

**AUDITORS' REPORT TO THE MEMBERS OF  
SCANTECH EVALUATION SERVICES LIMITED**

1. We have audited the attached Balance Sheet of Scantech Evaluation Services Limited (the "company") as at 31<sup>st</sup> March 2010, and the related Profit and Loss Account 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 conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we further report that:
  - i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
  
(b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.  
  
(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
  - ii. As the Company does not have inventories, clauses (ii)(a), (ii)(b) and (ii)(c) of paragraph 4 of the Order are not applicable for the year.
  - iii. (a) The Company has granted unsecured loans to a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans is the same i.e. Rs. 123,600,000.  
  
(b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.  
  
(c) In respect of the aforesaid loans, the parties are repaying the principal amount as stipulated and are also regular in payment of interest, where applicable.  
  
(d) In respect of aforesaid loans, there is no overdue amount more than Rupees One Lakh.



- (e) As the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act, clauses (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable for the year.
- iv. As the Company has not purchased inventory or fixed assets and has not sold goods and services, clause (iv) of paragraph 4 of the Order is not applicable for the year.
- v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. The company is covered under the internal audit system of NIIT group, the holding Company, whereby internal audit has been carried out during the year and is commensurate with its size and nature of its business.
- viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including income-tax, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax and cess which have not been deposited on account of any dispute.
- x. The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or to debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.



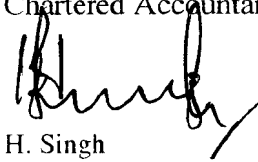
- xiv. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
  - xv. In respect of loan availed by the Company's fellow subsidiary, NIIT USA Inc. in the financial year ended March 31, 2007, the Company has pledged its investment in NIIT Technologies Limited to ICICI Bank Limited, Bahrain Branch and the same was approved by the shareholders under Section 372A of The Companies Act, 1956. The terms and conditions are not considered to be prejudicial to the interests of the Company.
  - xvi. The Company has not obtained any term loans.
  - xvii. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
  - xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act during the year.
  - xix. The Company has not issued any debentures during the year.
  - xx. The Company has not raised any money by public issue.
  - xxi. 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.
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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the 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 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in



the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010;
- (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse  
Firm Registration No.: 301112E  
Chartered Accountants



H. Singh  
Partner  
Membership No.- F-86994

Place of the Signature: New Delhi  
Date: April 27, 2010

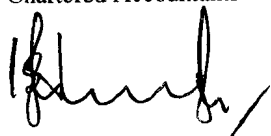
**Scantech Evaluation Services Limited**  
**Balance Sheet as at 31st March, 2010**

	Schedule No.	As At 31st March, 2010 (Rs.)	As At 31st March, 2009 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	'1'	99,100,000	99,100,000
Reserves and Surplus	'2'	39,533,865	29,757,973
		138,633,865	128,857,973
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	'3'	170,000	170,000
Less: Depreciation		161,500	161,500
Net Block		8,500	8,500
<b>INVESTMENTS</b>			
	'4'	98,198,200	98,198,200
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Cash and Bank Balances	'5'	8,667,487	5,355,406
Loans and Advances	'6'	123,633,804	117,225,386
		132,301,291	122,580,792
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	'7'	279,910	303,167
Provisions	'8'	91,594,216	91,626,352
		91,874,126	91,929,519
Net Current Assets		40,427,165	30,651,273
		138,633,865	128,857,973
<b>NOTES TO ACCOUNTS</b>	'9'		

The Schedules referred to above form an integral part of the Balance Sheet

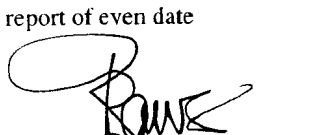
This is the Balance Sheet referred to in our report of even date

