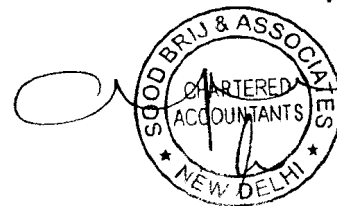


SOOD BRIJ & ASSOCIATES
CHARTERED ACCOUNTANTS
NEW DELHI

AUDITORS' REPORT

1. We have audited the attached Balance Sheet of **NIIT Multimedia Limited, New Delhi** as at 31st March 2010 and the Profit & Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We Report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by the Companies Act 1956, have been kept by the Company so far as appears from examination of those books.
 - c. The Balance Sheet and the Profit & Loss account dealt with by this report are in agreement with the books of account of the Company.
 - d. In our opinion the Balance Sheet and the Profit & Loss Account are in compliance with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. Based on the representation made by the Directors of the Company and the information and explanations given to us, none of the director of the Company is disqualified from being appointed as Director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the annexed accounts, read with Significant Accounting Policies and Notes on Account, give the information required by the Companies Act, 1956, in the manner so required, and give a true and a fair view :
 - (i) In the case of Balance Sheet, the state of affairs of the Company as at 31st March 2010;
 - (ii) In the case of Profit & Loss Account, of the loss of the company for the year ended on that date; and
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.
4. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and further amended by The Companies (Auditor's Report) (Amendment) order, 2004 we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.

For Sood Brij & Associates
Chartered Accountants
Reg. No. 000350N



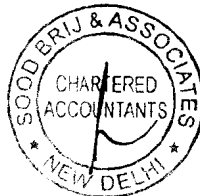
A. K. Sood
Partner
M. No. 14372

Place: New Delhi
Dated: May 4, 2010

SOOD BRIJ & ASSOCIATES
CHARTERED ACCOUNTANTS
NEW DELHI

ANNEXURE TO AUDIT REPORT

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified at the year end and on material discrepancies were noticed.
(c) No fixed assets have been disposed off during the year.
2. The company did not have any inventory during the year. Thus points mentioned in this clause are not applicable.
3. (a) The company has neither taken nor granted any loan secured or unsecured, to companies, firms or other parties covered in the register required to be maintained under Section 301 of the Companies Act, 1956. Thus points b, c and d of this clause are not applicable.
4. In our opinion and according to the information and explanations given to us there is an adequate internal control procedure, commensurate with the size of the company and the nature of its business. However as the company has not yet started its commercial activities therefore, we have not observed any major weaknesses in internal controls systems which warrant correction.
5. (a) The particulars of contracts or arrangements referred to in section 301 of the companies Act have been entered in the register required to be maintained under that section.
(b) The transactions made during the year made in pursuance of contracts or arrangements as referred to in section 301 of the companies Act, 1956, have been made at price which are reasonable having regard to the prevailing market price and practices at the relevant terms
6. The company has not accepted deposits from the public under section 58A or 58AA or any relevant provisions of the Companies Act, 1956.
7. The points mentioned in this clause are not applicable during the year.
8. The company is not required to maintain cost records as prescribed under the guidelines prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the companies Act 1956.
9. (a) According to the information and explanations given to us, the company is regular in depositing undisputed applicable statutory dues including all arrears if any, with appropriate authorities.
(b) As informed and according to the records of the Company, there are no dues of income tax, sales tax, Wealth Tax, Service Tax, Customs duty, excise duty, cess, which have not been deposited on account of any dispute.
10. The points mentioned in this clause are not applicable during the year.
11. The points mentioned in this clause are not applicable during the year.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to a chit fund, nidhi, mutual benefit fund / society are not applicable to the company.

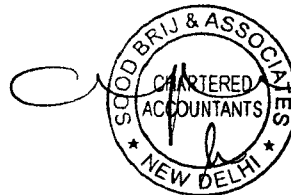


SOOD BRIJ & ASSOCIATES
CHARTERED ACCOUNTANTS
NEW DELHI

14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the company has not given the guarantee for loans taken by others from the banks or financial institutions.
16. The term loans raised during the year was applied for the purpose, which the said loan was obtained.
17. According to the information and explanations given to us, no short term funds have been raised during the year.
18. According to the information and explanations given to us, the company has made preferential allotments of shares to the parties and companies entered in the register maintained by the company under section 301 of the companies Act, 1956 and the price at which shares of have been issued is not prejudicial to the interest of the company.
19. According to the information and explanations given to us, no debentures were issued during the year.
20. According to the information and explanations given to us, the company has not raised any money by way of public issue.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.
22. The matters contained in paragraphs 4 and 5 of the aforesaid Order, on which no statement is being made by us, are not applicable to the Company.

