NIIT

LEADERSHIP

IN GLOBAL TALENT DEVELOPMENT

Annual Report 2007 - 08

NIIT Limited

OUR VISION

VALUES, MOTIVES AND BELIEFS

WE, NIIT, BELIEVE THAT OUR GROWTH IS THE DERIVATIVE OF THE GROWTH OF EACH ONE OF US. IT IS THE DUTY OF EACH ONE OF US TO ESPOUSE AND GIVE ACTIVE EFFECT TO THE VALUES, MOTIVES AND BELIEFS WE STATE HERE

•

NIIT IS PEOPLE

WE HAVE POSITIVE REGARD FOR EACH ONE OF US

•

WE WILL FOSTER CAREER-BUILDING BY CREATING OPPORTUNITIES THAT DEMAND LEARNING, THINKING AND INNOVATION FROM EACH ONE OF US.

•

WE EXPECT EACH OF US TO CONTRIBUTE TO THE PROCESS OF ORGANISATION BUILDING AND THUS DERIVE PRIDE, LOYALTY AND EMOTIONAL OWNERSHIP.

•

WE RECOGNISE THE NECESSITY OF MAKING MISTAKES AND RISK-TAKING WHEN IT CONTRIBUTES TO THE LEARNING, INNOVATION AND GROWTH OF EACH ONE OF US.

•

NIIT IS QUALITY AND VALUE

EACH OF US WILL ENSURE THAT IN ANY ASSOCIATION WITH SOCIETY, SOCIETY BENEFITS SUBSTANTIALLY MORE THAN:

(A) WHAT SOCIETY GIVES TO US.

(B) WHAT SOCIETY WOULD GAIN FROM ANY OTHER SIMILAR ASSOCIATION

•

WE WILL MEET ANY AND EVERY COMMITMENT MADE TO SOCIETY IRRESPECTIVE OF ANY COST THAT MAY HAVE TO BE INCURRED.

•

WE WILL ENSURE OUR PROFITABILITY, LONG-TERM GROWTH AND FINANCIAL STABILITY, THROUGH THE PROCESS OF DELIVERING THE BEST, BEING SEEN AS THE BEST AND BEING THE BEST.

•

WE WILL BE FAIR IN ALL OUR DEALINGS AND PROMOTE HIGH STANDARDS OF BUSINESS ETHICS.

•

NIIT IS A MISSION

WE WILL GROW IN THE RECOGNITION AND RESPECT WE COMMAND, THROUGH PIONEERING AND LEADING IN THE EFFECTIVE DEPLOYMENT OF TECHNOLOGY AND KNOW-HOW.

•

WE WILL SEEK TO PLAY A KEY-ROLE IN THE DIRECTIONS AND DEPLOYMENT OF TECHNOLOGY AND KNOW-HOW FOR THE BENEFIT OF MANKIND.

NIIT

Sona Printers Pvt. Ltd. F-86/1 Okhla Ph. 1, New Delhi-20

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NIIT Limited

NIIT

CORPORATE INFORMATION

Board of Directors
Rajendra S. Pawar
Chairman and Managing Director

Vijay K. Thadani
Chief Executive Officer &
Whole-time Director

P. Rajendran
Chief Operating Officer &
Whole-time Director

Subroto Bhattacharya
Director

Surendra Singh
Director

Shardul S. Shroff
Director

Sanjay Khosla
Director

Company Secretary & Legal Counsel
Parveen Jain

Group Chief Financial Officer
Ashok Arora

Chief Financial Officer
Jitender Mahajan

Auditors
Price Waterhouse

Banks
ICICI Bank Limited
Indian Overseas Bank
Standard Chartered Bank Limited
Citibank NA
Wachovia Bank of Georgia

Registered Office
NIIT Limited
C-125 Okhla Phase - I
New Delhi 110 020, India
Email (Investor Services): investors@niit.com
Tel : +91-11-41407000
Fax : +91-11-26817344

Corporate Office
NIIT House
85, Sector 32, Institutional
Gurgaon 122 001, India
Email: niit.webmaster@niit.com
Tel : +91-(124)-4293000
Fax : +91-(124)-4293333

Registrar and Share Transfer Agent
Alankit Assignments Ltd.
Unit - NIIT Limited
Alankit House
2E/21, Jhandewalan Extn.
New Delhi-110055, India
Tel : +91-11-23541234, 42541234
Fax : +91-11-42541967

Website
www.niit.com

FINANCIAL HISTORY

REVENUES & PROFITABILITY (Rs. Mn)

For the Fiscal period ended	31-Mar-04 18 months ##	31-Mar-05 12 months	31-Mar-06 12 months	31-Mar-07 12 months	31-Mar-08 12 months
Global Revenues (NIIT & its subsidiaries)	7,076	3,984	4,507	7,951	10,068
REVENUES OF NIIT LTD.	4,606	2,871	3,449	4,008	4,975
Operating Expenses	3,773	2,497	2,874	3,325	4,112
Interest & Finance Expenses	20	11	43	50	74
Depreciation	417	195	238	314	358
Profit Before Tax	397	168	294	319	431
Profit After Tax	457	160	270	329	328
Equity Dividends	96	106	116	143	214
Earnings Per Share (Rs.) * - Basic	17.76	8.26	13.97	16.97	2.02
Operating Margin (%)	18.1	13.0	16.7	17.0	17.3
Profit Before Tax / Revenues (%)	8.6	5.9	8.5	8.0	8.7
Return on Capital Employed	17.0	5.3	7.7	8.5	9.0

ASSETS & LIABILITIES (Rs. Mn)

As At	31-Mar-04	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08
Sources of Funds					
Equity Capital	193	193	193	198	329
Reserves & Surplus	2,499	2,538	2,695	2,896	3,308
Loan Funds	214	500	1,195	1,340	816
Deferred Tax Liability	-				
Total	2,906	3,231	4,083	4,434	4,453
Applications of Funds					
Gross Block (includes Capital Work in Progress)	1,745	1,878	2,215	2,630	2,870
Net Block (includes Capital Work in Progress)	726	754	954	1,158	1,208
Investments	1,537	1,487	1,456	1,702	1,785
Deferred Tax Assets			20	77	95
Current Assets	1,620	1,811	2,758	2,846	2,996
Current Liabilities	977	821	1,105	1,349	1,631
Net Current Assets	643	990	1,653	1,497	1,365
Miscellaneous Expenditure					
Total	2,906	3,231	4,083	4,434	4,453
Debt-Equity Ratio	0.07	0.18	0.41	0.43	0.22
Current Ratio	1.66	2.21	2.50	2.11	1.84
Fixed Asset Turnover	2.64	1.53	1.56	1.52	1.73
Receivable Days	106	137	165	144	100
Dividend per share (Rs.)	5.00	5.50	6.00	6.50	1.30 ***
Book value per share (Rs.) *	139	141	149	157	22
Share Price on Closing date (BSE) (Rs.)	180	182	296	665	98
Market Capitalisation (Rs. Mn)	6,957 **	3,510	5,728	13,138	16,141

Notes: ## The Company had spun off its Software Solutions business during the period to a separate Company, NIIT Technologies Limited

* Based on Equity outstanding as on Balance Sheet date

** Based on the listed equity shares as on March 31, 2004

*** Based on the Face value of Rs. 2 per share

NIIT at a Glance

Global Learning Solutions for Individuals, Enterprises, Schools and Colleges

- Global student strength of 5 million
- Presence in 34 countries worldwide
- Largest Learning Content Development facility in the world

- **For Individuals**

  Instructor-led Training, Computer-based Training and e-Learning programmes:
  - GNIIT for IT careers
  - 'NIIT Edgeineers', a range of specialized programmes to provide cutting-edge career for engineering graduates and IT professionals
  - NIIT GlobalNet+, specialised programmes on Networking and Infrastructure Management
  - Degrees in alliance with Universities
  - SWIFT for Internet and IT literacy
  - Board exam preparation solutions
  - Bioinformatics and Educational Technology programmes
  - Executive Management Programmes for working professionals, from premier business schools through NIIT Imperia, Centre for Advanced Learning
  - Training programmes for financial services sector from NIIT Institute of Finance, Banking & Insurance (IFBI)
  - Facilitate scholarship programmes through Bhavishya Jyoti Scholarship initiative

- **For Corporations**

  Enterprise Learning Solutions:
  - Instructor-led and e-Learning Training in IT and Soft Skills
  - Advisory Services
  - Custom Content Development
  - Application and Process Rollout Training
  - Learner Management Systems
  - Learner Support Services
  - A suite of catalogue products from Element K
  - Assessment and Testing services from NIIT Litmus
  - English language testing and assessment services through ETS
  - English language training from Evolv

- **For Colleges and Universities**
  - Curriculum Design
  - Custom Courseware Development
  - Learning Delivery, Hosting Services
  - Learner and Faculty Support Services
  - Student Administration
  - In-campus IT Programmes

- **For Government and Private Schools**
  - Integrated solutions for computer and computer-aided education for K-12 learners
  - MathLAB - an innovative concept to teach and learn Mathematics in schools

- **Hole-in-the-Wall Education Ltd. (HiWEL)**
  - ❖ Minimally Invasive Education kiosks to provide free and unsupervised access to computers for children belonging to economically and socially marginalized populations
- **Alliances with global IT majors:**
  - ❖ Adobe, EMC, Cisco, Intel, Microsoft, Oracle, Sun Microsystems, SumTotal, Thomson Prometric
- **Assessed at SEI-CMM Level 5**
- **Awards and Acknowledgements**
  - ❖ NIIT (HiWEL) has been conferred the coveted 'Digital Opportunity Award' by World Information Technology Services Alliance (WITSA) in 2008
  - ❖ NIIT is ranked amongst India's 'Most Respected Companies' in the IT sector in a survey done by Business World magazine in 2007
  - ❖ NIIT is ranked amongst the 'Top 10 Business Brands since 60 years of Independence', by The Week magazine
  - ❖ NIIT has been rated as 'Top Training Company 2007', by Dataquest
  - ❖ NIIT is ranked amongst 'India's Top 50 Most Trusted Services Brands' in a survey conducted by The Economic Times Brand Equity in 2007
  - ❖ NIIT is ranked as 'India's Most Customer Responsive Educational Institution' as per Avaya GlobalConnect Customer Responsiveness Awards in 2007
  - ❖ NIIT was awarded the 'Indian Franchisor of the Year Award' in 2007 by Franchising Association of India
  - ❖ NIIT is ranked among the Top 20 Companies in the Training Outsourcing Industry in 2007, by TainingOutsourcing.com
  - ❖ International Data Corporation has ranked NIIT among the 'Top 20 IT training companies, worldwide' and the only one from Asia
  - ❖ NIIT has been rated amongst Training Magazine's 'Top 125' elite companies worldwide, for its innovative Training practices in the year 2007
  - ❖ NIIT has featured among the Superbrands of India (2003-05) by the Superbrands Council, US
  - ❖ 'Award for Excellence in Innovative HR practices' 2005: Delhi Management Association and Watson Wyatt World
  - ❖ China Information World, the Beijing-based IT weekly presented NIIT with awards for 'Best Contribution towards Vocational Education in China (2004)' and 'Best Curricular Structure in China' in 2004
  - ❖ China Computer Weekly, the Chongquing-based publication with a base of over one million readers, recognised NIIT as the 'Most Influential Education Certificate Brand in China for 2004' and the 'Best IT training curriculum' for the same period
  - ❖ NIIT was awarded the 'ICTE Gold Medal 2006-07' by the Ho Chi Minh Computer Association.
- **Global operations in**
  - ❖ Americas - Brazil, Cuba, El Salvador, Honduras , Mexico, Nicaragua, Peru, USA
  - ❖ Europe - Kazakhstan, Serbia , UK
  - ❖ Asia - Bangladesh, Cambodia, China, India, Indonesia, Malaysia, Nepal, North Korea, Sri Lanka, Turkey, Vietnam
  - ❖ Middle East - Iran, Oman, Yemen
  - ❖ Africa - Botswana, Ghana, Libya, Nigeria, Senegal, Sudan, South Africa, Zimbabwe
  - ❖ Australia/Oceania - Fiji

Dear NIIT Shareowner,

Your Directors take pleasure in presenting the 25th Annual Report along with the audited statement of accounts for the financial year ended March 31, 2008.

Financial Results

The highlights of your Company's financial results for the financial year April 1, 2007 to March 31, 2008 are as follows:

(Rs. Mn.)

Particulars	NIIT Limited Group Consolidated		NIIT Limited Standalone	
	2007-08	2006-07	2007-08	2006-07
Net Sales (Income from operations)	10,068	7,951	4,674	3,903
Other Income	73	61	301	105
Total Income	10,141	8,012	4,975	4,008
Total Expenditure	9,211	7,293	4,185	3,375
Profit before depreciation and taxes	930	719	790	633
Depreciation	529	473	358	314
Net tax provision	(21)	4	104	(10)
Net Profit	422	242	328	329
Basic EPS (Rs.)	4.67	3.94	2.02	2.26
Diluted EPS (Rs.)	4.65	3.74	2.02	2.18

Your Company's consolidated net revenues for the year under review is Rs. 10,068 million as against Rs. 7,951 million in the previous year, registering a growth of 26.63 % and Profit after tax (after associate profit) surge from Rs. 573 million to Rs. 756 million, reflecting a growth of 31.94 % on year to year basis.

Your Company's total income from operations for the year under review is Rs. 4,674 million as against Rs. 3,903 million for the previous year, while the net profit is Rs. 328 million as against Rs. 329 million in the previous year.

Business Operations

During the year under review, your Company continued to grow, based on its stated strategy set which focused around:

- Accelerated growth;
- Improved profitability; and
- Market leadership.

During the year under review, your Company has launched various new programmes in partnership with Adobe, Cisco, Sun Microsystems, CompTIA, Microsoft, EMC and others, and also expanded its product portfolio, infrastructure and technology across the centres.

Your Company has received orders for providing IT education in schools from the States of Bihar, Maharashtra, Tripura, Meghalaya and Kerala, besides renewal of existing contracts from the States of Andhra Pradesh and Himachal Pradesh.

The new businesses i.e. IFBI and NIIT Imperia launched in the previous year gained momentum and received excellent response from the respective Industry. During the year in addition to the ICICI bank, IFBI partnered with HDFC Bank, Kotak Mahindra Bank, Yes Bank, ICICI Securities, ICICI Prudential and ICICI Lombard. NIIT Imperia, in addition to IIM Ahmedabad and Kolkata tied-up with IMT-Ghaziabad, Indian Institute of Foreign Trade and IIM Lucknow. NIIT's strategic alliance with Educational Testing Service (ETS) the world's leading educational measurement and research organization, will allow NIIT Litmus to offer ETS's TOEIC (Test of English for International Communication) in India.

Your Company maintained its number one position in IT training (as per Data Quest ranking) and continued to figure in the Top 20 IT training companies listing, as well as in the ranking of Top 20 Companies in the Training Outsourcing Industry on a worldwide assessment.

Future Plans

Based on the successful transition from an IT and IT enabled training company to training in other domain areas, your Company has also embarked on a plan to achieve leadership in global talent arena. This would imply increasing both depth and coverage to service the growing need of the services lead economy. This would be achieved through building strategic alliances with market leaders in each domain. It will further leverage the core competencies of the Company in pedagogy, technology and geographic reach.

Your Company will continue to strengthen its presence in each of its businesses with a clear focused approach which would help increase revenue growth, improve profitability as well as de-risk the Company from economic slowdowns and currency fluctuations.

Bonus Shares

During the year under review, your Company has allotted 54,869,490 Equity Shares of Rs. 2/- each as Bonus Shares in the ratio of one new Equity Share for every two Equity Shares by way of Capitalization of Capital Redemption Reserve and Share Premium Reserve.

Conversion of Foreign Currency Convertible Bonds

During the year under review, your Company had received the conversion notice from the Foreign Currency Convertible Bonds' holder (i.e. Intel Capital (Cayman) Corporation) and allotted 2,188,000 Equity Shares of Rs. 10 each to the Bonds holder.

Share Capital

During the year under review, the paid-up capital of your Company stands increased from Rs. 197,552,060 to Rs. 329,405,726 due to corporate benefits/allotment of Equity Shares such as bonus shares, FCCB conversion and ESOP allotment.

The Company has also subdivided one Equity Share of Rs. 10 (Rs. ten) each into five Equity Shares of Rs. 2 (Rs two) each.

Dividend

In view of the Company's profitable performance, your Directors are pleased to recommend, for approval of the members at the forthcoming Annual General Meeting, dividend of Rs. 1.30 per share (equivalent to the dividend declared in the previous financial year).

Transfer to Reserves

In accordance with statutory provisions, your Company has transferred a sum of Rs. 32.77 million to the General Reserves.

Subsidiaries

During the year under review, your Company had acquired management control in Evolv Services Limited (formally known as Evolv Management Services Private Limited), a leading provider of English language and communication training and therefore, it become another subsidiary company.

Further, NIIT China (Shanghai) Limited, a step down subsidiary company in partnership/association with a company in Wuxi has incorporated a new overseas subsidiary company in the name of NIIT Wuxi Service Outsourcing Training School (NIIT-Wuxi), to train large number of university graduates in WND centre and equip them with relevant IT skills to get them jobs in companies that are/will set up in WND.

At the end of the year under review, your Company has 21 subsidiary companies spread across the globe.

Post closure of the financial year under review, your Company has also incorporated another subsidiary company by the name of NIIT Institute of Process Excellence Limited. This new company will be engaged in the business of imparting instructor led and/or information technology assisted training and distance education for enhancing performance/employment in the BPO and ITES industry.

Your Company had pursuant to the provisions of Section 212(8) of the Companies Act, 1956 (the Act), filed applications with the Ministry of Corporate Affairs seeking exemption from attaching a copy of the Balance Sheet, Profit and Loss Account, Directors' Report and Auditors' Report of the subsidiary companies and other documents required to be attached under Section 212(1) of the Act. The necessary approvals from the Ministry of Corporate Affairs were received vide its letters dated February 29, 2008 and June 4, 2008. Accordingly, the said documents are not being attached with the Annual Report of your Company. A gist of the financial performance of the subsidiary companies in the format prescribed by the Ministry of Corporate Affairs is contained elsewhere in the Annual Report. The Accounts of the subsidiary companies are open for inspection for any Member/Investor at the registered office of your Company. The Company will make available these documents/details upon request to any Member/Investor interested in obtaining the same.

Corporate Governance

Your Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity in all facets of its operations, in all interactions with its Stakeholders including Shareholders, NIITians, Lenders and Regulatory Authorities. In order to enhance customer satisfaction and stakeholder value, your Company continues to benchmark its corporate governance practices with the best in the world in line with international norms.

Your Company has complied with all the requirements relating to Corporate Governance as stipulated in Clause 49 of the Listing Agreement. The report of the Directors on Corporate Governance is given as a separate section titled 'Corporate Governance Report', which forms part of this Annual Report. The Auditors' Certificate confirming the compliance to the conditions of the Corporate Governance stipulated in Clause 49 of the Listing Agreement is annexed to the Corporate Governance Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report as required under the Listing Agreement is annexed and forms part of the Directors' report.

Directors

In accordance with the provisions of the Companies Act, 1956 and Articles 64, 65 and 66 of the Articles of Association of your Company, Mr. Rajendra S. Pawar and Mr. P Rajendran, Directors of your Company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

Directors' responsibility statement

As required under Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of your Company hereby states and confirms:

- That in preparation of Annual Accounts for the financial year, applicable Accounting Standards have been followed along with the proper explanations relating to material departures;
- That they have selected the accounting policies described in the notes to accounts, which have been consistently applied, except where otherwise stated and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the profit or loss of the Company for that year;
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Annual Accounts have been prepared on the historical cost convention, as a going concern basis and on accrual basis.

Information relating to Conservation of Energy, Technology Absorption, Research and Development and Exports, Foreign Exchange Earnings and Outgo and other information forming part of the Directors' Report in terms of Section 217(1)(e) of the Companies Act, 1956 and the Rules made thereunder.

a) Conservation of energy

The operations of your Company are low energy intensive. However, appropriate measures, wherever possible, have been initiated to conserve energy. Your Company is continuously evaluating new technologies and invests in them to make its infrastructure more energy efficient.

b) Technology absorption

In today's world, perpetually evolving technologies and increasing competition define the global market space. In order to maintain its position of leadership, your Company has continuously and successfully developed state-of-the-art methods for absorbing, adapting and effectively deploying new technologies.

c) Research and Development

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature and size of operations of your Company.

d) Exports, foreign exchange earnings and outgo

The details of foreign exchange earnings and outgo are mentioned in Notes Nos. 11, 12 and 13 contained in the Notes to Accounts (Schedule No. 20) forming part of the Balance Sheet and Profit and Loss Account for the financial year ended March 31, 2008.

Public Deposits

Your Company has not accepted any fixed deposits from public and, as such, no amount of principal or interest was outstanding on the date of the balance sheet.

Particulars of Employees

Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are given in **Annexure-I** and form part of this report.

Auditors

M/s. Price Waterhouse, Chartered Accountants, the Auditors of your Company, retire at the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed.

Human resources and Employees' Stock Option Scheme

NIITians are the key resource for your Company. Your Company has been able to create and continuously improve a favourable work environment that encourages novelty and meritocracy at all levels.

Employees relations remained cordial at all Company's locations. The Directors take this opportunity to record their appreciation for the outstanding contribution of all NIITians.

Your Company had during the financial year 2005-06 launched the NIIT Employee Stock Option Plan 2005 (ESOP-2005) with the objective of attracting and motivating employees by rewarding performance and retaining the best talent. The aim was to develop a sense of ownership among the employees within the organisation and to align your Company's stock option scheme with the best practices in the Industry. During the year under review, the Compensation/Remuneration Committee granted 862,500 Stock Options (Grant-III) (after adjusting corporate action of split and bonus) to eligible employees of your Company under ESOP 2005. The particulars of the Options granted, vested, exercised and allotted under the ESOP-2005 as required to be disclosed under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are appended as **Annexure-II** and form part of this report.

Acknowledgements

Your Directors take this opportunity to thanks all investors, clients, licensees, technology partners, vendors, financial institutions, banks, regulatory and governmental authorities, media and stock exchanges for their continued support during the year under review.

For and on behalf of the Board

Rajendra S Pawar
Chairman &
Managing Director

Place : New Delhi
Date : June 11, 2008

Annexure-I to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2008.

