

**Auditors' Report to the Board of Directors on the Financial Statements of
NIIT USA Inc.**

1. We have audited the attached Balance Sheet of NIIT USA Inc. (the "Company"), as at March 31 2011, the related Profit and Loss Account and the 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 NIIT USA Inc.'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. Attention is drawn to Note 7 on Schedule 17 regarding loans outstanding aggregating to INR 1,350,870,000 and interest and other expenses receivables aggregating to INR 178,283,582 as at the year end, the recoverability of which is dependent on future cash flows from the subsidiary, Element K Corporation, USA and support from the ultimate parent company, NIIT Limited.
4. Without qualifying paragraph 3 above, in our opinion and to the best of our information and according to the explanations given to us, the attached financial statements together with the notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - b. in the case of the Profit and Loss Account, of the results of operations of the Company for the year ended on that date; and
 - c. in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. We conducted our audit of these financial statements in accordance with the requirements of section 212 of the Companies Act, 1956. Accordingly, we neither accept nor assume any responsibility or liability to any other person, or to the Company for any other use, without our prior consent in writing.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sd/-

Place : Gurgaon, India
Date : May 8, 2011

Usha Rajeev
Membership No. F-087191

NIIT (USA) Inc., USA

Balance Sheet As At 31st March 2011

	Schedule No./ Note Reference	As At 31st March 2011 INR	As At 31st March 2010 INR
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	1,136,130,696	1,136,130,696
Currency Translation Reserve	1A	(46,591,035)	(31,207,922)
LOAN FUNDS			
Secured Loan	2	1,132,200,000	1,453,798,717
Unsecured Loans	3	136,216,330	101,193,300
		<u>2,357,955,991</u>	<u>2,659,914,791</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	311,102,295	330,786,586
Less: Depreciation		<u>271,827,061</u>	<u>279,389,524</u>
Net Block		39,275,234	51,397,062
INVESTMENT			
	5	4,661	4,661
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry Debtors	6	312,782,759	314,992,940
Cash and Bank Balances	7	72,058,821	95,468,313
Loans and Advances	8	1,806,740,945	1,911,658,258
Other Current Assets	9	<u>171,576,865</u>	<u>100,079,759</u>
		<u>2,363,159,390</u>	<u>2,422,199,270</u>
Less : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	10	447,021,808	258,340,265
Provisions	11	<u>10,656,000</u>	<u>10,793,952</u>
		<u>457,677,808</u>	<u>269,134,217</u>
Net Current Assets		1,905,481,582	2,153,065,053
Profit and Loss Account		413,194,514	455,448,015
		<u>2,357,955,991</u>	<u>2,659,914,791</u>

NOTES TO ACCOUNTS 17
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 Number 301112E
Chartered Accountants

Sd/-
Rajendra S Pawar
Director
DIN -00042516

Sd/-
Vijay K Thadani
Director
DIN -00042527

Sd/-
Usha Rajeev
Partner
Membership No. F-87191

Sd/-
P R Subramanian
Chief Financial Officer

Place : Gurgaon, India
Date : May 8, 2011

Place : Atlanta, USA
Date : May 8, 2011

NIIT (USA) Inc., USA

Profit and Loss Account For the Year ended 31st March 2011

PARTICULARS	Schedule No./ Note Reference	Year Ended 31st March 2011 INR	Year Ended 31st March 2010 INR
INCOME			
Revenue from Operations	17(1(vi) & 21)	1,351,013,338	1,108,817,275
Other Income	12	20,095,859	12,330,417
		1,371,109,197	1,121,147,692
EXPENDITURE			
Personnel	13	309,798,722	294,070,062
Development, Production and Execution	14	761,652,866	548,218,274
Administration and Others	15	209,191,684	211,086,586
Marketing	16	23,842,790	16,543,165
Depreciation and Amortisation	4	18,918,550	20,548,062
		1,323,404,612	1,090,466,149
Profit before Tax		47,704,585	30,681,543
Tax Expense	17(11)		
- Current		5,451,084	1,764,906
- Deferred Charge / (Credit)		-	-
		5,451,084	1,764,906
Profit after Tax		42,253,501	28,916,637
Balance brought forward from previous year		(455,448,015)	(484,364,652)
Balance transferred to Balance Sheet		(413,194,514)	(455,448,015)
Earnings per share - Basic & Diluted	17(12)	1.75	1.20
NOTES TO ACCOUNTS	17		

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

<p style="text-align: right;">Sd/-</p> <p>For Price Waterhouse Firm Registration Number 301112E Chartered Accountants</p> <p style="text-align: right;">Sd/-</p> <p>Usha Rajeev Partner Membership No. F-87191</p>	<p style="text-align: right;">Sd/-</p> <p>Rajendra S Pawar Director DIN -00042516</p> <p style="text-align: right;">Sd/-</p> <p>P R Subramanian Chief Financial Officer</p>
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Place : Gurgaon, India
Date : May 8, 2011

