

NIIT (USA) Inc., USA

Balance Sheet as at 31st March 2012

PARTICULARS	Notes	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share capital	3	1,136,130,696	1,136,130,696
Reserves and surplus	4	105,757,822	(459,785,550)
2 Non-current liabilities			
Long-term borrowings	5	1,735,538	822,999,482
Long-term provisions	8	162,784,000	-
3 Current liabilities			
Trade Payables	6	176,532,376	379,205,690
Other current liabilities	7	70,083,417	513,232,966
Short-term provisions	8	269,893,101	10,656,000
TOTAL		<u>1,922,916,950</u>	<u>2,402,439,284</u>
II ASSETS			
1 Non-current assets			
Fixed assets	9		
Tangible assets		9,522,298	11,079,590
Intangible assets		281,700,917	28,195,643
Capital work-in-progress		2,626,711	-
Non-current investments	10	4,661	4,661
Long-term loans and advances	11	205,128,391	1,081,912,738
Other non-current assets	14	31,335,920	199,195,982
2 Current assets			
Cash and bank balances	15	342,435,148	72,058,821
Short-term loans and advances	11	536,421,538	573,005,145
Trade receivables	12	354,649,523	334,868,410
Other current assets	14	159,091,843	102,118,294
TOTAL		<u>1,922,916,950</u>	<u>2,402,439,284</u>

The Notes are an integral part of these Financial Statements.

For and on behalf of the Board

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

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

Sapnesh Lalla
Director

Vijay K Thadani
Director
DIN - 00042527

Usha Rajeev
Partner
Membership No. F-087191

P R Subramanian
Chief Financial Officer

Place: Gurgaon
Date: May 9, 2012

Place: Atlanta, USA
Date: May 8, 2012

NIIT (USA) Inc., USA

Statement of Profit & Loss for the year ended 31st March 2012

PARTICULARS	Notes	Year ended March 31, 2012 Rs.	Year ended March 31, 2011 Rs.
INCOME			
I. Revenue from Operations	17	1,841,069,394	1,351,013,338
II. Other Income	18	59,257,567	76,853,253
III. Total Revenue (I + II)		<u>1,900,326,961</u>	<u>1,427,866,591</u>
IV. EXPENDITURE			
Purchase of Traded Goods		5,850,175	3,245,244
Professional & Technical Outsourcing Expenses		1,182,961,939	757,817,200
Employee Benefits Expense	19	348,914,920	309,065,490
Other Expenses	20	198,529,689	204,037,424
Finance Costs	21	37,707,477	87,078,097
Depreciation and Amortization Expense	9	18,818,682	18,918,550
Total Expenses		<u>1,792,782,882</u>	<u>1,380,162,005</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		107,544,079	47,704,586
VI. Exceptional items	22	2,452,830,548	-
VII. Profit before extraordinary items and tax (V - VI)		<u>2,560,374,627</u>	<u>47,704,586</u>
VIII. Profit before tax (VII- VIII)		<u>2,560,374,627</u>	<u>47,704,586</u>
IX. Tax expense:	24		
-Current tax		839,684,793	5,451,084
X. Profit for the year		<u>1,720,689,834</u>	<u>42,253,502</u>
XI. Earnings per equity share (Face Value USD 1 each)	25		
- Basic		71.21	1.75
-Diluted		71.21	1.75

The Notes are an integral part of these Financial Statements.

For and on behalf of the Board

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

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

Sapnesh Lalla
Director

Vijay K Thadani
Director
DIN - 00042527

Usha Rajeev
Partner
Membership No. F-087191

P R Subramanian
Chief Financial Officer

Place: Gurgaon
Date: May 9, 2012

Place: Atlanta, USA
Date: May 8, 2012

NIIT (USA) Inc., USA
Cash Flow Statement for the year ended 31st March 2012

		Year ended March 31, 2012 Rs.	Year ended March 31, 2011 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit before Tax		2,560,374,627	47,704,585
Adjustments for:			
Depreciation and Amortisation	18,818,682		18,918,550
Interest Expenses	37,707,477		87,078,097
Interest Income	(34,560,747)		(57,382,215)
(Profit)/ Loss on Fixed Assets sold	-		46,757
Provision for Doubtful Debts	-		30,498,555
Dividend Income	(2,683,630,823)		-
Provision for Compensated Absences	2,875,420		(137,952)
Unrealized Foreign Exchange loss / (gain)	3,004,683		(1,809,173)
		(2,655,785,308)	77,212,619
Operating profit before working capital changes		(95,410,681)	124,917,204
Add / (Less): (Increase)/ Decrease in operating working capital:			
Trade Receivables	(22,704,715)		(26,479,201)
Loans and Advances & Other Current Assets	(187,386,618)		(23,603,085)
Current Liabilities and Provisions	238,543,242	28,451,909	182,693,880
		182,693,880	132,611,594
Cash generated (used in) / from operations		(66,958,772)	257,528,798
Taxes paid (including TDS)		(559,091,473)	(9,920,205)
Net cash (used in)/ from Operating activities (A)		(626,050,245)	247,608,593
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets (including Capital Work-in-progress)		(273,257,319)	(7,216,128)
Dividend received		2,683,630,823	-
Loan given to Affiliates		(203,480,000)	-
Loans given to Subsidiaries		-	(68,291,850)
Loans given to Subsidiaries received back		1,034,352,260	156,116,340
Interest Received		134,736,252	34,250,168
Net cash from Investing activities (B)		3,375,982,016	114,858,530
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Long Term Borrowings repaid during the year		(1,157,601,600)	(987,598,717)
Loan received from Affiliates		36,021,600	485,353,740
Loan repaid to Affiliates		(156,093,600)	-
Term loan received during the year		-	666,000,000
Repayment of Unsecured Loan taken from Affiliates - Long term		-	(453,347,040)
Other loans received (leases) net		479,520	3,016,330
Interest Paid (including financing charges on finance lease arrangements)		(47,214,902)	(84,290,464)
Dividend Paid		(1,276,080,000)	-
Net cash (used in) Financing activities (C)		(2,600,488,982)	(370,866,151)
Net Increase/(Decrease) in Cash & Cash equivalents (A) + (B) + (C)		149,442,789	(8,399,028)
Currency Translation Adjustment		120,933,538	(15,010,464)
Cash and Cash equivalents as at the beginning of the year (Note 1)		72,058,821	95,468,313
Cash and cash equivalents as at the end of the year (Note 1)		342,435,148	72,058,821