A. Employed throughout the year and in receipt of remuneration not less than Rs. 24,00,000 for the year

Name	Age (Yrs.)	Qualification	Experience (Yrs.)	Designation	Gross Remuneration (Rs.)	Date of Joining	Previous Employment & Position held
Rajendra Singh Pawar	57	B. Tech.	36	Chairman & Managing Director	12,413,628	2-Dec-81	HCL Ltd, Corp. Planning Manager
Vijay Kumar Thadani	57	B. Tech.	36	Chief Executive Officer & Whole-time Director	17,471,008	1-Jul-03	Keltron Ltd, Branch Manager
P Rajendran	55	BE	34	Chief Operating Officer & Whole-time Director	9,212,186	1-Sep-82	Keltron Ltd, Resident Manager
Ashok Kumar Arora	53	B.Com	32	Group Chief Financial Officer	4,056,341	1-Jun-04	NIIT Technologies Limited, CFO
L Balasubramanian	54	BE	34	President, K12	5,232,784	30-Nov-88	DCM Data Products, Regional Systems Engineering Manager
Tulika Sinha	42	BA	21	Senior Vice President - GIL, India East & South	3,634,654	2-May-89	East India Pharmaceuticals, Supervisor
Anuradha S Boxwala	43	BSC, Diploma in Computer	19	Vice President-Global Sales Enablement &India Sales, GIL	3,115,111	1-Jul-89	First Employment
Dr. Smarajit Dey	51	BE ME PHD	29	President	6,671,879	1-Apr-07	NIIT Institute of Information Technology, Professor & Dean
Udai Singh	40	BE, ME	19	Executive Vice President - NIIT Imperia	5,675,917	23-Mar-05	NIIT Online Learning Limited, Whole-time Director & COO
Chockalingam Murugan	41	MCA	18	Senior Vice President-Marketing & Product Management, GIL	4,432,631	1-Oct-03	NIIT Online Learning Limited, Business Head
Sunil Sirohi	41	BSC, MSC, DIP IN MGMT	17	Vice President-Information Resources	2,899,632	5-Aug-91	Europcar Limited, Station Manager
Nicholas George	47	MBA	23	Senior Vice President	2,620,271	9-Aug-06	NIIT Institute of Information Technology, Senior Vice President
Akhlesh Agarwal	42	ME	19	General Manager	2,548,995	9-Jul-94	TCS Limited, Sr System Analyst
Vikas Baijal	40	BSC, MSW	18	Vice President-Human Resources	2,758,868	4-Aug-97	HFCL Dacom Infochek Ltd, Manager-HRD
Ashish Basu	48	M.Sc., MBA	25	President, KSB	7,050,422	20-Jun-05	NIIT USA Inc., President KSB Global Solutions
Ajai Manohar Lal	53	BSC, MSC	32	Vice President-Channel Management, GIL	3,803,950	17-Jan-00	DTE Gen Mech Forces, Director
Shampi Venkatesh	42	B.Com	21	Senior Vice President - GIL, India North	3,992,724	1-Oct-03	NIIT Online Learning Limited, Head Operations
Jitender Mahajan	44	B.Com., CA, CS	20	Chief Financial Officer	4,146,811	12-Mar-02	Electrolux Kelvinator Ltd, General Manager - Corporate Accounts
Ganesh Krishnamurthy	42	B.Com	18	Vice President	3,518,701	1-Apr-02	Trigyn Technologies Inc., Project Manager
Chetna Khuller	37	BA, MBA	14	General Manager-Finance	2,531,526	2-Sep-02	Ballarpur Indus. Ltd, Manager-Finance
Sanjay Mal	45	B.Com	24	Senior Vice President – Finance	2,867,085	8-Jan-03	A Arora & Associates, Senior Associate
Amit Roy	57	BSC, FCA	32	Senior Vice President - Internal Audit & Assurance	3,199,026	3-May-04	Titagarh Industries Limited, Executive Director
Manish Mohan	41	BE	17	Vice President	2,723,159	27-Sep-04	Polaris Software Lab Limited, Vice President
Raghavan Govindan	51	B.Sc., MMS	28	President-Individual Learning Business	12,280,627	1-Jun-05	Ingram Micro India, Managing Director
Ajay Mohan Goel	45	BE, MBA	24	Senior Vice President-Corporate Development	3,344,438	10-Jan-07	Max Health Staff International Limited, CEO
Santosh Nair	42	MBA	18	Senior Vice President-Strategic Marketing	4,532,058	26-Mar-07	Mahindra Holidays & Resort India Ltd., Head Marketing

B. Employed for part of the year and in receipt of remuneration not less than Rs. 2,00,000 per month

Name	Age (Yrs.)	Qualification	Experience (Yrs.)	Designation	Gross Remuneration (Rs.)	Date of Joining	Previous Employment & Position held
Rajeev Katyal	48	BE MBA	26	Senior Vice President – ELS	3,253,382	2-May-83	First Employment
Bhagavatheeswaran Krishnan	42	BCOM	22	Vice President	2,663,302	1-Apr-02	NIIT Middle East EC
Subash Thankachan	38	B. Tech	16	General Manager	457,602	9-Sep-91	First Employment
Sarveshwar Srivastava	48	MSC	21	Vice President	2,216,094	24-Feb-03	Hiperworld Cybertech, Director (Tech)
Anurag Gupta	39	BE, MBA	16	Vice President - GIL, India West& Middle East & North Africa	1,828,391	1-May-03	Aptech Limited, Marketing Head-COE
Kapil Chanana	35	MBA	12	Regional Manager – Africa	475,505	21-Mar-05	Coco Cola, Marketing Manager
Sanjay Bhatnagar	46	BSC,MBA,DIP IN COMP	24	Vice President	1,554,567	15-Jan-07	Patni Computers, Vice President-Banking S/w Delivery
Ashutosh Chadha	39	CA, CS	14	General Manager - Accounts	3,166,964	9-Apr-07	Wipro e-Periperals, CFO & CS
Asim Kumar Talukdar	52	BSC, MBA	30	Senior Vice President - Human Resources	3,763,506	16-Apr-07	HT Media Limited, Vice President HRD & Admin
Amitabh Lahiri	50	BE	26	Senior Vice President	2,928,138	6-Jul-07	Genpact, Consultant - Six Sigma Practice
Vipul Rastogi	38	BE, MBA	16	Vice President - Enterprise Learning Solutions, India	1,389,855	10-Dec-07	Alcoa India Pvt Ltd., MD

NOTES :

1. The gross remuneration shown above comprises salary, allowances, incentives, monetary value of perquisites as per Income Tax Rules and Company's contribution to Provident Fund and Superannuation Fund.
2. The gross remuneration of employees do not include provision for gratuity and provision for leave encashment.
3. None of the above employees are related to any Director of the Company.
4. None of the employees holds 2% or more of the paid-up Equity Share Capital of the Company.
5. The nature of Employment in all above cases is contractual.

Annexure-II to Directors' Report w.r.t. ESOP 2005

Under SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999

(a) Options granted	Grant I – 555,350*		
	Grant II – 46,200*		
	Grant III – 115,000* (Post split and bonus - 862,500)		
	Total – 716,550*		
	*The options were granted prior to the issuance of bonus shares and the split in the face value of the share from Rs. 10 per share to Rs. 2 per share		
(b) Pricing formula	At a price not less than the then existing face value of the share of the Company:		
		Grant Price (Rs.)	Market Price (Rs.) #
	Grant I *	180.00	235.15
	Grant II **	237.00	237.00
	Grant III **	912.15	912.15
	# Closing price on the National Stock Exchange * at approx 23.45% discount to market price ** at market price (Note : Price is pre split and bonus)		
(c) Options vested		No of shares	
		Pre bonus & split	Post bonus & split
	Grant I	519,050	-
	Grant II	26,350	-
	Grant III	-	-
	Total	545,400	-
(d) Options exercised		No of shares	
		Pre bonus & split	Post bonus & split
	Grant I	413,357	94,393
	Grant II	21,800	-
	Grant III	-	-
	Total	435,157	94,393
(e) The total number of shares arising as a result of exercise of option		No of shares	
		Pre bonus & split	Post bonus & split
	Grant I	413,357	94,393
	Grant II	21,800	-
	Grant III	-	-
	Total	435,157	94,393
(f) Options lapsed (includes options not vested based on proformance parameter)		No of shares	
		Pre bonus & split	Post bonus & split
	Grant I	40,300	1,125
	Grant II	19,850	-
	Grant III	-	112,500
	Total	60,150	113,625
(g) Variation of terms of options	Nil		
(h) Money realized by exercise of options	Rs. 81,836,292/-		
(i) Total number of options in force	1,451,305 (post bonus and split)		

(j) Employee wise details of options granted to:				
(i) senior managerial personnel	Summary^ of options granted to senior managerial personnel* are as under: • No. of employees covered: 27 • No. of options granted to such personnel: 238,450 (Pre bonus and split) ^Only summary given because of sensitive nature of information *includes directors and employees who are one level below the Board of Directors.			
(ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil			
(iii) identified employees who were granted options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil			
(k) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard(AS) 20 'Earnings Per Share'	Rs. 1.90			
(l) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	Please refer to Notes Nos. 15 and 34 contained in the Notes to Accounts (Schedule No. 20) forming part of the Balance Sheet as at 31 March, 2008 and Profit and Loss Account for the year ended on that date.			
(m) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock		Grant I (Rs.)	Grant II (Rs.)	Grant III (Rs.)
	Weighted average exercise price*	24.00	31.60	121.62
	Weighted average fair value*	13.15	9.63	37.23
	Note: * the prices are adjusted for the bonus and split			

(n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:

	Grant I	Grant II	Grant III
(i) risk-free interest rate	7%	7%	7.93%
(ii) expected life	2.5 years	2.5 years	2.5 years
(iii) expected volatility	14%	14%	45.47%
(iv) expected dividends, and	Not considered	Not considered	2.79%
(v) the price of the underlying share in market at the time of option grant	Rs. 235.15	Rs. 237.00	Rs. 912.15

Note: The following event occurred subsequent to the closuer of financial year 2007-08 has not been considered in the above figures :

1. 455,763 Options (post split and bonus) vested under Grant III
2. 279,237 Options (post split and bonus) lapsed under Grant III due to non meeting of performance parameters.
3. 22,500 and 15,000 Options (post split and bonus) lapsed under Grant I and Grant III respectively

MANAGEMENT DISCUSSION AND ANALYSIS

Leadership In Global Talent Development

During the financial year 2007-08, NIIT Limited ("NIIT" or "the Company") made major strides in its transformation from an IT & IT enabled training Company to a Global Talent Development Corporation. During the year, the Company continued to grow, based on its stated strategy set which focused around:

- Accelerated growth
- Improved profitability
- Market leadership in chosen areas

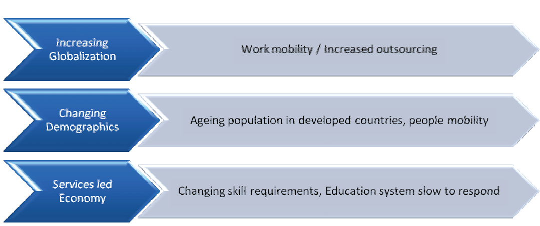
based on the foundations of strong channel, technology and higher education partnerships and operating strategies which included talent transformation, customer acquisition and improved infrastructure.

Environment

The Global talent shortage is a well articulated subject. The changes in the work force dynamics, both from the demand and supply side, are changing the skill set requirements.

There are three clear trends which are contributing to this change:

- Increased Globalization resulting in increased work mobility with work moving across countries and geographies.
- Changing demographics especially in the developed world. An ageing population is changing the demographic balance with working people moving from developing countries to fill the gap.
- Shift towards a Services led economy compared to the Industrial economy, which requires a new and different set of skills.



India is poised to be able to take advantage of the "Demographic Dividend" given its young population. As per a study conducted by the Boston Consulting Group (BCG), by 2020, India would have a surplus of

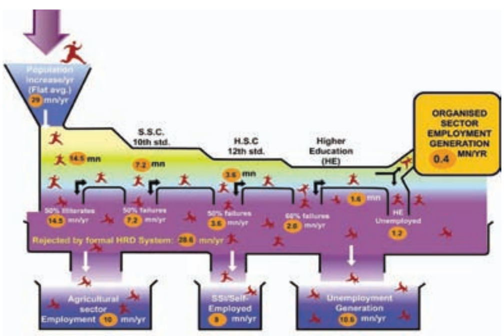
The Demographic Dividend - 2020

47 million people in the working age group while the rest of the world would be short by 56 million in this age group. However, to leverage this opportunity, India has to invest in building a strong education infrastructure and accelerate the process of skill development, both in terms of quality and quantity.

Today, despite the demographic dividend nearly all sectors of Indian economy are facing a talent shortage. With the Indian economy growing at 8%+ and the GDP mix changing towards the services sector, lack of

skilled workforce is becoming the most important barrier to growth for Indian companies.

This existing skills shortage coupled with the issues of relevance, reach, inclusion and quality of education have huge ramifications for the Indian economy. The supply chain for quality human resources shows an increasing population on one side with an education system on the other side trying to cope with both quality and quantity issues. Low enrolments and high drop out rates all through the chain, results in a very inadequate supply to the organized workforce.

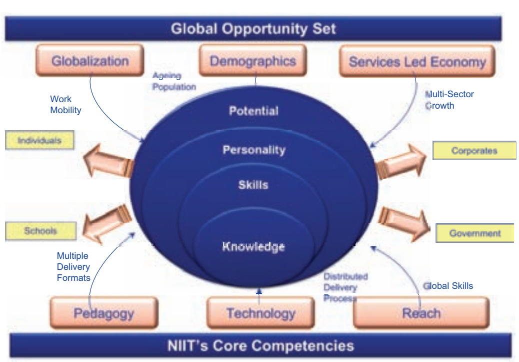


Source: I Watch Survey, 2007

India: Skill Supply Chain

The Government has been very cognizant of this problem and has increased the outlay for education to Rs. 3,000 Billion in the 11th Five Year Plan.

In this environment, with the successful launch of new businesses, NIIT is well positioned to build a leadership position in Global Talent Development.



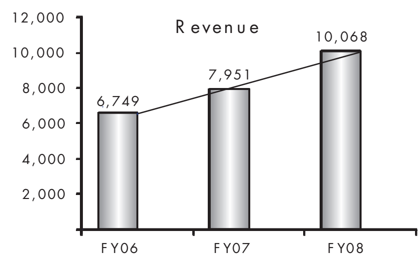
NIIT is focused on improving academic performance, employability and workforce productivity through its business offerings in India, China, Other Developing Countries, USA and Europe.

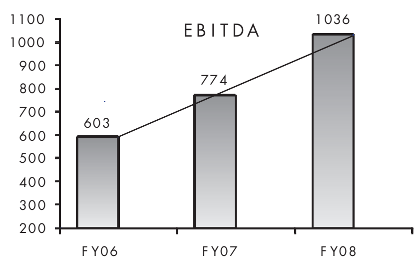
NIIT services the full labour supply chain with its offerings:

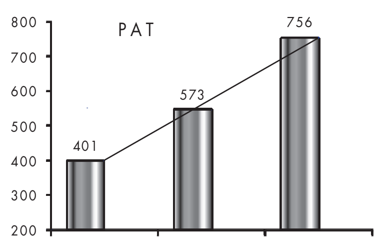
	School Learning Solutions	Individual Learning Solutions	Corporate Learning Solutions
Target Audience	School children	Young adults	Working professionals
Value Proposition	Academics	Employability	Productivity
Customer	School	Individual	Corporate
Coverage	• Multimedia Learning Content • IT Learning • Teacher Training	• IT Training • BFSI Training • Management Education • English Language • Professional Life skills	• Learning Products • Training Delivery & Administration • Custom Projects
Geographic Coverage	India	India/ China/ Emerging Economies	India, USA, Europe

Company Performance

In FY'08, the Company experienced a robust revenue growth and profitability improvement leading to improved market position.







MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Over the last 3 years, the Company has grown:

- Revenues at a CAGR of 22 per cent
- EBITDA clocked a CAGR of 31 per cent.
- Net profit up 37 per cent

During the year, the new business initiatives viz. IFBI & Imperia (launched in FY'07) broke even, a quarter ahead of estimates.

The Company's performance is reflected in the chart below:

Rs. million

	FY'08	FY'07	Change
System wide Revenues	14,016	11,163	26%
Net Revenues	10,068	7,951	27%
EBITDA (earnings before interest, taxes depreciation and amortization)	1,036	774	34%
Depreciation & Amortization	529	473	12%
Operational PAT	422	242	74%
Share of profits from associates / attributable to minority	334	331	1%
Profit After Tax	756	573	32%
Basic EPS (Rs.)*	4.7	3.9	19%

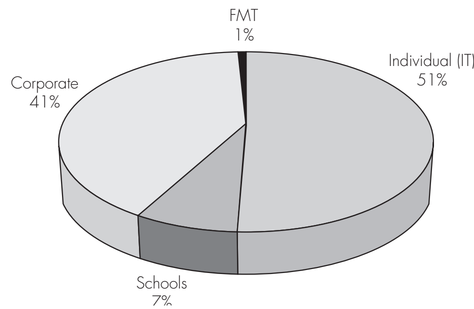
* Based on current shares outstanding (post bonus & split)

The Company saw a marked improvement in its net revenue and profitability during the year with

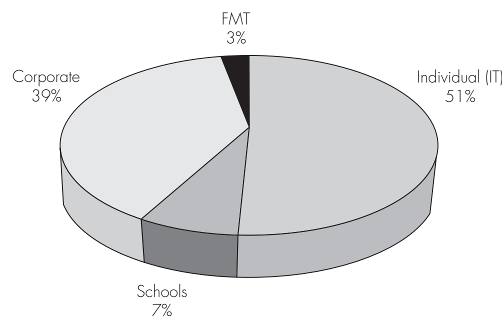
- Net Revenues at Rs. 10,068 million (a 27 percent growth)
- EBITDA at Rs. 1,036 million (a 34 percent growth)
- Operational PAT at Rs. 422 million (a 74 percent growth)

During the review period, the Company offered the

FY'07 - System wide revenues



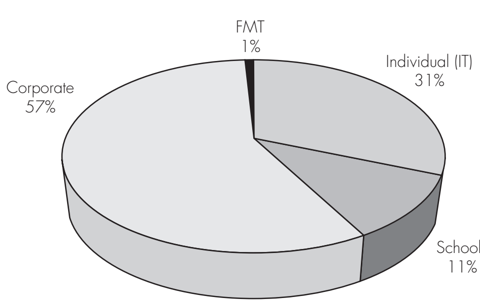
FY'08 - System wide revenues



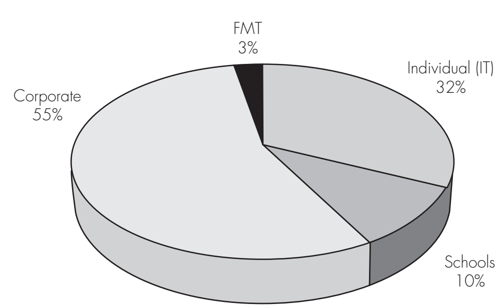
following learning solutions:

- Individual
  - o **IT:** the Company provided IT training to individuals interested in pursuing an IT career or upgrading their IT skills through partnerships with technology companies. These programmes were provided across India, China and other developing countries
  - o **Finance & Management Training:** the Company offered training programmes to individuals in banking, insurance, finance and

FY'07 - Net Revenues



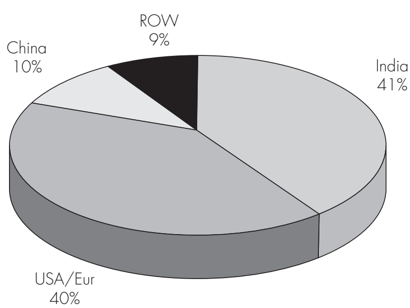
FY'08 - Net Revenues



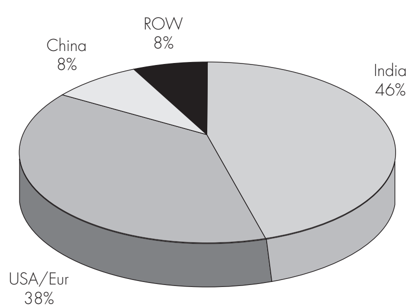
management. These programmes were offered through innovative business models involving partnerships with leading banks, insurance companies as well as leading institutes of management.

- **Schools:** the Company catered to the requirements of Government and private schools for IT education, Multimedia education for all subjects and teachers training.
- **Corporate:** the Company provided end to end solutions from development to deployment of training curriculum to Government and corporate sector. Product offerings included Learning products, Training delivery & administration and Custom projects.

FY'07 - Geowise revenue mix



FY'08 - Geowise revenue mix



Individual Learning Solutions

IT Learning

Business overview

India

In India, the Individual Learning Solutions continued to focus on providing skill sets to people for the IT & ITES industry. Increased hiring by the IT-ITES sector, as well as the requirement for newer skill sets and the rapid changes in technology, contributed to the growth in this business. The knowledge professionals in the Indian IT-BPO sector is estimated to have increased from 1.62 million in FY'07 to 2.00 million in FY'08 – an increase of 23 per cent. NIIT's revenue growth of 31 per cent in this business correlates very well with the above increase.

As part of the growth strategy, the Company focused on the following initiatives during the year:

a. New technology partnerships – during the year, the Company launched new training programmes in partnership with
   i. Adobe – Web, Mobile and Interactive Multimedia
   ii. Cisco – Networking & Infrastructure Management
   iii. CompTIA - Networking & Infrastructure Management
   iv. EMC - Storage Management Technologies
   v. Microsoft - embedding Microsoft certification in the GNIIT curriculum
   vi. Sun Microsystems - embedding Sun certification in the GNIIT curriculum

b. Expanded portfolio with the launch of
   i. GlobalNet+: Training for Infrastructure Management space
   ii. Web design & multimedia: Web 2.0, Flash, Dreamweaver, Cold Fusion, Flex
   iii. Operating system: Solaris 10, Windows Vista

c. NITAT – For the 4th year running, the Company organized the National IT Aptitude Test (NITAT). The popularity of the same was evident with a 42 percent increase over the previous year in the applications for the test

The Company continued to invest in the business by:

a. Increasing seat capacity by 15 percent YoY
b. Upgrading infrastructure and technology across the centres

Enrolments registered a growth of 25 percent to cross 389,000.

The growth in enrolments resulted in an order intake of Rs. 3,915 million (+27 percent YoY) and a closing order book of Rs. 1,586 million of which 68 percent is executable in the next 12 months.

China

During the year, the Company ramped up its China operations by opening new centres. The total number of centres in China stood at 171 as of March 2008 across 25 provinces while enrolments for the year recorded a 35 per cent increase YoY. The Company also started operations at an ultra modern centre in Shanghai as well as a centre in the Wuxi Software Park.

NIIT Centre in China

Other Developing countries

During the year, the Company continued to focus on selected high potential geographies. As a step in this direction, the Company strengthened its presence in Botswana, Malaysia, Nigeria, South Africa, Thailand and Vietnam.

NIIT Centre in Botswana

In FY'07, the Company had set up a centre of excellence in Cuba. During FY'08, the Company opened similar centres in El Salvador, Nicaragua and Honduras under the aegis of the Ministry of External Affairs, Government of India.

The rollout of the Company's tie up with UK Open University to offer the University's B.Sc. (Hons) in Computing and its Practice at the NIIT centers in six countries continued as per plans and admissions have commenced in all selected countries viz. Botswana, Ghana, Indonesia, Nigeria, Sri Lanka and Vietnam.

Finance & Management Training (FMT)

During the year, the Company strengthened its presence in the talent development space with its two businesses namely IFBI & Imperia gaining momentum during the year.

ifbi
Institute of Finance, Banking & Insurance

IFBI Classrooom

IFBI Graduation Ceremony

NIIT's foray into training requirements for BFSI professionals in the previous year, gained further ground during the year with new programmes for insurance and financial planning. The programmes have gained wide acceptance with a number of Banks and Financial Institutions including ICICI Prudential Life Insurance, ICICI Lombard, ICICI Securities, HDFC Bank, Kotak Mahindra Bank and Yes Bank tying up with IFBI for trained professionals. IFBI has also tied up with Infosys to provide training on its Finacle (Banking software) platform.

During the year,

Campus Workshop at IIM Indore

Campus Workshop at IIM Kolkata

over 3,000 students graduated from IFBI and were placed while another 1,200 are completing their training in early FY'09 In addition, IFBI conducted training programmes for Corporates and Banks.

The Company's tie ups with leading business schools in India to provide quality management education to the masses commenced in FY'07 with tie ups with Indian Institutes of Management (IIM) Ahmedabad, Kolkata and Indore. During the current year, the Company entered into new tie ups with IMT-Ghaziabad, Indian Institute of Foreign Trade and IIM Lucknow thereby enhancing the product offerings. In FY'08, the Company also launched Management Development Programme as well as the Leadership Series.

In FY'08, the total number of centers offering the IFBI and Imperia courses increased from 6 to 22 and the total students trained crossed 10,000.

The order intake for the year was Rs. 341 million while the pending order book was Rs.78 million which is all executable over the next 12 months.

Financials of Individual Learning Solutions (ILS)

Rs. million

	FY'08	FY'07	Change
System wide revenues	7,496	5,755	30%
Net Revenues	3,548	2,543	40%
EBITDA	639	343	86%
OM%	18%	13%	452 bps

Financials of ILS - IT Training

Rs. million

	FY'08	FY'07	Change
System wide revenues	7,119	5,655	26%
Net Revenues	3,241	2,470	31%
EBITDA	664	434	53%
OM%	21%	18%	291 bps

The increase in capacity utilization, from 54 percent to 55 percent, coupled with improved leverage of the fixed costs, saw the EBITDA grow faster at 53 percent (a jump of 291 bps).

Financials of ILS - FMT

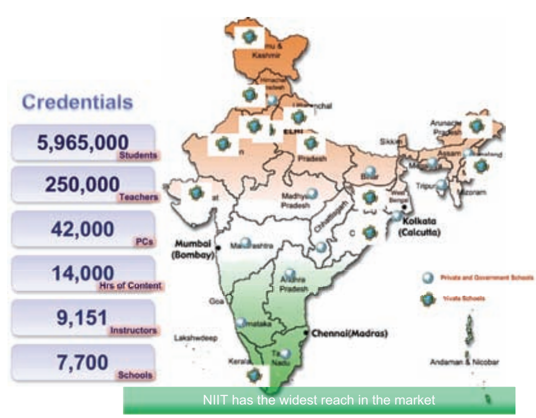
Rs. million

	FY'08	FY'07	Change
System wide revenues	377	101	274%
Net Revenues	308	73	323%
EBITDA	(26)	(91)	

School Learning Solutions

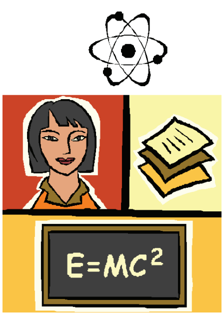
The School Learning Solutions provided IT and IT enabled training for the private and government owned schools in India.

During the year, the Company saw renewed interest by various state governments towards providing IT education in schools. Public-private partnerships in education gained wider acceptance. Moreover, the enhanced allocation of funds by the Planning Commission, the Central & State governments has led to considerable activity in this space. Consequently there has been a rise in the number of states tendering for IT and IT enabled education in schools. Of the total



schools tendered during the year, the Company has received orders from the states of Bihar, Maharashtra, Tripura and Meghalaya, besides renewal contracts from the states of Andhra Pradesh and Himachal Pradesh. Consequently, the total number of schools serviced by the Company has reached 7,700.

During the year, the Company entered into a strategic alliance with US based NComputing, Inc., the leading provider of virtual PC solutions, to enable thousands of schools across India to bring affordable computer education to its students. The alliance will help reduce the cost of computing in schools by 50 per cent from current levels, thus enabling schools across India's cities, towns and villages to offer computer education to its students at a reduced cost.



In addition to the above, the Company launched its eGuru school solution offering and consolidated its programmes offerings in non IT related subjects in line with NCERT's National Curriculum framework. The Company has tied up with Key Curriculum Press for its Mathlab product. The new product launches have received encouraging response from the non government schools and this would continue to be a focus area going forward. The non-government business now contributes 28 percent to the total institutional learning solutions revenues, as compared to 29 percent in FY'07.

During the year, the Company recorded an order intake of Rs. 1,314 million. At the end of the year, the Order book for this business stood at Rs. 1,319 million. Of this, 42 percent is executable during FY'09.

Financials for School Learning Solutions

Rs. million

	FY'08	FY'07	Change
Net Revenues	1,012	847	19%
EBITDA	131	99	32%
OM%	13%	12%	134 bps

Corporate Learning Solutions

During FY'08, the focus of the Corporate learning solutions business was to provide the combined offerings of NIIT and Element K to its customer base.

