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CHARTERED ACCOUNTANTS

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TO WHOMSOEVER IT MAY CONCERN

This is to certify that the figures in foreign currency in the consolidated Financial Statements of **NIIT China (Shanghai) Limited and its subsidiaries** for the financial year ended on 31st March, 2010, audited by Shanghai Jialiang CPAs Co. Limited, Suit No.1503/1504 Nanjing Road West Shanghai, China 200041, Republic of China are enclosed as **Annexure A**. The stand alone financials of the holding company (NIIT China (Shanghai) limited) and its subsidiaries 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. CNY 1 = INR 6.5879
5.	Item falling under Profit and Loss Account	Exchange Rate at the date of transaction

Financials converted into INR Equivalent as per Indian GAAP, for respective standalone entities are enclosed as follows:

- | | |
|---|-------------------|
| A. NIIT China (Shanghai) Limited | - Annexure -B |
| B. NIIT Wuxi Service Outsourcing Training School | - Annexure -B I |
| C. Chongqing NIIT Education Consulting Limited | - Annexure -B II |
| D. Wuxi NIIT Information Technology Limited | - Annexure -B III |
| E. Changzhou NIIT Information Technology Consulting Limited | - Annexure -B IV |

For Ghosh Khanna & Co.
Chartered Accountants

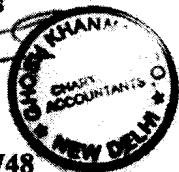
(Amit Mittal)

Partner

Membership No.508748

Place: New Delhi

Date: 6th May 2010



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NIIT China (Shanghai) Limited

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	10,250,891	10,250,891
Reserves and Surplus	2	50,471,973	56,101,522
Currency Translation Reserve	3	7,520,692	15,846,446
		<u>68,243,556</u>	<u>82,198,859</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	24,725,323	13,613,108
Less: Depreciation		<u>9,928,907</u>	<u>8,429,668</u>
Net Block		14,796,416	5,183,440
Capital work-in-progress (including Capital Advances)		-	13,558,415
		8,350,212	4,910,724
INVESTMENTS		12,809,993	6,432,429
NET DEFERRED TAX ASSETS			
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	5	4,588,510	2,196,568
Sundry Debtors	6	99,785,849	76,310,847
Cash and Bank Balances	7	17,410,742	46,729,276
Loans & Advances	8	30,406,257	50,094,157
		<u>152,191,358</u>	<u>175,330,848</u>
Less : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	9	112,473,839	116,957,333
Provisions	10	7,430,584	6,259,664
		<u>119,904,423</u>	<u>123,216,997</u>
Net Current Assets		32,286,935	52,113,851
		<u>68,243,556</u>	<u>82,198,859</u>

NOTES TO ACCOUNTS

A

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 : CNY 1 = INR 6.5879
(Previous Year CNY 1 = INR 7.4435)

NIIT China (Shanghai) Limited

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	264,113,022	236,116,375
Other Income	12	919,116	383,711
		265,032,138	236,500,086
EXPENDITURE			
Personnel	13	102,506,506	85,261,680
Development, Production and Execution	14	93,599,333	58,990,903
Administration and Others	15	42,563,208	53,887,364
Selling and Marketing	16	32,302,703	31,053,586
Interest and Finance Charges	17	60,838	(59,380)
Depreciation and Amortisation	4	2,599,653	1,930,659
		273,632,241	231,064,811
Profit before Tax and share of Associates' profits		(8,600,103)	5,435,276
Tax Expense			
- Current		(2,970,554)	9,174,630
- Deferred charge / (credit)		-	(6,432,429)
- Fringe Benefits Tax		-	-
- MAT Credit Entitlement		-	-
Profit after Tax before		(5,629,549)	2,693,074
			-

NOTES TO ACCOUNTS

A

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

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

NIIT China (Shanghai) Limited

**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		10,250,891		10,250,891
			<u>10,250,891</u>		<u>10,250,891</u>
2	RESERVES AND SURPLUS				
	General Reserve				
	As per Last Balance Sheet	56,101,522		53,408,447	
	Add : Transferred from Profit and Loss account	<u>-</u>	56,101,522	<u>-</u>	53,408,447
	Profit & Loss Account		(5,629,549)	2,693,075	2,693,075
			<u>50,471,973</u>		<u>56,101,522</u>
3	CURRENCY TRANSLATION RESERVE				
	As per Last Balance Sheet		15,846,446		2,326,683
	Increase / (Decrease) during the year on translation of balances		<u>(8,325,754)</u>		<u>13,519,763</u>
			<u>7,520,692</u>		<u>15,846,446</u>

NIIT China (Shanghai) Limited

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2010 (Contd.)

