

GHOSH KHANNA & CO.
CHARTERED ACCOUNTANTS

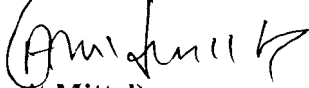
L-2A, Hauz Khas Enclave, New Delhi-110016, India
Phones: +91 (011) 2696 2981/2 Fax: +91 (011) 2696 2985
E-mail: gko@vsnl.com website: www.gkcindia.com

TO WHOMSOEVER IT MAY CONCERN

This is to certify that the figures in foreign currency in the annual report of **NIIT Antilles NV** for the financial year ended on 31st March, 2010, audited by Ghosh Khanna & Co., L-2A Hauz Khas Enclave New Delhi-110016 India, have been converted into INR equivalents as per Indian GAAP on the following basis:

S. No.	Particulars	Exchange Rate
1.	Share Capital	Exchange rate at the date of allotment of Shares
2.	Reserves & Surplus	Opening Balance: from previous year's INR Balance Sheet Closing balance: being arrived at by adding the profit / (loss) for the year from the INR Profit and Loss Account
3.	Investment in Subsidiary (s)	Exchange rate at the date of Investment in subsidiary (s)
4.	Other Balance Sheet Items	Exchange Rate as on 31 st March 2010 i.e. 1 USD = 44.9748 INR
5.	Item falling under Profit and Loss Account	Exchange Rate at the date of transaction

For Ghosh Khanna & Co.
Chartered Accountants


(Amit Mittal)
Partner
Membership No.508748

Place: New Delhi

Date: 6th May 2010

Encls:

Annexure: A (Audited Balance Sheet)

Annexure: B (Converted Balance Sheet)



Branches:

Calcutta : P-5, C. I. T. Road (7th Flr.), Scheme - L V, Kolkata - 700 014, Tel.: +91(033) 2216 8321, Fax: +91 (033) 2216 8320, Email: gkccal@vsnl.com
Chennai : B-12, Vidhyodaya Apts. 54 Habibulla Road, T. Nagar, Chennai - 600 017, Tel.: +91(044) 2825 7832, Fax: +91 (044) 2823 1196, Email: gkcchennai@mail.com
Bangalore : 65, KHB Ciy. (FF), 2nd 'A' Cross, Koramangala 5th Block, Bangalore - 560 095, Tel.: +91(080) 552 2474, Fax: +91 (080) 552 2474, Email: gkcbangalore@mail.com
Trichy : 15/8/6, A. R. V. Complex, Sastri Road, Tennur, Trichy - 620 017, Tel.: +91(0431) 276 1807, Fax: +91 (0431) 276 6933, Email: gkctrichy@eth.net

NIIT Antilles NV

Balance Sheet as at 31st March 2010

	Schedule No. / (Note Reference)	As at 31st March 2010 INR	As at 31st March 2009 INR
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	1,644,127,480	1,644,127,480
NET DEFERRED TAX LIABILITIES			
		2,123,685	-
		<u>1,646,251,165</u>	<u>1,644,127,480</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	1,486,983,246	1,679,375,642
Less: Depreciation		<u>1,484,784,247</u>	<u>1,677,255,241</u>
Net Block		2,198,999	2,120,401
INVESTMENTS			
		158,606,554	164,768,006
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry Debtors	5	522,769,592	403,875,421
Cash and Bank Balances	6	63,984,464	52,207,622
Other Current Assets	7	37,184,535	49,472,414
Loans & Advances	8	<u>60,440,490</u>	<u>56,603,257</u>
		<u>684,379,081</u>	<u>562,158,714</u>
Less : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	9	212,092,442	209,871,102
Provisions	10	<u>2,419,368</u>	<u>530,545</u>
		<u>214,511,810</u>	<u>210,401,647</u>
Net Current Assets		469,867,271	351,757,067
Profit & Loss Account	2	934,153,410	1,093,819,845
Currency Translation Reserve	3	81,424,931	31,662,161
		<u>1,646,251,165</u>	<u>1,644,127,480</u>
		-	-

NOTES TO ACCOUNTS 18

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

NOTE : BALANCE SHEET has been converted at the closing rate as at 31 MARCH
2010 being : USD 1 = INR 44.9748 (Previous year USD 1 = INR 50.8614)