The integration of Element K continued well on track and there were substantial wins in this space.

The combined offerings now include:

- Learning products
- Training delivery & administration
- Custom projects

The Indian corporate training market is a high growth market and during the year, the Company increased its focus on this market.

During the year, the Learning product market saw consolidation and taking advantage of this, Element K increased its product portfolio and invested in its sales force. In Learning Products, the Company witnessed positive traction during the year. In Custom projects where there is discretionary spending involved, longer sales cycles affected revenues while in Training Delivery and Administration space the Company added new clients.

In January 2008, the Company acquired a controlling stake in Evolv Services Limited, a leading provider of English language and communication training. This acquisition along with NIIT's strategic alliance with Educational Testing Service USA (ETS), the world's leading educational measurement and research organization would allow NIIT to address the need for English & Professional skills for corporates and individuals in India.

During the year, the business clocked an order intake of USD 151 million, up from USD 113 million in FY'07. The closing order book stood at USD 74 million. Of this, 62 percent is executable during FY'09.

Financials for Corporate Learning Solutions

Rs. million

	FY'08	FY'07	Change
Net Revenues	5,508	4,560	21%
EBITDA	266	355	-25%
OM%	5%	8%	-295 bps

The financials of the business were adversely affected by the appreciation of the Indian Rupee against the US dollar. The revenue impact was Rs. 690 million while EBITDA was impacted by Rs. 108 million.

Recognition

- NIIT (HiWEL) has been conferred the coveted 'Digital Opportunity Award' by World Information Technology Services Alliance (WITSA) in 2008
- NIIT is ranked amongst India's 'Most Respected Companies' in the IT sector in a survey done by Business World magazine in 2007
- NIIT is ranked amongst the 'Top 10 Business Brands since 60 years of Independence', by The Week magazine
- NIIT has been rated as 'Top Training Company 2007', by Dataquest
- NIIT is ranked amongst 'India's Top 50 Most Trusted Services Brands' in a survey conducted by The Economic Times Brand Equity in 2007
- NIIT is ranked as 'India's Most Customer Responsive Educational Institution' as per Avaya GlobalConnect Customer Responsiveness Awards in 2007
- NIIT was awarded the 'Indian Franchisor of the Year Award' in 2007 by Franchising Association of India
- NIIT is ranked among the Top 20 Companies in the Training Outsourcing Industry in 2007, by TainingOutsourcing.com
- International Data Corporation has ranked NIIT among the 'Top 20 IT training companies, worldwide' and the only one from Asia
- NIIT has been rated amongst Training Magazine's 'Top 125' elite companies worldwide, for its innovative Training practices in the year 2007
- NIIT was awarded the 'ICTE Gold Medal 2006-07' by the Ho Chi Minh Computer Association.

Consolidated Financial review of the Company

The financial summary for FY'08 is as follows:

	FY'08	FY'07	Change
Revenues	10,068	7,951	27%
Operating Expenses	9,033	7,177	26%
- Personnel Cost	3,054	2,555	20%
- Development, Production & execution costs	3,616	2,674	35%
- Administration & Others	1,557	1,344	16%
- Marketing	806	604	33%
EBITDA	1,036	774	34%
OM%	10%	10%	55 bps
Net Other Income	(104)	(55)	-89%
Depreciation & Amortization	529	473	12%
Taxes	(20)	4	
Share of Associate profits/ profits attributable to Minority shareholders	335	331	1%
Profit after tax attributable to equity holders	756	573	32%
Basic EPS (Rs.)	4.67	3.94	19%

Previous year data not regrouped

Revenues

The revenues of the Company grew 27 percent to Rs. 10,068 million from Rs. 7,951 million in FY'07. This growth was driven by the Individual business as well as the full year impact of Element K revenues. The growth was adversely impacted due to the appreciation of the Indian rupee viz. the US Dollar by approximately Rs.737 million (YoY). Without rupee appreciation, the Company would have recorded a revenue growth of 36 percent YoY with OM% increasing to 11%

Net other income

The net other income during the period under consideration reflected the net interest expense for the Company as well as the capital gains on mutual fund investments and other miscellaneous income. The net interest expense increased from Rs. 124 million in FY'07 to Rs. 158 million in FY'08 due to the full year impact of borrowings made during FY'07 and an increase in the interest expense linked to the higher working capital borrowings of the Company. The Company booked a net loss on account of the foreign exchange fluctuation, of Rs. 1 million as compared to a loss of Rs. 12 million booked in the previous year.

Expenses

On an overall basis, the operating expenses increased 26 percent YoY due to the growing level of operations, changes in product mix, launch of new businesses and wage inflation.

- The personnel expenses increased 20 per cent YoY due to increased headcount of 637 and the annual increments.
- The development, production and execution costs increased 35 per cent over the previous year due to the full year impact of Element K.
- The increase in administration and other costs by 16 percent is attributable to the growing level of operations and inflation.
- The marketing spend saw a 33 per cent increase due to the launch of new businesses

The increase in depreciation is attributable to the addition of assets during the year.

Detailed Analysis of Consolidated Balance Sheet as on March 31, 2008

Rs. million

Particulars	March 31, 2008		March 31, 2007	
Sources of Funds				
Share Capital	329		198	
Minority Interest	15		4	
Employee Stock Option outstanding	5		6	
Reserves and Surplus	3,686		2,942	
Net Worth		4,035		3,150
Secured Loans	1,836		2,255	
Unsecured Loans	221		443	
Loan funds		2,057		2,697
Total		6,092		5,847
Application of Funds				
Fixed Assets				
Gross Block	5,814		5,702	
Depreciation	2,309		1,989	
Net Block		3,505		3,713
Capital Work in Progress		476		134
Investment		892		611
Net Current Assets		967		1,307
Deferred Tax Assets		250		81
Miscellaneous Expenditure		1		1
Total		6,092		5,847

Share Capital

During the year, the share capital of the Company increased from Rs. 198 million to Rs. 329 million due to:

- Conversion of its Foreign Currency Convertible Bonds
- Issuance of bonus shares
- Issuance of shares to employees upon exercise of vested options.

Reserves and Surplus

For the purposes of consolidation, the Company adopted the International Accounting Standard (IAS) 21–"The Effects of changes in Foreign Exchange rates" for translation of balances of non-Indian subsidiaries. Assets and liabilities of non-Indian subsidiaries are translated at the year-end exchange rate. Income and Expenditure items are translated at predetermined rates that approximate the exchange rate prevailing on the date of the transaction. The resultant translation adjustment is reflected as a separate component of Shareholders' funds as "Cumulative Translation Reserve."

Loan Funds

Of the total opening debt of Rs. 2,698 million, the Company repaid Rs. 433 million (including the repayment of US Dollar 3.5 million against the acquisition funding loan of USD 35 million). During the year, the FCCB was converted into equity shares and accordingly, reduced debt by Rs. 438 million. In FY'08 the Company raised US Dollar 5 million as working capital in the US subsidiary.

As of the year end, the total loans stood at Rs. 2,057 million which included:

- Rupee term loan–Rs. 287 million
- Foreign currency term loan (USD 31.5 million) – Rs. 1,262 million
- Vehicle loan–Rs. 18 million
- Working capital debt –Rs. 469 million
- Deferred lease obligations and other loans – Rs. 21 milion

Fixed Assets

As of the beginning of the year, the Net block stood at Rs. 3,713 million. During the year, the Company invested Rs. 537 million in fixed assets including capitalization of the opening capital work in progress. The addition was for the following:

Projects - Rs. 28 million
New initiatives & products - Rs. 137 million
Capacity expansion & upgradation - Rs. 200 million
Land & buildings - Rs. 70 million
Assets acquired on acquisition of Evolv Services Limited – Rs. 24 million
Normal - Rs. 79 million

In addition, the Company has an amount of Rs. 475 million as Capital work in progress. During the year, the Company initiated development of software tools, platforms and content/courseware. This would help the Company to enhance productivity and offer more technology based learning products and solutions to its customers.

Investments

During the year, the Company divested a part of the holding in Mind Shaper Technologies Private Limited and consequently Mind Shaper Technologies Private Limited ceased to be an associate of the Company.

At the year end, the investments stood at Rs. 892 million which included the holding value of:

NIIT Technologies Limited- Rs. 863 million,
Aesthetic Technologies Private Limited–Rs. 9 million
Investments in debt schemes of mutual funds-Rs. 20 million.

Net Current Assets

The elements of net current assets were as follows:

Inventories

Inventories mainly included training material including educational software used by the Company for imparting IT-ITES education. Over the year, the Company focused on reducing its inventory holding periods to and consequently the value of the inventory held by the Company decreased from Rs. 132 million to Rs. 126 million.

Trade Receivables

The focus of the Company to collect its outstanding receivables in the government schools business, contributed to the reduction in the DSO to 74 days from 101 days in March 2007. Net receivables from reduced from Rs. 2,204 million as on March 31, 2007 to Rs 2,048 million as of March 31, 2008, despite a revenue growth of 27 percent.

Of the total receivables, an amount of Rs. 667 million (March'07, Rs. 877 million) was outstanding for more than six months. This includes overdues in the government schools business which the Company is confident of receiving in the future.

Cash and Bank

The cash and bank balances as on March 31, 2008 stood at Rs. 799 million compared to Rs. 736 million as on March 31, 2007 (excluding the mutual fund investments made in debt schemes of a short term nature). During the year the Company:

- generated Rs.1,255 million from operations
- utilized Rs. 804 million for investment activities including acquisition of Evolv Services Limited and purchase of fixed assets

- Used Rs.543 million in financing activities.

Other Current Assets

This included interest receivable, unexecuted subscription and unbilled revenues. The balance as of March 31, 2008 was Rs. 301 million which was in line with the previous year balance of Rs. 302 million.

Loans and Advances

This included advances to suppliers, deferred expenses, rent advances, security deposits given for premises, advance tax paid as well as loans given to the NIIT Education Society, NIIT Institute of Information Technology and to NIITians. At the year end, the total loans and advances stood at Rs. 1,304 million as compared to Rs. 1,137 million as on March 31, 2007.

Current Liabilities

This represented Sundry creditors including capital creditors, advances from customers, security deposits, deferred revenues and other liabilities. The outstanding liabilities were Rs. 3,194 million in March 2008 as compared to Rs. 2,822 million in March 2007.

Provisions

The total provisions increased from Rs. 381 million in March 2007 to Rs. 417 million in March 2008. The outstanding amount included Rs. 251 million for the proposed dividend of Rs. 1.30 per equity share of Rs. 2 and the dividend distribution tax thereon; leave encashment provision of Rs. 155 million and gratuity provision of Rs. 10 million.

Accounting Policies

The Company has selected the accounting policies described in the notes to accounts, which have been consistently applied, except where otherwise stated and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the profit or loss of the Company for that year.

Related Party Transactions

Related Party transactions are defined as transactions of the Company of a material nature with Promoters, Directors or the Management, their subsidiaries or other related parties who may have a potential conflict with the interest of the Company at large. There were no material transactions during the year under review that were prejudicial to the interests of the Company.

All transactions covered under related party transactions were regularly ratified and/or approved by the Board, the guiding principles being arms length, fairness and transparency. The details of related party transactions are given in the Notes to Accounts.

NIIT Limited – Stand alone financials

Revenue from Operations

The revenues of the Company increased 19 percent YoY to touch Rs. 4,669 million.

Other Income

The other income earned by the Company included the following:

- Recoveries made from subsidiaries for common services
- The net provisions written back
- Miscellaneous other income

Revenue Recognition Policy

The significant Accounting policies and practices followed by NIIT Limited are disclosed in Note 1 of Schedule "19" (Notes to Accounts) of the Accounts for the year.

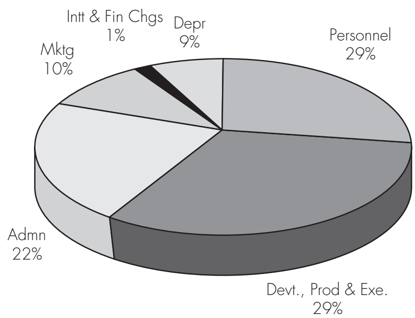
Rs million

Impact of Foreign Currency	Year ended March 31, 2008	Year ended March 31, 2007
Earning in Foreign currency	640	828
Revenue Expenditure in Foreign Currency	288	224
Net Revenue Earning in Foreign Currency	352	604
Capital Expenditure in Foreign Currency	23	24
Net Foreign Currency Earnings	329	580

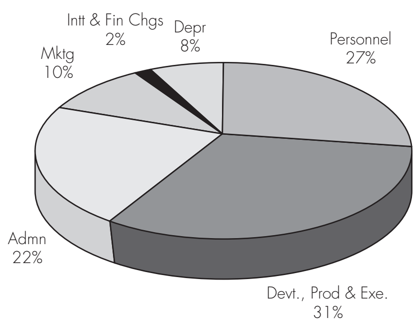
Expenses

The overall expenses increased 23 percent from Rs. 3,689 million to Rs. 4544 million. Within the overall costs, personnel costs constituted 27 percent, registering a YoY increase of 16 percent. Changes in product mix resulted in the development, production and execution

FY'07



FY'08



charges increasing 33 percent YoY to constitute 31 percent of overall costs. The administration and other costs remained at 22 percent of the total expenses while interest and finance charges constituted 2 percent of the overall costs. Marketing expenses rose on account of the enhanced marketing initiatives, to launch the new businesses.

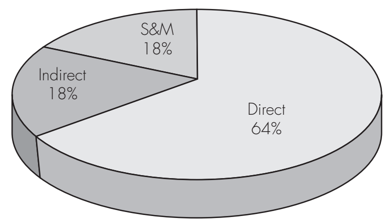
Reserves

NIIT Limited reserves did not reflect any reserves on account of revaluation of assets. However, the reserves were impacted due to the issue of bonus shares as well as the conversion of Foreign Currency Convertible Bonds.

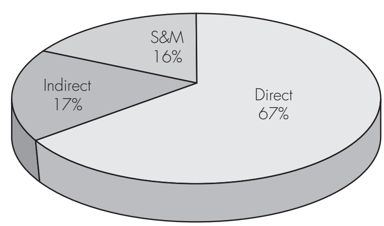
Human resources

During FY'08 the Company added 637 employees taking the total number of NIITians as of March 31, 2008 to 3,850. The breakup of this human capital was 64 percent in direct roles, 18 percent in sales and marketing roles and 18 percent in Indirect roles as compared to 67 percent, 16 percent and 17 percent respectively for March 2007.

FY'08



FY'07



Future Outlook

The Company is continuing to transition from an IT Training Company to a Global Talent Development Corporation by strengthening its presence in each of its businesses with a clear focused approach which would help increase revenue growth, improve profitability as well as de-risk the Company from economic slowdowns and currency fluctuations. The Company's business specific strategy set includes:

Individual

IT Training

- India
  - o Launch New Products leveraging Technology partnerships
  - o Expand capacity in under-penetrated geographies
  - o Enhance use of Web and Mobility to improve customer acquisition process
- International
  - o Increase capacity in China
  - o Launch new Technology modular programmes
  - o Grow in focus geographies
- FMT
  - o Increase geographical coverage
  - o Increased alliances
  - o Improve cost-effective customer acquisition
- New initiatives
  - o Expand offerings to other growing service sector areas like BPO & KPO training, English & professional life skills

Schools

- o Leadership in Government business of choice
- o Comprehensive curriculum and school solution offering for Private Schools
- o Vocational training in schools
- o Teacher's training
- o Total Learning solutions (ERP, Web portal)
- o Sales force expansion

Corporate

- Learning products
  - o Invest in global sales effort
  - o Build further and extend product range
- Custom Projects
  - o Build expertise in select verticals
- Training delivery & administration
  - o Global technology delivery
  - o Provide an End2End solution set
- India
  - o Focus on full outsourcing and products
  - o Invest in sales effort

Risk and its Management

The Company may encounter teh follwoing risks in its business:

- Political Risks
- Economic Risks
- Currency fluctuation risks
- Competitive risks
- Human resource management risk
- Technology obsolesence risk

To mitigate the same, the Company has constantly endeavored to broaden the charter of risk management to include opportunities as well as threats. It uses an integrated risk management approach, based on a number of techniques to cover the full range of risks in the framework. Today, risk assessment and mitigation is an important part of decision making and management at all levels of the Company.

Opportunities and Threats

Each of the Company's businesses has its own opprtunities which are addressed in the respective business sections. The threats faced by the Company include cometitive risks and technology obsolesence risks. The Company's risk management process addresses the same.

Internal Control Systems and its adequacy

The Company has adopted benchmarked practices for internal controls followed worldwide, based on its extensive global operational experience. It has also implemented one of the leading ERP solutions in its global operations, to integrate various facets of business operations including Human Resource, Finance, Logistics and Sales. This has enabled the Company to control and monitor its worldwide operations online and strengthened the ability of internal controls to function most optimally.

Disclaimer

Investors are cautioned that this discussion contains forwards looking statements that involve risks and uncertainties. When used in this discussion, words like 'anticipate', 'believe', 'estimate', 'intend', 'will', and 'expect' and other similar expressions as they relate the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Readers are cautioned as not to place undue reliance on the forward-looking statements as they speak only as of their dates. The MD&A should be read in conjunction with the Company's financial statements included herein and the notes thereto. Information provided in this MD&A pertains to NIIT Limited and its subsidiaries on a consolidated basis, unless otherwise stated.

Your Company believes that strong companies are built on the foundation of good governance practices. Corporate Governance encompasses the effective management of relationships among constituents of the ecosystem - shareholders, management, staff members, customers, vendors, governments, regulatory authorities and community at large. These relationships can be strengthened through corporate fairness, transparency, empowerment and compliance with the law in letter and spirit. It takes proactive approach and revisits its governance practices from time to time so as to meet business and regulatory needs.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's philosophy on Corporate Governance is aimed at achieving the balance between stakeholders' interests and corporate goals through the efficient conduct of its business and meeting their obligation in a manner that is guided by transparency, accountability and integrity. It has always been believed that an independent Board following international practices, transparent disclosures and empowerment of stakeholders are as necessary as solid financial results for creating and sustaining shareholder value. Your Company is conscious of its responsibility as a good corporate citizen and is committed to a high standard of Corporate Governance practices.

At NIIT Limited, value creation is a philosophy that is ubiquitous across the organisation. Stakeholders are the focus of Company's growth strategy. The Company has ensured stability and growth in a dynamic environment and in competitive times. This has been the Company's commitment since inception. The fabric of Corporate Governance in the Company is woven with transparency, independence and commitment for creating wealth for its Shareholders.

BOARD OF DIRECTORS

Composition

Your Company is managed and guided by a professional Board comprising seven Directors of which four are Independent Directors, constituting more than half of the Board's total strength. Your Company's Board comprises of eminent persons with considerable professional expertise and experience. The Independent Directors of the Company meet all the criteria mandated by Clause 49 of the Listing Agreement. The Board's role, functions, responsibilities and accountability are clearly defined. In addition to its primary role of monitoring corporate performance, the functions of the Board include:

- Articulating the corporate philosophy and mission;
- Formulating strategic plans;
- Reviewing and approving financial plans and budgets;
- Monitoring corporate performance against strategic plans including overseeing operations;
- Ensuring ethical behaviour and compliance with laws and regulations;
- Reviewing and approving borrowing/lending/ investment limits/exposure limits, etc.;
- Keeping Shareholders informed about plans, strategies and performance.

The composition of the Board of Directors is in conformity with the stipulation laid down in the code of Corporate Governance recommended by the Securities and Exchange Board of India (SEBI) through clause 49 of the Listing Agreement of the Stock Exchanges.

Director's attendance and other directorship & membership/chairmanship.

The names and categories of the Directors on the Board, along with their attendance at Board Meetings held during the year and at last Annual General Meeting and the number of other directorship and chairmanship/ membership of Committees of each Director in various companies are given below:

Sr. No.	Name of Directors	Category	No. of Directorships in other Indian Companies*	No. of Membership (Chairmanship) in Board Committees**	No. of Board Meetings		Whether attended last AGM
					Held	Attended	
1	Mr. Rajendra S. Pawar (Chairman & Managing Director)	Promoter	11	5	7	7	Yes
2	Mr. Vijay K. Thadani (Chief Executive Officer & Whole-time Director)	Promoter	9	3 (1)	7	7	Yes
3	Mr. P. Rajendran (Chief Operating Officer & Whole-time Director)	Executive	8	2 (2)	7	7	Yes
4	Mr. Subroto Bhattacharya (Director)	Independent, Non Executive	6	7 (3)	7	6	Yes
5	Mr. Surendra Singh (Director)	Independent, Non Executive	6	6 (2)	7	7	Yes
6	Mr. Shardul S. Shroff (Director)	Independent, Non Executive	6	4	7	4	No

7	Mr. Sanjay Khosla*** (Director)	Independent, Non Executive	-	-	7	2	No

* Other directorships do not include private companies, Section 25 companies and companies incorporated outside India.

** Includes only Audit Committee and Shareholders'/Investors' Grievance Committee of Public Limited Companies.

*** Mr. Sanjay Khosla, being resident of USA, had participated in the meetings through tele-conference, wherever he could not attend in person.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956.

A brief profile and role of each of the Directors is given below:

Mr. Rajendra S. Pawar

Designation: Chairman and Managing Director

Profile: Mr. Pawar is the Chairman and co-founder of NIIT Limited.

A distinguished alumnus of the premier IIT Delhi, he is known for promoting industry-academia alliances and has been working closely with the country's well-known educational institutions. He is an established thought leader in the industry. He has served on the Prime Minister's National Task force, which aims at making India an IT Superpower by 2008. He is also helping the Government of South Africa to develop a growth strategy for its Information in Communication & Technology (ICT) industry. He is actively involved in India's key Chambers of Commerce and has led several ICT industry initiatives, giving voice to the sector's aspirations and goals. He has been a Founder Member of the National Association of Software and Service Companies (NASSCOM). He is currently a member of the International Business Council of the World Economic Forum.

Recognising his pioneering and entrepreneurial work in the education and software sectors, Global Business Intelligence firm, Ernst & Young conferred on Mr. Pawar its prestigious Master Entrepreneur of the Year Award in 1999. His contributions to the IT industry in India have also earned him the IT Man of the Year award instituted by IT industry journal, Dataquest.

He serves on the Board of Governors of Indian Institute of Technology, Delhi, the Indian School of Business and the Scindia School. He also serves on the Board of Management of world's largest distance learning university, Indira Gandhi National Open University (IGNOU). He is also a member of Planning Commission's task force on skill development.

Roles and Responsibilities: Mr. Pawar plays a major role in providing thought leadership and strategic inputs to the Company in addition to supervising the functional heads of Corporate Development, Strategic HR and Corporate Communications.

Mr. Vijay K. Thadani

Designation: Chief Executive Officer and Whole-time Director

Profile: Mr. Thadani, co-founder and Chief Executive Officer of NIIT has built an organisation that is recognised for its innovative efforts of taking computer education to the masses. He has led the Company's globalisation effort since 1991, taking NIIT flag to over 40 countries. He mentored NIIT's Strategic Alliance Programme that resulted in successful acquisitions of leading technology and training companies to fill in critical technology gaps in NIIT's software solutions and corporate solutions offerings and to gain customer access.

Mr. Thadani is deeply involved in strengthening and consolidating NIIT's presence in the Chinese market, where the Company has begun operations in 1998 and now has presence across 25 provinces in China and has a network of over 100 centers in that country. He was honoured with the position of Economic Consultant to Chongquing, one of the world's largest city in the People's Republic of China.

Mr. Thadani has headed many Industry Associations and Societies including the Indian IT industry association, MAIT. He has also chaired the Indian Government's Committee on National Information Infrastructure Policy. He has also served as the Chairman of the IT Committee of CII in the United States and has led delegations to Korea, Japan, Taiwan, China and the United States to promote India's IT capability. He is currently the Chairman of CII National Committee on Education.

A 'distinguished alumnus' of the premier IIT Delhi, Mr. Thadani has lectured at prestigious institutions including the University of Michigan Business School, the J L Kellogg Graduate School of Management and the Indian Institutes of Management (IIMs).

Roles and Responsibilities: Mr. Thadani's responsibilities include leading NIIT's Strategic Alliance initiative, the Technology partnership initiative and leveraging growth opportunities in addition to overseeing the Finance, Legal and Secretarial and Investor Relations functions. He oversees NIIT's Global Learning Business and as Chairman of NIIT Institute of Finance Banking and Insurance Training Limited and Evolv Services Limited, he oversees the operations of these companies.

Mr. P. Rajendran

Designation: Chief Operating Officer and Whole-time Director

Profile: Mr. Rajendran joined the Company at the time of its inception in 1982 and has been a part of the core team, which has developed the organisation and brought it to its present position of international standing.

An alumnus of the premier IIT Delhi, Mr. Rajendran now leads NIIT's staff services functions. A people's person and a believer in leveraging Information Technology for HR competitiveness, he has helped NIIT emerge as one of the most preferred employers in the Indian IT Industry. The Company received the 1998 National HRD Award for the best HR practices, the World HRD Congress 2000 Award for Innovative HR practices and the Delhi Management Association–Watson Wyatt Award 2004 for Excellence in Innovative HR Practice.

Mr. Rajendran has also been actively associated with Indian industry associations like CII, Manufacturers' Association of Information Technology, NASSCOM and professional bodies like Institute of Electrical and Electronics Engineers, USA. He takes keen interest in the area of deployment of ICT for human development and creation of jobs in the future. He has chaired the HRM sub-committee and IT sub-committee of CII's Northern Regional Council.