Place : Atlanta, USA
Date : May 8, 2011

NIIT (USA) Inc., USA

Cash flow statement For the period ended 31st March 2011

		Year Ended 31st March 2011 INR	Year Ended 31st March 2010 INR
a Cash flow from operating activities:			
Net profit before tax		47,704,585	30,681,543
Adjustments for:			
Depreciation and Amortisation		18,918,550	20,548,062
Interest Expense		87,078,097	120,036,945
Interest Income		(57,382,215)	(85,702,987)
Loss on sale of fixed assets		46,757	-
Unrealised exchange loss/(Profit)		(1,809,173)	1,173,125
Provision for doubtful debts/Amount written off		30,498,555	51,884,570
Inventory write off		-	7,901,524
Provision for Compensated Absences		(137,952)	(1,074,667)
Operating profit before working capital changes		124,917,204	145,448,115
Adjustments for changes in working capital :			
- Trade Receivable		(26,479,201)	(52,984,434)
- Loans and advances		21,561,943	125,327,464
- Other Current Assets		(45,165,028)	27,129,146
- Trade and other Payables		182,693,880	(165,242,903)
Cash generated from operations -		257,528,798	79,677,388
- Taxes Paid (including TDS)		(9,920,205)	(1,881,550)
Net cash from Operating activities -	(A)	247,608,593	77,795,838
B. Cash flow from Investing activities:			
Purchase of fixed assets (including Capital work in Progress)		(7,216,128)	(11,736,239)
Interest Received (Revenue)		34,250,168	159,000,926
Loan to Subsidiaries		(68,291,850)	(71,562,150)
Loan given to Subsidiaries repaid		156,116,340	421,166,076
Net cash from / (used in) Investing activities -	(B)	114,858,530	496,868,613
C. Cash flow from financing activities:			
- Repayment of Term Loan from ICICI		(320,859,000)	(459,046,480)
- Working Capital Loan - Received		227,639,500	-
- Working Capital Loan - repaid		(227,639,500)	(254,307,000)
- Fresh loan from ICICI Bank UK plc		666,000,000	666,739,717
- Loan repaid to ICICI Bank UK plc		(666,739,717)	-
Unsecured loan taken from Affiliates - Long Term		485,353,740	35,781,075
Repayment of Unsecured loan to Affiliates - Long Term		(453,347,040)	(379,625,375)
Other loans received (leases) net		3,016,330	-
Interest Paid		(84,290,464)	(98,669,688)
Net cash from / (used in) Financing activities -	(C)	(370,866,151)	(489,127,751)
Net Increase / (Decrease) in Cash & Cash Equivalents -	(A + B + C)	(8,399,028)	85,536,700
Currency Translation Adjustment		(15,010,464)	(79,169,404)
			Contd....

NIIT (USA) Inc., USA

**Cash flow statement
For the period ended 31st March 2011**

	Year Ended 31st March 2011 INR	Year Ended 31st March 2010 INR
Cash and cash equivalents as at the beginning of the year (Refer Note 1 below)	95,468,313	80,562,646
Cash and cash equivalents as at the end of the year (Refer Note 1 below)	72,058,821	86,929,942

Notes :

1 Cash and cash equivalents comprise

Cash and Cheques in hand	15,047,519	12,094,144
Balance with Banks	57,011,302	83,374,169
	72,058,821	95,468,313

2 The above Cash flow statement has been prepared under the indirect method set out in AS -3 "Cash Flow Statements" as notified by Government of India under Section 211 (3C) of Companies Act, 1956

3 Figures in brackets indicate cash outflow.
Previous year figures have been regrouped and recasted wherever necessary to conform to the current year classification.

4

5 The schedule nos. 1 to 17 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 Number 301112E
Chartered Accountants**

Sd/-

**Rajendra S Pawar
Director
DIN -0042516**

Sd/-

**Vijay K Thadani
Director
DIN -0042527**

Sd/-

**Usha Rajeev
Partner
Membership No. F-87191**

Sd/-

**P R Subramanian
Chief Financial Officer**

**Place : Gurgaon, India
Date : May 8, 2011**

**Place : Atlanta, USA
Date : May 8, 2011**

NIIT (USA) Inc., USA

Schedules annexed to and forming part of the Balance Sheet As At 31st March 2011

Schedule No.		As At 31st March 2011 INR	As At 31st March 2010 INR
1	SHARE CAPITAL		
	Authorised Share Capital		
	25,000,000 Equity Shares of USD 1 each	25,000,000	25,000,000
	Subscribed, Issued and Paid-up Capital	1,136,130,696	1,136,130,696
	24,162,113 shares (Previous year 24,162,113) of USD 1 each, held by NIIT Limited, the holding Company	1,136,130,696	1,136,130,696
1A	Currency Translation Reserve		
	As per Last Balance Sheet	(31,207,922)	55,111,651
	Increase / (Decrease) during the year on translation of balances	(15,383,113)	(86,319,573)
		(46,591,035)	(31,207,922)
2	Secured Loan (Refer Notes 3, 5 and 6 on Schedule 17)		
	Term Loan from Banks	1,132,200,000	787,059,000
	[Due within one year INR 310,800,000 (Previous Year INR 314,823,600)]		
	Short Term Loan from Banks	-	666,739,717
	[Due within one year INR NIL (Previous Year INR 666,739,717)]		
		1,132,200,000	1,453,798,717
3	UNSECURED LOANS (Refer Note 16 on Schedule 17)		
	Term Loans		
	- From Fellow Subsidiaries	33,300,000	33,731,100
	- From Holding Company	99,900,000	67,462,200
	Deferred lease obligation	3,016,330	-
	(Due within one year INR 1,416,848 (Previous year INR NIL))		
	Note: There are no specific terms of repayment in respect of loans taken from fellow subsidiaries and holding company.	136,216,330	101,193,300

NIIT (USA) Inc., USA

**Schedules annexed to and forming part of the Balance Sheet
As At 31st March 2011**

SCHEDULE : 4

(Refer Notes 1(i), (ii), (iii), (ix) and 20 on Schedule 17)

All figures in INR

Description of Assets	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	As at	During the Year			As at	As at	For the year	Sale/Adjustment during the year	Currency Translation Adjustment	As at	As at	As at
	1st April 2010	Addition	Sale / Adjustment during the year	Currency Translation Adjustment	31st March 2011	1st April 2010				31st March 2011	31st March 2011	31st March 2010
<u>A) Tangible</u>												
Plant and Machinery	60,453,164	3,245,047	22,892,612	(285,819)	40,519,780	48,704,257	6,307,403	22,856,235	(205,860)	31,949,565	8,570,215	11,748,907
Furniture & Fixtures	6,401,126	430,831	38,380	(91,516)	6,702,060	3,490,277	975,309	28,000	(67,877)	4,369,709	2,332,351	2,910,849
Leasehold improvements	1,327,746	198,502	-	(21,887)	1,504,361	1,327,746	16,982	-	(17,390)	1,327,338	177,023	-
Vehicles	1,295,294	-	-	(16,554)	1,278,740	1,295,294	-	-	(16,554)	1,278,740	-	-
<u>B) Intangibles</u>												
Goodwill	61,166,223	-	-	(781,735)	60,384,488	61,166,223	-	-	(781,735)	60,384,488	-	-
Acquired Software	148,922,402	3,341,748	134,535	(1,982,757)	150,146,858	148,437,933	1,248,739	134,535	(1,924,757)	147,627,380	2,519,478	484,469
Internal Software	51,220,631	-		(654,624)	50,566,008	14,967,794	10,370,117	-	(448,070)	24,889,841	25,676,167	36,252,837
Total	330,786,586	7,216,128	23,065,527	(3,834,892)	311,102,295	279,389,524	18,918,550	23,018,770	(3,462,243)	271,827,061	39,275,234	51,397,062
Previous Year	358,707,420	14,421,729	-	(42,342,563)	330,786,586	294,033,856	20,548,062	-	(35,192,394)	279,389,524	51,397,062	

