

**NIIIT Limited**  
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**Audited Financial Results for the Year Ended 31st March 2006**

(Rs. Lacs)

Particulars	INDEPENDENT FINANCIALS					CONSOLIDATED FINANCIALS	
	9 Months Ended 31st December, 2005 (Unaudited)	Quarter Ended 31st March, 2006 (Unaudited)	Quarter Ended 31st March, 2006 (Unaudited)	Year Ended 31st March, 2006 (Audited)	Year Ended 31st March, 2005 (Audited)	Year Ended 31st March, 2006 (Audited)	Year Ended 31st March, 2005 (Audited)
1. Income from Operations	(1) 24,767	(2) 9,010	(3) 7,874	(4) 33,777	(5) 28,274	(6) 43,071	(7) 39,837
2. Other Income	131	73	50	204	202	194	86
- Interest	903	(191)	(176)	712	441	654	876
- Others	21,663	7,158	6,799	28,821	25,048	39,065	34,946
3. Total Expenditure	(167)	23	162	(144)	34	(74)	23
a) (Increase)/Decrease in stock	6,476	2,502	1,855	8,978	6,886	13,006	10,911
b) Personnel Cost	9,066	2,647	2,651	11,713	10,744	15,185	13,914
c) Development, Production & Execution	6,288	1,986	2,091	8,274	7,394	10,948	10,098
d) Others	429	129	102	538	237	464	232
4. Interest Expenses	1,756	580	582	2,376	1,951	3,735	3,451
5. Depreciation	1,913	1,025	325	2,938	1,681	2,635	2,170
6. Profit before Taxes	244	(95)	2	189	85	242	100
7. Provision for Taxation/ Deferred Tax	108	92	2	200	85	252	100
- Current Tax	-	(200)	-	(200)	-	(200)	-
- Deferred Tax Charge (+)/Benefit (-)	136	53	-	189	-	190	-
- Fringe Benefit Tax	-	50	-	50	-	50	-
8. Provision for Tax relating to earlier year	-	-	-	-	-	-	-
9. Profit / (Loss) before share of Associates' Profit	1,669	1,030	323	2,699	1,596	2,363	2,070
10. Profit / (Loss) of Associates	-	-	-	-	-	1,643	1,493
11. Profit / (Loss) after Tax after share of Associates' Profit	1,669	1,030	323	2,699	1,596	4,006	3,563
12. Provision created/ (written back) for dividend on Cumulative Preference Shares of subsidiary and tax thereon	-	-	-	-	-	(136)	81
13. Net Profit / (Loss) attributable to minority	-	-	-	-	-	(7)	-
14. Income attributable to Consolidated Group	1,932	1,932	1,932	1,932	1,932	4,135	3,482
15. Paid up Equity Share Capital (Face Value of Rs. 10 each, fully paid)	-	-	-	-	-	1,932	1,932
16. Reserves	8.64	5.33	1.67	26,751	25,374	24,053	21,240
17. Basic EPS for the year and for the previous year (In Rs.)	8.09	5.22	1.67	13.97	8.26	21.40	18.02
Diluted EPS for the year and for the previous year (In Rs.) (not to be annualised)	-	-	-	13.86	8.26	21.05	18.02
18. Aggregate of Non-Promoter Shareholding - Number of Shares (As reorganised per Scheme of Arrangement)	-	-	-	12,731,961	12,213,016	-	-
- Percentage of Shareholding	-	-	-	65.88%	63.20%	-	-