Roles and Responsibilities: Mr. Rajendran assists the CEO in the management of operations of the Company. In addition, he leads the corporate teams engaged in Human Resources, Commercial Services, Information Resources and Legal Services.

Mr. Subroto Bhattacharya

Designation: Non-Executive Independent Director

Profile: Mr. Subroto Bhattacharya, a Chartered Accountant with over 31 years of experience, specialises in finance and management consultancy. He has been part of the core team in several reputed organisations. He was invited to NIIT's Board as an Independent Director in 1998.

Roles and Responsibilities: Mr. Bhattacharya advises NIIT on financial and management issues and is the Chairman of the Audit Committee.

Mr. Surendra Singh

Designation: Non-Executive Independent Director

Profile: Mr. Surendra Singh has served in the Central and State Governments as an IAS Officer. Starting his Public Service in 1959, Mr. Singh has held positions like Special Secretary to the Prime Minister of India, responsible for all the economic work in the PM's Office, Cabinet Secretary to the Government of India, Secretary to the Council of Ministers and Secretary, Ministry of Industry. He was an Executive Director on the board of the World Bank, representing India, Bangladesh, Sri Lanka and Bhutan. He was Director on the Boards of the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). Mr. Surendra Singh was invited to NIIT's Board as an Independent Director in 2001.

Roles and Responsibilities: Mr. Singh advises NIIT on Internal Controls, Audit Systems, Compensation Structure and Investor Relations. He chairs the Shareholders'/ Investors' Grievance Committee of Board of Directors.

Mr. Shardul S. Shroff

Designation: Non-Executive Independent Director

Profile: Mr. Shardul S. Shroff has been a practicing lawyer with Amarchand & Mangaldas & Suresh A. Shroff & Co. since 1980. Amarchand Mangaldas, founded in 1917, is one of the leading Law Firm in India. Mr. Shroff, as one of the Managing Partners, has catalyzed several practice areas of the Firm out of its New Delhi office. His specialisations include mergers and acquisitions, capital markets, disinvestments and privatisation of government shares, project finance, infrastructure specially airport privatisations, aviation, oil & gas, power, telecom, ports, roads, corporate finance, structured finance insolvency and corporate reconstruction. He has been instrumental in developing the media law, policy and regulatory practice, and technology law practice of the Firm and has served on a number of several high-powered committees appointed by the Government of India, including on various economic legislations. Mr. Shroff was invited to NIIT's Board as an Independent Director in 2001.

Roles and Responsibilities: Mr. Shroff advises NIIT on issues relating to Corporate Governance, SEBI regulations and other Legal and Statutory Compliances. He is the Chairman of the Compensation/ Remuneration Committee of the Board of Directors.

Mr. Sanjay Khosla

Designation: Non-Executive Independent Director

Profile: Mr. Sanjay Khosla joined Kraft Foods, Inc., in January 2007, as President International, responsible for the company's over US $15 billion business outside of North America. Before joining Kraft Foods, he was the Managing Director of Fonterra Brands, the consumer arm of Fonterra Co-operative Group Limited, New Zealand's largest multi-national company and one of the world's biggest dairy companies. As Managing Director of Fonterra Brands, Mr. Khosla managed a business that spans more than 40 countries and has annual revenues of approximately US$3 billion. Prior to this, Mr. Khosla was Senior Vice President, Global Beverages, Unilever and Chairman of that company's Global Board for the beverages category. During his 27 year career with Unilever, Mr. Khosla held senior positions in India, Europe and the United Kingdom.

Mr. Khosla is an alumnus of the premier IIT, Delhi, and has completed an Advanced Management Programme from Harvard University. Mr. Khosla was invited to NIIT's Board as an Independent Director in 2002.

Roles and Responsibilities: Mr. Khosla advises NIIT on brand building, marketing strategy, remuneration policies and other matters. He is a member of Compensation/ Remuneration Committee.

Board Meetings

The Board of Directors met 7 (Seven) times during the financial year 2007-2008 on the following dates:

Sr. No.	Date of Meetings	Sr. No.	Date of Meetings
1	June 5, 2007	5	December 3, 2007
2	June 18, 2007	6	January 21, 2008
3	July 30, 2007	7	March 17, 2008
4	October 25, 2007		

The Company holds at least four Board meetings in a year, one in each quarter to review the financial results. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address the specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation. The gap between two Board meetings never exceeds four months. All Directors on the Board are free to suggest any item for inclusion in the agenda for the consideration of the Board.

The necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement have been placed before the Board for their consideration. The Board and Committees have, inter-alia, addressed the following key items :

- Three years perspective plan & vision of the Company for global eminence;
- Annual business plan;
- Investments and/or loans made by the Company;
- Formation of subsidiary companies (including overseas companies);
- Review of operations (including subsidiary companies);
- Strategic acquisitions of companies and critical assets;
- Strategic decisions relating to new ventures;
- Statutory matters;
- Review of compensation to Directors;
- New alliances;
- Review of minutes of Committee meetings;
- Review of foreign exchange exposures;
- Review of Board Meetings minutes of the subsidiary companies
- Review of annual budgets, capital budgets and updates;
- Review and adoption of accounts and quarterly and annual financial results.

The Company has laid down procedures to inform the Board Members about the risk assessment and mitigation procedures.

BOARD COMMITTEES

In accordance with Clause 49 of the Listing Agreement with Stock Exchanges, the following Committees are in operation:

- Audit Committee
- Compensation/Remuneration Committee
- Shareholders'/Investors' Grievance Committee

Audit Committee

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee was constituted. All the members of the Committee are Non-Executive Independent Directors and every member has rich experience in the financial sector. The Company Secretary acts as Secretary to the Committee. Statutory Auditors, Internal Auditors and Senior Management Personnel of the Company also attend the meetings by invitation. The recommendations of the Audit Committee are accepted and implemented by the Board. The Audit Committee comprises of :

Chairman: Mr. Subroto Bhattacharya

Members: Mr. Shardul S. Shroff and Mr. Surendra Singh

Functions and Terms of Reference

The terms of reference of Audit Committee are as per Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956 and includes such other functions as may be assigned to it by the Board from time to time. The main functions of the Audit Committee, inter-alia, include:

- Supervision of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Management Discussion and Analysis of financial condition and results of operations;
- Recommending the appointment and termination of Statutory Auditors, fixation of audit fee and approval of payment for any other services;
- Reviewing the annual financial statements with the CFO and the Management before submission to the Board for approval, with particular reference to:
  - ➢ Matters required to be included in the Directors' Responsibility Statement forming part of the Directors' Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
  - ➢ Changes, if any, in accounting policies and practices and rationale for the same;
  - ➢ Significant changes, if any, in the financial statements arising out of audit findings;
  - ➢ Compliance with listing and other legal requirements relating to financial statements;
  - ➢ Disclosure of any related party transactions; and
  - ➢ Qualifications in the draft audit report, if any.
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the Management, Statutory and Internal Auditors, the adequacy of internal control systems.
- Reviewing the internal audit function, including the structure of the Internal Audit Organization, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussions with Internal Auditors, on any significant findings and follow up thereon.
- Reviewing the findings of any Internal Audit Report by the Internal Auditors into matters concerning fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with Statutory Auditors, before the audit commences, about the nature and scope of the audit as well as having post-audit discussions to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To look into substantial defaults, if any, in the payment to the Shareholders (in case of non-payment of declared dividends) and creditors.

The particulars of the meetings attended by the members of the Audit Committee and the dates of the meetings held during the financial year 2007- 2008 are given below:

Name of Members	No. of Meetings		Date of Meetings
	Held	Attended	
Mr. Subroto Bhattacharya	6	6	May 16, 2007 June 5, 2007 July 30, 2007 October 25, 2007 January 21, 2008 March 17, 2008
Mr. Surendra Singh	6	6	
Mr. Shardul S. Shroff	6	3	

Compensation/Remuneration Committee

The Compensation/Remuneration Committee of the Company is constituted to evaluate remuneration and benefits for the Executive Directors and to frame policies and systems for Employees Stock Option Plans.

The remuneration policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis.

The Compensation/Remuneration Committee has been constituted by the Board and it comprises following Non-executive Independent Directors :

Chairman: Mr. Shardul S. Shroff

Members: Mr. Surendra Singh, Mr. Sanjay Khosla and Mr. Subroto Bhattacharya

Functions & Terms of Reference

The broad terms of reference of the Compensation/ Remuneration Committee of the Company are as follows:

- To institute and guide global employees compensation and benefit policies;
- Appraisal of the performance of the Executive Directors;
- To determine and recommend to the Board, compensation payable to Executive Directors;
- To formulate and administer the Company's Employees Stock Option Plans from time to time.

The particulars of the meetings attended by the members of the Compensation/Remuneration Committee and the dates of the meetings held during the financial year 2007-08 are given below:

Name of Members	No. of Meetings		Date of Meetings
	Held	Attended	
Mr. Shardul S. Shroff	2	1	June 5, 2007, September 3, 2007
Mr. Surendra Singh	2	2	
Mr. Subroto Bhattacharya	2	2	
Mr. Sanjay Khosla*	2	-	

* Mr. Sanjay Khosla had participated in the meetings through tele-conference.

Remuneration Policy

The Compensation/Remuneration Committee has the powers to determine and recommend to the Board the amount of remuneration, including performance-linked bonus and perquisites, payable to the Managing Director and Whole-time Directors. The recommendations of the Committee are based on the evaluation of the performance of Managing Director and Whole-time Directors on certain parameters, as laid down by the Board as part of the self-evaluation process and Company's Rules/Policies. In terms of the guidelines, the Company ensures that the remuneration by way of salary and other allowances and monetary value of perquisites should be within the overall limit as specified under the Companies Act, 1956 and approved by the Shareholders.

Details of Remuneration paid/payable to Managing Director and Whole-time Directors for the financial year 2007-08, are given below:

(Amount in Rs.)

Name of Directors	Mr. Rajendra S. Pawar	Mr. Vijay K. Thadani	Mr. P. Rajendran
Salary	4,812,097	4,812,097	3,679,839
Perquisites and allowance	4,674,282	4,609,786	3,263,681
Contribution to Provident Fund, Superannuation Fund or Annuity Fund	2,927,249	3,049,125	2,268,666
Performance- Linked Bonus	-	5,000,000	-
Total	**12,413,628**	**17,471,008**	**9,212,186**
Stock Options under ESOP-2005 *	Nil	Nil	60,000

* During the year 8,000 Stock Options (60,000 Options post split and bonus issue) were granted to Mr. P Rajendran. The Options were granted at the market price on the date of grant i.e. @ Rs. 912.15 (Post split and bonus Rs. 121.62)

Notes :

1. Service contracts of the Executive Directors: Until cessation in service
2. Notice period of the Executive Directors: Six months unless otherwise agreed by the Board
3. Severance fee payable to the Executive Directors: None unless otherwise agreed by the Board

Remuneration to Independent Non-Executive Directors

None of the Independent Non-Executive Directors has any pecuniary relationship or transactions with the Company, its Promoters, and its Directors, its Senior Management, its subsidiary companies and associate companies, except for the following:

1. Remuneration paid to Non-Executive Directors is by way of commission (based on the net profits of the Company and within the limits approved by the Shareholders) and sitting fees (for attending the meetings of the Board/Committees).
2. During the year under review, the Company sought legal and professional advices on need basis from M/s Amarchand & Mangaldas & Suresh A Shroff & Co., a law firm in which Mr. Shardul S. Shroff is a partner, for which a payment of Rs.3,145,347 net of TDS was made. The transaction is not a material transaction and therefore, does not affect the independence of the Director.

Details of Remuneration paid/payable to Non-Executive Independent Directors for the financial year 2007-2008 and other details, are given below:

(Amount in Rs.)

Name of Director	Mr. Subroto Bhattacharya	Mr. Surendra Singh	Mr. Shardul S. Shroff	Mr. Sanjay Khosla
Commission	500,000	500,000	500,000	500,000
Sitting Fees	360,000	460,000	160,000	40,000
No. of shares held in the Company	56,250	56,250	56,250	56,250

Criteria for making payment to Non-Executive Directors

The Independent Directors play an important role in the Governance of the Company and in advising the Board in critical domains like finance, marketing, remuneration, planning and legal matters. A remuneration in the form of annual commission is paid to all independent Directors. In addition, based on their contribution of time for Board meetings and Committee meetings, a sitting fee is also paid. Further, based on the performance of the Company, they become eligible for getting stock options of the Company from time to time.

Disclosures regarding re-appointment of Directors

The resumes of the Directors who are retiring by rotation and being eligible, proposed to be re-appointed are provided in the Notice to the Annual General Meeting.

Employees Stock Option Plans

The remuneration policy is directed towards rewarding performance of the employees of the Company. It is aimed at attracting and retaining high caliber talent. The stock option plan, inter-alia, authorizes the Company to grant options which are linked to performance and achievement of the Company's objectives.

Details of options granted under NIIT Employee Stock Option Scheme

The detail of the options granted under 'NIIT Employee Stock Option Scheme, 2005 (ESOP-2005) is provided in the Directors' Report.

Shareholders'/Investors' Grievances Committee

The Shareholders'/Investors' Grievances Committee was constituted to ensure that all commitment to Shareholders and Investors are met and thus strengthen their relationship with the Company.

The composition of the Shareholders'/Investors' Grievances Committee is as below:

Chairman: Mr. Surendra Singh

Members: Mr. Vijay K. Thadani and Mr. P. Rajendran

Functions and Terms of reference

The functioning and broad terms of reference of the Shareholders'/Investors' Grievances Committee of the Company are as under:

- To review the redressal of complaints received from Shareholders and Investors.
- To review the important circulars issued by SEBI/ stock exchanges.
- To review changes in the shareholding patterns.
- To take note of the compliance of Corporate Governance during the quarter/year.

The particulars of the meetings attended by the members of the Shareholders'/Investors' Grievances Committee and the dates of the meetings held during the financial year 2007-2008 are given below:

Name of Members	No. of Meetings		Date of Meetings
	Held	Attended	
Mr. Surendra Singh	4	4	June 5, 2007 July 30, 2007 October 25, 2007 January 21, 2008
Mr. Vijay K. Thadani	4	4	
Mr. P. Rajendran	4	4	

During the financial year 2007-2008, the Company has received 432 request/queries/complaints from various Shareholders/Investors relating to non-receipt of dividend/ change of bank account details /bonus shares/Annual Report/ transfer of shares/ dematerialisation, etc. The same were addressed and resolved to the satisfaction of the Shareholders/ Investors. The break-up of the letters received from the Shareholders/Investors are provided else where in this Report. As on March 31, 2008, no request/query/ complaint was pending for redressal.

Other Committees constituted by the Board

Apart from above committees, the Board has constituted the following committees of the Directors for efficient and quick decision-making on the affairs of the Company:

a) The Operations Committee which approves the opening/closing of bank accounts, modification in operation of bank accounts, grant of power of attorney/authorisation, etc.
b) The Share Allotment Committee, which approves allotment, split, consolidation, rematerialisation and issue of new and duplicate shares.
c) The Share Transfer Committee, which approves the transfer of shares lodged with the Company/ Registrar.
d) Other specific committees for specified/special purposes like Strategic Investments Committee for strategic investments, etc.

CODE OF CONDUCT

NIIT's Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on the Company's website www.niit.com. All Board

Members and Senior Management Personnel have affirmed compliance with the Code of Conduct during the financial year 2007-2008. A declaration signed by the Chief Executive Officer (CEO) to this effect is annexed to this report.

CEO AND CFO CERTIFICATION

In terms of Clause 49 (V) of the Listing Agreement, Certificate issued by Chief Executive Officer and Chief Financial Officer, confirming that the financial statements present the true and fair view of the Company's affairs and are in compliance with existing accounting standards, internal control and disclosures, is annexed to this report.

SUBSIDIARY COMPANIES

Clause 49 of the Listing Agreement defines a "material non-listed subsidiary" as an unlisted subsidiary company, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20 percent of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiary companies in the immediately preceding accounting year. Under this definition, the Company does not have a 'material non-listed Indian subsidiary company'.

GENERAL MEETINGS

Location, date and time of the General Meetings held during the preceding three years and the Special Resolutions passed thereat are as follows:

Sr. No.	Place	Date & Time	Special Resolutions
Annual General Meetings			
1	FICCI Auditorium Tansen Marg, New Delhi-110001	July 25, 2007 11.00 A.M.	• Alteration to the Articles of Association of the Company. • Issue of Bonus Shares. • Enhancement in the Investment ceiling for Foreign Institutional Investors. • Revision of Remuneration payable to Mr. Rajendra S. Pawar, Chairman & Managing Director. • Revision of Remuneration payable to Mr. Vijay K. Thadani, Whole -Time Director. • Revision of Remuneration payable to Mr. P. Rajendran, Whole -Time Director.
2	FICCI Auditorium Tansen Marg, New Delhi-110001	August 17, 2006 11.00 A.M.	• Minimum remuneration payable to Mr. Rajendra S Pawar, Managing Director. • Minimum remuneration payable to Mr. Vijay K Thadani, Whole-time Director. • Payment of Commission to Non Executive Directors of the Company.
3	FICCI Auditorium Tansen Marg, New Delhi-110 001	July 22, 2005 11.30 A.M.	• Grant of a corpus of Rs. 50 million for setting up of a University u/s 293(1) (e) of the Companies Act, 1956. • Revision of Remuneration payable to Mr. Rajendra S. Pawar, Chairman & Managing Director. • Revision of Remuneration payable to Mr. Vijay K. Thadani, Whole -Time Director. • Revision of Remuneration payable to Mr. P. Rajendran, Whole -Time Director.
Extra-ordinary General Meeting			
1	FICCI Auditorium Tansen Marg, New Delhi-110 001	February 24, 2005 10.00 A.M.	• Issue of Foreign Currency Convertible Bonds.

Postal Ballot

During the preceding financial year, no resolution was passed through postal ballot and presently no resolution has been proposed to be passed through postal ballot.

DISCLOSURES

a. **Related Party Transactions**

There is no Related Party Transaction that may have potential conflict with the interest of the Company at large. The Company's major Related Party Transactions are generally with its subsidiary and associate companies. The Related Party Transactions are entered into based on the considerations of various business exigencies and Company's long term strategy. All the Transactions entered during the financial year 2007-08 with Related Parties were on arm length basis and the same are reported under Notes of the Financial Statements.

All transactions covered under Related Party Transactions are regularly/periodically ratified and/or approved by the Board/Audit Committee. For details please refer Note 20 of Schedule 20 of the Accounts of the Company.

b. **Compliance**

The Company has complied with the requirements of the Stock Exchanges/SEBI and Statutory Authority(ies) on all matters related to the capital market during the last three years. There are no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority(ies) relating to the above.

c. **Risk Management**

The Company has laid down procedures to inform the Board Members about the risk assessment and minimisation procedures. The online risk management system is introduced through which all the designated officials submit quarterly reports which is reviewed periodically to ensure effective risk management.

d. **Proceeds from the public issue/right issue/ preferential issues etc.**
There was no fresh public issue/right issue/ preferential issues etc. during the financial year 2007-2008.

e. **Remuneration of Directors**
The Company has defined its criteria of making payment of remuneration to its Non-Executive Directors. The details are stated else where in the report.

f. **Management discussion and Analysis**
There is a separate part on Management Discussion and Analysis in the Annual Report.

COMPLIANCE OF THE REQUIREMENT OF CLAUSE 49 OF THE LISTING AGREEMENT

A. **Mandatory Requirements**
The Company has complied with all the applicable mandatory requirements of Clause 49 of the Listing Agreement.

B. **Non-mandatory Requirements**
The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement:

a) **Remuneration to the Whole-time Directors and Non Executive Directors :** The Company has defined its criteria of making payment of remuneration to its Executive and Non-Executive Directors.

b) **Shareholders' Rights :** The Company sends financial statements along with Directors' report and Auditors' report to all the Shareholders every year.

c) **Training of Board Members :** Board Members participate in relevant conferences and industry forums as part of their training.

d) **Mechanism for evaluating Non-Executive Board Members :** The key parameters are contributions to the strategy for growth of the Company, setting directions for improvement in governance and participating in the relevant meetings on a regular basis.

e) **Whistle Blower Policy :** The culture of openness with easy access to the Senior Management provides an environment for easy and free exchange of ideas and issues faced by people in the Company. A formal whistle blower policy is not in place. Employees may report to the Management concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

C. **Code for prevention of Insider -Trading Practices**
In compliance with the SEBI's regulations on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for its management and staff. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of NIIT Limited and cautioning them of the consequences of violations.

D. **Accounting Treatment in preparation of financial statements**
The Company has followed the Accounting Standards as notified under Section 211(3C) of the Companies Act, 1956 in preparation of financial statements and there has been no deviation from the prescribed Accounting Standards.

E. **Statutory Compliance**
The Company has a system in place whereby all Business Heads/ Unit In-charges gives a Compliance Certificate to the Board of Directors through the Compliance Officer of the Company relating to compliance of laws, rules, regulations and guidelines applicable to their areas of operation. The Company takes appropriate steps after consulting internally and if necessary, from independent legal counsels that the business operations are not in contravention of any laws. The Company takes all measures to register and protect Intellectual Property Rights including trade name/ service/trade marks/patents, etc belonging to the Company

MEANS OF COMMUNICATION

a. The quarterly/half yearly/annual results during the year were published in the leading national English and Hindi Newspapers and displayed on the website of the Company www.niit.com. Official news releases, financial results, consolidated news releases, financial results, consolidated financial highlights and presentations are also displayed at the Company's website.

b. The Company had quarterly Investors tele-conferences and press conferences on June 5, 2007, July 30, 2007, October 25, 2007 and January 21, 2008 for the Investors of the Company immediately after the declaration of quarterly/ annual results.

c. The management perspective, business review and financial highlights are part of the Annual Report.

d. The quarterly distribution of shareholding is also displayed on the Company's website.

e. Annual Reports, Quarterly Results, Shareholding Pattern, etc of the Company were also posted on the SEBI's EDIFAR website www.sebiedifar.nic.in from time to time.

SHAREHOLDERS' INFORMATION

a. **Company Registration Details**

The Company is registered in the National Capital Territory of Delhi. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74899DL1981PLC015865.

b. **Annual General Meeting**

Date : Monday, July 28, 2008

Time : 11.00 A.M.

Venue : FICCI Auditorium, 1 Tansen Marg, New Delhi –110 001

Book Closure Dates: July 22, 2008 to July 28, 2008 (both days inclusive)

c. **Financial Year :** April 1 to March 31

Financial Calendar (tentative and subject to change):

Financial reporting for the first quarter ending June 30, 2008	By last week of July 2008
Financial reporting for the second quarter ending September 30, 2008	By last week of October 2008
Financial reporting for the third quarter ending December 31, 2008	By last week of January 2009
Financial reporting for the year ending March 31, 2009	By last week of June 2009
Annual General Meeting for the year ending March 31, 2009	By last week of July 2009

d. **Dividend**

In view of our confidence in the future, the Board of Directors have recommended a dividend of Rs. 1.30 per equity share of Rs. 2 each, subject to approval of the Shareholders' at the ensuing Annual General Meeting. The dividend shall be paid to the Shareholders within 30 days from the date of approval at the Annual General Meeting and as per the provisions of the Companies Act, 1956.

e. **Unclaimed/Unpaid Dividend**

All unclaimed/unpaid dividend due for the financial year ended upto September 30, 2000 have been transferred to the Investor Education and Protection Fund of the Central Government pursuant to Section 205A of the Companies Act, 1956. The Shareholders are requested to apply for revalidation/issue of demand drafts for the dividend for the financial year 2000-2001 on or before February 16, 2009, after which any unpaid dividend amount for the year 2000-2001 will be transferred by the Company to Investors Education and Protection Fund (IEPF) and no claim shall lie against the Company or IEPF after the said transfer.

f. **Nomination Facility**

The Companies (Amendment) Act, 1999, has provided for a nomination facility to the Shareholders of the Company. The Company is pleased to offer the facility of nomination to Shareholders and Shareholders may avail this facility by sending the duly completed Form 2B to the Registered Office of the Company/ Registrar of the Company in case the shareholding is in physical form. In case of demat holdings the request is to be submitted to the Depository Participant.

g. **Listing of Shares**

The shares of the Company are listed at the National Stock Exchange of India Limited (NSE), Mumbai, Bombay Stock Exchange Limited (BSE), Mumbai and the Calcutta Stock Exchange Association Limited (CSE), Kolkata. An application for delisting from the Calcutta Stock Exchange has been filed and approval is awaited. The listing fees for the year 2008-09 have been paid to the Stock Exchanges.

h. **Stock Code**

Trading symbol on the NSE : NIITLTD

Trading symbol on the BSE : 500304

ISIN No. at NSDL/CDSL : INE 161A01038

i. **Details of last three Annual General Meetings and Book Closure dates:**

Annual General Meeting	Date when held	Book Closure (both days inclusive)
24th AGM	Wednesday, July 25, 2007	Thursday, July 19, 2007 to Wednesday, July 25, 2007
23rd AGM	Thursday, August 17, 2006	Friday, August 11, 2006 to Thursday, August 17, 2006
22nd AGM	Friday, July 22, 2005	Tuesday, July 19, 2005 to Friday, July 22, 2005

j. **Compliance Certificate of the Auditors**

Certificate obtained from the Statutory Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement, is annexed to this Report.

k. **Stock Market Data**

The monthly high and low share prices and market capitalisation of Equity Shares of the Company traded on BSE and NSE from April 1, 2007 to March 31, 2008 and the comparison of share prices of the Company vis-à-vis the Sensex and Nifty Indices are given below:

Share price movement during the year April 1, 2007 to March 31, 2008

Month	Bombay Stock Exchange				National Stock Exchange			
	Sensex	High (Rs.)	Low (Rs.)	M Cap* (Rs. in millions)	NIFTY	High (Rs.)	Low (Rs.)	M Cap* (Rs. in millions)
Apr-07	13,872	780	670	14,678	4,088	777	644	14,737
May-07	14,544	1000	740	17,108	4,296	998	732	17,088
Jun-07	14,651	1050	860	22,009	4,318	1049	826	22,053
Jul-07	15,551	1265	1001	23,660	4,529	1270	1000	23,660
Aug-07**	15,319	1084	124	20,576	4,464	1102	124	20,576
Sep-07	17,291	172	126	26,502	5,021	173	126	26,502
Oct-07	19,838	162	112	19,918	5,901	163	110	19,918
Nov-07	19,363	150	111	23,704	5,762	149	111	23,704
Dec-07	20,287	162	133	25,849	6,139	162	132	25,849
Jan-08	17,649	159	85	20,416	5,137	159	80	20,251
Feb-08	17,579	128	101	20,416	5,224	132	101	20,416
Mar-08	15,644	121	91	16,141	4,735	121	91	16,306

* Market capitalization at closing price of the month.