NIIT (USA) Inc., USA

Schedules annexed to and forming part of the Balance Sheet

As At 31st March 2011 [Contd]

Schedule No.		As At 31st March 2011 INR	As At 31st March 2010 INR
5	INVESTMENTS [Refer Notes 1 (v) and 3 on Schedule 17]		
	LONG TERM, TRADE [UNQUOTED] In Subsidiary Company		
	100 Shares of USD 1 each fully paid-up in NIIT Ventures Inc.	4,661	4,661
		<u>4,661</u>	<u>4,661</u>
6	SUNDRY DEBTORS [Refer Note 19 on Schedule 17] (Unsecured)		
	Debts outstanding for over six months		
	- Considered good	6,721,094	51,950,302
	- Considered doubtful	<u>27,307,876</u>	<u>30,089,789</u>
		34,028,970	82,040,091
	Less: Provision for Doubtful Debts	<u>27,307,876</u>	<u>30,089,789</u>
		6,721,094	51,950,302
	Outstanding for less than six months		
	- Considered good	306,061,665	263,042,638
	- Considered doubtful	<u>9,960,962</u>	<u>27,334,289</u>
		316,022,627	290,376,927
	Less: Provision for Doubtful Debts	<u>9,960,962</u>	<u>27,334,289</u>
		306,061,665	263,042,638
		<u>312,782,759</u>	<u>314,992,940</u>
7	CASH AND BANK BALANCES		
	Cheques in Hand	15,047,519	12,094,144
	Balance with Non-scheduled banks in :		
	- Current Accounts	7,837,236	33,382,835
	- Deposit Account	49,174,066	49,991,334
		<u>72,058,821</u>	<u>95,468,313</u>
8	LOANS & ADVANCES (Unsecured, considered good) [Refer Notes 1(x), (xi), 3, 7 and 8 on Schedule 17]		
	Loans and Advances to Affiliates recoverable in cash or in kind or for value to be received	151,823,062	179,894,512
	Loan to Subsidiary companies	1,572,870,000	1,660,694,490
	Other Loans and Advances recoverable in cash or in kind or for value to be received	56,599,506	50,074,248
	Security Deposits	1,216,738	1,232,489
	Advance Tax	29,164,923	21,302,051
	Less: Provision for Tax	<u>(4,933,284)</u>	<u>(1,539,532)</u>
		24,231,639	19,762,519
		<u>1,806,740,945</u>	<u>1,911,658,258</u>

NIIT (USA) Inc., USA

Schedules annexed to and forming part of the Balance Sheet As At 31st March 2011 [Contd]

Schedule No.		As At 31st March 2011 INR	As At 31st March 2010 INR
9	Other Current Assets [Unsecured, considered good] (Refer Notes 1(vi),7 and 8 on Schedule 17)		
	Unbilled Revenue (Net)	67,178,453	18,813,394
	Interest Receivable	104,398,412	81,266,365
		171,576,865	100,079,759
10	CURRENT LIABILITIES (Refer Note 1(vi) on Schedule 17)		
	Sundry Creditors		
	- Holding Company	265,414,566	116,582,519
	- Subsidiary Company	31,632,292	22,019,212
	- Others	109,241,678	87,587,397
	Advances from Customers	461,554	796,319
	Deferred Revenue	28,925,739	26,464,954
	Interest Accrued but not due	9,507,425	3,519,762
	Other Liabilities	1,838,554	1,370,102
		447,021,808	258,340,265
11	PROVISIONS (Refer Note 1(vii) and 18 on Schedule 17)		
	Provision for Compensated Absences	10,656,000	10,793,952
		10,656,000	10,793,952

NIIT (USA) Inc., USA

Schedules annexed to and forming part of the Profit and Loss Account For the Year ended 31st March 2011

Schedule No.		Year ended 31st March 2011 INR	Year ended 31st March 2010 INR
12	OTHER INCOME (Refer Note 1(x), 3, 4, 6, 7 and 8 on Schedule 17)		
	Other Income	20,095,859	12,330,417
		20,095,859	12,330,417
13	PERSONNEL (Refer Note 1(vii), 14, 18 and 20 on Schedule 17)		
	Salaries and Benefits	308,505,879	292,868,633
	Welfare and other expenses	1,292,843	1,201,429
		309,798,722	294,070,062
14	DEVELOPMENT, PRODUCTION AND EXECUTION (Refer Note 21 on Schedule 17)		
	Courseware, manuals and licenses	3,835,666	15,460,402
	Subcontractor Charges	446,934,999	330,532,277
	Professional Charges	310,882,201	202,129,981
	Equipment Hiring	-	95,614
		761,652,866	548,218,274

NIIT (USA) Inc., USA

Schedules annexed to and forming part of the Profit and Loss Account For the Year ended 31st March 2011 [Contd]