4 Fixed Assets

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	As on 01.04.2009	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>Tangible</u>												
Plant & Machinery												
Owned	9,145,363	699,635	-	10,926,102	20,771,100	5,340,390	1,315,701	-	(704,245)	5,951,846	14,819,254	3,804,973
Leased	-	-	-	-	-	-	-	-	-	-	-	-
Lease Hold Improvements												
Furniture & Fixtures												
Owned	2,800,412	-	-	(321,879)	2,478,533	1,813,769	470,553	-	(235,382)	2,048,940	429,593	986,643
Leased	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	1,667,333	-	-	(191,643)	1,475,690	1,275,510	213,399	-	(160,788)	1,328,121	147,569	391,823
Sub Total (a)	13,613,108	699,635	-	10,412,580	24,725,323	8,429,668	1,999,653	-	(1,100,414)	9,328,907	15,396,416	5,183,439
<u>Intangible (Educational Content/ Products)</u>												
Software												
- Acquired	-	12,295,041	-	-	12,295,041	-	600,000	-	-	600,000	11,695,041	-
- Internally Generated	-	12,295,041	-	-	12,295,041	-	600,000	-	-	600,000	11,695,041	-
Sub Total (b)	-	24,590,082	-	-	24,590,082	-	1,200,000	-	-	1,200,000	23,390,082	-
Total (a + b)	13,613,108	24,590,082	-	-	37,020,364	8,429,668	2,599,653	-	-	9,328,907	27,091,457	5,183,439

NIIT China (Shanghai) Limited

**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	INVENTORIES		
	Raw Material	-	-
	Finished Goods		
	- Education and Training Material*	4,539,718	2,141,440
	- Traded	-	-
	- Manufactured	<u>4,539,718</u>	<u>2,141,440</u>
	-Software**	48,792	55,128
		<u>4,588,510</u>	<u>2,196,568</u>
6	SUNDRY DEBTORS		
	[Unsecured]		
	Outstanding over six months :		
	- Considered good	99,785,849	76,310,847
	- Considered doubtful	23,450,099	21,011,362
	Other debts :		
	- Considered good	0	
	- Considered doubtful	<u>0</u>	
		<u>123,235,948</u>	<u>97,322,209</u>
	Less : Provision for Doubtful Debts	23,450,099	(21,011,362)
		<u>99,785,849</u>	<u>76,310,847</u>

NIIT China (Shanghai) Limited

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
7 CASH AND BANK BALANCES		
Cash and Cheques in Hand	86,053	151,798
Balances with Banks in : - Current Accounts	17,333,417	46,304,650
Exchange Earners' Foreign Currency Account	(8,728)	272,828
	<u>17,410,742</u>	<u>46,729,276</u>
8 LOANS & ADVANCES (Unsecured, considered good except where otherwise stated)		
Deferred Expenses	-	-
- Royalty	(628)	-
- Commission	-	-
Advances recoverable in cash or in kind or for value to be received	27,505,469	47,008,915
- Considered Good	-	-
- Considered Doubtful	27,505,469	47,008,915
Less : Provision for Doubtful Advances	-	47,008,915
Security Deposits	2,901,416	3,085,242
-Considered Good	-	-
-Considered Doubtful	2,901,416	3,085,242
Less : Provision for Doubtful Security Deposits	-	3,085,242
	<u>30,406,257</u>	<u>50,094,157</u>

NIIT China (Shanghai) Limited

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	106,962,123	108,866,636
	Advances from Customers	2,956,620	3,073,763
	Other Liabilities	2,555,096	5,016,934
		<u>112,473,839</u>	<u>116,957,333</u>
10	PROVISIONS		
	Provision for Compensated Absences	5,550,905	4,591,648
	Provision for Tax	1,879,679	1,668,015
		<u>7,430,584</u>	<u>6,259,664</u>

NIIT China (Shanghai) Limited

**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	264,113,022	236,116,375
		<u>264,113,022</u>	<u>236,116,375</u>

NIIT China (Shanghai) Limited

**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		
Miscellaneous *	919,116	383,711
	<u>919,116</u>	<u>383,711</u>
* Miscellaneous Income includes interest derived from the personal loan provided to two shareholders of Imperia China and Imperia Jing'an School in the reviewing period. The annual interest rate is 7%		
13 PERSONNEL		
Salaries and Benefits	84,828,587	77,647,209
Contribution to retirement benefit funds	13,269,435	2,447,335
Employees Stock Option Expenses / (write back)	(94,440)	-
Welfare and other expenses	4,502,924	5,167,136
	<u>102,506,506</u>	<u>85,261,680</u>
14 DEVELOPMENT, PRODUCTION AND EXECUTION		
Courseware and Manuals	44,404,482	31,577,207
Bought out Packages/Products	38,711,391	11,805,819
Professional Charges	3,483,917	5,476,888
Equipment Hiring	-	21,029
Royalties	6,999,543	10,109,960
	<u>93,599,333</u>	<u>58,990,903</u>
15 ADMINISTRATION AND OTHERS		
Rent (net of recoveries)	13,053,942	14,202,902
Rates and Taxes	180,437	-
Electricity and Water	317,684	266,165
Communication	2,579,152	4,170,619
Legal and Professional	2,607,225	7,271,089
Traveling and Conveyance	15,445,172	19,086,392
Bad debts and provision for doubtful debts	4,984,228	5,706,978
Less: Provision for doubtful debts written back	<u>-</u>	<u>-</u>
Insurance Premium	664,238	33,472
Repairs and Maintenance	-	-
- Plant and Machinery	-	-
- Buildings	-	-
- Others	<u>1,113,122</u>	<u>632,290</u>
Loss on exchange fluctuation (Net)	23,023	-
Sundry Expenses	1,594,985	2,517,456
	<u>42,563,208</u>	<u>53,887,364</u>
16 SELLING & MARKETING		
Advertisement and Publicity	7,512,746	12,911,662
Others	24,789,957	18,141,924
	<u>32,302,703</u>	<u>31,053,586</u>
17 INTEREST AND FINANCE CHARGES		
Bank, Discounting and Other Financial Charges	60,838	(59,380)
	<u>60,838</u>	<u>(59,380)</u>

Schedule A

Notes to Accounts to the Financial Statements

1. General information

NIIT China (Shanghai) Limited (the "Company") was incorporated in the People's Republic of China on August 23, 2000 as a wholly foreign owned enterprise. The Company principally engaged in the producing, selling software and multimedia, providing professional information technology training and services. The registered capital of the Company is USD 210,000 (INR 10,250,891/-). The approved business period of the Company is from August 23, 2000 to August 22, 2030.