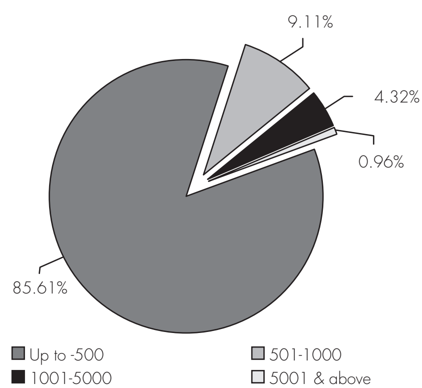
** Price from mid August is post split and ex-bonus.

Source : BSE & NSE websites

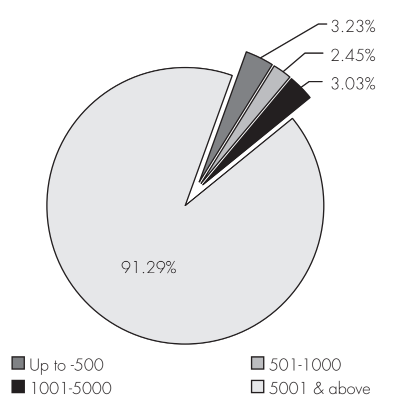
Shareholding Distribution as on March 31, 2008

Range (No. of Shares)	No. of Shareholders	% to Total Shareholders	Total No. of Shares	% to Total Shares
Up to - 500	49,722	85.61	5,322,511	3.23
501 - 1000	5,293	9.11	4,031,233	2.45
1001 - 5000	2,512	4.32	4,987,134	3.03
5001 & above	550	0.96	150,361,985	91.29
** TOTAL **	58,077	100.00	164,702,863	100.00

No. of Shareholders



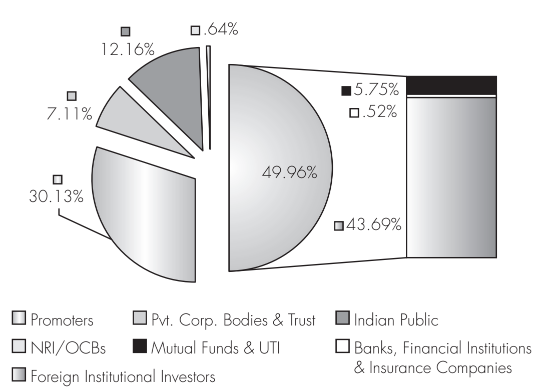
No. of Shares



Shareholding Pattern as on March 31, 2008

Category	No. of shares held (face value of Rs. 2 each)	Percentage of total shareholding
Promoters' Holding		
Indian Promoters	49,628,342	30.13
Foreign Promoters	-	-
Total Promoters' Holding	**49,628,342**	**30.13**
Public Shareholding		
Mutual Funds and UTI	9,462,017	5.75
Banks, Financial Institutions	37,866	0.02
Insurance Companies	827,627	0.50
Foreign Institutional Investors	71,953,308	43.69
Private Corporate Bodies & Trust	11,716,174	7.11
Indian Public	20,019,499	12.16
NRI/OCBs	1,058,030	0.64
Total Public Shareholding	**115,074,521**	**69.87**
Grand Total	**164,702,863**	**100.00**

Shareholding Pattern



l. **Details of requests/queries/complaints received and resolved during the financial year 2007-08**

Nature of query/complaint	Received	Resolved	Unresolved
Change of address	54	54	-
Change of Bank details	24	24	-
Correction in dividend warrant	182	182	-
Legal matters, shares in legal disputes	2	2	-
Non Receipt of Annual Report	9	9	-
Non receipt of Dividend	44	44	-
Non Receipt of Bonus/Split/ Share certificate	16	16	-
Non Receipt of Bonus Fractional share payment	2	2	-
Requests for Annual Report	11	11	-
Requests for Bonus/Split share certificates	36	36	-
Requests for duplicate share certificates	2	2	-
Requests for shareholding details	11	11	-
SEBI/Stock Exchange letters	2	2	-
Share certificates lodged for transfer	26	26	-
Others(non classified in above)	11	11	-
Total	432	432	-

There was no request/query/complaint pending at the beginning of the year. During the financial year, the Company attended most of the Shareholders'/ Investors' requests/queries/complaints within 7 days from the date of receipt. The exceptions have been for cases constrained by procedural issue/ disputes or legal impediments etc. There is no request/query/complaint pending at the end of the financial year.

m. **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity**

During the year, 1000, 2.5% Foreign Currency Convertible Bonds of US $ 10,000 each, aggregating to US $ 10 million issued to Intel Capital (Cayman) Corporation in the year 2005, were converted into 2,188,000 equity shares of Rs. 10 each at conversion price of Rs. 200 per share.

As on date there are no outstanding warrants / bonds/ other instruments which are convertible into equity shares.

n. **Dematerialisation of Shares and Liquidity**

The Shares of the Company are compulsorily traded in dematerialised form. The Company has arrangements with both the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of its shares for scripless trading. As on March 31, 2008, 99.14 percent of the shares of the Company were held in a dematerialised form.

o. **Liquidity of Shares**

During the year, the Company's shares were included in the Futures & Options (F&O) segment of NSE for trading. The Company's shares were also included in the BSE- 200 Index and BSE-TECk Index and continued to be part of BSE – 500 Index and MIDCAP index of BSE.

p. **Share Transfer System**

The Company has appointed a common Registrar for the physical share transfer and dematerialisation of shares. The shares lodged for physical transfer/ transmission/ transposition are registered normally within a period of fortnight, if the documents are complete in all respects. For this purpose, the Share Transfer Committee meets as often as required. During the period under review, the Committee met 24 times. Adequate care is taken to ensure that no transfers are pending for more than a fortnight. Requests for demat/remat were confirmed mostly within a fortnight. The Company obtains from a Company Secretary in Practice half-yearly certificates of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

q. **Compliance Officer**

Mr. Parveen Jain, Company Secretary and Legal Counsel is the Compliance Officer of the Company.

r. **Designated exclusive email-id :**

The Company has designated an email-id "investors@niit.com" exclusively for Shareholders and Investors servicing.

s. **Registrar for Dematerialisation (Electronic Mode) of Shares and Physical Transfer of Shares**

The Company has appointed a Registrar for dematerialisation and physical transfer of shares whose detail is given below:-

Alankit Assignments Limited
Unit: NIIT Limited
2E/21, Jhandewalan Extension,
New Delhi – 110 055.
Phone Nos. : +91 11 42541234, 23541234
Fax Nos. : +91 11 42541967,
E-mail : rta@alankit.com

t. **Registered Office**

NIIT Limited,
NIIT House, C-125, Okhla Phase - I
New Delhi - 110 020

u. **Address for Correspondence**

The Shareholders may address their communication/ suggestions/ grievances /queries relating to the shares of the Company to :

Investors Services Department
NIIT Limited
NIIT House, C-125, Okhla Phase – I,
New Delhi - 110 020.
Tel Nos. : +91 11 41407000
Fax : +91 11 26817344
e-mail : investors@niit.com

The Corporate Governance Report was adopted by the Board of Directors at their meeting held on June 11, 2008.

CERTIFICATES UNDER CORPORATE GOVERNANCE REPORT

A. Declaration regarding compliance with the Code of Conduct by Board Members and Senior Management personnel pursuant to Clause 49(1)(D)(ii) of the Listing Agreement

This is to certify that as per Clause 49 of the Listing Agreement:

1. The code of conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
2. The code of conduct has been posted on the website of the Company.
3. The Board members and Senior Management Personnel have affirmed compliance with the Company's code of conduct for the year 2007-08.

Place : New Delhi
Dated : June 11, 2008

Vijay K. Thadani
CEO and Whole-time Director

B. Certificate by Chief Executive Officer and Chief Financial Officer on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To,
The Board of Directors,
NIIT Limited
C-125 Okhla Phase-I
New Delhi - 110 020

We hereby certify that for the financial year 2007-08:

1. We have reviewed the financial statements and the cash flow statement and that to the best of our knowledge and belief:
   (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (b These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2007-08 which are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, if any, of which we are aware, in the design or operation of the internal control systems and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
   - significant changes, if any, in internal control over financial reporting during this year;
   - significant changes, if any, in accounting policies during this year 2007-08 and that the same have been disclosed in the notes to the financial statements; and
   - instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi
Dated : June 11, 2008

Vijay K. Thadani
CEO and Whole-time Director

Jitender Mahajan
Chief Financial Officer

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To the Members of NIIT Limited,

We have examined the compliance of conditions of Corporate Governance by NIIT Limited, for the year ended March 31, 2008, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we confirm that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements in all material aspects.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

H. Singh
Partner
Membership No. F-86994
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : New Delhi
Date : June 11, 2008

AUDITORS' REPORT

TO THE MEMBERS OF NIIT LIMITED

1. We have audited the attached Balance Sheet of NIIT Limited, as at March 31, 2008, and the related Profit and Loss Account and 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 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. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we further report that:

(i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of two years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

(iii) (a) The Company has granted unsecured loans, to four subsidiaries covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs. 1,864 Lacs and Rs. 423 Lacs respectively.

In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.

In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.

In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lac.

(b) The Company has taken unsecured loans, from one wholly owned subsidiary covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loan are Rs. 2,410 Lacs and Rs. 2,410 Lacs respectively.

In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.

In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

(v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

(b) In respect of certain transactions of the value of Rs. 10,694 Lacs with subsidiaries and Rs. 901 Lacs with other companies, the management has informed us that the transactions dealt are of a specialised nature and therefore comparable prices are not available. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

(viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.

(ix) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, cess and other material statutory dues as applicable with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess as at March 31, 2008 which have not been deposited on account of a dispute, are as follows –

Name of the statute	Nature of dues	Amount (Rs. Lacs)	Period to which the amount relates	Forum where the dispute is pending
Andhra Pradesh General Sales Tax Act, 1957	Demand for works contract tax	810.81	2001 – 2008	High Court of Andhra Pradesh

(x) The Company has no accumulated losses as at March 31, 2008 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

(xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the Company.

(xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

(xv) During the year, the Company has provided a corporate guarantee of USD 5 million to a bank for loan availed by its subsidiary and Rs. 750 Lacs on behalf of NIITian Welfare Trust which are not considered prejudicial to the interest of the Company.

(xvi) The Company has not obtained any term loans during the year.

(xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

(xix) The Company has not issued any debentures during the year

(xx) The Company has not raised any money by public issues during the year.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

4. Further to our comments in paragraph 3 above, 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 law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

(e) On the basis of written representations received from the directors, as on March 31, 2008 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

(f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;

(ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

H. Singh
Partner
Membership Number F- 86994
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : New Delhi
Date : June 11, 2008

BALANCE SHEET as at 31st March, 2008

	Schedule No./ (Note Reference)		As At 31st March, 2008 (Rs.)		As At 31st March, 2007 (Rs.)
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	`1'	329,411,726		197,558,060	
Employees Stock Option Outstanding	`1A'	4,905,992		5,878,052	
Reserves and Surplus	`2'	3,303,441,569	3,637,759,287	2,890,235,831	3,093,671,943
LOAN FUNDS					
Secured Loans	`3'	572,431,195		734,236,492	
Unsecured Loans	`4'	243,255,626	815,686,821	605,877,554	1,340,114,046
			4,453,446,108		4,433,785,989
APPLICATION OF FUNDS					
FIXED ASSETS	`5'				
Gross Block		2,711,902,474		2,601,895,297	
Less: Depreciation		1,661,438,661		1,471,621,126	
Net Block			1,050,463,813		1,130,274,171
Capital work-in-progress (including Capital Advances)	`20(28)'		157,872,609		27,947,396
INVESTMENTS	`6'		1,784,973,464		1,701,973,282
DEFERRED TAX ASSETS (Net)	`20(32)'		95,467,759		77,261,205
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	`7'	111,223,922		119,763,512	
Sundry Debtors	`8'	1,279,857,349		1,541,852,798	
Cash and Bank Balances	`9'	426,773,986		283,951,704	
Other Current Assets	`10'	139,566,410		63,756,297	
Loans and Advances	`11'	1,038,240,151		836,732,786	
		2,995,661,818		2,846,057,097	
Less: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	`12'	1,307,114,149		1,079,478,307	
Provisions	`13'	323,879,206		270,248,855	
		1,630,993,355		1,349,727,162	
Net Current Assets			1,364,668,463		1,496,329,935
			4,453,446,108		4,433,785,989
NOTES TO ACCOUNTS	`20'				

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.

H. Singh
Partner
Membership No. F-86994
For and on behalf of
Price Waterhouse
Chartered Accountants

Rajendra S Pawar
Chairman and Managing Director

Vijay K Thadani
CEO & Whole-time Director

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : June 11, 2008

PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2008

	Schedule No./ (Note Reference)	Year ended 31st March, 2008 (Rs.)	Year ended 31st March, 2007 (Rs.)
INCOME			
Revenue from Operations	'20 [1(v) and 17]'	4,673,834,984	3,902,695,364
Other Income	'14'	301,291,762	105,394,703
		4,975,126,746	4,008,090,067
EXPENDITURE			
Personnel	'15'	1,250,851,314	1,074,331,049
Development, Production and Execution	'16'	1,410,640,842	1,059,442,000
Administration and Others	'17'	981,864,757	824,346,325
Marketing	'18'	468,385,219	366,902,735
Interest and Finance Charges	'19'	73,919,882	49,764,201
Depreciation and Amortisation	'5'	358,190,976	314,028,915
		4,543,852,990	3,688,815,225
Profit before Tax		431,273,756	319,274,842
Income Tax Expense	'20(32)'		
- Current		118,058,803	32,020,000
- Deferred charge/ (credit)		(15,249,288)	(34,450,500)
- Fringe Benefit Tax		24,558,110	19,265,649
- MAT Credit Entitlement		(23,793,761)	(13,724,220)
Provision for tax relating to earlier years/ (Credit)		-	(13,183,603)
Profit after Tax		327,699,892	329,347,516
Balance brought forward from previous year		2,148,114,898	2,018,573,084
Balance available for appropriation		2,475,814,790	2,347,920,600
APPROPRIATION			
Dividend:			
- Proposed Dividend on Equity Shares		214,142,582	142,630,839
- Corporate Dividend Tax on above	'20(30)'	4,393,647	24,240,111
Transferred to General Reserve		32,769,989	32,934,752
Balance Carried to Balance Sheet		2,224,508,572	2,148,114,898
		2,475,814,790	2,347,920,600
Earnings per share	'20(34)'		
- Basic		2.02	2.26
- Diluted		2.02	2.18

NOTES TO ACCOUNTS '20'

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.

H. Singh
Partner
Membership No. F-86994
For and on behalf of
Price Waterhouse
Chartered Accountants

Rajendra S Pawar
Chairman and Managing Director

Vijay K Thadani
CEO & Whole-time Director

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : June 11, 2008

CASH FLOW STATEMENT for the year ended 31st March, 2008

		Year ended 31st March, 2008 (Rs.)		Year ended 31st March, 2007 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax		431,273,756		319,274,842
Add/ (Less):				
Depreciation and Amortisation	358,190,976		314,028,915	
Provision for doubtful debts	47,707,450		27,500,000	
Provision for doubtful advances	2,677,110		-	
Provision for slow/ non-moving inventory	7,652,025		1,500,000	
Advances written off	1,507,283		-	
Foreign Exchange Adjustments	(19,429,744)		10,964,696	
Interest Expenses	100,073,050		84,290,323	
Interest Income	(42,224,425)		(43,379,199)	
Dividend Income	(188,290,000)		-	
Loss/ (Profit) on Disposal of Fixed Assets (net)	4,495,230		(6,924,899)	
Profit on sale of Investment	(3,500,000)		(7,372,645)	
Liabilities written back	(631,696)		(3,841,135)	
Provision for Gratuity & Leave Encashment (net)	20,848,026		6,293,808	
Employees Stock Option Expenses/ (Credit)	(16,545)	289,058,740	6,607,424	389,667,288
Operating profit before Working Capital changes		720,332,496		708,942,130
Add/ (Less): Increase/ Decrease in Operating Working Capital				
Trade Receivable	218,598,828		(42,731,489)	
Inventories	887,565		(33,035,817)	
Other Current Assets	(92,791,104)		20,823,287	
Loans and Advances	(76,977,388)		(78,088,547)	
Current Liabilities and Provisions	238,254,876	287,972,777	118,637,550	(14,395,016)
Direct Tax - (Paid)/ Refund received (Including TDS)		(148,588,384)		(14,249,632)
Net cash from operating activities (A)		859,716,889		680,297,482
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets (including capital work in progress)		(424,769,549)		(537,812,042)
Proceeds from Sale of fixed assets		8,746,560		28,431,148
Net Decrease/ (Increase) in Short-term Investment		-		56,597,141
Loan given to Subsidiaries		(50,800,000)		(150,083,400)
Loan given to Subsidiaries received back		103,583,400		49,000,000
Loan given to NIITian Welfare Trust received back		-		100,000,000
Loan given to Societies		(83,500,000)		(229,000,000)
Loan given to Societies Received back		46,200,000		22,500,000
Interest Received		59,205,416		30,881,324
Proceeds from disposal of Investments in Associates		3,500,000		9,450,000
Investment in Equity Shares in Subsidiary Companies		(28,000,182)		(301,296,562)
Net cash used in investing activities (B)		(365,834,355)		(921,332,391)

CASH FLOW STATEMENT for the year ended 31st March, 2008 (Contd.)

		Year ended 31st March, 2008 (Rs.)		Year ended 31st March, 2007 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Shares (Including Share Premium)		3,091,632		78,744,660
Vehicle Loans				
- Received during the year	-		8,709,290	
- Repaid during the year	(12,879,386)	(12,879,386)	(13,833,907)	(5,124,617)
Term Loan				
- Repaid during the year		(163,888,890)		(163,888,890)
Loan From Banks - Working Capital		40,061,100		-
Loan From Banks - Cash Credit		(25,098,121)		254,076,548
Interest Paid on Fixed Loan (including finance charges on finance lease arrangement)		(103,162,022)		(83,842,077)
Dividend Paid (Including Dividend Tax)		(167,684,565)		(132,608,248)
Receipt of Loans		126,500,000		162,500,000
Repayment of Loan		(48,000,000)		(105,000,000)
Net cash from Financing Activities (C)		(351,060,252)		4,857,376
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)		142,822,282		(236,177,533)
Cash and Cash Equivalents as at the beginning of the year		283,951,704		520,129,237
Cash and Cash Equivalents as at the end of the year		426,773,986		283,951,704
Cash and Cash Equivalents comprise				
Cash, Cheques & Drafts (in hand) and Remittances in transit		278,184,048		172,695,532
Balance with Scheduled Banks *		148,589,938		111,256,172
*[Fixed Deposits include Rs. 20,111,623/- (Previous year Rs. 19,026,534/-) pledged as margin money]				
Cash and cash equivalents as at the end of the year		426,773,986		283,951,704

Notes :

1 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) of the Companies Act, 1956.

2 The Schedules from 1-20 form an integral part of the Cash Flow Statement.

3 Previous year figures, to the extent feasible, have been regrouped/ recasted wherever necessary to conform to the current year's classification.

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

H. Singh
Partner
Membership No. F-86994
For and on behalf of
Price Waterhouse
Chartered Accountants

Rajendra S Pawar
Chairman and Managing Director

Vijay K Thadani
CEO & Whole-time Director

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : June 11, 2008

SCHEDULES annexed to and forming part of the Balance Sheet as at 31st March, 2008

Schedule No.	As At 31st March, 2008 (Rs.)	As At 31st March, 2007 (Rs.)
1. SHARE CAPITAL		
[Refer Notes 15, 23 and 25 on Schedule 20]		
Authorised		
250,000,000 Equity Shares of Rs. 2/- each (Previous year 50,000,000 Equity Shares of Rs. 10/- each)	500,000,000	500,000,000
2,500,000 Redeemable Preference Shares of Rs. 100/- each	250,000,000	250,000,000
	750,000,000	750,000,000
Issued		
164,708,863 Equity Shares of Rs. 2/- each (Previous year 19,756,406 Equity Shares of Rs. 10/- each)	329,417,726	197,564,060
	329,417,726	197,564,060
Subscribed		
164,702,863 Equity Shares of Rs. 2/- each (Previous year 19,755,206 Equity Shares of Rs. 10/- each)	329,405,726	197,552,060
	329,405,726	197,552,060
Paid-up		
164,702,863 Equity Shares of Rs. 2/- each (Previous year 19,755,206 Equity Shares of Rs. 10/- each)	329,405,726	197,552,060
Add: Forfeited Shares (amount originally paid-up)	6,000	6,000
Note: Issued Share Capital includes 142,176,960 Equity Shares of Rs. 2/- each (Previous year 17,461,494 equity shares of Rs. 10/- each) allotted as fully Paid-up bonus shares by way of capitalisation of General Reserve/ Share Premium Account/ Capital Redemption Reserve in 2007-08, 1998-99, 1994-95, 1992-93 and 1987-88.		
	329,411,726	197,558,060
1A. EMPLOYEES STOCK OPTION OUTSTANDING		
[Refer Notes 1(vii) and 15 on Schedule 20]		
Employees Stock Option Outstanding	4,905,992	5,878,052
	4,905,992	5,878,052

Schedule No.		As At 31st March, 2008 (Rs.)		As At 31st March, 2007 (Rs.)
2. RESERVES AND SURPLUS				
Capital Redemption Reserve [Refer Note 25 on Schedule 20]				
As per Last Balance Sheet	54,598,467		54,598,467	
Less: Utilised for Issue of Bonus Shares	(54,598,467)	-	-	54,598,467
Share Premium [Refer Notes 15, 23 and 25 on Schedule 20]				
As per Last Balance Sheet	141,776,818		44,794,328	
Add: Additions during the year on account of FCCB Conversion	415,720,000		-	
Add: Additions during the year on account of exercise of ESOP's	3,804,188		96,982,490	
Less: Utilised for Issue of Bonus Shares	(55,140,513)	506,160,493	-	141,776,818
General Reserve [Refer Notes 1(vi), 16 and 32 on Schedule 20]				
As per Last Balance Sheet	545,745,648		557,110,238	
Less: Utilised for leave encashment on account of revised AS15 (Net of deferred tax asset amounting to Rs. 228 Lacs)	-		(44,299,342)	
Add: Transfer from Profit & Loss Account	32,769,989	578,515,637	32,934,752	545,745,648
Hedging Reserve Account (Debit balance) [Refer Notes 1(ix) and 10 on Schedule 20] (Net of Deferred Tax Rs. 29.57 Lacs)		(5,743,133)		-
Profit and Loss Account		2,224,508,572		2,148,114,898
		3,303,441,569		2,890,235,831

Schedule No.		As At 31st March, 2008 (Rs.)		As At 31st March, 2007 (Rs.)
3. SECURED LOANS				
[Refer Notes 1(viii) and 6 on Schedule 20]				
Loans from Banks				
- Rupee Term Loans	286,805,553		450,694,443	
- Working Capital Loan in Foreign Currency	40,061,100		-	
- Cash Credit	228,978,427		254,076,548	
- Vehicle Loans	16,586,115	572,431,195	29,465,501	734,236,492
[Amount due within one year Rs. 172,891,448/- (Previous year Rs. 174,625,950/-)]				
		572,431,195		734,236,492
4. UNSECURED LOANS				
[Refer Notes 1(viii), (x), 23 and 35(b) on Schedule 20]				
Long Term Loan from Subsidiaries		241,000,000		162,500,000
2.5% Foreign Currency Convertible Bonds		-		437,900,000
Deferred Lease Obligation		2,255,626		5,477,554
		243,255,626		605,877,554

SCHEDULES annexed to and forming part of the Balance Sheet as at 31st March, 2008 (Contd.)