For Price Waterhouse  
Firm Registration No. : 301112E  
Chartered Accountants



**H. Singh**  
Partner  
Membership No. F-86994

Place : New Delhi  
Date: April 27, 2010

  
**Rajendra S Pawar**  
Director  
DIN - 00042516

  
**Avika Kapoor**  
Company Secretary

  
**Vijay K Thadani**  
Director  
DIN - 00042527

**Scantech Evaluation Services Limited**  
**Profit and Loss Account for the year ended 31st March, 2010**

	Schedule No./ (Note Reference)	Year ended 31st March, 2010 (Rs.)	Year ended 31st March, 2009 (Rs.)
<b>INCOME</b>			
<b>Other Income</b>			
Dividend Income (Long Term, Trade Investments)	'9(1)(iii)'	94,207,620	94,207,620
Interest Received (Gross)	'9(3)'		
- On Loans		12,769,802	12,618,145
		<b>106,977,422</b>	<b>106,825,765</b>
<b>EXPENDITURE</b>			
Personnel - Salaries & Allowances		1,310,568	1,594,713
Legal & Professional Expenses	'9(2)'	327,215	212,511
Sundry Expenses		1,935	2,000
Bank and Financial Charges		28,454	1,810
		<b>1,668,172</b>	<b>1,811,034</b>
<b>Profit Before Tax</b>		105,309,250	105,014,731
Income Tax Expense			
- Current	9(1)(iv)'	3,939,142	4,215,842
- Provision for tax relating to earlier years/ (Credit)		-	(1,168)
<b>Profit After Tax</b>		<b>101,370,108</b>	<b>100,800,057</b>
<b>Balance brought forward from previous year</b>		<b>848,967</b>	<b>1,723,132</b>
<b>Balance available for appropriation</b>		<b>102,219,075</b>	<b>102,523,189</b>
<b>APPROPRIATION</b>			
Proposed Dividend on Equity Shares		78,289,000	78,289,000
Corporate Dividend Tax for Current Year		13,305,216	13,305,216
Transferred to General Reserve		10,137,011	10,080,006
		<b>101,731,227</b>	<b>101,674,222</b>
Balance Carried to Balance Sheet		487,848	848,967
		<b>102,219,075</b>	<b>102,523,189</b>
<b>Basic and Diluted Earnings per share</b>	'9(9)'	10.23	10.17

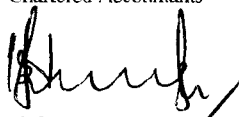
**NOTES TO ACCOUNTS**

'9'


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

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

For Price Waterhouse  
Firm Registration No. : 301112E  
Chartered Accountants

  
**H. Singh**  
Partner  
Membership No. F-86994

  
**Rajendra S. Pawar**  
Director  
DIN - 00042516

  
**Vijay K Thadani**  
Director  
DIN - 00042527

  
**Avika Kapoor**  
Company Secretary

Place : New Delhi  
Date : April 27, 2010

**Scantech Evaluation Services Limited**  
**Cash Flow Statement**  
for the year ended 31st March 2010

	Year Ended 31st March 2010 (Rs.)	Year Ended 31st March 2009 (Rs.)
<b>A. Cash flow from operating activities :</b>		
Net Profit before tax	105,309,250	105,014,731
Adjustment for:		
Dividend Income	(94,207,620)	(94,207,620)
Interest Income	(12,769,802)	(12,618,145)
<b>Operating profit before working capital changes</b>	<b>(1,668,172)</b>	<b>(1,811,034)</b>
<b>Adjustments for changes in working capital :</b>		
- (DECREASE)/INCREASE in Trade and Other Payables	(23,257)	117,042
- (DECREASE)/INCREASE in Provisions for Compensated Absences	(32,136)	-
<b>Cash generated from operations</b>	<b>(1,723,565)</b>	<b>(1,693,992)</b>
- Taxes Paid (Including TDS)	(3,947,560)	(4,224,272)
<b>Net cash used in operating activities (A)</b>	<b>(5,671,125)</b>	<b>(5,918,264)</b>
<b>B. Cash flow from Investing activities :</b>		
Loans given to Holding Company	(98,000,000)	(96,500,000)
Loans to Holding Company received back	91,600,000	220,300,000
Dividend Received	94,207,620	94,207,620
Interest Received	12,769,802	12,618,145
<b>Net cash from investing activity (B)</b>	<b>100,577,422</b>	<b>230,625,765</b>
<b>C. Cash flow from Financing activities :</b>		
Dividend paid (including Dividend Tax)	(91,594,216)	(220,289,886)
<b>Net Increase/Decrease in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>3,312,081</b>	<b>4,417,615</b>
<b>Cash &amp; Cash Equivalents as at the beginning of the year (Refer Note 1 below)</b>	<b>5,355,406</b>	<b>937,791</b>
<b>Cash and Cash Equivalents as at the end of the year (Refer Note 1 below)</b>	<b>8,667,487</b>	<b>5,355,406</b>