NIIT Antilles NV

Profit and Loss Account for the period ended 31st March 2010

	Schedule No. / (Note Reference)	Year Ended 31st March 2010 INR	Year Ended 31st March 2009 INR
INCOME			
Revenue from Operations	11	647,809,630	547,552,435
Other Income	12	18,480,956	1,843,781
		666,290,586	549,396,216
EXPENDITURE			
Personnel	13	13,345,723	6,996,767
Development, Production and Execution	14	353,086,095	322,757,684
Administration and Others	15	126,225,791	107,417,411
Selling and Marketing	16	5,298,788	4,109,254
Interest and Finance Charges	17	673,101	959,814
Depreciation and Amortisation	4	1,758,570	102,647,416
		500,388,068	544,888,346
Profit before Tax		165,902,518	4,507,870
Tax Expense			
- Current		4,392,608	379,742
- Deferred charge / (credit)		-	-
- Fringe Benefits Tax		-	-
- MAT Credit Entitlement		-	-
Profit after Tax before		161,509,910	4,128,128

NOTES TO ACCOUNTS

18

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

NOTE : PROFIT & LOSS ACCOUNT has been converted using the conversion rate of exchange at the date of transaction.

NIIT Antilles NV

**Schedules annexed to and forming part of the Balance Sheet
as at 31st March 2010**

Schedule No.		As At 31st March 2010 INR		As At 31st March 2009 INR	
1	SHARE CAPITAL				
	Paid-up				
	Equity Shares/Common Stock (35,056,000 Shares/ Stock of US\$ 1 each) at par value of Shares.	1,644,127,480		1,644,127,480	
		<u>1,644,127,480</u>		<u>1,644,127,480</u>	
2	PROFIT & LOSS ACCOUNT				
	As per Last Balance Sheet	(1,095,663,320)		(1,097,947,973)	
	Add : Transferred from Profit and Loss account	<u>161,509,910</u>	(934,153,410)	<u>4,128,128</u>	(1,093,819,845)
		<u>(934,153,410)</u>		<u>(1,093,819,845)</u>	
3	CURRENCY TRANSLATION RESERVE				
	As per Last Balance Sheet	(31,662,161)		(106,606,908)	
	Increase / (Decrease) during the year on translation of balances	<u>(49,762,770)</u>		<u>74,944,747</u>	
		<u>(81,424,931)</u>		<u>(31,662,161)</u>	

Figures in INR

Description of Assets	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK				
	Cost as on 01.04.2009	Additions during the Year	Sales / Adj. during the Year	Translation Adjustment	Total as on 31.03.2010	Charge For the Year	Sales / Adj. during the Year	Translation Adjustment	Total as on 31.03.2010	As on 31.03.2010	As on 31.03.2009
<u>Teaching</u>											
Plant & Machinery											
Owned		388,670	-	-	388,670	91,744	-	-	91,744	296,926	-
Leased		-	-	-	-	-	-	-	-	-	-
Furniture & Fixtures											
Owned	-	239,363	-	(16,393)	222,970	23,344	-	(695)	22,649	200,321	-
Leased		-	-	-	-	-	-	-	-	-	-
Vehicles	541,230	1,414,018	-	(88,726)	1,866,522	99,733	-	(22,212)	149,873	1,716,649	468,878
Sub Total (a)	541,230	2,042,051	-	(105,119)	2,478,162	214,821	-	(22,907)	264,266	2,213,896	468,878
<u>Intangible (Educational Content/ Products)</u>											
<u>Software</u>											
Owned	1,678,834,412	-	-	(194,329,328)	1,484,505,084	1,543,749	-	(194,206,657)	1,484,519,981	(14,897)	1,651,523
Leased	1,678,834,412	-	-	(194,329,328)	1,484,505,084	1,543,749	-	(194,206,657)	1,484,519,981	(14,897)	1,651,523
Sub Total (b)											
Total (a+b)	1,679,375,642	2,042,051	-	-	1,486,983,246	1,758,570	-	-	1,484,784,247	2,198,999	2,120,401

NIIT Antilles NV

Schedules annexed to and forming part of the Balance Sheet as at 31st March 2010

Schedule No.	As At 31st March 2010 INR	As At 31st March 2009 INR
5 SUNDRY DEBTORS		
[Unsecured]		
Outstanding over six months :		
- Considered good	522,769,592	403,875,421
- Considered doubtful	420,550,547	447,361,874
Other debts :		
- Considered good	-	-
- Considered doubtful	-	-
	<hr/> 943,320,139	<hr/> 851,237,295
Less : Provision for Doubtful Debts	420,550,547	447,361,874
	<hr/> 522,769,592	<hr/> 403,875,421