5. FIXED ASSETS

[Refer Notes 1(i), (ii), (viii), (x), (xi), 28, 29 and 35(b) on Schedule 20]

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	Cost As on 01.04.2007	Additions during the year	Sales/ Adj. during the year	Total as on 31.03.2008	As on 01.04.2007	For the year	Sales/ Adj. during the year	Total as on 31.03.2008	As on 31.03.2008	As on 31.03.2007
Tangible										
Land-Freehold	39,515,082	-	-	39,515,082	-	-	-	-	39,515,082	39,515,082
Buildings	208,891,024	-	-	208,891,024	16,905,674	3,403,533	-	20,309,207	188,581,817	191,985,350
Plant & Machinery										
- Owned	1,205,714,065	157,926,824	128,398,665	1,235,242,224	840,467,426	135,398,945	124,174,047	851,692,324	383,549,900	365,246,639
- Leased	6,762,129	-	361,819	6,400,310	3,993,262	1,706,361	361,797	5,337,826	1,062,484	2,768,867
Lease Hold Improvements	174,394,114	54,024,892	6,827,581	221,591,425	66,406,538	49,160,802	5,831,485	109,735,855	111,855,570	107,987,576
Furniture & Fixtures										
- Owned	136,398,898	18,142,678	22,682,104	131,859,472	86,606,548	16,067,561	22,268,856	80,405,253	51,454,219	49,792,350
- Leased	6,286,574	-	3,795	6,282,779	3,579,539	1,644,491	3,778	5,220,252	1,062,527	2,707,035
Vehicles	59,207,121	301,999	11,458,017	48,051,103	11,699,090	5,093,499	3,850,600	12,941,989	35,109,114	47,508,031
Sub Total (a)	1,837,169,007	230,396,393	169,731,981	1,897,833,419	1,029,658,077	212,475,192	156,490,563	1,085,642,706	812,190,713	807,510,930
Intangible (courseware/products)										
Software										
- Acquired	671,293,789	53,749,066	11,883,250	713,159,605	365,844,627	131,146,992	11,882,878	485,108,741	228,050,864	305,449,162
- Internally generated	88,309,536	-	-	88,309,536	71,757,607	12,969,964	-	84,727,571	3,581,965	16,551,929
Patents	5,122,965	7,476,949	-	12,599,914	4,360,815	1,598,828	-	5,959,643	6,640,271	762,150
Sub Total (b)	764,726,290	61,226,015	11,883,250	814,069,055	441,963,049	145,715,784	11,882,878	575,795,955	238,273,100	322,763,241
Total (a+b)	2,601,895,297	291,622,408	181,615,231	2,711,902,474	1,471,621,126	358,190,976	168,373,441	1,661,438,661	1,050,463,813	1,130,274,171
Previous year	2,006,187,174	720,971,567	125,263,444	2,601,895,297	1,261,349,406	314,028,915	103,757,195	1,471,621,126	1,130,274,171	
						Capital Work-in-Progress (Including Capital Advances)			157,872,609	27,947,396

Notes:

(i) Gross Block of Building includes 10 shares of Rs. 500/- each in the Guru Vidya Co-operative Housing Society Ltd.

(ii) Out of the total land as above, 100 acres of land amounting Rs. 26,086,500/- at Tehsil Behror, District Alwar is allotted for education purpose. This land cannot be transferred without the approval of the allotment authority.

(iii) Addition to building includes borrowing costs of Rs. Nil (Previous year Rs. 7,474,485/-).

SCHEDULES annexed to and forming part of the Balance Sheet as at 31st March, 2008 (Contd.)

Schedule No.		As At 31st March, 2008 (Rs.)		As At 31st March, 2007 (Rs.)
6.INVESTMENTS				
[Refer Notes 1(iii), 19, 21, 24, and 26 on Schedule 20]				
A. LONG TERM, TRADE [UNQUOTED]				
In Subsidiary Companies				
- Equity				
24,162,113 (Previous year 24,162,113) Shares of 1 US $ each fully paid-up in NIIT (USA) Inc., USA	1,083,566,259		1,083,566,259	
Less: Provision for diminution in value of Investment	(398,415,709)	685,150,550	(398,415,709)	685,150,550
500,000 (Previous year 500,000) Equity Shares of 1 US $ or Rp. 2,297 each fully paid-up in PT NIIT Indonesia, Indonesia	17,560,000		17,560,000	
Less: Provision for diminution in the value of investment	(17,560,000)	-	(17,560,000)	-
35,056,000 (Previous year 35,056,000) Equity Shares of 1 US $ each fully paid-up in NIIT Antilles NV, Netherlands Antilles	1,628,688,400		1,628,688,400	
Less: Provision for diminution in value of Investment	(773,531,096)	855,157,304	(773,531,096)	855,157,304
3,949,175 (Previous year 3,949,175) Equity Shares of Re. 1/- each fully paid-up in NIIT Online Learning Limited	3,949,175		3,949,175	
Less: Provision for diminution in value of Investment	(3,949,175)	-	(3,949,175)	-
900,000 (Previous year 900,000) Equity Shares of Rs. 10/- each fully paid-up in Hole-in-the-Wall Education Limited (Formerly known as Minimally Invasive Education Company Limited)		9,000,000		9,000,000
9,910,000 (Previous year 9,910,000) Equity Shares of Rs. 10/- each fully paid-up in Scantech Evaluation Services Limited		99,064,000		99,064,000
5,550,000 (Previous year 50,000) Equity Shares of Rs. 10/- each fully paid-up in NIIT Multimedia Limited		55,500,000		500,000
155,000 (Previous year 155,000) Equity Shares of 1 GBP each fully paid-up in NIIT Limited-UK		13,101,328		13,101,328
4,000,000 (Previous year 4,000,000) Equity Shares of Rs. 10/- each fully paid-up in NIIT Institute of Finance Banking and Insurance Training Limited		40,000,000		40,000,000
503,691 (Previous year Nil) Equity Shares of Rs. 10/- each Fully Paid-up in Evolv Services Limited (Formerly known as "Evolv Management Services Private Limited")		28,000,182		-
- Preference				
5,600,000 (Previous year 5,600,000) Non Convertible Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid-up in Hole-in-the-Wall Education Limited (Formerly known as Minimally Invasive Education Company Limited)		100		100
In Other Companies				
32,111 (Previous year 45,911) Equity Shares of Rs. 10/- each fully paid-up in Mindshaper Technologies Private Limited	9,995,829		14,291,629	
Less: Provision for diminution in the value of investment	(9,995,829)	-	(14,291,629)	-
190,627 (Previous year 190,627) Equity Shares of Rs. 10/- each fully paid-up in Aesthetics Technologies Private Limited	20,000,584		20,000,584	
Less: Provision for diminution in the value of Investment	(20,000,584)	-	(20,000,584)	-
B. LONG TERM, OTHERS [UNQUOTED]				
In Other Companies				
240 Equity Shares of Rs.10/- each fully paid-up in Hinduja HCL Singtel Communication Private Limited	2,400		2,400	
Less: Provision for diminution in the value of investment	(2,400)	-	(2,400)	-
		1,784,973,464		1,701,973,282

Schedule No.		As At 31st March, 2008 (Rs.)		As At 31st March, 2007 (Rs.)
7. INVENTORIES (Finished Goods)				
[Refer Notes 1(iv) and 17 on Schedule 20]				
Education and Training Material*		98,136,738		100,205,431
Software**		13,087,184		19,558,081
		111,223,922		119,763,512

Note:
* Net of provision for non-moving inventories of Rs. 4,500,000/- (Previous year Rs. 1,500,000/-).
** Net of provision for non-moving inventories of Rs. 3,152,025/- (Previous year Nil).

8. SUNDRY DEBTORS				
(Unsecured)				
[Refer Note 33 on Schedule 20]				
Outstanding for over six months				
- Considered Good	467,543,084		634,946,793	
- Considered Doubtful	250,637,787		202,930,337	
Other Debts - Considered Good	812,314,265		906,906,005	
	1,530,495,136		1,744,783,135	
Less: Provision for Doubtful Debts	250,637,787	1,279,857,349	202,930,337	1,541,852,798
		1,279,857,349		1,541,852,798
9. CASH AND BANK BALANCES				
Cash and Cheques in Hand		278,184,048		172,695,532
Balances with Scheduled Banks in:				
- Current Accounts		123,861,648		86,780,235
- Dividend Account		3,989,953		4,769,803
- Fixed Deposit Accounts		20,111,623		19,026,534
[Fixed Deposits include Rs. 20,111,623/- (Previous year Rs. 19,026,534/-) pledged as margin money]				
- Exchange Earners' Foreign Currency Account		626,714		679,600
		426,773,986		283,951,704
10. OTHER CURRENT ASSETS				
(Unsecured, considered good)				
[Refer Note 1(v) on Schedule 20]				
Interest Receivable		1,017,744		17,998,735
Unbilled Revenue (Net)		138,548,666		45,757,562
		139,566,410		63,756,297

Schedule No.		As At 31st March, 2008 (Rs.)		As At 31st March, 2007 (Rs.)
11. LOANS AND ADVANCES				
(Unsecured, considered good except where otherwise stated) [Refer Notes 1(xii) and 22 on Schedule 20]				
Loan to Subsidiaries		42,300,000		150,083,400
Loan to NIIT Education Society		13,500,000		280,000,000
Loan to NIIT Institute of Information Technology		303,800,000		-
Recoverable from Subsidiaries		194,472,013		7,513,795
Advances recoverable in cash or in kind or for value to be received*				
- Considered good	201,603,054		187,047,959	
- Considered doubtful	12,157,038		9,479,928	
	213,760,092		196,527,887	
Less: Provision for Doubtful Advances	12,157,038	201,603,054	9,479,928	187,047,959
*Includes amount due from Directors Rs. Nil (Previous year Rs. Nil) Maximum amount due from directors during the year Rs. 2,874,228/- (Previous year Rs. 3,889,382/).				
Security Deposits				
- Considered good	257,715,311		198,153,902	
- Considered doubtful	733,449		733,449	
	258,448,760		198,887,351	
Less: Provision for Doubtful Security Deposits	733,449	257,715,311	733,449	198,153,902
Advance payment of Fringe Benefit Tax	-		38,329,793	
Less: Provision for Fringe Benefit Tax	-	-	(38,120,283)	209,510
Advance payment of Income Tax	420,936,866		-	
Less: Provision for Current Tax	(396,087,093)	24,849,773	-	-
MAT Credit entitlements				
Opening Balance	13,724,220		-	
Reversal of MAT Credit	(2,885,095)		-	
Created during the Year	23,793,761		13,724,220	
Utilised during the year	(34,632,886)	-	-	13,724,220
		1,038,240,151		836,732,786

Schedule No.		As At 31st March, 2008 (Rs.)		As At 31st March, 2007 (Rs.)
12. CURRENT LIABILITIES				
[Refer Notes 1(ix), 10 and 36 on Schedule 20]				
Sundry Creditors		1,021,934,552		857,524,055
Amount Payable to Subsidiaries		6,308,265		6,570,212
Advances from Customers		152,402,783		121,046,054
Security Deposits		6,835,766		7,116,116
Interest accrued but not due on loans		1,814,738		4,903,710
Unpaid Dividend*		3,989,953		4,769,803
Unclaimed fractional share payment		239,273		139,777
Deferred Revenue		26,304,810		14,252,763
Other Liabilities		79,366,328		63,155,817
Derivative Instrument Mark to Market Liability		7,917,681		-
*There are no amounts due for payment to the Investor Protection Fund under section 205 C of the Companies Act, 1956 as at the year end.				
		1,307,114,149		1,079,478,307
13. PROVISIONS				
[Refer Notes 1(vi), (xii), 16 and 30 on Schedule 20]				
Provision for Compensated absences		100,244,273		84,159,569
Provision for Gratuity		4,763,322		-
Proposed Dividend on Equity Shares		214,113,722		142,630,839
Provision for Fringe Benefit Tax	62,982,193		-	
Less: Advance Tax	(62,613,046)	369,147	-	-
Corporate Dividend Tax		4,388,742		24,240,111
Provision for Current Tax	-		280,913,385	
Less: Advance Tax	-	-	(261,695,049)	19,218,336
		323,879,206		270,248,855

Schedule No.		Year ended 31st March, 2008 (Rs.)		Year ended 31st March, 2007 (Rs.)
14. OTHER INCOME				
[Refer Note 21 on Schedule 20]				
Profit on sale of				
- Short term Investments - others (Net)	-		1,922,645	
- Fixed Assets (Net)	-	-	6,924,899	8,847,544
Profit on sale of long term-trade investments		3,500,000		5,450,000
Provisions/ Other Liabilities written back		631,696		3,841,135
Recoveries from Overseas Subsidiaries for expenses		90,096,320		78,274,872
Dividend Income		188,290,000		-
Miscellaneous		18,773,746		8,981,152
		301,291,762		105,394,703
15. PERSONNEL				
[Refer Notes 1(vi), (vii), 5, 8, 15, 16, 18 and 28 on Schedule 20]				
Salaries and Benefits [Includes contribution towards Provident and Other Funds Rs. 70,065,733/- (Previous year Rs. 44,937,768/-)]		1,192,435,936		1,018,669,203
Employees Stock Option Expenses/ (write back)		(16,545)		6,607,424
Welfare and Other Expenses		58,431,923		49,054,422
		1,250,851,314		1,074,331,049
16. DEVELOPMENT, PRODUCTION AND EXECUTION				
[Refer Notes 5, 8, 9 and 28 on Schedule 20]				
Courseware and Manuals [Includes inventory write off/ provision for Rs. 6,097,873/- (Previous year Rs. 10,009,204/-)]		563,548,750		370,240,747
Bought out Packages/ Products [Includes inventory write off/ provision for Rs. 3,152,025/- (Previous year Nil)]		167,338,946		36,947,569
Course Execution Charges		320,516,585		306,719,746
Professional Charges		247,388,014		272,170,740
Equipment Hiring		63,181,123		36,700,433
Consumables		4,383,238		4,200,637
Freight and Cartage		43,640,802		32,254,675
Others		643,384		207,453
		1,410,640,842		1,059,442,000

Schedule No.	Year ended 31st March, 2008 (Rs.)	Year ended 31st March, 2007 (Rs.)
17. ADMINISTRATION AND OTHERS		
[Refer Notes 1(viii), (ix), 5, 8, 10, 14, 28, 29 and 35 on Schedule 20]		
Rent	239,336,371	171,901,155
Rates and Taxes	946,174	998,291
Electricity and Water	106,512,749	100,603,850
Communication	80,867,144	72,205,629
Legal and Professional	97,515,889	79,286,862
Travelling and Conveyance	243,090,615	207,182,849
Insurance Premium	9,027,885	10,407,885
Repairs and Maintenance		
- Plant and Machinery	12,904,105	13,462,180
- Buildings	3,859,918	2,850,599
- Others	39,281,709	37,248,834
Provision for doubtful debts	47,707,450	27,500,000
Provision for doubtful advances	2,677,110	-
Advances written off	1,507,283	-
Loss on exchange fluctuations (Net)	3,217,929	7,114,309
Expenses on Equipment Hiring	29,620,763	35,214,710
Security and administration services	32,569,436	27,510,768
Loss on sale of fixed assets (Net)	4,495,230	-
Sundry Expenses	26,726,997	30,858,404
	981,864,757	824,346,325
18. MARKETING		
[Refer Note 5 on Schedule 20]		
Advertisement and Publicity	437,841,132	345,979,544
Discounts	151,216	171,835
Others	30,392,871	20,751,356
	468,385,219	366,902,735
19. INTEREST AND FINANCE CHARGES		
[Refer Notes 1(x), (xi), 7 and 35 on Schedule 20]		
Bank, Discounting and Other Financial Charges	16,071,257	8,853,077
Interest paid on:		
- Fixed Loans	60,686,482	68,256,968
- Others	39,386,568	16,033,355
Less: Interest Received (Gross):		
- Deposits	(1,627,209)	(5,129,937)
- Loans	(40,592,904)	(36,686,830)
- Others	(4,312)	(1,562,432)
	73,919,882	49,764,201

SCHEDULE '20': Notes to Accounts for the year ended 31st March, 2008

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 under section 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, Depreciation and Amortisation

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 capitalised 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" issued by the Institute of Chartered Accountants of India. Expenses incurred during the research phase till the establishment of commercial feasibility is charged to the Profit and Loss Account.

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

Computers, Printers and related accessories (Included under Plant and Machinery)	2 – 5 years
Leasehold Improvements	3 years or lease period, whichever is lower
Software (courseware and products) and Patents	3 – 5 years
Assets under employee benefits scheme except vehicles	3 years
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

Fixed Assets purchased for utilisation in implementing the contractual obligations with the customers under the project are depreciated over the period of the contract.

Further, computer system and software are technically evaluated each year for their useful economic life and the unamortised depreciable amount of the asset is charged to Profit and Loss Account as depreciation/ amortisation over their revised remaining useful life.

ii) 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.

iii) 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 Profit and Loss Account. Short-term investments are carried at cost or market value, whichever is lower.

iv) Inventory Valuation – Finished Goods

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

v) Revenue Recognition

The revenue in respect of sale of courseware, technical information and reference material and other goods are recognised on dispatch/ delivery of the material to the customer whereas the revenue from the tuition activity is recognised over the period of the course programmes or as per the terms of agreement, as the case may be.

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

Dividend income is recognised when the right to receive dividend is established. Interest income is recognised on accrual basis.

vi) Employee Benefits

Gratuity

NIIT provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Company's liability is actuarially determined at the end of the year and any shortfall in the fund size maintained by the trust set up by the Company with Life Insurance Corporation of India is additionally provided for.

Acturial gains, if any, are recognised in the Profit and Loss Account and disclosed as an asset in the Balance Sheet.

Compensated Absences

Liability in respect of compensated absences is provided both for encashable leave and those expected to be availed. The Company has defined benefit plans for compensated absences for employees, the liability for which is determined on the basis of actuarial valuation at the end of the year. Any gain or loss arising out of such valuation is recognised in the Profit and Loss Account as income or expense, as the case may be.

Superannuation

The Company makes defined contribution to the trust established for the purpose by the Company towards superannuation fund maintained with Life Insurance Corporation of India. Contribution made during the year is charged to Profit and Loss Account.

Provident Fund

The Company makes contribution to the "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST", which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is actuarially determined and provided for if the circumstances indicate that the trust may not be able to generate adequate returns to cover the interest rates notified by the Government. The company's contribution towards Provident Fund is charged to Profit and Loss Account.

Pension Fund

The Company makes defined contribution to a government administered pension fund on behalf of its employees. The Company's contribution towards Employee Pension Scheme is charged to Profit and Loss Account.

vii) Employees Stock Option Plan (ESOP)

The stock options granted under "NIIT Employee Stock Option Plan 2005" are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India, whereby the intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Profit and Loss Account on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expense equal to the unamortised portion. The balance in employee stock option outstanding account, net of any unamortised deferred employee compensation, is shown separately as part of shareholders' funds.

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 year. Gain/ Loss arising out of fluctuations on realisation/ payment or restatement is charged/ credited to the Profit and Loss Account.

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 recognised to the Profit and Loss Account over the life of the contract, except to the extent on which accounting policy on derivative instruments and hedge accounting as detailed in (ix) below and further explained in note 10 below.

ix) Derivative Instruments and Hedge Accounting

In accordance with its Risk management policies and procedures, the Company uses derivative instruments such as foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecasted transactions. The derivatives that qualify for hedge accounting and designated as cash flow hedges are initially measured at fair value & are remeasured at a subsequent reporting date and the changes in the fair value of the derivatives i.e. gain or loss (net of tax impact) is recognised directly in shareholders' funds under hedging reserve to the extent considered highly effective. Gain or loss on derivative instruments that either does not qualify for hedge accounting or not designated as cash flow hedges or designated cash flow hedges to the extent considered ineffective are recognised in the Profit and Loss Account.

Hedge accounting is discontinued when the hedging instrument expires, sold, terminated, exercised or no longer qualifies for hedge accounting. The cumulative gain or loss on the hedging instrument recognised in shareholders' funds under hedging reserve is retained there until the forecasted transaction occurs subsequent to which the same is adjusted against the related transaction in the Profit and Loss Account. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholder's fund is transferred to Profit and Loss Account in the same period.

x) Leases

The Company has taken assets, vehicles as well as premises on lease. Lease rental in respect of operating lease arrangements are charged to expense on a straight 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 capitalised at an amount equal to the present value of future lease payments and a corresponding amount is recognised as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to the leased asset.

xi) Borrowing Cost

Borrowing costs are recognised in the Profit and Loss Account 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.

xii) Taxation

Tax expense, comprising of both current tax (including fringe benefits 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 recognised for financial reporting purposes and the amounts that are recognised for current tax purposes. As a matter of prudence deferred tax assets are recognised and carried forward only to the extent, there is reasonable/ virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Current Tax (including fringe benefits tax) is determined based on the provisions of the Income Tax Act, 1961. Minimum Alternate Tax paid in excess of normal income tax is recognised as asset (MAT Credit entitlement) only to the extent, there is reasonable certainty that Company shall be liable to pay tax as per the normal provisions of the Act in future. MAT Credit is utilised in the year when normal income tax is higher than the Minimum Alternate Tax (MAT).

xiii) 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.

2. CONTINGENT LIABILITIES
   i. Guarantees issued to bankers outstanding at the end of accounting year Rs. 10,881,495/- (Previous year Rs. 23,875,777/-).
   ii. Corporate Guarantees Rs. 150,000,000/- given on behalf of NIITian Welfare Trust for loan availed by Trust (Previous year Rs. 75,000,000/-).
   iii. Corporate Guarantee Rs. 1,602,444,000/- [USD 40 million (net of payment of USD 3.5 million by NIIT (USA) Inc.)] given to ICICI Bank on behalf of NIIT (USA) Inc. (Previous year Rs. 1,672,505,450/- (USD 38.5 Million)).
   iv. Claims against the Company not acknowledged as debts Rs. 13,000,000/- (Previous year Rs. 13,000,000/-).
   v. Andhra Pradesh works contract tax demand Rs. 81,080,962/- (Previous year Rs. 55,946,064/-). Management does not foresee any financial implication based on the advise of the legal consultant.
3. Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for Rs. 281,295,522/- (Previous year Rs. 22,008,717/-).
4. Pursuant to the Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 approved by Hon'ble High Court of Delhi vide order dated May 18, 2004, the Global Solution Business Undertaking (GSB) of the Company was transferred to NIIT Technologies Limited (hereinafter referred to as NTL) from the appointed date i.e. April 1, 2003. In this regard, the mutation of certain properties which was not completed till the previous year were sold by the Company on behalf of NTL during the year.
5. Certain common resources are shared by the Company and NIIT Technologies Ltd. (NTL). This resulted in the Company recovering Rs. 6,741,144/- (Previous year Rs. 11,563,410/-) from NTL and NTL recovering Rs. 37,921,070/- (Previous year Rs. 39,502,005/-) from the Company which have been included/ netted off against relevant heads in the Profit & Loss Account viz., Personnel, Development, Production and Execution, Administration & Others and Marketing expenses.
6. i). Working Capital Limits are secured by hypothecation of stocks and book debts of the Company. The Company has utilised the fund-based limits during the year to the extent of Rs. 269,039,527/- (Previous year Rs. 254,076,548/-).

   ii). Rupee Term Loan from bank is secured by way of first charge created on all movable assets, both present and future, and specified immovable properties, subject to first charge created on stocks and book debts of the Company in respect of working capital limits above.

   iii). Vehicle loans from banks are secured by way of hypothecation of the vehicles financed.
7. Interest received is gross of tax deducted at source of Rs. 8,399,756/- (Previous year Rs. 4,788,977/-).
8. Expenses during the year are net of recoveries towards common services from domestic subsidiaries amounting to Rs. 29,268,767/- (Previous year Rs. 8,433,564/-).

9. The course execution charges include payments to licensees, business partners, channel partners and other agencies for execution of education and training business.

10. DERIVATIVE INSTRUMENTS

a. During the year, the Company has reviewed its risk management policy and hedging strategies in respect of highly probable forecasted transactions and firm commitments with effect from January 21, 2008. The Company has designated certain foreign currency derivative instruments which meet the hedging criteria, as Cash Flow Hedges.

   The derivative instruments held by the Company as on March 31, 2008 taken to hedge its exposure included forward exchange contracts of USD 192.5 Lacs having a fair value loss of Rs. 79.17 Lacs. In relation to the above, loss aggregating to Rs. 57.43 Lacs (net of deferred tax asset of Rs. 29.57 Lacs) has been included in Hedging Reserve under Shareholders' Fund as on March 31, 2008 and the balance has been recognised in the Profit and Loss Account.

b. The Company was amortising premium or discount arising on all forward exchange contracts over the life of the contract and was simultaneously recognising the exchange differences on such contracts in the Profit and Loss Account as per the accounting policy stated in note 1(viii) above. However with effect from January 21, 2008, the Company revised its accounting policy on derivative instruments explained in note 1(ix) above and further detailed in (a) above. The aforesaid revision which did not have any significant impact on the Profit and Loss Account, however resulted in recognition of related loss (net of deferred tax) in Hedging Reserve Account under Shareholder's equity to the extent of Rs. 57.43 Lacs and recognition of additional liability in relation to derivatives to the extent of Rs. 79.17 Lacs.