Schedule No.	Year ended 31st March 2011 INR	Year ended 31st March 2010 INR
15	ADMINISTRATION AND OTHERS (Refer Notes 1 (ix), (x), 3, 4, 5, 6, 7, 8, 9, 10, 16, and 20 on Schedule 17)	
Rent (Net of recoveries/ sub- lease Rs. 5,908,793 (Previous year Rs. 6,240,697))	13,983,731	19,134,398
Rates and Taxes	485,685	-
Communication	7,048,386	7,342,054
Legal and Professional	19,831,886	21,241,478
Travelling and Conveyance	63,188,601	45,699,004
Insurance Premium	3,629,017	4,650,542
Repairs and Maintenance - Plant and Machinery	1,631,865	1,751,736
- Others	328,047	643,915
Management Service Fee	6,827,027	6,796,666
Provision for doubtful debts (Net)	30,498,555	51,884,570
Interest Expense	87,078,097	120,036,945
Less :		
Interest received on loan to Subsidiaries	(57,005,810)	(85,007,432)
Interest received on deposits	(376,405)	(695,555)
	<u>(57,382,215)</u>	<u>(85,702,987)</u>
Net Interest Expense	29,695,882	34,333,958
Miscellaneous expenses	32,043,002	17,608,265
	<u>209,191,684</u>	<u>211,086,586</u>
16	MARKETING	
Advertisement and Publicity	23,842,790	16,543,165
	<u>23,842,790</u>	<u>16,543,165</u>

NIIT (USA) Inc., USA

Schedule '17': Notes to Accounts for the year ended March 31st 2011

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared to comply in all material aspects with the applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 of India and the relevant provisions of the Companies Act, 1956 on an accrual basis, under historical cost convention. The Company's reporting currency is United States Dollars (USD) and these accounts have been prepared in Indian Rupees (INR). The USD balances as per books of the company have been converted into Indian Rupees as follows:

- i) All revenue items have been converted at predetermined rates that approximate the exchange rate prevailing on the date of the transaction.
- ii) All assets (other than investments) and liabilities have been converted at the yearend rate.
- iii) Share capital, Reserves and Surplus and investments are translated at the historical rate.

The net difference on translation is taken to Currency Translation Reserve/ (Debit balance) and is shown as a separate component under Shareholder's Fund.

The significant accounting policies adopted by the company are detailed below: -

i) Fixed Assets

Fixed Assets are stated at acquisition cost except where they are taken over pursuant to an acquisition at a consolidated price. Individual fixed assets taken over pursuant to acquisition are recorded at their fair value on the date of acquisition based on valuation carried out by independent valuers.

Expenses incurred on internal development of courseware and products are capitalized either individually or as a knowledge bank in the form of software, once their technical feasibility and ability to generate future economic benefits is established in accordance with the requirements of Accounting Standard 26, "Intangible Assets" as notified under Section 211 (3C) of the Companies Act, 1956 Expenses incurred during the research phase till the establishment of commercial feasibility is charged to the Profit and Loss Account.

ii) Depreciation & Amortization

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

Plant & Machinery Including	
a) Computers and related accessories	3-5 Years
b) Office Equipment and Electronic Equipment	8 Years
Furniture and fixtures	7 Years
Leasehold Improvements	3-5 years or lease period, whichever is lower
Vehicles	3 Years
Intangibles assets including	
a. Goodwill (Other than arising on consolidation)	5 years
b. Software (Acquired and Internally generated)	3-5 Years

NIIT (USA) Inc., USA

Schedule '17': Notes to Accounts for the year ended March 31st 2011

Further, computer systems and software are technically evaluated each year for their useful life and the unamortized depreciable amount of the asset is charged to profit and loss account as depreciation/ amortization over their revised remaining useful life.

iii) Impairment of Assets

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

iv) Inventory Valuation

Inventories are valued at lower of cost or net realizable value. Cost is calculated using weighted average method and includes applicable costs incurred in bringing inventories to their present location and condition.

v) Investments

Long-term investments are valued at their acquisition cost. Any decline in the value of the said investments, other than a temporary decline, is recognized and charged to Profit and Loss. Short-term investments are carried at cost or their market values, whichever is lower.

vi) Revenue Recognition

The revenue from time and material contracts is recognized on a man month basis. In respect of fixed price contracts, including certain contracts requiring significant usage of contents capitalized as education software relating to courseware and products (Intellectual Property Rights), revenue is recognized based on the technical evaluation of utilization of courseware and products and as per the proportionate completion method. The foreseeable losses on completion of contract, if any, are provided for.

Subscription revenue is deferred and recognized ratably over the term of the subscription.

Interest income is recognized on accrual basis.

vii) Employee benefits

The company makes defined contributions on a monthly basis towards retirement benefits of the employees in USA under 401(K) plan, which is charged to the profit and loss account.

Liability in respect of compensated absences is provided both for encashable leave and those expected to be availed. The Company has benefit plans for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year any gain or loss arising out of such valuation is recognized in the profit and loss account as income or expense.

viii) Foreign Currency transactions

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

NIIT (USA) Inc., USA

Schedule '17': Notes to Accounts for the year ended March 31st 2011

Foreign currency assets/ liabilities covered by forward contracts are stated at the forward contract rate and difference between the forward rate and the exchange rate at the inception of the forward contract are recognized to the Profit and Loss Account over the life of the contract.

ix) Leases

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

Finance lease transactions entered into are considered financing arrangements in accordance with Accounting Standard 19, Leases, and the leased asset is capitalized at an amount equal to the present value of future lease payments and a corresponding amount is recognized as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to the leased asset.

x) Borrowing Costs

Borrowing costs are expensed in the year in which it is incurred except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use, in which case, it is capitalized. Ancillary costs in connection with the arrangement of borrowing are amortized over the period of the respective loan.

xi) 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 timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. As a matter of prudence deferred tax assets are recognized and carried forward only to the extent there is 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 the applicable taxation laws in USA. (Refer note 11 on Schedule 17).

xii) Provisions and Contingencies

The company creates a provision for claims, litigation, assessment, fines, penalties, etc. when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2. Contingent Liabilities

Claim against the company not acknowledged as debt INR NIL (Previous year (INR 7,053,352 (USD 156,829))).