Contd

Notes:**1 Cash and cash equivalents as on**

	March 31, 2012	March 31, 2011
	Rs.	Rs.
Cash, Cheques & Drafts (in hand)	-	15,047,519
Balances with banks	342,435,148	57,011,302
	<u>342,435,148</u>	<u>72,058,821</u>

- 2 The above Cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 as notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the relevant provisions of the Companies Act, 1956 of India.
- 3 Notes 1 - 30 form an integral part of the Cash Flow Statement.
- 4 Previous year figures to the extent feasible have been regrouped / recast wherever necessary to conform to current year's classification.

For and on behalf of the Board

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

For Price Waterhouse

Firm Registration No. : 301112E
Chartered Accountants

Sapnesh Lalla

Director

Vijay K Thadani

Director
DIN - 00042527

Usha Rajeev

Partner
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P R Subramanian

Chief Financial Officer

Place : Gurgaon
Date: May 9, 2012

Place : Atlanta, USA
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NIIT (USA) Inc., USA
Notes to the Financial Statements for the year ended March 31, 2012

- 1 NIIT (USA) Inc., USA, the Company, is a wholly owned Subsidiary of NIIT Limited India a leading Global talent management Corporation. The Company is in the business of providing services to customers in United States of America, Europe and in the regions of Asia-Pacific.

2 **Significant Accounting Policies**

2.1 **BASIS OF PREPARATION OF ACCOUNTS**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. The financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other applicable provisions of the Companies Act, 1956 of India.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

The Company's reporting currency is United States Dollars (USD) and these accounts have been prepared in Indian Rupees (Rs.). The USD balances as per books of account 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 year end rate.
- iii) Share capital, Reserves and Surplus and investments are translated at the historical rate.

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

- 2.2 Other significant accounting policies adopted by the Company is detailed below:

i) **Tangible Fixed Assets and Depreciation**

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 an acquisition are recorded at their fair value on the date of acquisition based on valuation carried out by independent valuers.

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

Plant and Equipments including:	
- Computers, printers and related accessories	2-5 years
- Electronic Equipments	8 years
Office Equipments	8 years
Furniture, Fixtures & Electric Fittings	
	7-10 years
Leasehold Improvements	3-5 years or lease period, whichever is lower
Assets acquired under lease (Included under Plant & Equipments and Furniture & Fixtures)	Lease Period
All other assets (including vehicles)	Rates prescribed under Schedule XIV to the Companies Act, 1956

ii) **Intangible Fixed Assets and Amortisation**

Intangible Assets are stated at cost, net of accumulated amortisation.

Expenses incurred on internal development of educational content and products are capitalised, once their technical feasibility and ability to generate future economic benefits are established in accordance with the requirements of Accounting Standard 26, "Intangible Assets" as notified under section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended]. Expenses incurred during research phase till the establishment of commercial feasibility are charged to the Statement of Profit and Loss.

Amortization is provided on a pro-rata basis on the straight-line method over the estimated useful lives of 3-5 years.

Further, educational content, computer system and software are technically evaluated each year for their useful economic life and the unamortized amount of the assets is charged to the Statement of Profit and Loss as 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 events 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) **Investments**

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

v) **Revenue Recognition**

NIIT (USA) Inc., USA
Notes to the Financial Statements for the year ended March 31, 2012

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 contents capitalized as education software relating to courseware and products (Intellectual Property Rights), revenue is recognized based on the technical evaluation 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

vi) Other Income

Dividend income is recognized when the right to receive dividend is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate.

vii) Employee Benefits

401 (K) Plan

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 Statement of Profit & Loss.

Compensated Absences

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 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 Statement of Profit and Loss.

viii) Foreign Currency Transactions

Transactions in foreign currency are booked at standard rates determined periodically which approximates the actual rates, and all monetary assets and liabilities in foreign currency is restated at the end of accounting -period. Gain/Loss arising out of fluctuations on realisation/payment or restatement is charged/ credited to the Statement of Profit and Loss.

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 end of the forward contract are recognised to the Statement of Profit and Loss over the life of the contract.

ix) Leases

The Company has taken assets as well as premises on lease. Lease rental in respect of operating lease arrangements are charged to expense Statement of Profit and Loss on a line basis as per the terms of the related agreement.

Finance lease transactions are considered as financing arrangements in accordance with Accounting Standard 19 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 recognised in the Statement of Profit and Loss for the period in which they are 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 capitalised. Ancillary costs in connection with the arrangement of borrowing are amortized over the period of the respective loan

xi) Taxation

Tax expense, comprising of current tax is included in determining the net results for the year. Current tax is determined based on the provisions of the applicable tax laws in USA based on the combined profit of its subsidiaries.

xii) Provisions and Contingencies

The Company creates a provision 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. Disclosure of third party claims are made on merits where management foresees possibilities of any outflow of resources

xiii) Earnings Per Share

The earnings considered in ascertaining the Company's Earnings per share ('EPS') comprises the Net Profit after Tax. The number of shares used in computing the weighted average number of shares outstanding during the year. The Diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential Equity Shares.

xiv) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturity of three months or less.