On March 14, 2008, NIIT Wuxi Services Outsourcing Training School ("Wuxi NIIT") was jointly set up by the company and Wuxi An Ai Di Education and Training Co. Ltd. Wuxi NIIT engaged in providing non-diploma education, such as computer information technology training and relevant outsourcing training services. The Company owns 60% of equity interest of Wuxi NIIT. The approved business period of Wuxi NIIT is from March 14, 2008 to March 14, 2011.

On May 13, 2008, Chongqing NIIT Education Consulting Ltd. ("Chongqing Consulting") was jointly set up by the Company and Chongqing Suobosi Business Consulting Co. Ltd. Chongqing Consulting engaged in providing consulting service on career development, professional skill training such as software technique, computer language etc. The Company owns 60% of equity interest of Chongqing Consulting. The approved business period is from May 13, 2008 to May 31, 2038.

On August 22, 2008, NIIT Chongqing Training Center ("Chongqing School") was established and fully controlled by Chongqing Consulting. Chongqing School engaged in providing non-diploma education, such as computer information technology training and relevant outsourcing training services. The registered capital is RMB 300,000. The approved business period is from August 22, 2008 to August 21, 2012.

On June 19, 2009, Wuxi NIIT Information Technology Consulting Limited ("Wuxi Consulting") is formed by the Company in association with Wuxi An Ai Di Education Training Limited. The registered capital is RMB 800,000. The Company owns 60% of the equity interest. Wuxi Consulting engaged in providing consulting and training services on information technology.

On September 2, 2009, Changzhou NIIT Information Technology Consulting Limited ("Changzhou Consulting") was set up and fully controlled by Wuxi Consulting. The registered capital is RMB 500,000. The approved business period is from September 2, 2009 to September 1, 2059.

The Company, Wuxi School, Chongqing Consulting, Chongqing School, Wuxi Consulting and Changzhou Consulting are collectively referred to as the Group.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of NIIT China (Shanghai) Limited have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention,

The preparation of financial statement in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions & estimates are significant to the financial statements are disclosed in Note 4.

However, the INR financial statements have been converted into INR equivalents on the basis of principles stated in the "Certificate" annexed hereto with the Company's financials.

2.2. Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

2.3. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated on cost by the straight-line method at annual rates which commensurate with the Group accounting policy.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses)/gains - net, in the income statements.

2.4 Intangible assets

Cost incurred on internal development of courseware and products are capitalized as intangible assets when the following criteria are met

- it is technically feasible to complete the courseware and products so that it will be available for use;
- management intends to complete the courseware and products and use or sell it;
- there is an ability to use or sell the courseware and products;
- it can be demonstrated how the courseware and products will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the courseware and products are available; and
- the expenditure attributable to the courseware and products during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the courseware and products include the courseware development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Courseware and products development costs recognized as assets are amortized over their estimated useful lives.

2.5 Impairment of Non Financial Assets

Assets that have an indefinite useful life are not subject to amortization and are tested periodically for impairment. Assets are reviewed for

impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffered on impairment are reviewed for possible reversal of the impairment at each reporting date.

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expense.

2.7 Financial instruments

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

2.8 Trade and other receivables

Trade 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 the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the income statement.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.10 Employee benefits

The Group participates in a mandatory government employee social security plans, including pension, medical, housing and other welfare benefits, arranged by the government authorities in accordance with relevant regulations. According to the relevant regulations, the premium and welfare benefit contributions are remitted to the social welfare authorities and are calculated based on percentages of the total salary of

employees, subject to a certain ceiling. Contributions to the plans are charged to the income statement.

Under the plans, retirement benefits of existing and retired employees are guaranteed by the local authorities and the Group has no further obligation beyond the monthly contributions.

2.11 Provisions

Provisions are recognized when the Group has a present obligation or constructive obligation as a result of past transactions or events, it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.12 Revenue recognition

Revenue comprises the receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. The Group's services are provided within the same accounting period, and are recognized as revenue when the services are provided.

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

2.13 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the lease periods.

2.14 Deferred income taxes

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

3. Financial Risk Management

3.1 Foreign Risk Factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and cash flow and fair value interest rate risk.

Risk management is carried out by finance department under policies approved by the Board of Directors.

a) Foreign exchange risk

The Group operates domestically and is not significantly exposed to foreign exchange risk arising from any currency exposures. Accordingly, the Group has not used any forward contracts or currency borrowings to hedge its exposure to foreign currency risk.

b) Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that technical services are rendered to customers with

an appropriate credit history. The Group has policies that limit the amount of credit exposure to any financial institution.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents together with adequate banking facilities.

d) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets and liabilities, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

3.2 Fair Value estimation

The carrying amounts of the following financial assets and financial liabilities approximate their fair value due to their short maturities: cash and cash equivalents, trade and other receivables, trade and others payables.

4. Critical Accounting Estimates and Judgments

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(1) Impairment of receivables

The Group'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.