**Notes to Independent and consolidated financials :-**

- 1) The Company has, from the current year recognized revenue on a proportionate completion method in respect of most of fixed price contracts requiring significant usage of contents capitalized as Intellectual Property Rights (IPR) based on technical evaluation, as against delivery/dispatch of concerned services in the previous years. This has resulted in decrease in unbilled revenue (net of unearned revenue) of the Company by Rs. 77 lacs in the current quarter and increase by Rs. 17 lacs for the year and increase in unbilled revenue (net of unearned revenue) by Rs. 71 lacs on consolidated basis for the year, with a corresponding impact on profit before tax for the year.
- 2) During the year the Company has made long term investment in its wholly owned subsidiaries as follows:
  - NIIT (USA) Inc., USA : Rs. 436 lacs
  - NIIT Antilles NV, Netherlands Antilles: Rs. 1,526 lacs
  - NIIT Limited, UK: Rs. 82 lacs
  - NIIT Multimedia Limited : Rs. 5 lacs
- 3) During the year, the Company granted a loan of Rs. 429 lacs (previous year Rs. 571 lacs) at 6% per annum to NITTAN Welfare Trust which has been formed for the purpose of providing welfare benefits to the employees of the Company and that of NIIT Technologies Limited and their subsidiaries. The Company has also provided a corporate guarantee to the extent of Rs. 750 lacs against the total outside borrowing made by the trust of Rs. 3,000 lacs. Similar loan and guarantee has also been provided by NIIT Technologies Limited to the Trust. The trust has primarily invested the amount borrowed in equity shares of the Company and that of NIIT Technologies Limited.
- 4) The Company has w.e.f. April 01, 2005 considered its educational software relating to courseware and products as "Knowledge Banks" which hitherto were capitalised as individual software items. These "Knowledge Banks" are being amortised over a period of 3-4 years beginning April 01, 2005, which has resulted in decrease of amortisation expenses of the Company by Rs. 81 lacs for the current quarter and for the year and decrease in amortisation expenses by Rs. 46 lacs on consolidated basis for the year with the corresponding increase in profit before tax for the year.
- 5) During the year, the Company has granted loan of Rs. 735 lacs at 8% per annum to NIIT Education Society, a society registered under the Societies Registration Act, XXI of 1860 with Registrar of Societies, Government of Delhi.
- 6) During the year the Company has issued 2.5%, 1,000 Foreign Currency Convertible Bonds of US \$ 10,000 each amounting to Rs. 4,379 lacs, convertible into equity shares of the Company within 5 years from the date of issue of such bonds at a price of Rs. 200 per share.
- 7) Under the Employee Stock Option Plan 2005 ("ESOP 2005"), approved by the shareholders, the Company originally granted, during the year, 555,350 options (537,700 options live as on March 31, 2006) at Rs. 180 against the previous day's closing market price of Rs. 235.15 per equity share to be vested on August 2, 2006 and 46,200 options (39,700 options live as on March 31, 2006) at the previous day's closing market price of Rs. 237 per equity share to be vested on August 11, 2006.
- 8) Development, Production and Execution expenses include course execution charges for the quarter Rs. 727 lacs, for the 9 months ended Rs 3,927 lacs and for the year ended March 31, 2006, Rs. 4,554 lacs. (Previous quarter/ year ended 31st March 2005, Rs. 1,342 lacs and Rs. 4,860 lacs respectively).
- 9) The sub businesses are fully aligned to global learning business of the Company and the same are being viewed by the management as a single primary segment, i.e. learning business segment. Accordingly previous quarter/year which hitherto were being reported as separate business segments, are not being disclosed.
- 10) The Company had applied for delisting from Kolkata Stock Exchange on September 10, 2004. The approval for delisting is still awaited.
- 11) The Board of Directors have recommended a dividend of Rs. 6.00 per equity share (Previous year : Rs. 5.50 per equity share).
- 12) At the beginning of the quarter ended March 31, 2006 the Company had no pending investor complaint for resolution. During the quarter 18 complaints were received and out of which 17 were disposed off and 1 complaint was pending for resolution, which was subsequently resolved.
- 13) The figures of the previous quarter/ year, to the extent feasible, have been regrouped/ reclassified to conform to the current quarter/ year's classification.
- 14) The above results have been approved and taken on record by the Board of Directors of the Company at its meeting held on June 29, 2006.

Place: New Delhi  
Date: June 29, 2006

By order of the Board  
For NIIT Limited  
Vijay K. Thadani  
Whole-time Director