NIIT (USA) Inc., USA
Notes to the Financial Statements for the year ended March 31, 2012

3	SHARE CAPITAL	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
	Authorised 25,000,000 Equity Shares of USD 1 each (Previous year 25,000,000 Equity Shares of USD 1 each)	25,000,000	25,000,000
		<u>25,000,000</u>	<u>25,000,000</u>
	Issued 24,162,113 Equity Shares of USD 1 each held by NIIT Limited the holding Company (Previous year - 24,162,113 Equity Shares of USD 1 each held by NIIT limited the holding Company)	1,136,130,696	1,136,130,696
		<u>1,136,130,696</u>	<u>1,136,130,696</u>
	Subscribed and fully paid 24,162,113 Equity Shares of USD 1 each (Previous year - 24,162,113 Equity Shares of USD 1 each)	1,136,130,696	1,136,130,696
		<u>1,136,130,696</u>	<u>1,136,130,696</u>

3.1	Reconciliation of the number of shares outstanding	March 31, 2012		March 31, 2011	
		No. of shares	Value Rs.	No. of shares	Value Rs.
	Equity Shares Shares outstanding at the beginning of the year	1,136,130,696	1,136,130,696	1,136,130,696	1,136,130,696
	Shares outstanding at the end of the year	<u>1,136,130,696</u>	<u>1,136,130,696</u>	<u>1,136,130,696</u>	<u>1,136,130,696</u>

3.2 Note on rights, preferences and restrictions attaching to Equity Shares

Rights, preferences and restrictions attached to shares:-

The company has one class of equity shares having a par value of \$ 1/- per share. Each shareholder is eligible for one vote per share held.

3.3	Shares in respect of each class in the company held by	Name of the company	Class of shares Equity/ Preference	As at March 31, 2012 No. of shares	As at March 31, 2011 No. of shares
	Holding company	NIIT Limited	Equity	24,162,113	24,162,113
	Total			<u>24,162,113</u>	<u>24,162,113</u>

3.4	Shares held by each shareholder holding more than 5% shares	March 31, 2012		March 31, 2011	
		% of holding	No. of shares	% of holding	No. of shares
	Equity Shares:- - NIIT Limited	100	24,162,113	100	24,162,113
	Total	<u>100%</u>	<u>24,162,113</u>	<u>100%</u>	<u>24,162,113</u>

NIIT (USA) Inc., USA
Notes to the Financial Statements for the year ended March 31, 2012

4	RESERVES AND SURPLUS	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
	Surplus / (Defecit) in Statement of Profit & Loss Balance Brought Forward from Previous year Add : Current year profit attributable to Shareholders Less:- Interim Dividend on Equity Shares Currency translation reserve As per Last Balance Sheet Add : Currency Translation Reserve of Associates Increase/ (Decrease) during the year on translation of balances	 (413,194,513) 1,720,689,834 <u>1,276,080,000</u> 31,415,321 (46,591,037) - <u>120,933,538</u> 74,342,501	 (455,448,015) 42,253,502 - (413,194,513) (31,207,922) - <u>(15,383,115)</u> (46,591,037)
		105,757,822	(459,785,550)

NIIT (USA) Inc., USA
Notes to the Financial Statements for the year ended March 31, 2012

5	LONG TERM BORROWINGS	Non Current Portion		Current Maturities	
		As at March 31, 2012 Rs.	As at March 31, 2011 Rs.	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
A)	SECURED				
	Term Loans from Banks:				
	- Other Term Loans (Refer Notes 5.1 & 5.2 below)	-	821,400,000	-	310,800,000
	Sub Total (A)	-	821,400,000	-	310,800,000
B)	UNSECURED				
	Finance Lease Obligation	1,735,538	1,599,482	2,228,208	1,416,848
	Sub Total (B)	1,735,538	1,599,482	27,663,208	134,616,848
	Total (A+B)	1,735,538	822,999,482	-	-

- 5.1 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 principal amount of the loan, along with interest, was payable in ten equal semi-annual installments by July 31, 2012. The loan was fully repaid during the year ended March 31, 2012

The Loan was 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 on all shares of NIIT Technologies Limited held by its subsidiary viz., Scantech Evaluation services Limited.

Consequent to repayment of the loan in full, the aforementioned charges and the guarantee have since been released.

- 5.2 During the previous year the Company have 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. The repayment of loan was to commence starting 24 months after the first utilization date in 4 semi-annual installments. The loan has been repaid during the year along with applicable interest.

The Loan was 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 dt July 28, 2006 with ICICI Bank Limited and its affiliates.

ii) A corporate guarantee upto an amount of Rs.732,600,000 (USD 16,500,000) extended by the Holding Company, NIIT Limited, India for all the obligations of the company under this facility agreement.

Subsequent to the repayment of loan, the aforementioned charges and the corporate guarantee have since been released.

NIIT (USA) Inc., USA
Notes to the Financial Statements for the year ended March 31, 2012

6	Trade Payables	Non Current		Current	
		As at March 31, 2012 Rs.	As at March 31, 2011 Rs.	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
	Sundry Creditors	-	-	176,532,376	379,205,690
		-	-	176,532,376	379,205,690

7	Other Liabilities	Long Term Liabilities		Current Liabilities	
		As at March 31, 2012 Rs.	As at March 31, 2011 Rs.	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
	Current Maturities of Long Term Borrowings	-	-	27,663,208	445,416,848
	Interest accrued but not due on borrowings	-	-	-	9,507,425
	Deferred Revenue	-	-	1,220,860	28,925,739
	Advances from Customers	-	-	108,855	461,554
	Statutory Dues	-	-	3,227,902	1,848,964
	Other Payables	-	-	37,862,592	27,072,436
		-	-	70,083,417	513,232,966

*Other payables pertains to amounts due to employees of the Company.