Place: New Delhi
Dated: May 4, 2010

For Sood Brij & Associates
Chartered Accountants
Reg. No. 000350N



A.K. Sood
Partner
M.No. 14372


NIIT Multimedia Limited
Balance Sheet as at 31st March, 2010

	Schedule No./ (Note Reference)	As At 31st March, 2010 (Rs.)	As At 31st March, 2009 (Rs.)
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Share Capital	'1'	102,500,000	73,500,000
		<u>102,500,000</u>	<u>73,500,000</u>
APPLICATION OF FUNDS			
Fixed Assets	'2'	70,076,199	70,076,199
Capital work-in-progress (including Capital Advances)		28,958,633	27,132,513
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	'3'	108,050	230,968
		<u>108,050</u>	<u>230,968</u>
Less : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	'4'	746,303	27,375,315
		<u>746,303</u>	<u>27,375,315</u>
Net Current Assets		(638,253)	(27,144,347)
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	'5' and '7' (iv)	834,530	834,530
PROFIT AND LOSS ACCOUNT	'6'	3,268,891	2,601,105
		<u>102,500,000</u>	<u>73,500,000</u>
NOTES TO ACCOUNTS	'7'		

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 **SOOD BRIJ & ASSOCIATES**
Firm Registration No. : 00350N
Chartered Accountants


A. K. Sood
Partner
Membership No.-14372



Place : New Delhi
Date : May 4, 2010


Rajendra S. Pawar
Director
DIN - 00042516


Vijay K Thadani
Director
DIN - 00042527


Sarita Sachdeva
Company Secretary

NIIT Multimedia Limited

Profit and Loss Account for the year ended 31st March, 2010

Schedule No./ (Note Reference)	Year ended 31st March, 2010 (Rs.)	Year ended 31st March, 2009 (Rs.)
INCOME	-	-
EXPENDITURE		
Personnel Expenses	53,354	1,258
Legal & Professional Expenses	289,530	63,137
Security and Administration Expenses	319,102	-
Bank charges	5,800	4,472
Interest on Term Loan	-	590,631
	667,786	659,498
Profit/(Loss) Before Tax	(667,786)	(659,498)
Income Tax Expense		
- Current	-	-
- Provision for tax relating to earlier years	-	(27,640)
Profit/(Loss) Transferred to Balance Sheet	(667,786)	(631,858)
Basic and Diluted Earnings per share	'7 (6)'	(0.08)
		(0.11)

NOTES TO ACCOUNTS

'7'




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

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

For **SOOD BRIJ & ASSOCIATES**


Firm Registration No. : 00350N


Chartered Accountants


  

A. K. Sood
Partner
Membership No.-14372

Place : New Delhi
Date : May 4, 2010


Rajendra S Pawar
Director
DIN - 00042516


Vijay K Thadani
Director
DIN - 00042527


Sarita Sachdeva
Company Secretary

NHT Multimedia Limited
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Year Ended 31st March 2010 (Rs.)	Year Ended 31st March 2009 (Rs.)
Cash flow from operating activities :		
Net Profit/ (loss) before tax	(667,786)	(659,498)
Adjustment for:		
Profit on Sale of Land	-	-
Interest Expense	-	590,631
Operating profit before working capital changes	(667,786)	(68,867)
Adjustments for changes in working capital :		
- INCREASE/(DECREASE) in Trade and Other Payables	(26,629,012)	(385,832)
Cash generated from operations	(27,296,798)	(454,699)
- Taxes (Paid) / Recovered (Net)	-	27,640
Net cash used in operating activities (A)	(27,296,798)	(427,059)
Cash flow from Investing activities :		
Purchase of fixed assets (including capital work in progress)	(1,826,120)	(13,358,080)
Profit on sale of Right in Land	-	-
Net cash used in investing activity (B)	(1,826,120)	(13,358,080)
Cash flow from Financing activities :		
Repayment of Loan received from holding company	-	(8,500,000)
Interest Paid	-	(590,631)
Loan Received from Holding Company	-	5,000,000
Issue of shares to Holding Company	29,000,000	18,000,000
Net cash from financing activities (C)	29,000,000	13,909,369
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(122,918)	124,230
Cash and cash equivalents as at the beginning of the year	230,968	106,738
Cash and cash equivalents as at the end of the year	108,050	230,968
Cash and cash equivalents comprise of		
Cash in hand	985	985
Balance with Banks	107,065	229,983
	108,050	230,968