(2) Deferred income tax assets

The Group's management determines the deferred tax assets based on the enacted or substantially enacted tax rates and law and best knowledge of profit projections of the Group for the coming years during which the deferred tax assets are expected to be utilized. Management will revise the assumption and profit projections by the balance sheet date.

5. Taxation

(a) Business Tax

Revenue derived from professional services provided by the Company, Chongqing Consulting, Wuxi Consulting and Changzhou Consulting is subject to business tax at 5% of gross service income.

Revenue derived from education courses provided by Wuxi School and Chongqing School is subject to business tax at 3% of gross course fee income.

(b) Enterprise Income Tax ("EIT")

The Company is a foreign investment enterprise established in the Zhang Jiang Hi-Tech Park. Effective from January 1st, 2008, the Company shall pay the corporate income tax in accordance with the Corporate Income Tax Law of the People's Republic of China (hereinafter "the new CIT Law") as approved by the National People's Congress on March 16th, 2007. Under the new CIT Law, the corporate income tax rate applicable to the Company during a 5 year's transition period is 18% for 2008, 20% for 2009, 22% for 2010, 24% for 2011, 25% for 2012 and thereafter.

The applicable enterprise income tax rate for Wuxi School, Chongqing Consulting, Chongqing School, Wuxi Consulting and Changzhou Consulting is 25%.

The Group provides for income tax on the basis of its statutory income for financial reporting purpose, adjusting for income and expense items which are not assessable or deductible for income tax purposes and after considering all available tax benefits.

(c) Other taxes

Other taxes are provided in accordance with the prevailing PRC tax regulations.

6. Paid-in capital

	31-Mar-10			31-Mar-09		
	Amount	Amount	%	Amount	Amount	%
	(RMB)	(INR)		(RMB)	(INR)	
NIIT GC Limited	1,738,412	10,250,891	100%	1,738,412	10,250,891	100%

The paid-in capital is USD 210,000 (RMB equivalent: 1,738,412 INR equivalent: 10,250,891) which is fully contributed by NIIT GC Limited. All of the paid-in capital was verified by a local CPA firm.

7. Related party transactions

Consolidated related party transactions of NIIT China Shanghai Limited (with Wuxi School, Chongqing Consulting, Chongqing School, Wuxi Consulting and Changzhou Consulting) with their related parties are disclosed here with.

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.

(a) Names of related companies and nature of relationship:

Name	Nature of relationship
NIIT Limited	Ultimate Parent Company
NIIT GC Limited	Parent company
PCEC NIIT Institution of Information Technology	Controlled by the same ultimate parent company
NIIT (USA) Inc.	Controlled by the same ultimate parent company
Element K Corporation, USA	Controlled by NIIT USA Inc.
NIIT Technologies Limited and its subsidiaries	Under which the ultimate parent company exercises significant influence
Evolv Services Limited	Controlled by the same ultimate parent company
Wuxi An Ai Ai Di Education and Training Co., Ltd.	Local partner with whom jointly set up Wuxi School and Consulting

(b) Significant related party transactions and balances

Significant balances with related parties:

	Year ended 31 March 2010		Year ended 31 March 2009	
	RMB	INR	RMB	INR
Trade and other receivables				
- PCEC NIIT Institution of Information Technology	-	-	4,406,386	32,798,934
- NIIT Technologies Pte. Limited, Singapore.	276,982	1,915,321	553,991	4,123,632
- NIIT Limited	48,308	334,048	48,306	359,566

- Element K Corporation, USA	372,339	2,574,712	767,213	5,710,750
- NIIT Technology Limited India	1,672	11,562	1672	12,446
- Wuxi An Ai Ai Di Education and Training Co., Ltd.	320,000	2,212,789		
Total	1,019,301	7,048,432	5,777,570	43,005,328
Trade and other Payables				
NIIT GC Limited	7,632,983	52,781,822	6,759,057	50,311,041
Element K Corporation, USA	1,909	13,201	171,015	1,272,950
NIIT USA Inc.	-	-	15,597	116,096
- NIIT Technologies Pte Limited, Singapore.	181,061	1,252,031	385,393	2,868,673
- NIIT Limited	69,153	478,191	26,855	199,895
- PCEC NIIT Institution of Information Technology - Evolv Services Limited	- 21,030	- 145,422	3,548,610	26,414,079
Total	7,906,136	54,670,666	10,906,557	81,182,734

Significant transactions with related parties:

	As at 31 March			
	2010		2009	
	RMB	INR	RMB	INR
Rendering of Services				
- NIIT Technologies Pte Limited, Singapore	489,012	3,381,502	474,891	3,165,006
- Element K Corporation, USA	-		1,086,400	7,240,530
Royalty fee				
	873,926		1,262,906	8,416,890

-NIIT GC Limited		6,043,169		
Rental Expenses				
- PCEC NIIT Institution of Information Technology	-		34,169	227,726
Receiving of Service				
PCEC NIIT Institution of Information Technology	85,000	587,772	189,401	1,262,301
Element K Corporation USA	-		171,015	1,139,764
- Evolv Services Limited	21,030	145,422	-	-
Purchases				
NIIT USA Incorporation	38,435	265,777	15,597	103,949
Payment on behalf of - PCEC NIIT Institution of Information Technology	3,002,464	20,761,938	2,009,642	13,393,661
Collection on behalf of - PCEC NIIT Institution of Information Technology	3,273,488	22,636,060	3,290,540	21,930,462

9. Commitments

Operating lease commitments

The Consolidated future aggregate minimum lease payments due under non-cancelable operating leases are as follows:

	As at 31 March			
	2010	2010	2009	2009
	RMB	INR	RMB	INR
Less than 1 year	2,580,819	17,002,177	2,200,717	16,381,037
Between 1 and 2 years	1,493,512	9,839,108	1,964,532	14,622,994
Between 2 and 3 years	1,642,878	10,823,116	1,507,384	11,220,213

Above 3 years	226,938	1,495,045	1,883,688	14,021,232
Total	5,944,147	39,159,446	7,556,321	56,245,476

NIIT Wuxi Service Outsourcing Training School

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	4,503,360	4,503,360
Reserves and Surplus	2	16,412,989	-
Currency Translation Reserve / (Debit Balance)	3	(315,288)	533,697
		<u>20,601,061</u>	<u>5,037,057</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	1,703,751	1,641,326
Less: Depreciation		<u>466,880</u>	<u>212,942</u>
Net Block		1,236,871	1,428,384
NET DEFERRED TAX ASSETS		963,223	119,199
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry Debtors	5	29,971,651	-
Cash and Bank Balances	6	4,320,371	6,386,175
Loans & Advances	7	<u>2,484,330</u>	<u>196,842</u>
		<u>36,776,352</u>	<u>6,583,017</u>
Less : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	8	12,259,839	5,950,401
Provisions	9	<u>6,115,546</u>	<u>53,533</u>
		<u>18,375,385</u>	<u>6,003,934</u>
Net Current Assets		18,400,967	579,083
Profit & Loss Account	2	-	2,910,391
		<u>20,601,061</u>	<u>5,037,057</u>
		-	-

NOTES TO ACCOUNTS

A

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 : CNY 1 = INR 6.5879 (Previous Year CNY 1 = INR 7.4435)

NIIT Wuxi Service Outsourcing Training School

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	10	53,857,429	15,798,559
Other Income	11	6,520,446	1,501,513
		60,377,875	17,300,072
EXPENDITURE			
Personnel	12	15,896,054	7,238,630
Development, Production and Execution	13	4,571,186	2,652,704
Administration and Others	14	9,914,502	4,588,720
Selling and Marketing	15	3,740,991	3,622,873
Interest and Finance Charges	16	84,923	40,018
Depreciation and Amortisation	4	294,920	196,711
		34,502,576	18,339,656
Profit before Tax and share of Associates' profits		25,875,299	(1,039,584)
Tax Expense			
- Current		6,551,918	(119,404)
- Deferred charge / (credit)		-	-
- Fringe Benefits Tax		-	-
- MAT Credit Entitlement		-	-
Profit after Tax before		19,323,381	(920,180)

NOTES TO ACCOUNTS

A

The Schedules referred to above form an integral part of the profit and loss account

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

NIIT Wuxi Service Outsourcing Training School

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	4,503,360	4,503,360
		<u>4,503,360</u>	<u>4,503,360</u>
2 PROFIT & LOSS ACCOUNT			
	As per Last Balance Sheet	(2,910,392)	(1,990,211)
	Add : Transferred from Profit and Loss account	<u>19,323,381</u>	<u>(920,180)</u>
		<u>16,412,989</u>	<u>(2,910,391)</u>
3 CURRENCY TRANSLATION RESERVE			
	As per Last Balance Sheet	533,697	40,582
	Increase / (Decrease) during the year on translation of balances	<u>(848,985)</u>	<u>493,115</u>
		<u>(315,288)</u>	<u>533,697</u>

NIIT Wuxi Service Outsourcing Training School
Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2010 (Contd.)

4 Fixed Assets

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	As on 01.04.2009	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>Tangible</u>												
Plant & Machinery Owned	748,588	190,556	-	(129,689)	809,455	99,020	139,937	-	(19,145)	219,812	589,643	649,568
Leased			-		-		-	-		-	-	
Furniture & Fixtures Owned	892,738	43,497	-	(41,939)	894,296	113,922	154,983	-	(21,837)	247,068	647,228	778,816
Leased			-		-		-	-		-	-	
Sub Total (a)	1,641,326	234,052	-	(171,627)	1,703,751	212,942	294,920	-	(40,982)	466,880	1,236,871	1,428,384
<u>Intangible (Educational Content/ Products)</u>												
Sub Total (b)	-	-	-		-	-	-	-		-	-	-
Total (a +b)	1,641,326	234,052	-		1,703,751	212,942	294,920	-		466,880	1,236,871	1,428,384

NIIT Wuxi Service Outsourcing Training School

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	29,971,651	-
- Considered doubtful	-	-
Other debts :		
- Considered good	-	
- Considered doubtful	-	
	<hr/>	<hr/>
	29,971,651	-
	-	-
Less : Provision for Doubtful Debts		
	<hr/>	<hr/>
	29,971,651	-
	<hr/>	<hr/>

NIIT Wuxi Service Outsourcing Training School

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		
Cash and Cheques in Hand	165,855	251,869
Balances with Banks in : - Current Accounts	4,154,516	6,134,306
	<u>4,320,371</u>	<u>6,386,175</u>
7 LOANS & ADVANCES (Unsecured, considered good except where otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		-
- Considered Good	1,218,663	29,960
- Considered Doubtful	-	-
	<u>1,218,663</u>	<u>29,960</u>
Less : Provision for Doubtful Advances	-	-
	<u>1,218,663</u>	<u>29,960</u>
Security Deposits		
-Considered Good	1,265,667	166,882
-Considered Doubtful	-	-
	<u>1,265,667</u>	<u>-</u>
Less : Provision for Doubtful Security Deposits	-	-
	<u>1,265,667</u>	<u>166,882</u>
	<u>2,484,330</u>	<u>196,842</u>