8	Provisions	LONG-TERM		SHORT-TERM	
		As at March 31, 2012 Rs.	As at March 31, 2011 Rs.	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
	Provision for employee benefits :				
	Provision for Compensated Absences (Refer Note 19 (ii))	-	-	13,531,420	10,656,000
	Provision for Tax:				
	Provision for Tax	-	-	880,768,776	-
	Less: Advance Tax	-	-	(624,407,095)	-
	Others :				
	Provision for Indemnity	162,784,000	-	-	-
		162,784,000	-	269,893,101	10,656,000

8.1 Movement in Provision for Indemnity (Refer Note 16 and 22)

Particulars	As at March 31, 2012	As at March 31, 2011
Opening Balance	-	-
Additions	162,784,000	-
Balance at the year end	162,784,000	-

NHIT (USA) Inc., USA
Notes to the Financial Statements for the year ended March 31, 2012

9 Fixed Assets

(Amount in USD)

Description of Assets	GROSS BLOCK					DEPRECIATION AND AMORTISATION					NET BLOCK	
	Cost As on 01.04.2011	Additions during the year	Sales / Adj. during the year	Currency Translation Adjustment	Total as on 31.03.2012	As on 01.04.2011	For the year	Sales / Adj. during the year	Currency Translation Adjustment	Total as on 31.03.2012	As on 31.03.2012	As on 31.03.2011
<u>i) Tangible</u>												
Plant & Equipment												
-Owned	35,050,766	3,127,395	-	5,292,543	43,470,704	29,772,056	3,088,943	-	4,738,494	37,599,492	5,871,212	5,278,710
-Leased	5,469,014	-	-	796,949	6,265,963	2,177,509	1,862,641	-	448,618	4,488,769	1,777,194	3,291,505
Lease Hold Improvements	1,504,361	-	-	219,217	1,723,577	1,327,338	42,863	-	196,442	1,566,643	156,934	177,023
Furniture & Fixtures												
-Owned	6,702,060	-	-	976,665	7,678,725	4,369,709	1,062,682	-	529,369	5,961,761	1,716,964	2,332,351
Vehicles	1,278,740	-	-	186,316	1,465,056	1,278,740	-	-	186,316	1,465,056	-	-
Sub Total (a)	50,004,941	3,127,395	-	7,471,689	60,604,025	38,925,352	6,057,129	-	6,099,240	51,081,721	9,522,304	11,079,589
<u>ii) Intangible</u>												
Intellectual Property Rights												
- Internally generated	50,566,008	-	-	7,368,513	57,934,520	24,889,841	10,823,813	-	4,390,067	40,103,721	17,830,800	25,676,167
Software Acquired	150,146,858	248,365,522	-	36,571,862	435,084,243	147,627,380	1,937,739	-	21,649,013	171,214,132	263,870,111	2,519,478
Goodwill	60,384,488	-	-	8,799,272	69,183,760	60,384,488	-	-	8,799,272	69,183,760	-	-
Sub Total (b)	261,097,354	248,365,522	-	52,739,647	562,202,523	232,901,709	12,761,552	-	34,838,351	280,501,612	281,700,910	28,195,645
Total (a+b)	311,102,295	251,492,917	-	60,211,335	622,806,548	271,827,061	18,818,682	-	40,937,590	331,583,333	291,223,215	39,275,234
Previous Year	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	

(iii) Capital work-in-progress

2,626,711

-

NIIT (USA) Inc., USA
Notes to the Financial Statements for the year ended March 31, 2012

10	INVESTMENTS	Non Current	
		As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
A.	Trade: Equity Investment (at cost, unquoted) In Mutual Funds 100 Shares (Previous year 100 Shares) of 1 USD each fully paid up held in NIIT Ventures Inc., USA.	4,661	4,661
		4,661	4,661

NIIT (USA) Inc., USA
Notes to the Financial Statements for the year ended March 31, 2012

11	LOANS AND ADVANCES Unsecured, considered good	Long Term		Short Term	
		As at March 31, 2012 Rs.	As at March 31, 2011 Rs.	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
i)	Security Deposits Receivable	1,648,391	1,216,738	-	-
ii)	Loans and advances to related parties (Refer Notes 11.2,11.3,11.4 & 11.5)	203,480,000	1,080,696,000	527,152,940	492,174,000
iii)	Advances recoverable in cash or in kind (Refer Note 11.1)	-	-	9,268,598	56,599,506
		205,128,391	1,081,912,738	536,421,538	548,773,506
iv)	Advance Tax	-	-	-	29,164,923
	Less : Provision for Tax	-	-	-	(4,933,284)
		-	-	-	24,231,639
	Total	205,128,391	1,081,912,738	536,421,538	573,005,145

11.1 Advance as of March 31, 2011 included unamortized balance of Rs. 32,935,698 (USD 741,795) pertaining to ancillary costs incurred in connection with borrowings. The unamortized balance Rs. 26,916,751 (USD 549,596) as at October 14, 2011 has been charged off and reported as an exceptional item consequent to the repayment of loan which was a pre condition with respect to sale of Element K Corp (Also refer Note 22)

11.2 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% out of which loans aggregating Rs.1,350,870,000 (USD30,425,000) were outstanding as at March 31, 2011. Consequent to the sale of Element K Corporation USA, the loan amount was settled fully during the year.

11.3 In the earlier years the Company had granted an unsecured loan of Rs. 200,305,500 (USD 5,000,000) to Element K Corporation, USA. Consequent to the divestment of Element K Corporation, USA during the year, the loan amount was repaid fully.

11.4 During the year the Company has granted an unsecured loan of Rs. 203,480,000 (USD 4,000,000) to NIIT NV Antilles at an interest rate of 5% for a period of 3 years.

11.5 Advances as at March 31, 2012 include an amount of Rs. 527,152,940 (USD 10,362,747) recoverable from NIIT Limited the Holding Company.