3. The company had entered into a facility agreement with ICICI Bank Limited and its affiliates on July 28, 2006 for a loan of Rs. 1,631,528,500 (USD 35,000,000). The purpose of the loan was to acquire all the Stock of Element K Corporation, a company incorporated under the laws of United States of America, through its subsidiary NIIT Ventures Inc., USA. The principal amount of the loan, along with interest, shall be payable in ten equal semi-annual installments by July 31, 2012.

NIIT (USA) Inc., USA

Schedule '17': Notes to Accounts for the year ended March 31st 2011

- a. The Loan is secured by
 - i) First pari-passu charge over (or with respect to the Company's assets located in the United States, a first priority perfected security interest in) all the present and future immovable and movable assets of the Company.
 - ii) NIIT Limited, the holding company, has extended a corporate guarantee, with first pari-passu charge created on all shares of NIIT Technologies Limited held by its subsidiary viz., Scantech Evaluation Services Limited.
 - b. Loans and advances include unamortized balance of Rs. 13.76 Million (Previous Year Rs. 24.29 Million) pertaining to ancillary costs incurred in connection with the loan.
4. The Company had entered into an Agreement with ICICI Bank Limited and its affiliates on January 27, 2008 for a loan of Rs. 200,305,500 (USD 5,000,000) towards working capital requirements. The loan was initially for a period of one year with interest payable quarterly & further extended for a period of one year. The loan was secured by a Corporate Guarantee by NIIT Limited, the Holding Company. The facility was further extended for one year and the Company availed the loan facility on September 23rd 2010 and repaid the same on December 20, 2010.
5. The Company has entered into an Agreement with ICICI Bank UK Plc on September 24, 2009 for a loan of INR 666,739,717 (GBP 9,400,000). The purpose of the loan was to meet the Capital and operational expenditures. The interest is payable at quarterly rests. The loan was secured by a Corporate Guarantee by NIIT Limited, the Holding Company. The loan was fully repaid on September 23, 2010.
6. During the year the Company has availed a Loan facility of Rs. 666,000,000 (USD 15,000,000) for a tenor of 3 years and six months from ICICI Bank UK Plc, UK, towards refinance of existing debt/ capital expenditure/ reimbursement of capital expenditure already undertaken by the Company and its subsidiaries / infusion of long term working capital.
- a. The Loan is secured by
 - i) A Charge over the Company's, present and future, assets including intellectual property ranking at par with already encumbered assets and those assets that are subject to a charge/security interest under the Facility Agreement dated July 28, 2006 with ICICI Bank Limited and its affiliates
 - ii) A corporate guarantee upto an amount of Rs. 732.60Mn (USD 16.5Mn) extended by the Holding Company, NIIT Limited, India for all the obligations of the company under this facility agreement.
 - b. Loans and advances include unamortized balance of Rs. 19.09 Million (Previous Year Rs. NIL) pertaining to ancillary costs incurred in connection with the loan.
 - c. The repayment of loan commences starting 24 months after the first utilization date in 4 semi-annual installments.
7. (a) The Company had advanced loans aggregating Rs. 1,586,056,467 (USD 36,510,000) during 2006-07 to its subsidiary NIIT Ventures Inc to finance the acquisition of Element K Corporation, USA at an interest rate of LIBOR + 2.70%. The principal amount of the loan along with interest was payable in 12 equal semi-annual installments by July 2013. The repayment schedule of the outstanding principal amount of INR 1,350,870,000 (USD 30,425,000) was extended during the previous year commencing from July 25, 2011 in 10 equal semi-annual installments of INR 135,087,000 (USD 3,042,500) to be paid in full by January 2016.
- (b) During the previous year the Company had extended the payment terms of Interest on loans and other recoverable aggregating to INR 178,283,582 (USD 4,015,396) (Previous year INR 154,953,466 (USD

NIIT (USA) Inc., USA

Schedule '17': Notes to Accounts for the year ended March 31st 2011

3,445,340)) from NIIT Ventures Inc USA. The repayment would commence from July 25, 2011 and to be paid in full by July 25, 2016.

(c) The ability of NIIT Ventures Inc. to repay the outstanding amount as above is dependent on future cash flows from its subsidiary, Element K Corporation. Considering the above and the letter of support issued by NIIT Ltd., the ultimate holding company, to NIIT Ventures Inc. to meet its financing needs as required, the company considers the above amounts as recoverable.

8. During the previous year, the Company has granted an unsecured loan of Rs. 200,305,500 (USD 5,000,000) to Element k Corporation to be repaid in full by January 31, 2009 for which extension was granted in the previous year till January 31, 2011. During the year, the Company further extended the terms of repayment of the loan and the principal amount is now repayable in full on or before January 31, 2012. The Company has also issued a letter of support to Element K Corporation to meet its financing requirements as necessary.

9. Audit Fee

(In Rs)

Particulars	2010-11	2009-10
Audit fees	737,552	584,424
Reimbursement of expenses	144,551	225,516

10. Exchange Fluctuation

Net loss on account of exchange fluctuation of Rs. 4,828,735 (Previous year Rs. 1,779,846) has been included under "Miscellaneous expense".

11. Taxation :

- Current tax expense comprises of taxes payable on income in different states of United States of America.
- The entities in USA, namely Element K Corporation, NIIT Ventures Inc. and NIIT USA Inc., would be assessed for federal taxes on a consolidated level as the return of taxes on income is filed at a consolidated level. Therefore these financial statements do not reflect the tax expense (current and deferred) of the Company.

12. Earnings Per Share:

In Rs

Particulars	As at March 31, 2011	As at March 31, 2010
Profit/(Loss) attributable to Equity shareholders -(A)	42,253,501	28,916,637
Shares outstanding as at the beginning and end of the year (Nos.) -(B)	24,162,113	24,162,113
Nominal Value of Equity Shares	\$ 1 each	\$ 1 each
Earnings/(deficit) per share – Basic / Diluted (A/B)	1.75	1.20

Note: There are no potential dilutive equity shares. Accordingly, the Basic and Diluted earnings per share are the same.

NIIT (USA) Inc., USA

Schedule '17': Notes to Accounts for the year ended March 31st 2011

13. Segment information

Primary segment information-business segment

In the view of the management, the Company operates in a single business segment i.e. Learning Business.