**Notes :**

- 1 Cash and cash equivalents comprise of

Cash in hand

Balance with scheduled Banks

	Year Ended 31st March 2010 (Rs.)	Year Ended 31st March 2009 (Rs.)
Cash in hand	587	37
Balance with scheduled Banks	8,666,900	5,355,369
	<u><b>8,667,487</b></u>	<u><b>5,355,406</b></u>

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

- 3 Previous year figures have been regrouped and recast wherever necessary to conform to the current year's classification.

- 4 The Schedules from 1 to 9 form an integral part of the Cash flow Statement

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse  
Firm Registration No. : 301112E  
Chartered Accountants

H. Singh  
Partner

Membership No. F-86994

Rajendra S Pawar  
Director  
DIN - 00042516

Vijay K Thadani  
Director  
DIN - 00042527

Avika Kapoor  
Company Secretary

Place : New Delhi  
Date: April 27, 2010

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

Schedule No.		As At 31st March, 2010 (Rs.)	As At 31st March, 2009 (Rs.)
<b>1.</b>	<b>SHARE CAPITAL</b>		
	<b>Authorised</b>		
	12,000,000 Equity Shares of Rs. 10/- each	120,000,000	120,000,000
	(Previous Year 12,000,000 Equity Shares of Rs. 10/- each)		
		<u>120,000,000</u>	<u>120,000,000</u>
	<b>Issued, Subscribed &amp; Paid-up</b>		
	9,910,000 Equity Shares of Rs. 10/- each	99,100,000	99,100,000
	(Previous Year 9,910,000 Equity Shares of Rs. 10/- each)		
	The entire paid up capital of the company is held by NIIT Limited, the holding company		
		<u>99,100,000</u>	<u>99,100,000</u>
<b>2.</b>	<b>RESERVES AND SURPLUS</b>		
	<b>General Reserve</b>	28,909,006	18,829,000
	Add: Transferred From Profit and Loss Account	<u>10,137,011</u>	<u>39,046,017</u>
			10,080,006
	<b>Profit and Loss Account</b>	487,848	848,967
		<u>39,533,865</u>	<u>29,757,973</u>





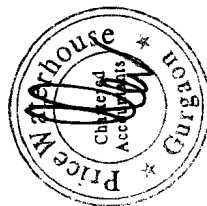
**Scantech Evaluation Services Limited**  
Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2010

**3 FIXED ASSETS**

[Refer Note 1(i) on Schedule 9]

Figures in Rupees

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 1st April, 2009	Additions during the Year	Total as on 31st March, 2010	As on 1st April, 2009	For the Year	Total as on 31st March, 2010	As on 31st March, 2010	As on 31st March, 2009
PLANT & MACHINERY (Scanner & Computer)	170,000	-	170,000	161,500	-	161,500	8,500	8,500
<b>TOTAL</b>	<b>170,000</b>	<b>-</b>	<b>170,000</b>	<b>161,500</b>	<b>-</b>	<b>161,500</b>	<b>8,500</b>	<b>8,500</b>
<b>PREVIOUS YEAR</b>	<b>170,000</b>	<b>-</b>	<b>170,000</b>	<b>161,500</b>	<b>-</b>	<b>161,500</b>	<b>8,500</b>	