11. EARNINGS IN FOREIGN CURRENCY

Particulars	Year ended March 31, 2008 (Rs.)	Year ended March 31, 2007 (Rs.)
Export of services & products	544,653,606	741,037,746
Interest (Net of Taxes)	5,763,199	8,440,038
Recovery of expenses from overseas subsidiaries	90,096,320	78,274,872

12. CIF VALUE OF IMPORTS

Particulars	Year ended March 31, 2008 (Rs.)	Year ended March 31, 2007 (Rs.)
Bought out packages/ products	87,863,757	21,708,684
Capital goods	22,891,962	23,531,960

13. EXPENDITURE IN FOREIGN CURRENCY (Net of taxes)

Particulars	Year ended March 31, 2008 (Rs.)	Year ended March 31, 2007 (Rs.)
Production, development and execution	141,962,529	146,798,953
Travel	50,154,072	49,213,197
Professional fee	59,715	3,108,425
Others	7,672,439	3,212,497

14. PAYMENT TO AUDITORS

Particulars	Year ended March 31, 2008 (Rs.)	Year ended March 31, 2007 (Rs.)
Statutory Audit fee	5,100,000	5,100,000
Tax Audit fee	550,000	550,000
Others	2,520,600	2,785,000
Reimbursement of expenses (including Service Tax)	1,759,537	1,500,499

15. EMPLOYEES STOCK OPTION SCHEME

During the year 2005-06, the Company had established NIIT Employee Stock Option Plan 2005 "ESOP 2005" and the same was approved at the General Meeting of the Company held on May 18, 2005. The plan was set up so as to offer and grant, for the benefit of employees (excluding promoters) of the Company, who are eligible under "Securities Exchange Board of India (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999", options of the Company in aggregate up to 1,925,000 options under ESOP 2005, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board, in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard. As per the plan, each option is exercisable for one equity share of face value of Rs. 10/- each (Rs. 2/- each post bonus and split) fully paid up on payment to the Company, for such shares, at a price to be determined in accordance with ESOP 2005.

During the year, the Company has issued bonus shares in the ratio of 1:2 i.e. one additional equity share for every two equity shares and also sub-divided 1 equity share of Rs. 10/- each into 5 equity shares of Rs. 2/- each fully paid up as on the record date. ESOP information is therefore given for the number of shares after sub division and bonus issue and previous year information has been restated accordingly.

The summary of options granted is as follows:

Particulars	Grant I		Grant II		Grant III*
	2007-2008	2006-2007	2007-2008	2006-2007	2007-2008
Date of Grant	August 02, 2005	August 02, 2005	August 11, 2005	August 11, 2005	June 5, 2007
Date of Vesting	August 02, 2006	August 02, 2006	August 11, 2006	August 11, 2006	June 5, 2008
Live options at the beginning of the year (Nos.)	799,373	4,032,750	34,125	297,750	862,500
Granted during the year (Nos.)	-	-	-	-	-
Forfeited/ lapsed till vesting period (Nos.)	-	139,875	-	100,125	112,500
Options Vested (Nos.)	-	3,892,875	-	197,625	-
Forfeited/ lapsed post vesting (Nos.)	3,375	27,750	-	-	-
Options exercised (Nos.)	128,818	3,065,753	-	163,500	-
Outstanding/ exercisable at the end of the year (Nos.)	667,180	799,373	34,125	34,125	750,000
Exercise Price (Rs.)	24.00	24.00	31.60	31.60	121.62
Remaining Contractual Life (Days)	488	853	497	862	1,160
Fair value of the options based on Black and Scholes Model (Rs.)	13.15	13.15	9.63	9.63	37.23
Intrinsic Value of the options granted (Rs.)	7.35	7.35	-	-	-

*During the year, the Compensation/ Remuneration Committee at its meeting held on June 5, 2007 has approved 115,000 options (Grant-III) out of the options under ESOP 2005, to Senior Managerial Personnel of the Company.

The assumptions used by independent valuers, for determination of fair value of a share of Rs. 10/- each fully paid up as per the Black & Scholes model are as follows:

Particulars	Grant I	Grant II	Grant III
Market price considered	235.15	237	912.15
Exercise price	180	237	912.15
Dividend yield	Not considered	Not considered	2.79%
Volatility	14%	14%	45.47%
Average life of the options (in years)	2.5	2.5	2.5
Risk free rate	7%	7%	7.93%

Other information regarding employee share based payment is as below:

(Amount in Rs.)

Particulars	Grant I		Grant II		Grant III	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Expense amortised during the year on the basis of intrinsic value of the options	-	8,760,442	-	-	-	-
Less: Amount attributable to employees of the subsidiaries	-	2,153,018	-	-	-	-
Expense accounted for during the year	-	6,607,424	-	-	-	-
Additional expense, had the Company recorded the ESOP Expense based on fair value of the options [Net of amount attributable to the employees of the subsidiaries Rs. 4,016,610 (Previous year Rs. 3,850,838)]	-	5,210,459	-	72,775	18,935,445	-

For impact on basic and diluted EPS, had fair value of the option been used for determining ESOP expense, refer Note 34 below.

16. EMPLOYEE BENEFITS

A) Defined Contribution Plans

Company makes contribution towards Provident Fund, Superannuation Fund and Pension Scheme to the defined contribution plans for eligible employees.

The Company has charged the following costs in the Profit and Loss Account:

	Year ending March 31, 2008 (Rs. Lacs)	Year ending March 31, 2007 (Rs. Lacs)
• Employers Contribution to Provident Fund Trust	228.34	190.91
• Employers Contribution to Superannuation Fund	107.04	99.85
• Employers Pension Scheme	132.63	114.63

B) Defined Benefit Plans

I. Provident Fund

In respect of Company's obligation towards guaranteed returns on Provident Fund Contributions made to the NIIT Limited Employees' Provident Fund Trust as the overall interest earnings and cumulative surplus are more than the statutory requirements, there is no liability of employer for the year ended March 31, 2008. Therefore, no provision for the year has been recommended by the actuary.

II. Compensated Absences

(Amount in Rs. Lacs)

Particulars	As at March 31, 2008	As at March 31, 2007
i) Change in Present Value of Obligation:		
Present value of obligation as at the beginning of the year	841.59	762.10*
Past Service cost	-	-
Current service cost**	165.91	98.78
Benefits Paid	(5.06)	(19.29)
Actuarial (gain)/ loss on Obligations	-	-
Present value of obligation as at the end of the year	1002.44	841.59

*Provision for Leave Encashment at March 31, 2006	91.00
Impact of Transition provision of AS-15 (Transferred from General Reserve)	671.10
	762.10

**Current service cost is Gross of recoveries from Associates & Subsidiaries (Current year Rs. 9.43 Lacs, Previous year Rs. 7.38 Lacs)

Particulars	As at March 31, 2008	As at March 31, 2007
ii) Assumptions used in accounting for Compensated Absences:		
Discount Rate (per annum)	8.00%	8.00%
Future Salary Increase		
For First 5 Years	10.00%	10.00%
Thereafter	7.00%	7.00%

III. Gratuity Fund

In accordance with Accounting Standard 15 (revised 2005), an actuarial valuation was carried out in respect of contribution to Gratuity Fund.

(Amount in Rs. Lacs)

Particulars	As at March 31, 2008	As at March 31, 2007
i) Change in Present value of Obligation:		
Present value of obligation as at the beginning of the year	457.79	447.71
Interest Cost	36.62	34.97
Current service cost	73.54	51.56
Benefits Paid	(101.95)	(85.85)
Actuarial (gain)/ loss on Obligations	177.56	9.40
Present value of obligation as at the end of the year	643.56	457.79

ii) Change in Plan Assets:		
Fair value of Plan Assets as at the beginning of the year	488.38	440.13
Expected return on Plan Assets	44.44	36.22
Contributions*	165.48	95.75
Benefits Paid	(101.95)	(85.85)
Actuarial (loss)/ gain on Plan Assets	(0.42)	2.13
Fair value of Plan Assets as at the end of the year	595.93	488.38
* Contributions include Recoveries from Associates and Subsidiaries.		

iii) Amount of Asset/ (Obligation) recognised in the Balance Sheet:		
Fair value of Plan Assets as at the end of the year	595.93	488.38
Present value of obligation as at the end of the year	643.56	457.79
Asset/ (Liability) recognised in Balance Sheet	(47.63)	30.59

iv) Net Gratuity Cost recognised in Profit & Loss Account:		
Current service cost	73.54	51.56
Interest cost	36.62	34.97
Expected return on Plan Assets	(44.44)	(36.22)
Net Actuarial (gain)/ loss recognised during the year	177.98	(1.71)
Expense recognised in Profit & Loss Account*	**243.70**	**48.60**
Actual return on plan assets	44.02	38.35
*Gross of Recoveries from Associates & Subsidiaries (Current year Rs. 11.06 Lacs, Previous year Rs. 4.62 Lacs)		

v) Assumptions used in accounting for gratuity plan:		
Discount Rate (Per Annum)	8.00%	8.00%
Future Salary Increase	5.00%	5.00%
Expected Rate of return on plan assets	9.10%	9.10%

vi) Investment details of Plan Assets:

The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of investment maintained by Life Insurance Corporation are not available with the Company and have not been disclosed.

The expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management, historical result of the return on plan assets.

17. DETAILS RELATING TO OPENING STOCK, PURCHASES, REVENUE AND CLOSING STOCK

a) The Company is engaged inter-alia in the production and development of computer software. The production and sale of such software cannot be expressed in generic unit. Hence, it is not possible to give quantitative details as required under paragraph 3 of Part II of Schedule VI of the Companies Act, 1956.

b) The details relating to traded items are as under:

i. Software and Hardware:

Particulars	Year ended March 31, 2008 (Rs.)	Year ended March 31, 2007 (Rs.)
Opening stock	19,558,081	19,534,922
Purchases	160,868,050	36,970,728
Sales	169,153,879	40,887,507
Closing stock	13,087,184	19,558,081

The Company deals in a number of software and hardware items whose cost and selling price vary for different items. The revenue from the different kind of software and their related costs individually constitute less than 10% of the turnover and costs of the Company respectively. Accordingly, no quantitative information relating to software and hardware traded is being given.

ii. Education and training materials:

Particulars	Year ended March 31, 2008		Year ended March 31, 2007	
	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)
Opening stock				
- Courseware	1,682,632	100,205,431	1,691,097	68,692,773
Purchase/ printed				
- Courseware	7,370,429	555,360,722	6,829,737	393,965,674
- Technical Information & Reference Material (Produced/ Duplicated)	-	6,119,334	-	7,787,731
Stock written off/ Provision for Obsolescence				
- Courseware	-	6,097,873	-	10,009,204
Sales				
- Courseware*	8,021,082	2,204,961,402	6,838,202	1,539,525,580
- Technical Information & Reference Material	-	136,387,307	-	96,864,461
Closing Stock				
- Courseware	1,031,979	98,136,738	1,682,632	100,205,431

* Sales quantity has been adjusted for shortage/ excess during the year.

Quantitative information in respect of technical information and reference material is not being given separately as the related revenue and costs are less than 10% of total revenue and costs of the Company.

c) Revenue includes income from services rendered Rs. 2,163,332,396/- (Previous year Rs. 2,225,417,816/-).

18. MANAGERIAL REMUNERATION

Calculation of Managerial Remuneration under Section 198 of the Companies Act, 1956

Particulars	Year ended March 31, 2008 (Rs.)	Year ended March 31, 2007 (Rs.)
Profit before tax as per Profit and Loss Account	431,273,756	319,274,842
Add/ (Less): Loss/ (Profit) on sale of undertakings/ investments	(3,500,000)	(5,450,000)
Add/ (Less): Bad debts and doubtful advances provision/ (written off)	50,384,560	(19,237,880)
Add: Depreciation as per books of accounts	358,190,976	314,028,915
Less: Depreciation determined as per Section 350 of the Companies Act, 1956	(324,047,804)	(270,622,581)
Net Profit under Section 349 of the Companies Act, 1956	**512,301,488**	**337,993,296**
Add: Directors' Remuneration	42,116,822	28,147,019
Net Profit under Section 198 of the Companies Act, 1956	**554,418,310**	**366,140,315**
Maximum remuneration allowable under section 198 of the Companies Act, 1956, restricted to 11% of Net Profit	60,986,014	40,275,435
Out of the above maximum Commission allowable to Non executive directors under section 309 of the Companies Act, 1956 restricted to 1% of Net Profit	5,544,183	3,661,403

SCHEDULE '20': Notes to Accounts for the year ended 31st March, 2008 (Contd.)

a. Whole time Directors' remuneration

As approved by the Shareholders subject to the limits prescribed under Schedule XIII to the Companies Act, 1956:

Particulars	Year ended March 31, 2008 (Rs.)	Year ended March 31, 2007 (Rs.)
Salary, perquisites and allowances	25,851,782	15,827,914
Contribution to Provident Fund and other funds	8,245,040	3,439,105
Performance Linked Bonus	5,000,000	6,000,000
Total	**39,096,822**	**25,267,019**

b. Non Executive Directors' Remuneration

Commission to Non Executive Directors	2,000,000	2,000,000
Sitting Fees	1,020,000	880,000
Total	**3,020,000**	**2,880,000**

19. During the year, the Company acquired and sold units of mutual funds on various dates as follows:

Scheme	No. of units at the beginning of the Year	Opening Value (Rs.)	No. of Units Purchased	Purchase Value (Rs.)	No. of Units Sold	Sale Value (Rs.)	No. of units in hand at year end	Value of units in hand at Weighted Avg cost method (Rs.)	Market Value of Units in hand (Rs.)
Current Year	-	-	-	-	-	-	-	-	-
Previous year	959,555	49,674,495	12,647,819	300,000,000	13,607,374	351,597,140	-	-	-

Profit from sale of units Nil (Previous year Rs. 1,922,645/-) is included in Other Income in Schedule 14.

20. RELATED PARTY TRANSACTIONS AS PER ACCOUNTING STANDARD 18

A. Related party relationship where control exists:

Subsidiaries

1. NIIT Online Learning Limited
2. Hole-in-the-Wall Education Limited (Formerly Minimally Invasive Education Company Limited)
3. Scantech Evaluation Services Limited
4. NIIT Multimedia Limited
5. NIIT Institute of Finance Banking and Insurance Training Limited
6. NIIT Limited, UK
7. NIIT Antilles NV, Netherlands Antilles
8. NIIT Middle East LLC, Bahrain
9. NIIT Malaysia Sdn Bhd., Malaysia
10. PT NIIT Indonesia, Indonesia (Under Liquidation)
11. NIIT GC Limited (Formerly NIIT TVE Limited Mauritius)
12. NIIT China (Shanghai) Limited, Shanghai
13. PCEC NIIT Institute of Information Technology, Shanghai
14. NIIT (USA) Inc., USA
15. NIIT Ventures Inc., USA
16. Element K Corporation, USA
17. Element K India Private Limited, India
18. Element K (UK) Limited, United Kingdom
19. Element K Canada
20. Evolv Services Limited (Formerly known as "Evolv Management Services Private Limited") (w.e.f. January 15, 2008)
21. NIIT Wuxi Service Outsourcing Training School (w.e.f. March 14, 2008)

B. Other related parties with whom the Company has transacted:

a) Associates (Parties in which Company has substantial interest)

1. NIIT Technologies Limited
2. NIIT Technologies Pte Limited, Singapore (formerly NIIT Asia Pacific Pte Limited, Singapore)
3. NIIT GIS Limited
4. NIIT Technologies Limited, UK (formerly NIIT Europe Limited, UK)
5. NIIT Smart Serve Limited

b) Key Managerial Personnel

1. Rajendra S Pawar (Chairman and Managing Director)
2. Vijay K Thadani (Chief Executive Officer and Whole-time Director)
3. P Rajendran (Chief Operating Officer and Whole-time Director)

c) Relatives of Key Managerial Personnel

1. Renuka Thadani (Wife of Vijay K Thadani)
2. Veena Oberoi (Sister of Vijay K Thadani)
3. Sudha Rajendran (Wife of P Rajendran)

d) Parties in which the Key Managerial Personnel of the Company are interested

1. NIIT Institute of Information Technology
2. NIIT Education Society
3. Pace Industries Private Limited
4. NIIT Network Services Limited
5. Institute of Quality Limited

SCHEDULE '20': Notes to Accounts for the year ended 31st March, 2008 (Contd.)

C. Details of significant transactions with related parties described above carried out on an arms' length basis:

Nature of Transactions	Subsidiaries	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel	Parties in which Key Managerial Personnel of the Company are interested	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Purchase of Goods	1,782,701	-	-	-	-	1,782,701
(Note 2)	(668,741)	(-)	(-)	(-)	(-)	(668,741)
Sale of Goods	-	-	-	-	1,758,331	1,758,331
(Note 3)	(664,305)	(-)	(-)	(-)	(-)	(664,305)
Purchase of Fixed Assets	2,234,047	301,999	-	-	27,903,943	30,439,989
(Note 4)	(5,461,074)	(4,136,414)	(-)	(-)	(-)	(9,597,488)
Sale of Fixed Assets	34,176	150,022	-	-	-	184,198
(Note 5)	(-)	(3,026,007)	(-)	(-)	(1,309,998)	(4,336,005)
Rendering of Services	533,897,447	17,881,274	-	-	-	551,778,721
(Note 6)	(719,453,307)	(12,453,727)	(-)	(-)	(-)	(731,907,034)
Receiving of Services	1,756,960	7,571,497	-	-	196,630	9,525,087
(Note 7)	(479,478)	(4,980,146)	(-)	(-)	(577,348)	(6,036,972)
Recovery of expenses from	32,466,241	9,774,649	-	-	7,546,793	49,787,683
(Note 8)	(31,998,685)	(14,806,678)	(-)	(-)	(1,802,520)	(48,607,883)
Recovery of expenses by	11,315,311	39,244,715	-	-	2,012,734	52,572,760
(Note 9)	(878,655)	(41,982,925)	(-)	(-)	(483,610)	(43,345,190)
Finance:						
- Investments made	28,000,182	-	-	-	-	28,000,182
(Note 10)	(301,296,563)	(-)	(-)	(-)	(-)	(301,296,563)
- Loans Given	50,800,000	-	-	-	83,500,000	134,300,000
(Note 11)	(116,060,000)	(-)	(-)	(-)	(229,000,000)	(345,060,000)
- Loans Given Received Back	110,060,000	-	-	-	46,200,000	156,260,000
(Note 12)	(8,500,000)	(-)	(-)	(-)	(22,500,000)	(31,000,000)
- Loans Taken	126,500,000	-	-	-	-	126,500,000
(Note 13)	(57,500,000)	(-)	(-)	(-)	(-)	(57,500,000)
- Repayment of Loan taken	48,000,000	-	-	-	-	48,000,000
(Note 14)	(-)	(-)	(-)	(-)	(-)	(-)
- Interest Income	13,957,088	-	-	-	23,905,752	37,862,840
(Note 15)	(10,003,846)	(-)	(-)	(-)	(18,491,179)	(28,495,025)
- Interest Expense	15,934,670	-	-	-	-	15,934,670
(Note 16)	(8,570,875)	(-)	(-)	(-)	(-)	(8,570,875)
- Conversion of loan into equity	55,000,000	-	-	-	-	55,000,000
(Note 17)	(-)	(-)	(-)	(-)	(-)	(-)
- Assignment of Loan	-	-	-	-	273,800,000	273,800,000
(Note 18)	(-)	(-)	(-)	(-)	(-)	(-)
Remuneration	-	-	39,096,822	-	-	39,096,822
(Note 19)	(-)	(-)	(25,267,019)	(-)	(-)	(25,267,019)
Other Expenses	-	-	-	1,101,000	180,000	1,281,000
(Note 20)	(-)	(-)	(-)	(898,000)	(180,000)	(1,078,000)
Other Income	97,387,801	-	-	-	-	97,387,801
(Note 21)	(80,203,404)	(-)	(-)	(-)	(692,682)	(80,896,086)
Dividend Income	188,290,000	-	-	-	-	188,290,000
(Note 22)	(-)	(-)	(-)	(-)	(-)	(-)

SCHEDULE '20': Notes to Accounts for the year ended 31st March, 2008 (Contd.)

Notes:

1. Previous year figures are given in parenthesis.
2. Includes purchase of goods from:
   - Element K (UK) Rs. 16.23 Lacs (Previous year Nil)
   - NIIT Antilles NV, Netherlands Antilles Rs. 1.59 Lacs (Previous year Rs. 6.69 Lacs)
3. Includes sale of goods to:
   - NIIT Antilles NV, Netherlands Antilles Nil (Previous year Rs. 6.64 Lacs)
   - NIIT Institute of Information Technology Rs. 17.58 Lacs (Previous year Nil)
4. Includes purchase of Fixed Assets from:
   - NIIT (USA) Inc. Rs. 14.95 Lacs (Previous year Rs. 54.61 Lacs)
   - Evolv Services Limited Rs. 7.39 Lacs (Previous year Nil)
   - NIIT Technologies Limited Rs. 3.02 Lacs (Previous year Rs. 36.05 Lacs)
   - NIIT Smart Serve Limited Nil (Previous year Rs. 5.31 Lacs)
   - NIIT Institute of Information Technology Rs. 279.04 Lacs (Previous year Nil)
5. Includes Sale of Fixed Assets to:
   - NIIT (USA) Inc. Rs. 0.34 Lacs (Previous year Nil)
   - NIIT Technologies Limited Rs. 1.50 Lacs (Previous year Rs. 30.26 Lacs)
   - NIIT Institute of Information Technology Nil (Previous year Rs. 13.10 Lacs)
6. Includes Rendering of services to:
   - NIIT (USA) Inc. Rs. 4,215.46 Lacs (Previous year Rs. 6,373.74 Lacs)
   - NIIT Antilles NV, Netherlands Antilles Rs. 370.08 Lacs (Previous year Rs. 377.64 Lacs)
   - NIIT Limited, UK Rs. 598.06 Lacs (Previous year Rs. 278.25 Lacs)
   - NIIT Technologies Limited Rs. 159.59 Lacs (Previous year Rs. 105.84 Lacs)
7. Includes Receiving of services from:
   - NIIT (USA) Inc. Rs. 17.57 Lacs (Previous year Nil)
   - Element K (UK) Limited Nil (Previous year Rs. 4.79 Lacs)
   - NIIT GIS Limited Rs. 12.24 Lacs (Previous year Nil)
   - NIIT Smart Serve Limited Rs. 63.47 Lacs (Previous year Rs. 48.96 Lacs)
   - NIIT Institute of Information Technology Rs. 1.96 Lacs (Previous year Nil)
   - Institute of Quality Limited Nil (Previous year Rs. 2.46 Lacs)
   - NIIT Network Services Limited Nil (Previous year Rs. 3.31 Lacs)
8. Includes recovery of expenses from:
   - Hole-in-the-Wall Education Limited Rs. 35.50 Lacs (Previous year Rs. 19.92 Lacs)
   - NIIT (USA) Inc. Rs. 26.94 Lacs (Previous year Rs. 221.01 Lacs)
   - NIIT Institute of Finance Banking and Insurance Training Ltd. Rs. 257.19 Lacs (Previous year Rs. 64.41 Lacs)
   - NIIT Technologies Limited Rs. 67.41 Lacs (Previous year Rs. 115.63 Lacs)
   - NIIT GIS Limited Rs. 28.09 Lacs (Previous year Rs. 17.89 Lacs)
   - NIIT Smart Serve Limited Rs. 2.24 Lacs (Previous year Rs. 13.61 Lacs)
   - NIIT Institute of Information Technology Rs. 75.47 Lacs (Previous year Rs. 18.03 Lacs)
9. Includes recovery of expenses by:
   - NIIT Institute of Finance Banking and Insurance Training Ltd. Rs. 107.10 Lacs (Previous year Nil)
   - NIIT Technologies Limited Rs. 379.21 Lacs (Previous year Rs. 395.02 Lacs)
   - NIIT Smart Serve Limited Rs. 13.24 Lacs (Previous year Rs. 24.81 Lacs)
   - NIIT Institute of Information Technology Rs. 20.13 Lacs (Previous year Rs. 4.84 Lacs)
10. Represents investments made in:
    - NIIT (USA) Inc. Nil (Previous year Rs. 2,563.83 Lacs)
    - Evolv Services Limited Rs. 280 Lacs (Previous year Nil)

SCHEDULE '20': Notes to Accounts for the year ended 31st March, 2008 (Contd.)