Secondary Segment information – Geographical

Particulars	Revenue from customers by location	Carrying amount of segment assets by location of the assets	Amount in Rs
			Additions to Fixed assets
Americas (USA & Canada)	1,007,402,082	2,402,439,285	7,216,128
	(964,711,715)	(2,473,600,994)	(14,421,729)
India	30,998,043	-	-
	-	-	-
Europe	208,322,785	-	-
	(70,764,283)	-	-
Others	104,290,428	-	-
	(73,341,277)	-	-
Total	1,351,013,338	2,402,439,285	7,216,128
	(1,108,817,275)	(2,473,600,994)	(14,421,729)

Previous year figures are given in parenthesis

- 14.** Salaries and Benefits includes Rs. 7,958,277 (Previous Year Rs. 3,555,875) being the salary and other related costs recovered from NIIT Technologies Inc and NIIT Technologies Ltd pending the transfer of staff and completion of related formalities arising out of agreement of reorganization and corporate separation entered between NIIT technologies Inc and NIIT (USA) Inc in 2004. Salaries and benefits include an amount of Rs. NIL (Previous Year Rs. 14,166,825) being service costs recovered from NIIT Ventures Inc, a subsidiary of NIIT (USA) Inc. Salaries & benefits include an amount of Rs. 606,659 (Previous year Rs. 401,034) from NIIT Limited UK and from Element K Rs. 14,920,585 (Previous year Rs. NIL)

15. Related Party Disclosures as per Accounting Standard 18

a. Related party relationship where control exists

i) Holding Company - NIIT Limited

ii) Subsidiaries

1. NIIT Ventures Inc., USA
2. Element K Corporation, USA
3. Element K India Private Limited
4. Element K Canada Inc.
5. Element K (UK) Limited

iii) Fellow Subsidiaries

1. Hole-in-the-Wall Education Limited (Formerly Minimally Invasive Education Company Ltd)
2. NIIT Antilles NV, Netherlands Antilles
3. NIIT China (Shanghai) Limited, China

NIIT (USA) Inc., USA

Schedule '17': Notes to Accounts for the year ended March 31st 2011

4. NIIT Wu Xi Service Outsourcing Training School
5. Chongqing NIIT Education Consulting Limited, China
6. Wu Xi NIIT Information Technology Consulting Limited
7. Changzhou NIIT Information Technology Consulting Limited
8. Su Zhou NIIT Information Technology Consulting Limited
9. NIIT Limited, UK
10. NIIT Malaysia SDN BHD, Malaysia
11. NIIT Middle East LLC, Bahrain (Liquidated on May 26, 2009)
12. Neo Multimedia Ltd (Till March 30, 2011)
13. NIIT Online Learning Limited
14. NIIT GC Limited (Formerly NIIT TVE Ltd, Mauritius)
15. PT NIIT Indonesia (Under liquidation)
16. Scantech Evaluation Services Limited
17. NIIT Institute of Finance Banking and Insurance Training Limited
18. Evolv Services Limited (Formerly known as Evolv Management Services Private Limited)
19. NIIT Institute of Process Excellence Limited
20. PCEC NIIT Information Technology Institute China [Liquidated in April 2010]

b. Key Managerial personnel

- i) Rajendra S Pawar
- ii) V K Thadani
- iii) P Rajendran
- iv) Sapnesh Lalla
- v) Paul Krause

c. Party in which key management personnel of the company are interested with whom the company has transacted

- i) NIIT Technologies Inc; USA
- ii) NIIT Technologies Ltd; USA
- iii) NIIT Smart serve Limited
- iv) NIIT Technologies Limited UK
- v) NIIT Insurance Technologies Limited UK
- vi) NIIT Technologies PTY Ltd Australia
- vii) NIIT Technologies Pte. Ltd

NIIT (USA) Inc., USA
Schedule '17': Notes to Accounts for the year ended March 31st 2011

d. Detail of significant transactions with related parties carried on an arm's length basis:

Amount in Rs

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel	Parties in Which Key Managerial Personnel are interested	Total
Sale of Goods (Note 1)	6,228,217	NIL	NIL	NIL	NIL	6,228,217
	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
Purchase of Assets	NIL	NIL	NIL	NIL	NIL	NIL
	(NIL)	(623,640)	(NIL)	(NIL)	(NIL)	(623,640)
Rendering of Services (Note 2)	32,670,184	58,845,084	12,099,904	NIL	NIL	103,615,172
	(NIL)	(49,621,433)	(2,795,599)	(NIL)	(2,122,820)	(54,539,852)
Receiving of Services (Note 3)	446,001,871	50,947,450	NIL	NIL	34,120,794	531,070,115
	(330,886,254)	(50,388,580)	(NIL)	(NIL)	(21,652,035)	(402,926,869)
Recovery of expenses (Note 4)	29,424,181	16,125,663	32,747,035	NIL	21,127,268	99,424,147
	(35,156,003)	(21,176,099)	(38,360,795)	(NIL)	(29,715,372)	(124,408,269)
Reimbursement of Expenses (Note 5)	1,547,539	55,552,734	NIL	NIL	452,229	57,552,501
	(3,949,658)	(48,815,644)	(NIL)	(NIL)	(1,028,444)	(53,793,746)
Management Charges including deputation of employees	6,827,500	NIL	NIL	NIL	NIL	6,827,500
	(6,869,394)	(NIL)	(NIL)	(NIL)	(NIL)	(6,869,394)
Loans Received (Note 6)	250,403,450	NIL	86,503,010	NIL	161,218,847	498,125,307
	(23,854,050)	(NIL)	(11,927,025)	(NIL)	(NIL)	(35,781,075)
Loans Repaid (Note 7)	216,257,525	NIL	86,503,010	NIL	161,218,847	463,979,382
	(333,956,700)	(NIL)	(11,927,025)	(NIL)	(NIL)	(345,883,725)
Interest Expense (Note 8)	15,942,414	NIL	3,229,203	NIL	1,256,889	20,428,505
	(29,829,346)	(NIL)	(2,574,234)	(NIL)	(NIL)	(32,403,580)
Interest Income (Note 9)	NIL	57,025,607	NIL	NIL	NIL	57,025,607
	(NIL)	(84,755,396)	(NIL)	(NIL)	(NIL)	(84,755,396)
Loan Given (Note 10)	NIL	68,291,850	NIL	NIL	NIL	68,291,850
	(NIL)	(71,562,150)	(NIL)	(NIL)	(NIL)	(71,562,150)
Loan Given Received Back (Note 11)	NIL	136,583,700	NIL	NIL	NIL	136,583,700
	(NIL)	(195,603,210)	(NIL)	(NIL)	(NIL)	(195,603,210)
Managerial Remuneration Paid	NIL	NIL	NIL	11,857,650	NIL	11,857,650
	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)