NIIT Antilles NV

**Schedules annexed to and forming part of the Balance Sheet
as at 31st March 2010**

	As At 31st March 2010 INR	As At 31st March 2009 INR
6 CASH AND BANK BALANCES		
Balances with Banks in :		
- Current Accounts	63,543,506	4,807,649
Exchange Earners' Foreign Currency Account	440,958	47,399,973
	<u>63,984,464</u>	<u>52,207,622</u>
7 OTHER CURRENT ASSETS (Unsecured, considered good)		
Unbilled Revenue (Net)	37,184,535	49,472,414
	<u>37,184,535</u>	<u>49,472,414</u>
8 LOANS & ADVANCES (Unsecured, considered good except where otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		-
- Considered Good	59,791,431	55,906,249
- Considered Doubtful	-	-
	<u>59,791,431</u>	<u>55,906,249</u>
Less : Provision for Doubtful Advances	<u>-</u>	<u>-</u>
	59,791,431	55,906,249
Security Deposits		
-Considered Good	649,059	697,008
-Considered Doubtful	-	-
	<u>649,059</u>	<u>697,008</u>
Less : Provision for Doubtful Security Deposits	<u>-</u>	<u>-</u>
	649,059	697,008
	<u>60,440,490</u>	<u>56,603,257</u>

NIIT Antilles NV

**Schedules annexed to and forming part of the Balance Sheet
as at 31st March 2010**

Schedule No.		As At 31st March 2010 INR	As At 31st March 2009 INR
9	CURRENT LIABILITIES		
	Sundry Creditors	209,312,803	203,882,828
	Advances from Customers	2,547,769	-
	Other Liabilities	231,870	531,705
		<u>212,092,442</u>	<u>531,705</u>
10	PROVISIONS		
	Provision for Gratuity	123,087	27,598
	Provision for Compensated Absences	242,181	100,299
	Provision for Tax	2,054,100	402,648
		<u>2,419,368</u>	<u>530,545</u>

NIIT Antilles NV

**Schedules annexed to and forming part of the Profit and Loss Account
Year Ended 31st March 2010**

Schedule No.		Year Ended 31st March 2010 INR	Year Ended 31st March 2009 INR
11	REVENUE FROM OPERATIONS		
	Revenue	647,809,630	547,552,435
		<u>647,809,630</u>	<u>547,552,435</u>

NIIT Antilles NV

**Schedules annexed to and forming part of the Profit and Loss Account
Year Ended 31st March 2010**

Schedule No.		Year Ended 31st March 2010 INR	Year Ended 31st March 2009 INR
12 OTHER INCOME			
Gain on Exchange Fluctuation (Net)		18,480,956	1,843,781
		<u>18,480,956</u>	<u>1,843,781</u>
13 PERSONNEL			
Salaries and Benefits		13,085,067	6,784,716
Contribution to retirement benefit funds		134,537	25,704
Welfare and other expenses		126,119	186,347
		<u>13,345,723</u>	<u>6,996,767</u>
14 DEVELOPMENT, PRODUCTION AND EXECUTION			
Courseware and Manuals		210,294,750	157,880,170
Bought out Packages/Products		100,351,173	77,975,323
Course Execution Charges		34,500,055	62,944,844
Professional Charges		7,940,117	23,860,435
Others		-	96,912
		<u>353,086,095</u>	<u>322,757,684</u>
15 ADMINISTRATION AND OTHERS			
Rent (net of recoveries)		3,247,981	1,587,211
Rates and Taxes		702,051	134,701
Electricity and Water		203,860	43,438
Communication		1,264,140	505,053
Legal and Professional		73,512,189	73,864,630
Traveling and Conveyance		6,050,590	5,567,929
Bad debts and provision for doubtful debts	28,537,268		19,410,960
Less: Provision for doubtful debts written back	<u>-</u>	<u>28,537,268</u>	<u>-</u>
Insurance Premium		269,237	391,100
Repairs and Maintenance			-
- Others	<u>370,812</u>	<u>370,812</u>	<u>42,718</u>
Sundry Expenses		12,067,663	5,869,671
		<u>126,225,791</u>	<u>107,417,411</u>
16 SELLING & MARKETING			
Advertisement and Publicity		4,069,183	3,525,778
Others		1,229,605	583,476
		<u>5,298,788</u>	<u>4,109,254</u>
17 INTEREST AND FINANCE CHARGES			
Bank, Discounting and Other Financial Charges		1,432,515	2,208,793
Interest Expense:			
- Fixed Loans	-	-	-
- Non Convertible Debentures	-	-	-
- Others	<u>-</u>	<u>-</u>	<u>-</u>
Less : Interest Received (Gross) :			
- Deposits	-	(20,709)	
- Loans	(759,414)	(1,228,270)	
- Others	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(759,414)</u>	<u>(759,414)</u>	<u>(1,248,979)</u>
		<u>673,101</u>	<u>959,814</u>

Schedule: 18

NIIT Antilles N V

Notes to Accounts for the Period ended 31st March 2010.