NIIT (USA) Inc., USA
Notes to the Financial Statements for the year ended March 31, 2012

12	Trade Receivables	Non Current		Current	
		As at March 31, 2012 Rs.	As at March 31, 2011 Rs.	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
a)	Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
	Unsecured, considered good	-	-	-	-
	Unsecured, considered doubtful	22,903,111	27,307,876	-	-
	Less: Provision for doubtful debts	(22,903,111)	(27,307,876)	-	-
		-	-	-	-
b)	Other Trade Receivables				
	Unsecured, considered good	-	-	354,649,523	334,868,410
	Unsecured, considered doubtful	-	9,960,962	-	-
	Less: Provision for doubtful debts	-	(9,960,962)	-	-
		-	-	354,649,523	334,868,410
		-	-	354,649,523	334,868,410

13	Provision for Doubtful Debts	Non Current		Current	
		As at March 31, 2012 Rs.	As at March 31, 2011 Rs.	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
	Opening Provision	37,268,838	57,424,078	-	-
	Add: Additional Provision Created	-	30,498,555	-	-
	Less: Provision utilised	(18,690,888)	(50,418,416)	-	-
	Add/(Less): Currency Translation adjustment	33,056,615	(235,379)	-	-
	Closing Provision	22,903,111	37,268,838	-	-

14	OTHER ASSETS	Non Current		Current	
		As at March 31, 2012 Rs.	As at March 31, 2011 Rs.	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
	Unbilled revenue	31,335,920	20,912,400	91,308,410	46,266,053
	Interest Receivable (Refer Note 14.1 below)	-	101,106,215	4,222,907	3,292,197
	Other Receivables (Refer Note 14.1 below)	-	77,177,367	63,560,526	52,560,044
		31,335,920	199,195,982	159,091,843	102,118,294

14.1 During the previous year, the Company had extended the payment terms of interest on loans and other recoverable totalling Rs. 178,283,582 (USD 4,015,396) from NIIT Ventures Inc., USA. The repayment was to commence from July 25, 2011 and to be paid in full by July 25, 2016. During the year the amount were fully repaid.

NIIT (USA) Inc., USA
Notes to the Financial Statements for the year ended March 31, 2012

15	Cash and Bank Balances	Current	
		As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
	Cash and cash equivalents:		
	Balance with banks -		
	- Current Accounts	342,435,148	57,011,302
	- Cheques, drafts on hand	-	15,047,519
		342,435,148	72,058,821

16 Contingent Liabilities

During the year, the Company through its wholly owned subsidiary NIIT Ventures Inc., USA, sold its investment in Element K Corporation USA ("EK").

As a part of sale agreement, NIIT (USA) Inc., USA has submitted indemnity to the buyer or its representative upto a maximum of Rs. 559,570,000 (USD 11,000,000) on any claim arising in excess of Rs. 55,957,000 (USD 1,100,000). The indemnity is covered by a Corporate guarantee from NIIT Limited the holding company. Any claim / liability arising therefrom, shall be borne by NIIT (USA) Inc., USA.

The Company has estimated an amount of Rs. 162,784,000 (USD 3,200,000) as at March 31, 2012 in respect of liabilities which could possibly arise on account of the indemnity provisions. The ultimate outcome is not determinate as at the balance sheet date.

NIIT (USA) Inc., USA
Notes to the Financial Statements for the year ended March 31, 2012

17	Revenue from Operations	Year ended March 31, 2012 Rs.	Year ended March 31, 2011 Rs.
	Sale of Services	1,821,716,813	1,291,876,557
	Subscription revenue	19,352,581	59,136,781
		1,841,069,394	1,351,013,338

18	Other Income	Year ended March 31, 2012 Rs.	Year ended March 31, 2011 Rs.
	Interest Income	34,560,747	57,382,215
	Service Fee	24,206,638	18,857,823
	Miscellaneous Income	490,182	613,215
		59,257,567	76,853,253

NIIT (USA) Inc., USA

Notes to the Financial Statements for the year ended March 31, 2012

19	Employee Benefits Expenses	Year ended March 31, 2012 Rs.	Year ended March 31, 2011 Rs.
	Salaries and Benefits (Net of recoveries)	342,179,336	307,773,806
	Contribution to 401K Plan	4,603,707	-
	Welfare and Other expenses	2,131,877	1,291,684
		348,914,920	309,065,490

Notes

- i) Salaries and benefits is net off Rs. 34,926,832 (Previous Year Rs. 23,485,521) being the salary and other related cost recoveries.
- ii) Disclosures in respect of Long term benefits -

Compensated Absences

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

Compensated Absences	As at March 31, 2012	As at March 31, 2011
i) Change in Obligations		
Opening Present value of Obligation	10,656,000	10,793,952
Service cost	4,946,966	5,008,069
Interest cost	276,646	455,279
Actuarial Losses / (Gains)	(3,048,340)	(4,552,790)
Benefit Payments	(926,524)	(910,558)
Currency Translation Adjustment	(226,376)	(1,959,068)
Closing Present value of Obligation	13,531,420	10,656,000
ii) Net expense recognised under Salaries and Benefits	1,248,749	-
iii) Principal actuarial assumptions for compensated absences:-		
Discount rate (per annum)	1%	2.50%
Future Salary increase	3%	3%

- iii) During the year, the Company has introduced 401K Plan for its employees. The liability of the Company is limited to the contributions required to be made on a monthly basis

NIIT (USA) Inc., USA
Notes to the Financial Statements for the year ended March 31, 2012

20	Other Expenses	Year ended March 31, 2012 Rs.	Year ended March 31, 2011 Rs.
	Equipment Hiring	26,805	-
	Rent (net of recoveries) Refer Note 27 (a)	18,330,791	13,983,731
	Rates and Taxes	2,411,154	1,217,758
	Communication	6,806,730	7,048,386
	Legal and Professional	22,370,151	19,833,045
	Management Cost Recovery by Holding Company	7,039,608	6,827,027
	Traveling and Conveyance	95,040,609	63,188,601
	Provision for Doubtful Debts	-	30,498,555
	Insurance	4,104,103	3,629,017
	Repairs and Maintenance		
	- Plant and Machinery	1,359,763	1,631,865
	- Others	173,311	328,047
	Consumables	96,786	590,422
	Loss on Sale of Fixed Assets (Net)	-	45,900
	Loss on foreign currency translation and transaction (net)	3,333,471	3,878,195
	Bank Charges	1,728,641	1,384,570
	Marketing & Advertising Expenses	25,897,644	23,842,790
	Sales Commission	7,430,529	24,467,823
	Sundry Expenses	2,379,593	1,641,692
		198,529,689	204,037,424

Legal and Professional expenses include:

	Payment to Auditors	Year ended March 31, 2012 Rs.	Year ended March 31, 2011 Rs.
	Audit fee	4,145,558	737,552
	Reimbursement of expenses (including Service Tax)	206,524	144,551
		4,352,082	882,103