s:

The above Cash flow statement has been prepared under the indirect method as set out in AS-3 issued by Institute of Chartered Accountants of India.

The Schedule from 1 to 7 form an integral part of the Cash Flow Statement

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

For **SOOD BRIJ & ASSOCIATES**

Firm Registration No. : 00350N

Chartered Accountants

A. K. Sood

Partner

Membership No. : 14372

Place : New Delhi

Date : May 4, 2010

Rajendra S Pawar

Director

DIN - 00042516

Vijay K Thadani

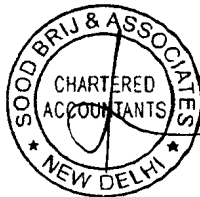
Director

DIN - 00042527

Sarita Sachdev
 Company Secretary

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

Schedule No.	Particulars	As At 31st March, 2010 (Rs.)	As At 31st March , 2009 (Rs.)
1.	SHARE CAPITAL (Refer Note 7 on Schedule 7)		
	Authorised		
	12,000,000 Equity Shares of Rs. 10/- each	120,000,000	100,000,000
	(Previous year 10,000,000 Equity Shares of Rs. 10/- Each)	<u>120,000,000</u>	<u>100,000,000</u>
	Issued, Subscribed and Paid up		
	10,250,000 Equity shares of Rs 10/- each fully paid up	102,500,000	73,500,000
	(Previous year 7,350,000 shares of Rs. 10/- each)		
	(All the shares are held by holding company, NIIT Limited)	<u>102,500,000</u>	<u>73,500,000</u>



NIT MULTIMEDIA LIMITED

Financial Year 2009-10

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

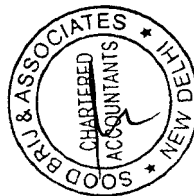
2. FIXED ASSETS

Description of Assets	GROSS BLOCK			DEPRECIATION AND AMORTISATION				NET BLOCK	
	Cost As on 01.04.2009	Additions during the year	Sales / Adj. during the year	Total as on 31.03.2010	As on 01.04.2009	For the year	Sales / Adj. during the year	Total as on 31.03.2010	As on 31.03.2010
Land-Leasehold	70,076,199	-	-	70,076,199	-	-	-	-	70,076,199
TOTAL	70,076,199	-	-	70,076,199	-	-	-	-	70,076,199
Previous Year	70,076,199	-	-	70,076,199	-	-	-	-	70,076,199

Capital Work-in Progress
(Including Capital Advances)

28,958,633

27,132,513



NIIT Multimedia Limited
Schedules annexed to and forming part of the Balance Sheet
as at 31st March, 2010 [Contd.]

Schedule No.	Particulars	As At 31st March, 2010 (Rs.)	As At 31st March, 2009 (Rs.)
3.	CASH AND BANK BALANCES		
	Cash in hand	985	985
	Balances with Scheduled Banks in : - Current Accounts	107,065	229,983
		108,050	230,968
4.	CURRENT LIABILITIES		
	Sundry Creditors		
	- Due to micro, small and medium enterprises	-	-
	- Due to others	698,508	26,021,061
	Other Liabilities	47,795	1,354,254
		746,303	27,375,315
5.	MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
	Preliminary Expenses		
	Opening Balance	834,530	834,530
	Add: Incurred during the year	-	834,530
		834,530	834,530
6.	PROFIT AND LOSS ACCOUNT		
	As Per Last Balance Sheet	2,601,105	1,969,247
	Add : Loss during the year	667,786	631,858
	Closing Balance	3,268,891	2,601,105



NIIT MULTIMEDIA LIMITED
SCHEDULE 7: Notes to accounts for the year ended 31st March, 2010

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

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

(i) Fixed Assets and Depreciation

Fixed assets are stated at cost of acquisition. "Cost" comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and includes pre-operative expenses and financing costs attributable to construction or acquisition of fixed assets up to the period when the assets are ready to be put to commercial use.