NIIT (USA) Inc., USA

Schedule '17': Notes to Accounts for the year ended March 31st 2011

e. Details of Balances with related parties outstanding as on 31st March 2011

(Amount in Rs)

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Parties in which Key Managerial Personnel are interested	Total
Recoverable	24,674,146	1,829,426,120	71,405,856	827,838	1,926,333,960
	(7,271,930)	(1,917,687,738)	(67,367,708)	(622,946)	(1,992,950,322)
Payable	365,314,586	31,632,292	33,300,000	3,568,117	433,814,995
	(184,044,707)	(22,019,212)	(34,258,115)	(2,518,724)	(242,840,758)

Previous year figures are given in parenthesis.

Notes:

1. Includes sale of goods to
 - a. NIIT Limited India Rs. 6,228,217 (Previous Year Rs. NIL)
2. Includes rendering of services to
 - a. Element K Corporation USA Rs. 53,251,526 (Previous year Rs. 49,621,433)
 - b. NIIT Limited Rs. 32,670,184 (Previous year Rs. NIL)
 - c. NIIT Limited UK Rs. 12,099,904 (Previous year Rs. 2,527,241)
 - d. NIIT Technologies Ltd USA Rs. NIL (Previous Year Rs. 2,122,820)
 - e. NIIT China (Shanghai) Ltd Rs. NIL (Previous Year Rs. 268,358)
 - f. Element K UK Limited Rs. 5,593,558 (Previous year Rs. NIL)
3. Includes receiving of Services from
 - a. NIIT Limited Rs. 446,934,999 (Previous Year Rs. 330,886,254)
 - b. Element K Corporation USA Rs. 50,947,450 (Previous year Rs. 50,388,580)
 - c. NIIT Technologies Pte. Ltd Rs. 3,869,917 (Previous Year Rs. 2,891,731)
 - d. NIIT Smart Serve Ltd Rs. 23,475,870 (Previous year Rs. 10,674,401)
 - e. NIIT Technology PTY Ltd Rs. 6,178,409 (Previous Year Rs. 8,085,903)
 - f. NIIT Technologies Inc USA Rs. 596,643 (Previous year Rs. NIL)
4. Includes recovery of expenses from
 - a. NIIT Technologies Inc Rs. 5,963,927 (Previous Year Rs. 9,491,956)
 - b. NIIT Technologies Ltd USA Rs. 15,163,340 (Previous Year Rs. 20,223,416)
 - c. NIIT Limited UK Rs. 32,747,035 (Previous Year Rs. 38,360,795)
 - d. NIIT Venture Inc USA Rs. 113,820 (Previous Year Rs. 19,491,764)
 - e. Element K Corporation USA Rs. 16,011,844 (Previous Year Rs. 1,684,334)
 - f. NIIT Limited Rs. 29,424,181 (Previous Year Rs. 35,156,003)
5. Includes reimbursement of expenses to
 - a. NIIT Limited Rs. 1,547,539 (Previous Year Rs. 3,949,658)
 - b. NIIT Technologies Inc Rs. 446,356 (Previous Year Rs. 861,274)
 - c. Element K Corporation USA Rs. 55,552,734 (Previous Year Rs. 48,815,643)

NIIT (USA) Inc., USA
Schedule '17': Notes to Accounts for the year ended March 31st 2011

- d. NIIT Technologies Pte Ltd Rs. NIL (Previous year Rs. 39,121)
- e. NIIT Technologies PTY Ltd Rs. NIL (Previous year Rs. 120,081)
- f. NIIT Technologies Ltd USA Rs. 5,873 (Previous Year Rs. 7,967)

- 6. Includes loans received from
 - a. NIIT Limited Rs. 250,403,450 (Previous Year Rs. 23,854,050)
 - b. NIIT Antilles NV Rs. 86,503,010 (Previous Year Rs. 11,927,025)
 - c. NIIT Technologies Inc Rs. 91,055,800 (Previous Year Rs. NIL)
 - d. NIIT Insurance Technologies Ltd UK Rs. 70,163,047 (Previous Year Rs. NIL)

- 7. Includes loans repaid to
 - a. NIIT Limited Rs. 216,257,525 (Previous year Rs. 333,956,700)
 - b. NIIT Antilles NV Rs. 86,503,010 (Previous year Rs. 11,927,025)
 - c. NIIT Technologies Inc Rs. 91,055,800 (Previous Year Rs. NIL)
 - d. NIIT Insurance Technologies Ltd UK Rs. 70,163,047 (Previous Year Rs. NIL)

- 8. Includes Interest paid to
 - a. NIIT Limited Rs. 15,942,414 (Previous Year Rs. 29,829,346)
 - b. NIIT Malaysia SDN BHD Rs. 2,423,405 (Previous Year Rs. 2,539,454)
 - c. NIIT Antilles NV Rs. 805,798 (Previous Year Rs. 34,779)
 - d. NIIT Technologies Inc Rs. 710,964 (Previous Year Rs. NIL)
 - e. NIIT Insurance Technologies Ltd UK Rs. 545,880 (Previous Year Rs. NIL)

- 9. Includes Interest income from
 - a. NIIT Ventures Inc USA Rs. 43,541,654 (Previous Year Rs. 55,523,927)
 - b. Element K Corporation USA Rs. 13,483,953 (Previous Year Rs. 29,231,468)