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

Schedule No.		As At 31st March, 2010 (Rs.)	As At 31st March, 2009 (Rs.)
4.	<b>INVESTMENTS</b> [Refer Notes 1 (ii), 4 and 10 on Schedule 9]		
	<b>LONG TERM, TRADE [QUOTED] AT COST</b>		
	14,493,480 Equity Shares of Rs. 10/- each in NIIT Technologies Limited (Formerly known as NIIT Investment Limited) (Previous Year 14,493,480 Equity Shares of Rs. 10/- each) Market Value as on 31st March, 2010 - Rs. 2,460,268,230/- (Previous Year - Rs. 765,255,744/-)	97,498,200	97,498,200
	<b>SHORT TERM, NON TRADE [ UNQUOTED]</b>		
	In Mutual Funds	700,000	700,000
		<u>98,198,200</u>	<u>98,198,200</u>
5.	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	587	37
	Balances with Scheduled Banks in : - Current Account	8,666,900	5,355,369
		<u>8,667,487</u>	<u>5,355,406</u>
6.	<b>LOANS AND ADVANCES</b> (Unsecured, considered good)		
	Loans to Holding Company	123,600,000	117,200,000
	Advance Tax	16,635,946	12,688,386
	Less : Provision for Income Tax	<u>16,602,142</u>	<u>12,663,000</u>
		<u>123,633,804</u>	<u>117,225,386</u>



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

Schedule No.	As At 31st March, 2010 (Rs.)	As At 31st March, 2009 (Rs.)
<b>7. CURRENT LIABILITIES</b>		
Sundry Creditors	238,982	264,269
[Amount due to Micro, Small and Medium Enterprises Rs. Nil (Previous Year Rs. Nil) ]		
Other Liabilities	40,928	38,898
	<b><u>279,910</u></b>	<b><u>303,167</u></b>
<b>8. PROVISIONS</b>		
[Refer Note 6 on Schedule 9]		
Provision for compensated absences	-	32,136
Proposed Dividend on Equity Shares	78,289,000	78,289,000
Tax on proposed dividend above	13,305,216	13,305,216
	<b><u>91,594,216</u></b>	<b><u>91,626,352</u></b>



**SCANTECH EVALUATION SERVICES LIMITED**  
**SCHEDULE 9: Notes to accounts for the year ended 31st March, 2010**

**BACKGROUND**

The Company was incorporated on July 17, 2002. The main objects of the Company are to undertake business activities as consultants, providing services and to carry on business in all spheres of computer systems and computer applications, developers of hardware & software systems and related activities.

The ancillary objects include investing money or monies of the Company, in shares, stocks and other investments as may be expedient and to hold, sell or otherwise deal with such investments in any manner and to lend or advance money as the Company may think fit for implementing the main objects. The Company has invested in 24.66% of paid up share capital of NIIT Technologies Limited (NTL) and also advanced loan to its holding company NIIT Limited. As the Company has not commenced its main business, at present, the sources of income includes dividend from investments and interest on loan given to holding company.

**1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES**

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

**(i) Fixed Assets and Depreciation**

Fixed Assets are shown at acquisition cost. Computers and computer accessories are depreciated over a period of 3 years, on a straight line basis.

**(ii) Investments**

Long-term investments are valued at their acquisition cost. Any decline in the value of the said investment, other than a temporary decline, is recognised and charged to profit and loss account. Short-term investments are carried at cost or their market value, whichever is lower.

**(iii) Revenue Recognition**

Revenue is recognised on an accrual basis. Dividend income is recognised when the right to receive dividend is established.

**(iv) 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 recognised and carried forward only to the extent, there is 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.

**2. Payment to Auditors**

Particulars	Year ended 31 <sup>st</sup> March, 2010 (Rs.)	Year ended 31 <sup>st</sup> March, 2009 (Rs.)
Statutory Audit Fee	40,000	40,000
Tax Audit Fee	40,000	40,000
Others	15,000	-
Reimbursement of Expenses (Including Service Tax)	11,440	8,240



**SCANTECH EVALUATION SERVICES LIMITED**  
**SCHEDULE 9: Notes to accounts for the year ended 31st March, 2010**

3. Interest income is gross of tax deducted at source of Rs 1,597,559/- (Previous year Rs. 2,859,272/-)

4. Details of Mutual Funds: -

(Amount in Rs.)