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: -

Computers, related accessories (included in Plant and Machinery)	2-5 years
Software (Courseware and products) and Patents	3 - 5 years
Furniture and fixtures & Electric Fittings	7 years
Electronic & Office equipments	8 years
Air Conditioners	10 years
Leasehold Improvements	3 years or lease period whichever is less.
Assets acquired under Lease (included under Plant & Machinery and Furniture & Fixtures)	Lease period
All other assets	Rates prescribed under schedule XIV to the Companies Act, 1956

However, in the current year, the company has no depreciable fixed assets and accordingly there is no charge to Profit & Loss Account.

(ii) Taxation

In accordance with Accounting Standard 22 - 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, deferred tax assets arising from temporary timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in the future.

(iii) 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 are considered as financing arrangements and the leased assets is capitalized at an amount equal to the present value of the future minimum 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 leased assets.

(iv) Miscellaneous Expenditure

Preliminary expenses shall be written off over a period of five years from the date of commencement of business operations.

2. Contingent Liabilities

Finance charges including interest amounting to Rs. Nil/- (Previous year Rs. 10,243,144/-) demanded by Greater Noida Industrial Development Authority on account of instalment Payment on Land not acknowledged as debt.



NIIT MULTIMEDIA LIMITED
SCHEDULE 7: Notes to accounts for the year ended 31st March, 2010

3. Estimated amount of contracts remaining to be executed on capital account (Net of advance) not provided for Rs. 9,637,526/- (Previous year Rs. 17,285,194/-).

4. **Payment to auditors**

Particulars	Year ended 31 st March, 2010 (Rs.)	Year ended 31 st March, 2009 (Rs.)
Statutory Audit Fees	20,000	20,000
Others	10,000	10,000
Reimbursement of Expenses (Including Service Tax)	3,090	3,708

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

A. Related party relationship where control exists:

Holding Company
NIIT Ltd.

B. Fellow Subsidiaries:

1. NIIT Online Learning Ltd
2. Hole-in-the-Wall Education Ltd
3. Scantech Evaluation Services Ltd
4. NIIT Institute of Finance Banking and Insurance Training Ltd
5. NIIT Institute of Process Excellence Limited
6. Evolv Services Limited
7. NIIT Ltd, UK
8. NIIT Antilles NV, Netherlands Antilles
9. NIIT Middle East LLC, Bahrain (Liquidated on May 26, 2009)
10. NIIT Malaysia Sdn. Bhd, Malaysia
11. NIIT GC Ltd (formerly NIIT TVE Ltd, Mauritius)
12. NIIT China (Shanghai) Limited, Shanghai
13. NIIT Wu Xi Service Outsourcing Training School
14. Chongqing NIIT Education Consulting Limited, China
15. Wu Xi NIIT Information Technology Consulting Limited. (w.e.f. June 19, 2009)
16. Changzhou NIIT Information Technology Consulting Limited (w.e.f. September 2, 2009)
17. Imperia China (Shanghai) Limited (Till May 28, 2009)
18. PCEC NIIT Institute of Information Technology, Shanghai- (Under Liquidation)
19. NIIT (USA) Inc, USA
20. NIIT Ventures Inc, USA
21. Element K Corporation, USA
22. Element K India Private Limited, India
23. Element K (UK) Limited, United Kingdom
24. Element K, Canada
25. PT NIIT Indonesia, Indonesia (Under liquidation)



NIIT MULTIMEDIA LIMITED
SCHEDULE 7: Notes to accounts for the year ended 31st March, 2010

C. Detail of transactions with related parties described above carried out on an arm's length basis:

Nature of Transactions	Holding Company	Associates	Key Managerial Personnel	Grand Total
Loans Taken	Nil (5,000,000)	Nil (Nil)	Nil (Nil)	Nil (5,000,000)
Repayment of Loan	Nil (8,500,000)	Nil (Nil)	Nil (Nil)	Nil (8,500,000)
Interest Expense	Nil (590,631)	Nil (Nil)	Nil (Nil)	Nil (590,631)
Issue of Share Capital	29,000,000 (18,000,000)	Nil (Nil)	Nil (Nil)	29,000,000 (18,000,000)
Management Cost Recovery	52,924 (10,544)	Nil (Nil)	Nil (Nil)	52,924 (10,544)

Previous year figures are given in parenthesis.