21	Finance costs	Year ended March 31, 2012 Rs.	Year ended March 31, 2011 Rs.
	Interest Expense	27,705,356	63,299,908
	Other Borrowing Costs	10,002,121	23,778,189
		37,707,477	87,078,097

22	Exceptional items (Refer Note 28)	Year ended March 31, 2012 Rs.	Year ended March 31, 2011 Rs.
	Expenses incurred in connection with sale of Element K Corporation, USA	(74,078,611)	-
	Indemnity Provisions	(156,721,664)	-
	Dividend Income	2,683,630,823	-
		2,452,830,548	-

NIIT (USA) Inc., USA
Notes to the Financial Statements for the year ended March 31, 2012

23 Related party Disclosures as per Accounting Standard 18

a. Related party relationship where control exists

i) Parent Company

NIIT Limited, India

ii) Subsidiaries

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

* Upto October 14, 2011 (Refer Note 28)

iii) Fellow Subsidiaries

- 1 NIIT Online Learning Ltd
- 2 Hole-in-the Wall education Ltd (Formerly Minimally Invasive Education Company Ltd)
- 3 Scantech Evaluation Services Ltd
- 4 NEO Multimedia Limited (Formerly NIIT Multimedia Limited) ceased to be subsidiary company wef March 31, 2011)
- 5 NIIT YuvaJyoti Limited (wef May 25, 2011)
- 6 NIIT Institute of Finance Banking and Insurance Training Ltd
- 7 NIIT Institute of Process Excellence Limited
- 8 Evolv Services limited
- 9 NIIT Limited UK
- 10 NIIT Antilles NV, Netherlands Antilles
- 11 NIIT Malaysia Sdn. Bhd, Malaysia
- 12 NIIT GC Limited (Formerly NIIT TVE Limited, Mauritius)
- 13 NIIT China (Shanghai) Limited, Shanghai
- 14 NIIT Wu Xi Service outsourcing Training School
- 15 Chongqing NIIT Education Consulting Limited, China
- 16 Wu Xi NIIT Information Technology Consulting Limited.
- 17 Changzhou NIIT Information Technology Consulting Limited
- 18 Su Zhou NIIT Information Technology Consulting Ltd
- 19 PCEC NIIT Institute of Information Technology, Shanghai- (liquidated)
- 20 PT NIIT Indonesia, Indonesia (Under liquidation)
- 21 NIIT West Africa Limited, Nigeria

b. Key Managerial Personnel

- i) Rajendra S Pawar (Director)
- ii) V K Thadani (Director)
- iii) P Rajendran (Director)
- iv) Sapnesh Lalla (Chief Executive and Director)
- v) Paul Krause (Director upto Oct 14, 2011)

c. Parties in which Key management personnel of the company are interested with whom the company has transacted

- i) NIIT Technologies Pte Ltd
- ii) NIIT Smart Serve Ltd
- iii) NIIT Technologies PTY Ltd Australia
- iv) NIIT Technologies Inc USA
- v) NIIT Technologies BV
- vi) NIIT Technologies LTD USA
- vii) NIIT Healthcare Technologies Inc
- viii) NIIT Media Technologies LLC
- ix) NIIT Insurance Technologies Ltd

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

Amounts in Indian Rupees

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel	Parties in which Key Managerial Personnel are interested	Total
Sale of Goods (Refer Footnote 1 below)	NIL (6,228,217)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	- (6,228,217)
Purchase of Assets (Refer Footnote 2 below)	262,031,370 (NIL)	- (NIL)	NIL (NIL)	NIL (NIL)	48,683 (NIL)	262,080,053 -
Sale of Services (Refer Footnote 3 below)	16,211,113 (24,046,425)	53,760,461 (58,845,084)	2,481,456 (2,131,935)	NIL (NIL)	NIL (NIL)	72,453,030 (85,023,444)
Service Fee recovered (Refer Footnote 4 below)	10,654,373 (8,623,758)	NIL (NIL)	13,734,796 (9,967,969)	NIL (NIL)	NIL (NIL)	24,389,169 (18,591,727)
Receiving of Services (Refer Footnote 5 below)	619,147,894 (446,934,999)	8,881,101 (50,947,450)	NIL (NIL)	NIL (NIL)	46,563,153 (34,120,794)	674,592,148 (532,003,243)
Recovery of expenses (Refer Footnote 6 below)	20,534,089 (29,424,181)	70,658,434 (16,125,663)	19,879,505 (32,747,035)	NIL (NIL)	27,073,690 (21,127,268)	138,145,718 (99,424,147)
Reimbursement of expenses (Refer Footnote 7 below)	41,938,748 (1,547,539)	12,778,110 (55,552,734)	NIL (NIL)	NIL (NIL)	2,320,800 (452,229)	57,037,658 (57,552,502)
Management Charges including deputation of employees	6,728,979 (6,827,500)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	6,728,979 (6,827,500)
Loans Received (Refer Footnote 8 below)	36,021,600 (250,403,450)	NIL (NIL)	NIL (86,503,010)	NIL (NIL)	NIL (161,218,847)	36,021,600 (498,125,307)
Loans Repaid (Refer Footnote 9 below)	144,086,400 (216,257,525)	NIL (NIL)	12,007,200 (86,503,010)	NIL (NIL)	NIL (161,218,847)	156,093,600 (463,979,382)
Interest Expense (Refer Footnote 10 below)	6,274,675 (15,942,414)	NIL (NIL)	2,166,627 (3,229,203)	NIL (NIL)	NIL (1,256,889)	8,441,302 (20,428,506)
Interest Income (Refer Footnote 11 below)	NIL (NIL)	30,128,178 (57,025,607)	3,987,063 (NIL)			34,115,241 (57,025,607)
Loan Given (Refer Footnote 12 below)	NIL (NIL)	NIL (68,291,850)	192,115,200 (NIL)	NIL (NIL)	NIL (NIL)	192,115,200 (68,291,850)
Loan given received back (Refer Footnote 13 below)	NIL (NIL)	1,701,420,240 (136,583,700)	NIL (NIL)	NIL (NIL)	NIL (NIL)	1,701,420,240 (136,583,700)
Remuneration (Refer Footnote 14 below)	NIL (NIL)	NIL (NIL)	NIL (NIL)	22,431,083 (11,857,650)	NIL (NIL)	22,431,083 (11,857,650)
Dividend Received (Refer Footnote 15 below)	NIL (NIL)	2,683,630,823 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	2,683,630,823 -
Dividend paid	1,276,080,000 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	1,276,080,000 -

e. Details of Balances with related parties outstanding as at year end:

