		
- Percentage of shares (as a % of the total share capital of the company)	NA	NA	NA	NA		
b) Non-encumbered						
- Number of shares	56,072,908	56,161,367	56,072,908	56,161,367		
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%		
- Percentage of shares (as a % of the total share capital of the company)	33.96%	34.04%	33.96%	34.04%		

Notes to Standalone and Consolidated Financials:-

- During the current year, the Company has issued 7.70 % non convertible debentures aggregating to Rs. 60 Crores on a private placement basis. These debentures are redeemable on July 02, 2010
- Under the Employee Stock Option Plan 2005 (ESOP 2005), approved by the shareholders, the Company had further given Grant V and Grant VI for 5,597,410 options and 543,720 options on October 26, 2009 and January 23, 2010 respectively at the previous day's closing market price. Options under both these Grants will vest in 3 equal instalments over 3 years period from the date of grant. During the current year the movement of ESOP options under various grants is detailed below:

Grants	Options Exercised (No.)	Options Lapsed (No.)	Options remained Outstanding / Unexercised at year end (No.)
Grant I	78,486	13,944	-
Grant II	34,125	-	-
Grant III	-	8,702	439,177
Grant IV	-	56,250	1,218,300
Grant V	-	151,725	5,445,685
Grant VI	-	45,870	497,850

- Development, Production and Execution expenses of the Company include course execution charges for the current quarter and current year amounting to Rs. 1,800 Lacs and Rs. 7,538 Lacs respectively (corresponding previous quarter and previous year Rs. 2,223 Lacs and Rs. 7,454 Lacs respectively).
- During the current year the Company has made further long term investment in its subsidiaries as detailed below:
 - Rs. 290 Lacs in NIIT Multimedia Limited
 - Rs. 405 Lacs in NIIT Institute of Finance, Banking and Insurance Training Limited
 - Rs. 750 Lacs in NIIT Institute of Process Excellence Limited
 - Rs. 15 Lacs to acquire 1 Lac equity shares of Hole-in-the-Wall Education Limited from International Finance Corporation Limited, USA
 - Rs. 181.87 Lacs by exercising options of 359,780 warrants to acquire Equity Shares of Evolv Services Limited
- Other income of the Company includes dividend amounting to Rs. 782.89 Lacs (Previous Year Rs. 782.89 Lacs) declared by wholly owned domestic subsidiary Scantech Evaluation Services Limited in respect of which dividend distribution tax would be paid by the subsidiary. In terms of provisions of sub-section 1A of section 115 O of the Income Tax Act 1961, dividend distribution tax payable by the Company, is net of the dividend distribution tax payable by the subsidiary company amounting to Rs. 133.05 Lacs (Previous Year Rs. 133.05 lacs).
- During the year, the Company has disposed off its shareholding in Aesthetic Technologies Private Limited of 190,627 Shares held, for a total consideration of Rs. 1,15,000/-. An equivalent amount of gain has been recognised as the investment was fully provided for in the earlier years.
- During the year the Company's wholly owned subsidiary NIIT Middle East LLC, Bahrain had been liquidated and net loss amounting to Rs. 328,964/- has been included in current year consolidated financials.
- During the year the Company's wholly owned subsidiary NIIT (USA) Inc., has availed a loan of Rs. 6,667 Lacs [GBP 9.40 Mn] from ICICI Bank UK plc. The loan is secured by a first pari-passu charge over all the present and future immovable and movable assets of NIIT (USA) Inc., USA, and a Corporate Guarantee of the holding Company, NIIT Limited.
- During the year, Element K Corporation, USA, a stepdown subsidiary company has made changes in its accounting policy on ESOPs which has resulted in increase of expenses during the current year by Rs. 46.20 Lacs with a corresponding impact on the Profit before Tax at Consolidated level
- One of the subsidiary company, PCEC NIIT Institute of Information Technology has opted for voluntary liquidation and ceased its operations during the year. The financial statements of this Company are not prepared on a going concern basis.
- During the year, NIIT China (Shanghai) Limited has formed a new company, Wu Xi NIIT Information Technology Consulting Limited with an investment of Rs. 34.39 Lacs to own 60% of the Equity interest of the newly formed company. The newly formed company has further invested Rs. 34.34 Lacs to form a new company, Changzhou NIIT Information Technology Consulting Limited.
- The Board of Directors have recommended a dividend of Rs. 1.40 per equity share (Previous year Rs. 1.30 per equity share) the Face value of share is Rs. 2 each.
- Formula used for calculation of Debt Service Coverage ratio and Interest Service Coverage Ratio are as follows:
 - Debt Service Coverage Ratio = Profit after tax but before Interest expense and Depreciation / loan repayments (excluding working capital and other short term loan repayments) and interest expense
 - Interest Service Coverage Ratio = Profit after tax but before Interest expense and Depreciation / interest expense
- At the beginning of the quarter, there was no investor complaint pending for resolution, 10 complaints were received during the current quarter and all were resolved.
- The sub businesses are fully aligned to global learning business of the Company and the same are being viewed by the management as a single primary segment, i.e. Learning Business.

16) STATEMENT OF ASSETS AND LIABILITIES

(Rs. Lacs)

PARTICULARS	STANDALONE FINANCIALS		CONSOLIDATED FINANCIALS	
	AS AT 31/03/2010	AS AT 31/03/2009	AS AT 31/03/2010	AS AT 31/03/2009
	Audited	Audited	Audited	Audited
SHAREHOLDERS' FUNDS				
Share Capital	3,302	3,300	3,302	3,300
Employees Stock Option Outstanding	-	7	-	7
Reserves and Surplus	36,098	35,173	47,127	44,445
DEFERRED TAX LIABILITIES (Net)	14	-	-	-
MINORITY INTEREST	-	-	218	61
LOAN FUNDS	25,060	19,867	40,457	34,811
TOTAL	64,474	58,347	91,104	82,624
FIXED ASSETS	18,999	19,524	53,640	57,303
INVESTMENTS	20,122	18,480	12,744	10,664
DEFERRED TAX ASSETS (Net)	-	623	2,975	3,440
CURRENT ASSETS, LOANS AND ADVANCES				
a Inventories	1,013	924	1,260	967
b Sundry Debtors	21,697	17,856	34,027	29,037
c Cash and Bank Balances	2,887	3,993	6,159	7,474
d Other Current Assets	6,871	2,866	6,978	3,857
e Loans and Advances	12,123	15,102	15,380	14,998
Less : CURRENT LIABILITIES AND PROVISIONS				
a Current Liabilities	15,881	17,475	37,851	40,675
b Provisions	3,357	3,546	4,217	4,451
MISCELLANEOUS EXPENDITURE	-	-	9	10
TOTAL	64,474	58,347	91,104	82,624

- The figures of the previous quarter/ year, to the extent feasible, have been regrouped/ reclassified to conform to the current quarter/ year classification.
- The above results have been approved and taken on record by the Board of Directors of the Company at its meeting held on May 7, 2010.

 By order of the Board
For NIIT Limited

 Place: New Delhi
Date: May 7, 2010

 Vijay K. Thadani
CEO & Whole time Director