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared on an accrual basis and under historical cost convention. The significant accounting policies adopted by the Company are detailed below.

1. Summary of Significant Accounting Policies

i) Fixed Assets and Depreciation

Fixed Assets are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate the cost to the residual values over the estimated useful lives as follows:

Description of Asset	Useful Life of the Asset
Software (courseware and products) and Patents	3-5 Years
Vehicles	10 Years
Furniture & Fixtures	7 Years
Plant & Machinery	3-8 Years

Amortization of Software is done over the useful life of the software from the date the software was put to use.

ii) Revenue Recognition

The Company recognizes revenue on accrual basis.

The revenue generated through the sale of Education and Training activity and sale of courseware is recognized on the dispatch of material to the customer.

In respect of Software projects/Service revenue is recognized proportionately on the Completion of the agreed milestone with the customer.

Interest income is recognised on a time-proportion basis using the effective interest method.

iii) Investments

Investments made in subsidiary companies are carried at cost or their market values which ever is lower. Any diminution in the value of Investments is provided for during the financial year.

iv) Financial instruments

Financial assets and financial liabilities carried on the balance sheet include cash and bank balances, trade receivables, and trade payables

v) Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is recognized in the income statement.

vi) Foreign Currency Transactions

Transactions in foreign currency are booked at standard rates determined periodically and all monetary assets and liabilities in foreign currency are restated at the year-end. Gain/Loss arising out of fluctuations on identifiable to acquisition of fixed assets is charged/credited to the profit and loss account. Gain/Loss on account of exchange fluctuations identifiable to fixed assets acquired is adjusted against the carrying value of the related fixed asset.

2. Critical Accounting Estimates

Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future.

3. Impairment of receivables

The Company's management determines the provision for impairment of trade and other receivables. This estimate is based on the credit history of its customers and the current market condition. Management reassesses the provision on each of the balance sheet date.

4. Payment to Auditors

Particulars	2010 (INR)	2009(INR)
Audit Fees & Other Related Fees	615,859	220,859

5. Sundry Expenses includes:

- i. Management Services amounting to INR 8,924,079/- (Previous Year INR 5,828,919)
- ii. Provision for Bad debt made during the year to the tune of INR 28,877,481 (Previous Year INR 19,410,960)

6. During the year company has carried out the business activities in South Africa through its branch in the South Africa. Separate books of accounts in local currency (ZAR) have been kept in respect of activities carried out by the branch and also been audited by the local auditor in compliance with the local laws. These financials statements also include financials of its South Africa branch based on the audited financial statement audited by the local auditor. Further for the purpose of translation of financial statement of branch, the branch has been considered as integral foreign operation, as it carries its business as an extension of the company.

7. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Amt in INR

(a) Significant related party transactions and balances:

Nature of Transactions	Holding Company (NIIT Limited)	Affiliates(NIIT GC Limited, Mauritius)	Affiliates(NIIT Malaysia)	Affiliates(NIIT Middle East)	Affiliates (NIIT USA Inc.)	Affiliates(NIIT Limited, UK)
	INR	INR	INR	INR	INR	INR
Purchase of Goods	93,220,574 (44,486,904)	-	-	-	-	-
Sale of Goods	965,600 (NIL)	6,043,853 (84,15,295)	11,466,180 (4,607,099)	-	-	-
Receiving of Services	80,356,541 (73,666,579)	-	-	-	-	-
Transfer of Expenses	NIL (177,956)	-	-	NIL (1,493,184)	-	-
Recovery of Expenses	65,396 (171,964)	-	-	-	-	-
Loans Given	-	-	-	-	11,804,400 (57,169,125)	Nil (Nil)
Loans Given Received back	-	-	-	NIL (13,720,590)	11,804,400 (57,169,125)	Nil (4,573,530)
ME Recd. On behalf of NV	-	-	-	NIL (1524,460)	-	-
NV made payments	144,165,910 (158,917,762)	Nil (Nil)	-	-	-	-
NV Recd. On behalf of ME	-	-	-	Nil (NIL)	-	-
Recoveries /Refund against Investment				3,137,324 (NIL)		
Impairment of Investments				3,131,346 (NIL)		
Interest receivable	-	718,102 (695,559)	-	-	34,430 (455,638)	NIL (76,479)
Interest received	-	-	-	-	34,430	NIL

					(455,638)	(359,227)

(b) Balances as on 31.03.2010

Receivables	1,915,960 (1,126,669)	41,160,266 (39,263,817)	14,168,560 (4,982,957)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Payable	86,391,509 (65,947,662)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

Note:- Figure in parenthesis represents previous year's figure

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