SCHEME	No. of units at the beginning of the year	Opening Value	No. of units purchased	Purchase Value	No. of units sold	Sale Value	No. of units at end of the year	Value of units in hands at the lower of cost or market value	Market Value of units in hand
Prudential ICICI Liquid Plan	60,534 (60,534)	700,000 (700,000)	Nil Nil	Nil Nil	Nil Nil	Nil Nil	60,534 (60,534)	700,000 (700,000)	823,766 (786,325)
<b>Total</b>	<b>60,534</b> <b>(60,534)</b>	<b>700,000</b> <b>(700,000)</b>	<b>Nil</b> <b>Nil</b>	<b>Nil</b> <b>Nil</b>	<b>Nil</b> <b>Nil</b>	<b>Nil</b> <b>Nil</b>	<b>60,534</b> <b>(60,534)</b>	<b>700,000</b> <b>(700,000)</b>	<b>823,766</b> <b>(786,325)</b>

Previous year figures are given in parenthesis.

**5. RELATED PARTY TRANSACTIONS AS PER ACCOUNTING STANDARD 18:**

**A. Related party relationship where control exists**

Holding Company - NIIT Limited

**B. Fellow Subsidiaries:**

1. NIIT Online Learning Limited
2. Hole-in-the-Wall Education Ltd
3. NIIT Multimedia Limited
4. NIIT Institute of Finance Banking and Insurance Training Ltd
5. NIIT Institute of Process Excellence Limited
6. Evolv Services Limited
7. NIIT Ltd, UK
8. NIIT Antilles NV, Netherlands Antilles
9. NIIT Middle East LLC, Bahrain (Liquidated in May 2009)
10. NIIT Malaysia Sdn. Bhd, Malaysia
11. NIIT GC Ltd (formerly NIIT TVE Ltd, Mauritius)
12. NIIT China (Shanghai) Limited, Shanghai
13. NIIT Wu Xi Service Outsourcing Training School
14. Chongqing NIIT Education Consulting Limited, China
15. Wu Xi NIIT Information Technology Consulting Limited. (w.e.f. June 2009)
16. Changzhou NIIT Information Technology Consulting Limited (w.e.f. September 2009)
17. Imperia China (Shanghai) Limited (Till May 28, 2009)
18. PCEC NIIT Institute of Information Technology, Shanghai- (Under Liquidation)
19. NIIT (USA) Inc, USA
20. NIIT Ventures Inc, USA
21. Element K Corporation, USA



**SCANTECH EVALUATION SERVICES LIMITED**  
**SCHEDULE 9: Notes to accounts for the year ended 31st March, 2010**

22. Element K India Private Limited, India
23. Element K (UK) Limited, United Kingdom
24. Element K, Canada
25. PT NIIT Indonesia, Indonesia (Under liquidation)

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

- a) Associates (parties in which the company has substantial interest):  
NIIT Technologies Limited
- b) Key Managerial Personnel  
Ravi Krishnamacharya - Manager

**D. Details of significant transactions with related parties described above carried out on an arm's length basis:**

(Amount in Rs.)

Nature of Transactions	Holding Company	Associates	Key Managerial Personnel	Grand Total
Loans Given	98,000,000 (96,500,000)	Nil (Nil)	Nil (Nil)	98,000,000 (96,500,000)
Dividend	78,289,000 (78,289,000)	Nil (Nil)	Nil (Nil)	78,289,000 (78,289,000)
Loans Given Repaid	91,600,000 (220,300,000)	Nil (Nil)	Nil (Nil)	91,600,000 (220,300,000)
Dividend Income	Nil (Nil)	94,207,620 (94,207,620)	Nil (Nil)	94,207,620 (94,207,620)
Remuneration Paid	Nil (Nil)	Nil (Nil)	1,270,704 (1,522,713)	1,270,704 (1,522,713)
Interest Income	12,769,802 (12,618,145)	Nil (Nil)	Nil (Nil)	12,769,802 (12,618,145)
Management Cost Recovery	110,739 (73,342)	Nil (Nil)	Nil (Nil)	110,739 (73,342)

Previous year figures are given in parenthesis

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

(Amount in Rs.)