NIIT Wuxi Service Outsourcing Training School

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
8 CURRENT LIABILITIES		
Sundry Creditors	7,659,552	4,944,014
Advances from Customers	4,431,832	858,974
Other Liabilities	168,455	147,413
	<u>12,259,839</u>	<u>5,950,401</u>
9 PROVISIONS		
Provision for Compensated Absences	244,872	53,533
Provision for Tax	5,870,674	
	<u>6,115,546</u>	<u>53,533</u>

NIIT Wuxi Service Outsourcing Training School

**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
10 REVENUE FROM OPERATIONS		
Revenue	53,857,429	15,798,559
	<u>53,857,429</u>	<u>15,798,559</u>

NIIT Wuxi Service Outsourcing Training School

**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 OTHER INCOME		
Miscellaneous	6,520,446	1,501,513
	<u>6,520,446</u>	<u>1,501,513</u>
12 PERSONNEL		
Salaries and Benefits	14,145,305	6,786,016
Contribution to retirement benefit funds	789,233	88,772
Welfare and other expenses	961,516	363,842
	<u>15,896,054</u>	<u>7,238,630</u>
13 DEVELOPMENT, PRODUCTION AND EXECUTION		
Courseware and Manuals	3,183,899	2,136,081
Bought out Packages/Products	644,614	516,623
Professional Charges	742,673	-
	<u>4,571,186</u>	<u>2,652,704</u>
14 ADMINISTRATION AND OTHERS		
Rent (net of recoveries)	2,912,393	1,746,498
Rates and Taxes	136,647	-
Electricity and Water	1,617,466	925,547
Communication	531,473	326,510
Legal and Professional	1,002,830	12,435
Traveling and Conveyance	2,428,953	1,127,062
Insurance Premium	25,686	-
Repairs and Maintenance - Others	<u>770,304</u>	<u>89,793</u>
Sundry Expenses	488,750	360,875
	<u>9,914,502</u>	<u>4,588,720</u>
15 SELLING & MARKETING		
Advertisement and Publicity	199,232	585,997
Others	3,541,759	3,036,876
	<u>3,740,991</u>	<u>3,622,873</u>
16 INTEREST AND FINANCE CHARGES		
Bank, Discounting and Other Financial Charges	84,923	40,018
	<u>84,923</u>	<u>40,018</u>

Chongqing NIIT Education Consulting Limited

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	3,681,180	3,681,180
Reserves and Surplus	2	(830,449)	2,474,600
Currency Translation Reserve	3	<u>822,548</u>	<u>1,658,347</u>
		<u>3,673,279</u>	<u>7,814,127</u>
APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		8,194,941	8442051
Less: Depreciation		<u>2,201,674</u>	<u>827,884</u>
Net Block		5,993,267	7,614,167
NET DEFERRED TAX ASSETS		1,814,492	173,484
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry Debtors	5	706,223	3,989,748
Cash and Bank Balances	6	5,128,427	3,521,262
Loans & Advances	7	<u>813,541</u>	<u>680,216</u>
		<u>6,648,191</u>	<u>8,191,226</u>
Less : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	8	10,093,932	6790838
Provisions	9	<u>688,739</u>	<u>1373912</u>
		<u>10,782,671</u>	<u>8,164,750</u>
Net Current Assets		(4,134,480)	26,476
		<u>3,673,279</u>	<u>7,814,127</u>

NOTES TO ACCOUNTS A

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 : CNY 1 = INR 6.5879

Chongqing NIIT Education Consulting Limited

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	10	9,116,451	9,416,926
Other Income	11	220,970	6,498,845
		9,337,421	15,915,771
EXPENDITURE			
Personnel	12	3,879,975	2,426,481
Development, Production and Execution	13	3,941,981	4,676,303
Administration and Others	14	1,962,127	1,970,300
Selling and Marketing	15	2,054,616	2,449,689
Interest and Finance Charges	16	(336)	(2,172)
Depreciation and Amortisation	4	1,557,722	803,333
		13,396,085	12,323,934
Profit before Tax		(4,058,664)	3,591,837
Tax Expense			
- Current		(753,615)	1,117,237
- Deferred charge / (credit)		-	-
- Fringe Benefits Tax		-	-
- MAT Credit Entitlement		-	-
Profit after Tax		(3,305,049)	2,474,600

NOTES TO ACCOUNTS

A

The Schedules referred to above form an integral part of the profit and loss account

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

Chongqing NIIT Education Consulting Limited

**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		3,681,180		3,681,180
		<u>3,681,180</u>		<u>3,681,180</u>
2 RESERVES AND SURPLUS				
General Reserve				
As per Last Balance Sheet	2,474,600		-	
Add : Transferred from Profit and Loss account	<u>-</u>	2,474,600		<u>-</u>
Profit & Loss Account		(3,305,049)		2,474,600
		<u>(830,449)</u>		<u>2,474,600</u>
3 CURRENCY TRANSLATION RESERVE				
As per Last Balance Sheet		1,658,347		-
Increase / (Decrease) during the year on translation of balances		<u>(835,799)</u>		<u>1,658,347</u>
		<u>822,548</u>		<u>1,658,347</u>

Chongqing NIIT Education Consulting Limited

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2010 (Contd.)