- 10. Includes Loan given to
 - a. Element K Corporation USA Rs. 68,291,850 (Previous Year Rs. 71,562,150)

- 11. Includes Loans Given Received back from
 - a. Element K Corporation USA Rs. 136,583,700 (Previous Year Rs. 195,603,210)

NIIT (USA) Inc., USA

Schedule '17': Notes to Accounts for the year ended March 31st 2011

16. Disclosure in respect of leases as per Accounting Standard (AS) – 19

a) Operating Leases

Minimum Lease Payments under non-cancellable Operating leases in case of premises on leases are as follows:

Particulars	In respect of Premises In Rs	
	31 st March 2011	31 st March 2010
Amount payable during next 1 year	20,251,240	16,432,533
Amount payable in the next 2 to 5 years	50,326,024	71,029,961
Amount payable beyond 5 years	-	

Lease rentals under Operating lease during the year ended 31st March 2011 amounted to Rs. 13,983,731 (Previous year Rs. 19,134,398) (net).

Total of future minimum sublease payments (in respect of premises) expected to be received under non-cancelable subleases at the yearend amount to Rs. 25,380,461 (Previous Year Rs. 30,750,395).

b) Finance Leases:

The Company has entered into finance leasing arrangements for licenses and computers.

Rs.

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Minimum lease payments	3,565,472	-
Less: Finance Costs	472,534	-
Less: Currency translation adjustment	76,608	
Present value of lease payment outstanding as at year end	3,016,330	-

Minimum lease payments due:

Rs.

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Not later than 1 year	1,698,566	-
Later than 1 year but not later than 5 years	1,866,906	-

Present value of minimum lease payments:

Rs.

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Not later than 1 year	1,416,848	-
Later than 1 year but not later than 5 years	1,599,482	-

NIIT (USA) Inc., USA

Schedule '17': Notes to Accounts for the year ended March 31st 2011

17. Details related to Opening Stock, Purchases, Revenue and Closing Stock: -

Courseware Content	For the year ended 31 st March, 2011		For the year ended 31 st March, 2010	
	Quantity (Nos.)	Value Rs.	Quantity (Nos.)	Value Rs.
Opening Stock of Courseware Content	67,953	-	67,953	7,901,524
Sale of Courseware Content			-	-
Material Scrapped /Provision for obsolescence	67,953	-	-	(7,901,524)
Currency Translation Adjustment		-		-
Closing Stock of Courseware Content	-	-	67,953	-

18. Employee Benefits

Compensated Absences

In accordance with Accounting Standard 15 (revised 2005), an actuarial valuation was carried out in respect of Compensated Absences

(In Rs)		
Compensated Absences	As At March 31, 2011	As At March 31, 2010
i) Change in Present value of Obligation		
Opening Present value of obligation	10,793,952	11,868,610
Current service cost recognized as expense / (income) in Profit and Loss Account	-	(317,163)
Currency Translation Adjustment	(137,952)	(757,495)
Closing Present value of obligation	10,656,000	10,793,952
ii) Principal actuarial assumptions for compensated absences:-		
Discount Rate (per annum)	2.80%	2.80%
Future Salary Increase	3.00%	3.00%

NIIT (USA) Inc., USA

Schedule '17': Notes to Accounts for the year ended March 31st 2011

Defined Contribution Plans

Company makes contribution towards a defined contribution retirement benefit plan (401K plan) for eligible employees.

	In Rs.	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Contribution to 401k Plan	-	-

During the previous year the company had suspended the 401k scheme and the same was continued in the current year also. Hence no contributions were made to the 401K plan.

19. Movement of Provision for Doubtful Debts

Particulars	For the year ended 31 st March, 2011 In Rs	For the year ended 31 st March, 2010 In Rs
Opening Provision - A	57,424,078	73,395,499
Add: Provision created – B	30,498,555	51,884,570
Less: Bad Debts written off – C	50,418,416	60,691,668
Add/(Less): Currency translation reserve – D	(235,379)	(8,040,266)
Closing Provision = A+B-C-E	37,268,838	57,424,078
Charge for the current year = B	30,498,555	51,884,570

20. The Company is internally developing various software tools. The investment would expand the business of the Company in existing and new markets and enhance capabilities of its products and software in future. The Company is confident of its ability to generate future economic benefits out of the above mentioned assets. The costs capitalized including capital work in progress on account of the above are as follows:

Nature of Expense	For the year ended 31 st March, 2011 In Rs	For the year ended 31 st March, 2010 In Rs
Personnel	-	1,763,434
Rent	-	109,204
Others	-	19,322
Total	-	1,891,960

21. The Company was appointed as a distributor of Element K Corporation USA for sale of its products in the international markets in the previous year. The share of revenue aggregating to Rs. 59,136,781 (Previous Year Rs. 52,763,632) and costs aggregating to Rs. 34,983,820 (Previous Year Rs. 32,265,513) for the sale of such products is recognized in the Profit and Loss Account based on the terms of the agreement with guaranteed minimum revenue from all products due to Element K Corporation USA of Rs. 32,374,616 (Previous Year Rs. 33,924,944). The courseware minimum guarantee commitment (Previous year Rs. 16,148,883) is no longer applicable for current year. Hence there is no shortfall in courseware guarantee for the current year (Previous year Rs. 8,061,953) that has been accounted for under Development, Production and execution.

NIIT (USA) Inc., USA
Schedule '17': Notes to Accounts for the year ended March 31st 2011

22. The previous year figures have been regrouped and reclassified to conform to the current year classification.

Signatures to the schedule '1' to '17' above

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sd/-
Rajendra S Pawar
Director
DIN -00042516

Sd/-
Vijay Kumar Thadani
Director
DIN -00042527

Sd/-
Usha Rajeev
Partner
Membership No. F-87191

Sd/-
P R Subramanian
Chief Financial Officer

Place : Gurgaon, India
Date : May 8, 2011

Place : Atlanta, USA
Date : May 8, 2011