Particulars	Holding Company	
	As at 31.03.2010	As at 31.03.2009
Loans Given	123,600,000	117,200,000
Payables (Including Dividend)	78,315,358	78,354,182



**SCANTECH EVALUATION SERVICES LIMITED**  
**SCHEDULE 9: Notes to accounts for the year ended 31st March, 2010**

**6. EMPLOYEE BENEFIT PLANS**

**Defined Benefit Plans**

**Compensated Absences**

Particulars	As at March 31, 2010	As at March 31, 2009
<b>i. Change in Present value of Obligation:</b>		
Present value of obligation as at the beginning of the year	32,136	-
Past Service cost	-	-
Current service cost	(32,136)	-
Benefits Paid	-	-
Actuarial (gain)/ loss on Obligations	-	32,136
Present value of obligation as at the end of the year	-	32,136

Particulars	As at March 31, 2010	As at March 31, 2009
<b>ii. Assumptions used in accounting for Compensated Absences:-</b>		
Discount Rate (per annum)	-	8.00%
Future Salary Increase		
For First 5 Years	-	10.00%
Thereafter	-	7.00%

During the year, the company has not carried out actuarial valuation since there is no carry forward of accumulated leave balances that can be carried forward in the next year pursuant to change in policy of the company. The provision created till March 31, 2009 has been reversed during the current year.

**7. MANAGERIAL REMUNERATION:**

Particulars	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
Salary and allowances	1,270,704	1,522,713

8. Deferred Tax Asset / Liability has not been recognized as there are no material timing differences resulting in difference between book profit and profit computed as per Income Tax Act, 1961.

**9. EARNINGS PER SHARE:**

Particulars	Year ended 31st March, 2010	Year ended 31st March, 2009
Profit attributable to Equity shareholders (Rs.) -(A)	101,370,108	100,800,057
Weighted Average number of Equity shares Outstanding during the year (Nos.) – (B)	9,910,000	9,910,000
Nominal Value of Equity Shares (Rs.)	10/-	10/-
Basic/Diluted Earnings per share (Rs) (A/B)	10.23	10.17

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

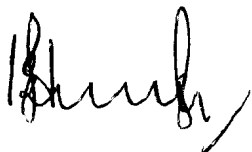


**SCANTECH EVALUATION SERVICES LIMITED**  
**SCHEDULE 9: Notes to accounts for the year ended 31st March, 2010**

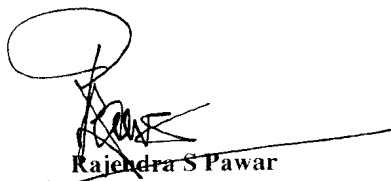
10. The Company's investment of 14,493,390 Equity Shares of Rs. 10/ each in NIIT Technologies Limited were under negative lien with ICICI Bank Limited Bahrain as a security towards the financial facility availed by NIIT (USA) Inc., for the purchase of 100% equity in Element K Corporation, USA. During the year, these shares have been pledged in favor of ICICI Bank Limited, Bahrain pursuant to the Share Pledge Agreement.
11. Amounts outstanding as payable to any Micro, Small Scale and Medium enterprises as at 31<sup>st</sup> March 2010 is Rs. Nil (Previous year Rs. Nil).
12. Previous year figures have been reclassified / recast to conform to the current year classification.

Signatures to the Schedule '1' to '9' above

For **Price Waterhouse**  
Firm Registration No.: 301112E  
Chartered Accountants



**H. Singh**  
Partner  
Membership No. F-86994



**Rajendra S Pawar**  
Director  
DIN - 00042516



**Vijay K Thadani**  
Director  
DIN - 00042527



**Avika Kapoor**  
Company Secretary

Place : New Delhi  
Date: April 27, 2010



## REGISTRATION DETAILS

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**Vijay K Thadani**  
Director  
DIN-00042527

**Avika Kapoor**  
Company Secretary