4 Fixed Assets

Figures in Local Currency

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	As on 01.04.2009	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>Tangible</u>													
Plant & Machinery	4,854,293	591,977	-	(559,983)	4,886,287	469,108	884,243	-	(104,291)	1,249,060	3,637,227	4,385,185	
Owned	-	-	-	-	-	-	-	-	-	-	-	-	
Leased	-	-	-	-	-	-	-	-	-	-	-	-	
Furniture & Fixtures	3,587,758	133,273	-	(412,377)	3,308,654	358,776	673,479	-	(79,641)	952,614	2,356,040	3,228,982	
Owned	-	-	-	-	-	-	-	-	-	-	-	-	
Leased	-	-	-	-	-	-	-	-	-	-	-	-	
Total	8,442,051	725,250	-	(972,360)	8,194,941	827,884	1,557,722	-	(183,932)	2,201,674	5,993,267	7,614,167	

Chongqing NIIT Education Consulting Limited

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	706,223	3,989,748
- Considered doubtful	-	
Other debts :		
- Considered good	-	
- Considered doubtful	-	
	<hr/> 706,223	<hr/> 3,989,748
Less : Provision for Doubtful Debts	-	-
	<hr/> 706,223	<hr/> 3,989,748

Chongqing NIIT Education Consulting Limited

**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				
Cash and Cheques in Hand		383,738		139298
Balances with Banks in :				
- Current Accounts		4,744,689		3381964
		<u>5,128,427</u>		<u>3,521,262</u>
7 LOANS & ADVANCES				
(Unsecured, considered good except where otherwise stated)				
Advances recoverable in cash or in kind or for value to be received				
- Considered Good	404,696		255,046	
- Considered Doubtful	<u>-</u>		<u>-</u>	
	404,696		255,046	
Less : Provision for Doubtful Advances	<u>-</u>	404,696	<u>-</u>	255,046
Security Deposits				
-Considered Good	408,845		425,170	
-Considered Doubtful	<u>-</u>		<u>-</u>	
	408,845		425,170	
Less : Provision for Doubtful Security Deposits	<u>-</u>	408,845	<u>-</u>	425,170
		<u>813,541</u>		<u>680,216</u>

Chongqing NIIT Education Consulting Limited

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
8 CURRENT LIABILITIES		
Sundry Creditors	3,675,359	6,527,931
Advances from Customers	6,283,447	209,816
Other Liabilities	135,126	53,091
	<u>10,093,932</u>	<u>6,790,838</u>
9 PROVISIONS		
Provision for Tax	587,351	1,274,520
Provision for Compensated Absences	101,388	99,392
	<u>688,739</u>	<u>1,373,912</u>

Chongqing NIIT Education Consulting Limited

**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
10 REVENUE FROM OPERATIONS		
Revenue	9,116,451	9,416,926
	9,116,451	9,416,926

Chongqing NIIT Education Consulting Limited

**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 OTHER INCOME		
Miscellaneous	220,970	6,498,845
	<u>220,970</u>	<u>6,498,845</u>
12 PERSONNEL		
Salaries and Benefits	2,939,405	2,218,392
Contribution to retirement benefit funds	771,719	117,195
Welfare and other expenses	168,851	90,894
	<u>3,879,975</u>	<u>2,426,481</u>
13 DEVELOPMENT, PRODUCTION AND EXECUTION		
Courseware and Manuals	1,876,173	2,989,939
Bought out Packages/Products	814,432	271,667
Course Execution Charges	-	
Professional Charges	1,251,376	1,416,153
Equipment Hiring	-	(1,456)
	<u>3,941,981</u>	<u>4,676,303</u>
14 ADMINISTRATION AND OTHERS		
Rent (net of recoveries)	352,414	365,914
Rates and Taxes	55,430	
Electricity and Water	208,915	151,116
Communication	129,987	117,992
Legal and Professional	240,768	198,871
Traveling and Conveyance	607,110	667,271
Insurance Premium	146,317	105,671
Repairs and Maintenance		
- Others	85,309	119,067
Sundry Expenses	135,877	244,398
	<u>1,962,127</u>	<u>1,970,300</u>
15 SELLING & MARKETING		
Advertisement and Publicity	884,906	1,423,502
Others	1,169,710	1,026,187
	<u>2,054,616</u>	<u>2,449,689</u>
16 INTEREST AND FINANCE CHARGES		
Bank, Discounting and Other Financial Charges	(336)	(2,172)
	<u>(336)</u>	<u>(2,172)</u>

Wuxi NIIT Information Technology Consulting Limited

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	5,732,480	-
		<u>5,732,480</u>	<u>-</u>
APPLICATION OF FUNDS			
INVESTMENTS			
		3,434,150	
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	4	<u>2,049,492</u>	<u>-</u>
		<u>2,049,492</u>	<u>-</u>
Less : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	5	<u>93,930</u>	<u>-</u>
		<u>93,930</u>	<u>-</u>
Net Current Assets		1,955,562	-
Profit & Loss Account	2	22,660	-
Currency Translation Reserve	3	320,108	-
		<u>5,732,480</u>	<u>-</u>
		-	-