D. Detail of outstanding balances with related parties:

	Receivables As at 31.03.2010	Payables As at 31.03.2010	Receivables As at 31.03.2009	Payables As at 31.03.2009
Holding Company	Nil	20,406	Nil	10,544
Key Managerial Personnel	Nil	Nil	Nil	Nil

6. EARNINGS/(LOSS) PER SHARE:

Particulars	Year ended 31 st March, 2010	Year ended 31 st March, 2009
Profit/(Loss) attributable to Equity shareholders (Rs.) -(A)	(667,786)	(631,858)
Weighted Average number of Equity shares Outstanding during the year - (B) (Nos.)	8,342,877	6,077,671
Nominal Value of Equity Shares (Rs.)	10/-	10/-
Basic/Diluted Earnings/ (Loss) per share (Rs) (A/B)	(0.08)	(0.11)

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

7. During the year, the Company has issued 2,900,000 equity shares having face value of Rs. 10/- each, to the Holding company, NIIT Limited.
8. Amounts outstanding as payable to any Micro, Small Scale and Medium enterprises as at 31st March 2010 is Rs. Nil (Previous year Rs. Nil).




NIIT MULTIMEDIA LIMITED
SCHEDULE 7: Notes to accounts for the year ended 31st March, 2010

9. Previous year figures have been regrouped/ recast to conform to current year classifications.

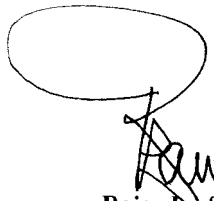
Signatures to the Schedule '1' to '7' above


For SOOD BRIJ & ASSOCIATES
Firm Registration No.: 000350N
Chartered Accountants

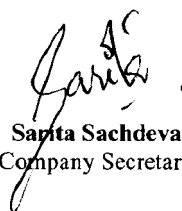

A.K. Sood
Partner
Membership No.14372



Place: New Delhi
Date: May 4, 2010


Rajendra S Pawar
Director
DIN - 00042516


Vijay K Thadani
Director
DIN - 00042527


Sapita Sachdeva
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

REGISTRATION DETAILS

Registration No. 135057
 Balance Sheet Date 31-03-2010

State Code 55

CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSANDS)

Public Issue NIL
 Private Placement NIL

Right Issue NIL
 Private Placement 29000

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN Rs. THOUSANDS)

Liabilities 102500

Total Assets 102500

SOURCES OF FUNDS

Equity Capital 102500
 Employee Stock option outstanding NIL
 Secured Loans NIL

Reserves & Surplus NIL
 Secured Loans NIL

LOCATION OF FUNDS

Fixed Assets 99035
 Deferred Tax Asset (Net) NIL
 Miscellaneous Expenditure 834

Investments NIL
 Net Current Assets (638)
 Accumulated Losses 3269

PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)

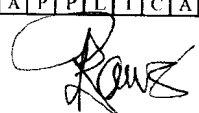
Revenue NIL
 Profit/(Loss) before Tax (668)
 Earnings per share (in Rs.) (0.08)
 Dividend (%) - Equity NIL


Total Expenditure 668
 Profit/(Loss) after Tax (668)
 Diluted Earnings per share (in Rs.) NIL


PRINCIPAL NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code NOT APPLICABLE
 Product Description IT ENABLED SERVICES
 Item Code NOT APPLICABLE
 Product Description MANAGEMENT SERVICES
 Item Code NOT APPLICABLE
 Product Description NOT APPLICABLE

New Delhi
 May 4, 2010


Rajendra S Pawar
 Director
 DIN-00042516


Vijay K Thadani
 Director
 DIN-00042527


Sarita Sachdeva
 Company Secretary