Amounts in Indian Rupees

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Parties in which Key Managerial Personnel are interested	Total
Trade & Other recoverable	33,812,170 (24,674,146)	8,507,448 (1,829,426,120)	31,177,206 (71,405,856)	549,599 (827,838)	74,046,423 (1,926,333,960)
Trade Payable	- (365,314,586)	12,434,256 (31,632,292)	28,927,022 (33,300,000)	4,325,323 (3,568,117)	45,686,601 (433,814,995)
Advance Recoverable	527,152,940 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	527,152,940 -

Also, refer Note 16 in respect of contingencies and commitments.

(Previous year figures are given in parenthesis)

1 Includes sale of goods to -

NIIT Limited Rs. NIL (Previous year Rs. 6,228,217)

2 Includes purchase of fixed assets from-

- i) NIIT Limited Rs. 262,031,370 (Previous year Rs. NIL)
- ii) NIIT Technologies Pte Ltd Rs. 48,683 (Previous year Rs. NIL)

3 Includes sale of services to -

- i) Element K Corporation USA Rs.53,760,461 (Previous year Rs. 53,251,526)
- ii) NIIT Limited Rs. 16,211,113 (Previous year Rs. 24,046,425)
- iii) NIIT Limited UK Rs. 2,481,456 (Previous year Rs. 2,131,935)
- iv) Element K UK Limited Rs. NIL (Previous year Rs. 5,593,558)

4 Includes service fee recovered from-

- i) NIIT Limited Rs. 10,654,373 (Previous year Rs. 8,623,758)
- ii) NIIT UK Rs. 13,734,796 (Previous year Rs. 9,967,969)

5 Includes receiving of services from -

- i) NIIT Limited Rs. 619,147,894 (Previous year Rs.446,934,999)
- ii) Element K Corporation USA Rs. 8,881,101 (Previous year Rs. 50,947,450)
- iii) NIIT Technologies Pte Ltd Rs. 6,378,513 (Previous year Rs. 3,869,917)
- iv) NIIT Smart Serve Ltd Rs. 23,752,451 (Previous year Rs. 23,475,870)
- v) NIIT Technology PTY Ltd Rs. 11,202,141 (Previous year Rs. 6,178,409)
- vi) NIIT Technologies Inc USA Rs. 1,033,484 (Previous year Rs. 596,643)
- vii) NIIT Technologies BV Rs. 4,196,564 (Previous year Rs. NIL)

6 Includes recovery of expenses from -

- i) NIIT Technologies Inc Rs. 5,672,826 (Previous year Rs. 5,963,927)

- ii) NIIT Technologies Ltd USA Rs. 18,826,665 (Previous year Rs. 15,163,340)
- iii) NIIT Limited UK Rs. 19,879,505 (Previous year Rs. 32,747,035)
- iv) NIIT Venture Inc USA Rs. 58,740,807 (Previous year Rs. 113,820)
- v) Element K Corporation USA Rs. 11,917,626 (Previous year Rs. 16,011,844)
- vi) NIIT Limited Rs. 20,534,089 (Previous year Rs. 29,424,181)
- vii) NIIT Healthcare Technologies Inc Rs. 137,362 (Previous year Rs. NIL)
- viii) NIIT Media Technologies LLC Rs. 2,436,885 (Previous year Rs. NIL)

7 Includes reimbursement of expenses to -

- i) NIIT Limited Rs. 41,938,748 (Previous year Rs. 1,547,539)
- ii) NIIT Technologies Inc Rs. 124,395 (Previous year Rs. 446,356)
- iii) Element K Corporation USA Rs. 12,778,110 (Previous year Rs. 55,552,734)
- iv) NIIT Technologies Pte Ltd Rs. 62,726 (Previous year Rs. NIL)
- v) NIIT Technologies PTY Ltd Rs. 2,022,829 (Previous year Rs. NIL)
- vi) NIIT Technologies Ltd USA Rs. 110,850 (Previous year Rs. 5,873)

8 Includes loans received from -

- i) NIIT Limited Rs. 36,021,600 (Previous year Rs. 250,403,450)
- ii) NIIT Antilles NV Rs. NIL (Previous year Rs. 86,503,010)
- iii) NIIT Technologies Inc Rs. NIL (Previous year Rs. 91,055,800)
- iv) NIIT Insurance Technologies Ltd UK Rs. NIL (Previous year Rs. 70,163,047)

9 Includes loans repaid to -

- i) NIIT Limited Rs. 144,086,400 (Previous year Rs. 216,257,525)
- ii) NIIT Antilles NV USD NIL (Previous year Rs. 86,503,010)
- iii) NIIT Technologies Inc USD NIL (Previous year Rs. 91,055,800)
- iv) NIIT Insurance Technologies Ltd UK Rs. NIL (Previous year Rs. 70,163,047)
- v) NIIT Malaysia SDN BHD Rs. 12,007,200 (Previous year Rs. NIL)

10 Includes interest paid to -

- i) NIIT Limited Rs. 6,274,675 (Previous year Rs. 15,942,414)
- ii) NIIT Malaysia SDN BHD Rs. 2,166,627 (Previous year Rs. 2,423,405)
- iii) NIIT Antilles NV USD NIL (Previous year Rs. 805,798)
- iv) NIIT Technologies Inc USD NIL (Previous year Rs. 710,964)
- v) NIIT Insurance Technologies Ltd UK USD NIL (Previous year Rs. 545,880)