NOTES TO ACCOUNTS

A

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 : CNY 1 = INR 6.5879

Wuxi NIIT Information Technology Consulting Limited

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		-	-
		<u>-</u>	<u>-</u>
EXPENDITURE			
Administration and Others	6	30,234	-
Interest and Finance Charges	7	(7,574)	-
		<u>22,660</u>	<u>-</u>
Profit before Tax		(22,660)	-
Tax Expense			
- Current		-	-
- Deferred charge / (credit)		-	-
- Fringe Benefits Tax		-	-
- MAT Credit Entitlement		-	-
Profit after Tax before		(22,660)	-

NOTES TO ACCOUNTS

A

The Schedules referred to above form an integral part of the profit and loss account

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

Wuxi NIIT Information Technology Consulting Limited

**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	5,732,480	-
	<u>5,732,480</u>	<u>-</u>
2 PROFIT & LOSS ACCOUNT		
As per Last Balance Sheet	-	-
Add : Transferred from Profit and Loss account	(22,660)	-
	<u>(22,660)</u>	<u>-</u>
3 CURRENCY TRANSLATION RESERVE		
As per Last Balance Sheet	-	-
Increase / (Decrease) during the year on translation of balances	(320,108)	-
	<u>(320,108)</u>	<u>-</u>

Wuxi NIIT Information Technology Consulting Limited

**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
4 CASH AND BANK BALANCES		
Balances with Banks in :		
- Current Accounts	2,049,492	
	<u>2,049,492</u>	<u>-</u>

Wuxi NIIT Information Technology Consulting Limited

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

Schedule No.	As At 31st March 2010	As At 31st March 2009
	INR	INR
5 CURRENT LIABILITIES		
Sundry Creditors	93,930	-
	<u>93,930</u>	<u>-</u>

Wuxi NIIT Information Technology Consulting Limited

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

Schedule No.	31st March 2010 INR	31st March 2009 INR
6 ADMINISTRATION AND OTHERS		
Rates and Taxes	3,070	
Legal and Professional	27,165	
Sundry Expenses	(1)	
	<u>30,234</u>	<u>-</u>
7 INTEREST AND FINANCE CHARGES		
Bank, Discounting and Other Financial Charges	(7,574)	
	<u>(7,574)</u>	<u>-</u>

Changzhou NIIT Information Technology Consulting Limited

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	3,434,150	-
		<u>3,434,150</u>	<u>-</u>
APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	4	<u>2,658,594</u>	<u>-</u>
		<u>2,658,594</u>	<u>-</u>
Less : CURRENT LIABILITIES AND PROVISIONS			
Provisions	5	<u>32,478</u>	<u>-</u>
		<u>32,478</u>	<u>-</u>
Net Current Assets		2,626,116	-
Profit & Loss Account	2	689,978	-
Currency Translation Reserve	3	118,056	-
		<u>3,434,150</u>	<u>-</u>
		-	-

NOTES TO ACCOUNTS

A

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 : CNY 1 = INR 6.5879

Changzhou NIIT Information Technology Consulting Limited

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		-	-
		<u>-</u>	<u>-</u>
EXPENDITURE			
Personnel	6	71,329	-
Administration and Others	7	394,141	-
Selling and Marketing	8	225,844	-
Interest and Finance Charges	9	(1,336)	-
		<u>689,978</u>	<u>-</u>
Profit before Tax		(689,978)	-
Tax Expense			
- Current		-	-
- Deferred charge / (credit)		-	-
- Fringe Benefits Tax		-	-
- MAT Credit Entitlement		-	-
Profit after Tax before		(689,978)	-

NOTES TO ACCOUNTS

A

The Schedules referred to above form an integral part of the profit and loss account

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

Changzhou NIIT Information Technology Consulting Limited

**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	3,434,150	-
	<u>3,434,150</u>	<u>-</u>
2 PROFIT & LOSS ACCOUNT		
As per Last Balance Sheet	-	-
Add : Transferred from Profit and Loss account	(689,978)	-
	<u>(689,978)</u>	<u>-</u>
3 CURRENCY TRANSLATION RESERVE		
As per Last Balance Sheet	-	-
Increase / (Decrease) during the year on translation of balances	(118,056)	-
	<u>(118,056)</u>	<u>-</u>

Changzhou NIIT Information Technology Consulting Limited

**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
4 CASH AND BANK BALANCES		
Cash and Cheques in Hand	3,432	
Balances with Banks in :		
- Current Accounts	2,655,162	
	<u>2,658,594</u>	<u>-</u>

Changzhou NIIT Information Technology Consulting Limited

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

Schedule No.	As At 31st March 2010	As At 31st March 2009
	INR	INR
5 PROVISIONS		
Provision for Compensated Absences	32,478	
	<u>32,478</u>	<u>-</u>

Changzhou NIIT Information Technology Consulting Limited

**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
6 PERSONNEL			
	Salaries and Benefits	33,277	
	Welfare and other expenses	38,052	
		<u>71,329</u>	<u>-</u>
7 ADMINISTRATION AND OTHERS			
	Rent (net of recoveries)	67,784	
	Rates and Taxes	2,975	
	Electricity and Water	27,290	
	Communication	54,664	
	Legal and Professional	49,068	
	Traveling and Conveyance	96,528	
	Repairs and Maintenance		
	- Others	<u>50,636</u>	
	Sundry Expenses	45,196	
		<u>394,141</u>	<u>-</u>
8 SELLING & MARKETING			
	Others	225,844	
		<u>225,844</u>	<u>-</u>
9 INTEREST AND FINANCE CHARGES			
	Bank, Discounting and Other Financial Charges	(1,336)	
		<u>(1,336)</u>	<u>-</u>