11 Includes interest income from -

- i) NIIT Ventures Inc USA Rs. 25,006,675 (Previous year Rs. 43,541,654)
- ii) Element K Corporation USA Rs. 5,121,503 (Previous year Rs. 13,483,953)
- iii) NIIT Antilles NV Rs. 3,987,063 (Previous year Rs. NIL)

12 Includes loan given to -

- i) Element K Corporation USA Rs. NIL (Previous year Rs. 68,291,850)
- ii) NIIT Antilles NV Rs. 192,115,200 (Previous year Rs. NIL)

13 Includes loans given received back from -

- i) Element K Corporation USA Rs. 240,144,000 (Previous year Rs. 136,583,700)
- ii) NIIT Ventures Inc USA Rs. 1,461,276,240 (Previous year Rs. NIL)

14 Remuneration paid to Chief Executive and Director Rs. 22,431,083 (Previous year Rs. 11,857,650).

15 Includes dividend received from -

- i) NIIT Ventures Inc., USA Rs. 2,683,630,823 (Previous year Rs. NIL)

NIIT (USA) Inc., USA
Notes to the Financial Statements for the year ended March 31, 2012

24 Taxation

- a Current tax expense comprises of federal tax and taxes payable on income in different states of United States of America
- b 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. Accordingly the deferred taxes are recognized in the consolidated financial statements of the company.
- c The Company has included in these financial statements provision for income tax aggregating to Rs. 874,964,000 (USD 17,200,000) pertaining to its subsidiaries in USA which includes tax pertaining to gain on sale of step down subsidiary, Element K Corporation, USA. This provision has been made in these financial statements on the basis of views of two expert counsels engaged by the Company on a conservative basis. The Company is carrying on an ongoing detailed exercise for finalising the tax return and the ultimate tax expense will be determined on the basis of joint review of the tax computation along with the buyer of the subsidiary as per the terms of the sale agreement and the submission of the tax return.

25 Earnings Per Share

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Profit attributable to Equity shareholders (Rs.) - (A)	1,720,689,834	42,253,502
Weighted Average number of Equity shares outstanding during the year - (B)	24,162,113	24,162,113
Nominal Value of Equity Shares (Rs.)	1	1
Basic / Diluted earnings per share (Rs.) (A/B)	71.21	1.75

* There are no dilutive securities as at year end.

26 Segment Reporting

Primary segment information-business segment

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

Secondary Segment information - Geographical

Particulars	Revenue from customers by location	Carrying amount of segment assets by location of the assets	Additions to Fixed assets
Americas (USA & Canada)	1,433,694,958 (1,007,402,082)	1,915,129,669 (2,402,439,285)	251,492,917 (7,216,128)
India	5,230,471 (30,998,043)	- -	- -
Europe	316,446,838 (208,322,785)	- -	- -
Others	85,697,127 (104,290,428)	7,787,281 -	- -
Total	1,841,069,394 (1,351,013,338)	1,922,916,950 (2,402,439,285)	251,492,917 (7,216,128)

Previous year figures are given in parenthesis

27 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	
	31st March 2012	31st March 2011
Amount payable during next 1 year	54,673,222	20,251,340
Amount payables in the next 2 to 5 years	66,118,435	74,672,897
Amount payable beyond 5 years	-	-

Lease rentals under Operating lease during the year ended 31st March 2012 amounted to Rs. 18,330,791 (Previous year Rs. 13,983,731) (net of recoveries).

Sub lease recoveries made Rs. 6,107,967 (Previous year Rs. 5,908,793)

Total of future minimum sub lease payments (in respect of premises) expected to be received under non-cancelable sublease at the year end amount to Rs. 23,234,211 (Previous year Rs. 25,380,461)

b) Finance Leases:

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

Particulars	As at March 31, 2012	As at March 31, 2011
Minimum lease payments	4,227,399	3,565,472
Less: Finance Costs	(485,043)	(472,534)
	221,354	(76,608)
Present value of lease payment outstanding as at year end	3,963,740	3,016,330

Minimum lease payments due:

Particulars	As at March 31, 2012	As at March 31, 2011
Not later than 1 year	2,449,136	1,698,566
Later than 1 year but not later than 5 years	2,028,340	1,778,575

Present value of minimum lease payments:

Particulars	As at March 31, 2012	As at March 31, 2011
Not later than 1 year	2,228,208	1,416,848
Later than 1 year but not later than 5 years	1,735,532	1,599,482

- 28** During the year, the Company, its subsidiary namely NIIT Ventures Inc., USA, along with step down subsidiary, Element K Corporation, USA ("EK") sold investment in EK along with certain intangibles of EK for an aggregate consideration of INR 5,266,532,456 (USD 109,653,634). In connection with the sale, the Company incurred expenses as below:

Particulars	Amount
Legal & Professional expenses	26,310,188
Salaries & benefits (including performance linked incentives)	20,851,671
Provisions for Indemnity (as stated in Note 8)	156,721,664
Finance cost	26,916,752
Total	230,800,275

Pursuant to the sale of Element K Corporation, USA, the company declared a dividend of Rs. 1,276,080,000 (USD 26,000,000) to its ultimate holding company NIIT Limited.

- 29** 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. Consequent to sale of Element K Corporation USA on October 14, 2011, the unamortized balance of revenue and costs were fully recognized in the Statement of Profit and Loss. During the year the Company recognized share of revenue aggregating to Rs. 19,352,581 (Previous year Rs. 59,136,781) and costs aggregating to Rs. 10,286,616 (Previous year Rs. 34,983,820) for the sale of such products.

- 30** The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements except for accounting for dividend on investments in subsidiaries.

Signatures to Notes ' 1 ' to ' 30 ' above

For and on behalf of the Board

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

Sapnesh Lalla
Director

Vijay K Thadani
Director
DIN - 00042527

Usha Rajeev
Partner
Membership No. F-087191

P R Subramanian
Chief Financial Officer

Place: Gurgaon
Date: May 9, 2012

Place: Atlanta, USA
Date: May 8, 2012