- NIIT Institute of Finance Banking and Insurance Training Ltd. Nil (Previous year Rs. 400 Lacs)

11.Loan given relates to:
- Hole-in-the-Wall Education Limited Rs. 238 Lacs (Previous year Rs. 132 Lacs)
- NIIT Institute of Finance Banking and Insurance Training Ltd. Rs. 185 Lacs (Previous year Nil)
- NIIT Multimedia Limited Rs. 85 Lacs (Previous year Rs. 95 Lacs)
- NIIT (USA) Inc. Nil (Previous year Rs. 933.60 Lacs)
- NIIT Education Society Rs. 535 Lacs (Previous year Rs. 2,290 Lacs)
- NIIT Institute of Information Technology Rs. 300 Lacs (Previous year Nil)

12.Loans Given Received Back relates to:
- NIIT (USA) Inc. Rs. 933.60 Lacs (Previous year Nil)
- Hole-in-the-Wall Education Limited Rs. 167 Lacs (Previous year Nil)
- NIIT Multimedia Limited Nil (Previous year Rs. 85 Lacs)
- NIIT Education Society Rs. 462 Lacs (Previous year Rs. 225 Lacs)

13.Loans taken from:
- Scantech Evaluation Services Limited Rs. 1,265 Lacs (Previous year Rs. 575 Lacs)

14.Repayment of loan taken:
- Scantech Evaluation Services Limited Rs. 480 Lacs (Previous year Nil)

15.Interest Income from:
- NIIT (USA) Inc. Rs. 67.42 Lacs (Previous year Rs. 52.58 Lacs)
- Hole-in-the-Wall Education Limited Rs. 15.84 Lacs (Previous year Rs. 3.38 Lacs)
- NIIT Multimedia Limited Rs. 44.90 Lacs (Previous year Rs. 44.09 Lacs)
- NIIT Education Society Rs. 239.06 Lacs (Previous year Rs. 184.91 Lacs)

16.Interest Expenditure includes:
- Scantech Evaluation Services Limited Rs. 159.35 Lacs (Previous year Rs. 85.71 Lacs)

17.Conversion of loan into equity includes:
- NIIT Multimedia Limited Rs. 550 Lacs (Previous year Nil)

18.Assignment of loan includes:
- Assignment of loan from NIIT Education Society to NIIT Institute Of Information Technologies Rs. 2,738 Lacs (Previous year Nil)

19.Includes transactions for the year mainly with:
- Rajendra S Pawar Rs. 124.14 Lacs (Previous year Rs. 54.80 Lacs)
- Vijay K Thadani Rs. 174.71 Lacs (Previous year Rs. 78.53 Lacs)
- P Rajendran Rs. 92.12 Lacs (Previous year Rs. 119.34 Lacs)

20.Other Expenses includes:
- Sudha Rajendran Nil (Previous year Rs. 0.90 Lacs)
- Renuka Thadani Rs. 8.25 Lacs (Previous year Rs. 5.32 Lacs)
- Veena Oberoi Rs 2.76 Lacs (Previous year Rs. 2.76 Lacs)
- Pace Industries Private Limited Rs. 1.80 Lacs (Previous year Nil)

21.Other Income includes:
- NIIT (USA) Inc. Rs. 110.62 Lacs (Previous year Rs. 66.73 Lacs)
- NIIT Antilles NV, Netherlands Antilles Rs. 772.99 Lacs (Previous year Rs. 711.65 Lacs)
- NIIT Institute of Finance Banking and Insurance Training Limited Rs. 61.86 Lacs (Previous year Rs. 10.40 Lacs)
- NIIT Institute of Information Technology Nil (Previous year Rs. 6.93 Lacs)

22.Dividend Income includes:
- Scantech Evaluation Services Limited Rs. 1,882.90 Lacs (Previous year Nil)

D. Outstanding balances (in respect of related parties in A & B above):

Particulars	As at March 31, 2008		As at March 31, 2007	
	Recoverable	Payable	Recoverable	Payable
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Subsidiaries	594,797,087	249,040,437	609,855,312	172,242,174
Associates	1,977,852	1,415,744	2,392,278	319,511
Key Managerial Personnel	-	7,990,521	-	6,015,423
Relatives of Key Managerial Personnel	-	-	-	-
Parties in which Key Managerial Personnel of the Company are interested	318,524,128	1,581,655	297,877,771	1,981,655

21. During the year, the Company has further disposed off part of its holding in Mindshaper Technologies Pvt. Ltd. of 13,800 fully paid up Equity Shares of Rs. 10/- each for a consideration of Rs. 35 Lacs. The investment was fully provided for the permanent diminution in its value in the previous years and the provision has been written back proportionately.

22. During the year, the Company has granted an additional loan of Rs. 535 Lacs (Previous year Rs. 2,290 Lacs), at 8% per annum to NIIT Education Society, a society registered under Society Registration Act, 1860, which is formed for the purpose of setting up of university and sponsoring other societies for setting up of universities. The Society has repaid Rs. 462 Lacs (Previous year Rs. 225 Lacs) out of the loans given to it during the previous year. The Society is at present financed by the loan given by the Company and other sources [Donations of Rs. 398 Lacs (Previous year Rs. 102 Lacs) & other loans of Rs. Nil (Previous year Rs. 148 Lacs], which have primarily been utilised by the Society for giving loan to another society, namely, NIIT Institute of Information Technology, for the purpose of setting up of a university. As per the terms of the Loan Agreement between the Company and the Society, the loan along with accrued interest for the first three years was repayable in 20 equal quarterly installments, on the interest due dates from the beginning of the 6th year from the date of 1st drawdown. Accrued interest for the 4th and 5th year was payable on last day of each quarter. However, during the year, out of the total loan given to the Society, loan amounting to Rs. 2,738 Lacs has been assigned to NIIT Institute of Information Technology from NIIT Education Society, vide board resolution dated March 17, 2008 on the same terms and conditions. The transactions with the societies are on an arms' length basis. The Company has granted an additional loan of Rs. 300 Lacs directly to NIIT Institute of Information Technology at 8% per annum after this assignment.

23. During the year, the Company has converted 2.5%, 1,000 Foreign Currency Convertible Bonds (FCCB) of USD 10,000 each amounting to Rs. 4,379 Lacs issued in earlier years by issuance of 2,188,000 equity shares of Rs. 10/- each fully paid (16,410,000 equity shares of Rs. 2/- each fully paid post split and bonus) as per the terms of the agreement at a premium of Rs. 190/- per share.

24. During the year, the loan given to the subsidiary company NIIT Multimedia Limited amounting to Rs. 550 Lacs has been converted into equity shares of Rs. 10/- each in NIIT Multimedia Limited, vide board resolution dated March 17, 2008.

25. During the year, the Company has issued bonus shares in the ratio of 1:2 i.e. one additional equity share for every two equity shares and also sub-divided 1 equity share of Rs. 10/- each into 5 equity shares of Rs. 2/- each fully paid up as on the record date i.e. August 31, 2007, as approved in Annual General Meeting held on July 25, 2007. The Company has utilised Capital Redemption Reserve of Rs. 545.98 Lacs and Share Premium amounting to Rs. 551.41 Lacs for issuance of such bonus shares.

26. As on January 15, 2008, the Company acquired controlling interest in "Evolv Services Limited" (Formerly

known as "Evolv Management Services Private Limited"), for a cash consideration of Rs. 28,000,182/-. Pursuant to this acquisition, the Company has purchased 107,934 shares of Rs. 10/- each from its promoters at Rs. 55.59/- per share for a consideration of Rs. 6,000,051/- and further the Company has subscribed to additional 395,757 equity shares issued at a price of Rs. 55.59 per share for a consideration of Rs. 22,000,131/-, resulting in the Company acquiring 47.87% of share capital of Evolv Services Limited (Evolv). Further the Company has been issued 359,780 warrants, each warrant gives right to acquire one share of 'Evolv' at an exercise price of Rs. 48.20 per warrant. However, the exercise price can be adjusted based on material adverse and favorable changes in working capital and assets of Evolv as per the audited accounts as on the closing date with reference to the November 15, 2007 audited accounts and certain events occurring before the first exercise of Warrants as per the Share Purchase-cum-Share Subscription Agreement .

27. Subsequent to the year end, the Company has further invested a sum of Rs. 5 Lacs in the newly established subsidiary company, NIIT Institute of Process Excellence Limited. This Company was incorporated on April 2, 2008, vide board resolution dated March 17, 2008.

28. During the year, the Company has initiated internal development of software tools, platforms and content/ courseware. The management estimates that this would result in enhanced productivity and offer more technology based learning products/ solutions to the customers in future. The Company is confident of ability to generate future economic benefits out of the above mentioned assets. The costs debited to capital work-in-progress on account of the above is as follows:

Description	(Amount in Rs.)
Salary and other employee benefits	75,565,690
Direct Production Overheads	10,656,428
Rent	5,953,141
Electricity and Water	4,467,412
Other expenses	8,107,614
Total	**104,750,285**

29. Pursuant to the implementation of Accounting Standard 11 "The Effects of changes in Foreign Exchange Rates", as prescribed by Companies (Accounting Standard) Rules 2006, in relation to foreign currency liabilities attributable to acquisition of fixed assets, the Company has recognised an exchange gain of Rs. 109.95 Lacs for the year ended March 31, 2008 with corresponding impact on the profit before taxes.

30. The Company's wholly owned domestic subsidiary Scantech Evaluation Services Limited has declared dividend amounting to Rs. 1,882.90 Lacs, in respect of which dividend distribution tax would be paid by the subsidiary. In terms of provisions of sub-section 1A of section 115 O of the Income Tax Act 1961, dividend distribution tax payable by the Company, is net of the dividend distribution tax paid by the subsidiary company amounting to Rs. 320 Lacs.

31.SEGMENT INFORMATION

Primary Segment Information – Business Segment

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.

Secondary Segment Information – Geographical

The secondary segment information in relation to the geographies is as follows:

(Amount in Rs. Lacs)

Particulars	Revenue from customers by location of customers	Carrying amount of segment assets by location of the assets	Additions to fixed assets
India	41,512 (31,849)	60,844 (57,835)	2,916 (7,210)
America	4,586 (6,752)	- (-)	- (-)
Europe	88 (278)	- (-)	- (-)
Asia Pacific	552 (148)	- (-)	- (-)
Total	**46,738 (39,027)**	**60,844 (57,835)**	**2,916 (7,210)**

Previous year figures are given in parenthesis.

32.TAXATION

(a) Upon finalisation of income tax return of Assessment Year 2007-08 and revision of income tax return of Assessment Year 2006-07, an amount of Rs. 48 Lacs (net) has been credited to tax expense.

(b) Break up of deferred tax assets/ liabilities and reconciliation of current year deferred tax credit is as follows:

(Amount in Rs. Lacs)

Deferred Tax Assets/ Liabilities	Opening As on 01.04.2007	Charged/ (Credited) to Profit & Loss Account	Closing As on 31.03.2008
Deferred Tax Liabilities			
a) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	258	98	356
Total (A)	258	98	356
Deferred Tax Assets			
a) Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax:			
- Provision for doubtful debts and advances	(724)	(171)	(895)
- Provision for Inventory	(5)	(21)	(26)
- Provision for Leave Encashment, Bonus, Gratuity and other timing differences	(301)	(59)	(360)
Total (B)	(1,030)	(251)	(1281)
Net Deferred Tax Asset (A+B)	(772)	(153)	(925)
Add: Deferred tax asset related to fair value loss on derivative instruments not credited to Profit and Loss Account but taken to Balance Sheet (Refer Note 10 above)	-	-	(30)
Net Deferred Tax Asset	-	-	(955)

i. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.

ii. Long term capital loss has not been considered in absence of virtual certainty of long term capital gains.

33.MOVEMENT OF PROVISION FOR DOUBTFUL DEBTS

Particulars	Year ended March 31, 2008 (Rs. Lacs)	Year ended March 31, 2007 (Rs. Lacs)
Opening Provision	2,029.31	2,164.28
Add: Additional Provisions created	477.07	275.00
Less: Provision written back	-	(0.20)
Less: Provision written off	-	(409.77)
Closing Provision	2,506.38	2,029.31

34.EARNINGS PER SHARE

Particulars	Year ended March 31, 2008	Year ended March 31, 2007
Profit attributable to equity shareholders (Rs.) - (A)	327,699,892	329,347,516
Weighted average number of equity shares outstanding during the year (Nos.) – (B)	161,921,655	145,527,171
Nominal Value of Equity Shares (Rs.)	2/-	10/-
Basic Earnings per Share (Rs.) (A/ B)	2.02	2.26
Add: Effect of potential dilutive shares (being employee stock options-Refer note 15 above) (Nos.)	590,227	529,058
Add: Effect of potential dilutive shares (FCCB) (Nos.)	-	9,835,402
Weighted average shares outstanding considered for determining diluted earning per share (Nos.) - (C)	162,511,882	155,891,631
Increase in earnings on account of FCCB (Rs.) (D)	-	10,200,702
Profit after considering increased earnings of dilutive shares (Rs.) (E)=(A+D)	327,699,892	339,548,218
Diluted Earnings per Share (Rs.) (E/ C)	2.02	2.18

EARNINGS PER SHARE [had fair value method been employed for accounting of employee stock options (Refer Note 15 above)]

Particulars	Year ended March 31, 2008	Year ended March 31, 2007
Profit attributable to equity shareholders (Rs.) - (F)	308,764,447	323,099,745
Profit attributable to equity shareholders for diluted (Rs.) - (G)	308,764,447	333,300,447
Basic Earnings per share (Rs.) (F/ B)	1.91	2.22
Diluted Earnings per share (Rs.) (G/ C)	1.90	2.14

Basic and Diluted Earnings Per Share (EPS) has been restated for the previous year to give effect of issue of bonus shares and sub-division of shares in accordance with Accounting Standard 20 "Earnings Per Share". Therefore, Earnings per Share of previous year is not comparable with the face value of shares.

35.LEASES

a) Operating Leases

All operating leases entered into by the Company after 31st March, 2001 are cancelable on giving a notice of 1 to 3 months.

Aggregate payments during the year under operating leases are as shown hereunder:

Particulars	Year ended March 31, 2008 (Rs.)	Year ended March 31, 2007 (Rs.)
In respect of Premises*	237,660,045	173,062,279
In respect of Equipments**	64,967,365	45,111,839
In respect of Vehicles	3,360,160	Nil

* Includes payment in respect of premises for office and employee accommodation.

** Includes payment in respect of computers, printers and other equipments.

b) Finance Leases

i. Assets acquired under finance lease comprise of plant & machinery and furniture & fixtures. There are no exceptional/ restrictive covenants in the lease agreements.

ii. The minimum lease payment outstanding and their present value at the Balance Sheet date in respect of plant & machinery and furniture & fixtures that have been capitalised are as follows:

Particulars	Minimum lease payments (Rs.)	Present value of lease payments (Rs.)
Not later than 1 year	2,349,765 (3,727,380)	2,255,626 (3,221,928)
Later than 1 year but not later than 5 years	- (2,349,765)	- (2,255,626)

Particulars	(Amount in Rs.)
Minimum Lease Payments as above	2,349,765 (6,077,145)
Less: Finance Charge	94,139 (599,591)
Present Value of Lease Payments	2,255,626 (5,477,554)

Previous year figures are given in parenthesis.

36. Parties covered under Micro, Small and Medium-Enterprises Development Act, 2006 (MSMED Act) for the year ended 31st March, 2008 have been identified on the basis of information available with the company. Disclosures as per Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as follows:

(Amount in Rs. Lacs)

a) the principal amount and the interest due thereon remaining unpaid to any supplier	
i) Principal amount	14.01
ii) Interest thereon	Nil
b) the amount of payment made to the supplier beyond the appointed day and the interest thereon, during an accounting year (Principal only)	Nil
c) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil
d) the amount of interest accrued and remaining unpaid at the end of each accounting year	Nil
e) amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	Nil

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

Signatures to the Schedule `1' to `20' above

Rajendra S Pawar
Chairman and Managing Director

Vijay K Thadani
CEO & Whole-time Director

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : June 11, 2008

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

REGISTRATION DETAILS

Registration No.	15865	State Code	55
Balance Sheet Date	31-03-2008		

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

Public Issue	NIL	Right Issue	NIL
Bonus Issue	109739	Private Placement	NIL
Conversion of Bonds	21880	Employees Stock Option	235

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

Total Liabilities	4453446	Total Assets	4453446

SOURCES OF FUNDS

Paid up Capital	329412	Reserves & Surplus	3303441
Employees Stock Option Outstanding	4906	Secured Loans	572431
Unsecured Loans	243256		

APPLICATION OF FUNDS

Net Fixed Assets	1208336	Investments	1784973
Deferred Tax Asset (Net)	95468	Net Current Assets	1364669
Miscellaneous Expenditure	NIL	Accumulated Losses	NIL

PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)

Turnover	4975127	Total Expenditure	4543853
Profit/ (Loss) before Tax	431274	Profit/ (Loss) after Tax	327700
Earning per share (in Rs.)	2.02	Diluted Earning per share (in Rs.)	2.02
Dividend (%) - Equity	65.00		

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

1. Item Code	NOT APPLICABLE
Product Description	LEARNING SOLUTIONS
2. Item Code	N/A
Product Description	
3. Item Code	N/A
Product Description	

Rajendra S Pawar
Chairman and Managing Director

Vijay K Thadani
CEO & Whole-time Director

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : June 11, 2008

Financial Summary of Subsidiary Companies as at 31st March, 2008

(Pursuant to exemption received under Section 212(8) of the Companies Act, 1956) (Amount in Rs.)

Name of the Subsidiary Company	Currency #	Share Capital [Refer Note 2 below]	Reserves [Refer Note 3 below]	Total Assets [Refer Note 4 below]	Total Liabilities	Details of Investment (Except in case of Investment in Subsidiary)	Turnover [Refer Note 7 below]	Profit/ (Loss) Before Taxation	Provision for Tax/ Deferred tax charge/ (credit)	Profit after Tax	Proposed Dividend
NIIT Online Learning Limited	INR	4,387,998	2,185,804	6,625,432	51,630	4,600,000 [Refer note 5 below]	-	(165,187)	-	(165,187)	-
Hole-in-the-Wall Education Limited	INR	86,000,070	(97,272,721)	21,740,813	33,013,464	-	30,087,022	(373,162)	171,743	(544,905)	-
Scantech Evaluation Services Limited	INR	99,100,000	20,552,132	340,160,279	220,508,147	98,198,200 [Refer note 6 below]	-	77,598,545	5,352,638	72,245,907	188,290,000
NIIT Multimedia Limited	INR	55,500,000	(1,969,246)	71,017,467	17,486,714	-	-	(4,528,201)	-	(4,528,201)	-
NIIT Institute of Finance Banking and Insurance Training Limited	INR	50,000,000	(17,489,983)	122,046,732	89,536,715	15,000,000 [Refer note 5 below]	237,460,747	17,417,193	890,156	16,527,037	-
NIIT (USA) Inc., USA	USD	1,136,130,696	(587,426,840)	2,426,063,769	1,877,359,913	-	1,213,213,438	29,860,131	877,041	28,983,090	-
NIIT Ventures Inc., USA	USD	4,661	(8,103,781)	1,477,724,001	1,485,823,121	-	-	(47,574,030)	-	(47,574,030)	-
Element K India Private Ltd.	INR	320,120	63,636,647	87,028,282	23,071,515	-	154,423,557	20,118,884	2,634,676	17,484,208	-
Element K Corporation, USA	USD	466,151	(1,226,301,576)	1,388,931,288	2,614,766,713	-	3,688,330,706	164,074,405	5,211,837	158,862,568	-
Element K (UK) Limited	GBP	77,771	8,756,137	16,971,772	8,137,864	-	40,522,497	268,407	-	268,407	-
Element K Canada Inc.	CAD	388	(23,911,431)	28,708,259	52,619,302	-	157,299,732	17,152,873	-	17,152,873	-
PT NIIT Indonesia, Indonesia	IDR	7,560,000	(6,793,600)	766,400	-	-	-	(2,502)	-	(2,502)	-
NIIT Antilles NV, Netherlands Antilles	USD	1,644,127,480	(1,204,554,881)	561,701,420	122,128,821	-	278,794,366	(70,016,792)	-	(70,016,792)	-
NIIT Middle East WLL, Bahrain	BHD	5,946,457	(2,142,414)	22,191,291	18,387,248	-	3,109,662	(260,271)	-	(260,271)	-
NIIT Malaysia Sdn Bhd, Malaysia	MYR	71,098,787	(41,221,497)	37,121,154	7,243,864	-	13,270,127	(8,162,996)	-	(8,162,996)	-
NIIT GC Limited, Mauritius	USD	97,181,720	(76,652,204)	44,603,167	24,073,651	-	5,457,408	(1,649,373)	-	(1,649,373)	-
NIIT China (Shanghai) Limited, Shanghai	CNY	10,250,891	55,735,131	132,677,824	66,691,802	-	182,119,016	27,908,623	2,837,045	25,071,578	-
PCEC NIIT Institute of Information Technology, Shanghai	CNY	33,144,622	(27,875,670)	26,484,784	21,215,832	-	21,175,453	(4,476,950)	-	(4,476,950)	-
NIIT Wuxi Service Outsourcing Training School	CNY	4,503,360	(1,949,629)	5,083,159	2,529,428	-	729,263	(1,990,211)	-	(1,990,211)	-
NIIT Limited, U.K.	GBP	12,649,466	(3,900,073)	102,591,278	93,841,886	-	143,297,154	(3,790,615)	(62,412)	(3,728,203)	-
Evolv Services Limited (Formerly knows as "Evolv Management Services Private Limited")	INR	10,984,172	1,213,516	34,999,136	22,801,449	-	8,909,322	(6,378,542)	70,056	(6,448,598)	-

Local currency of respective companies in which financials are made.

Notes:

1. Amount in foreign currency in the Financial Statement of the subsidiaries mentioned above have been converted in Indian Rupee equivalent as per the generally accepted accounting principles in India.
2. Includes Employees Stock Options Outstanding.
3. Reserves include Currency Translation Reserve.
4. Total asset includes miscellaneous expenditure to the extent not written off.
5. Amount represents investment in Mutual Funds.
6. Amount represents investment in NIIT Technologies Limited Rs. 97,498,200/- and Rs. 700,000/- in Mutual Funds.
7. Turnover does not include Other Income.
8. 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, therefore deferred taxes have been determined only at consolidated level.

Indian rupee equivalents of the foreign currencies mentioned in the above table as on March 31, 2008 is as follows:

1 USD = 40.0611 INR 1 IDR = 0.0044 INR 1 BHD = 106.393 INR
1 CNY = 5.7201 INR 1 GBP = 79.7261 INR 1 MYR = 12.5372 INR
1 CAD = 39.1371 INR

REPORT OF THE AUDITORS TO THE BOARD OF DIRECTORS OF NIIT LIMITED

1. We have audited the attached consolidated Balance Sheet of NIIT Limited and its subsidiaries and its associates (the "Group"), as at 31st March, 2008 and the consolidated Profit and Loss Account and consolidated Cash Flow Statement for the year ended on that date together with notes thereon and attached thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the NIIT Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated 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 prepared, in all material respects, in accordance with an identified financial reporting framework and 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 did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 10,578 lacs and total liabilities of Rs. 4,073 lacs as at 31st March, 2008 and total revenue of Rs. 6,565 lacs, and total expenses of Rs. 7,318 lacs and total cash flows of Rs. 455 lacs (Net) for the year ended on that date considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of other auditors. We also did not audit the financial statements of one associate whose share of net profit aggregating to Rs. 3.18 lacs has been considered in these financial statements. The share of net profit has been considered based on unaudited financial statements provided by the associates.

4. We report that the consolidated financial statements have been prepared by NIIT Limited's management and as per information and explanations given to us, in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" and Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India.

5. Based on our audit and on consideration of the reports of the other auditors on separate financial statements (refer Paragraph 3 above) and on other information of the components, in our opinion and to the best of our information and explanations given to us, the attached consolidated financial statements together with notes thereon and attached thereto, give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2008;

   (ii) in case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the year ended on that date; and

   (iii) in case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

H. Singh
Partner
Membership No. F – 86994
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : New Delhi
Date : June 11, 2008

CONSOLIDATED BALANCE SHEET as at 31st March, 2008

	Schedule No./ (Note Reference)		As At 31st March, 2008 (Rs.)		As At 31st March, 2007 (Rs.)
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	'1'	329,411,726		197,558,060	
Employees Stock Option Outstanding	'1A'	4,905,992		5,878,052	
Reserves and Surplus	'2'	3,728,765,511		2,918,838,613	
Currency Translation Reserve/ (Debit Balance)	'2A'	(43,027,957)	4,020,055,272	22,905,619	3,145,180,344
MINORITY INTEREST	'3'		14,591,124		3,870,495
LOAN FUNDS					
Secured Loans	'4'		1,836,144,121		2,254,695,992
Unsecured Loans	'5'		221,078,846		443,377,554
			6,091,869,363		5,847,124,385
APPLICATION OF FUNDS					
FIXED ASSETS	'6'				
Gross Block		5,813,972,702		5,702,053,561	
Less: Depreciation		2,308,806,445		1,988,868,926	
Net Block			3,505,166,257		3,713,184,635
Capital work-in-progress (including Capital Advances)	'23(26)'		475,838,882		133,531,863
INVESTMENTS	'7'		892,386,195		611,284,822
NET DEFERRED TAX ASSETS	'23[1(xiv) & 30]'		250,004,856		80,656,997
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	'8'	126,356,071		132,322,798	
Sundry Debtors	'9'	2,047,674,080		2,204,226,024	
Cash and Bank Balances	'10'	799,223,166		735,902,157	
Other Current Assets	'11'	300,579,063		301,830,248	
Loans & Advances	'12'	1,304,094,364		1,136,629,357	
		4,577,926,744		4,510,910,584	
Less: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	'13'	3,193,677,413		2,822,582,010	
Provisions	'14'	416,883,095		380,572,745	
		3,610,560,508		3,203,154,755	
Net Current Assets			967,366,236		1,307,755,829
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	'15'		1,106,937		710,239
			6,091,869,363		5,847,124,385
NOTES TO ACCOUNTS	'23'				

The Schedules referred to above form an integral part of the Consolidated Balance Sheet.
This is the Consolidated Balance Sheet referred to in our report of even date.

H. Singh
Partner
Membership No. F-86994
For and on behalf of
Price Waterhouse
Chartered Accountants

Rajendra S Pawar
Chairman and Managing Director

Vijay K Thadani
CEO & Whole-time Director

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : June 11, 2008

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2008

	Schedule No./ (Note Reference)	Year ended 31st March, 2008 (Rs.)	Year ended 31st March, 2007 (Rs.)
INCOME			
Revenue from Operations	'16'	10,068,283,071	7,951,285,044
Other Income	'17'	73,472,453	60,743,326
		10,141,755,524	8,012,028,370
EXPENDITURE			
Personnel	'18'	3,053,618,714	2,554,510,206
Development, Production and Execution	'19'	3,615,674,739	2,673,586,805
Administration and Others	'20'	1,557,484,528	1,325,532,164
Selling and Marketing	'21'	806,329,898	604,465,205
Interest and Finance Charges	'22'	177,915,288	135,349,099
Depreciation and Amortisation	'6'	529,355,790	472,568,640
		9,740,378,957	7,766,012,119
Profit before Tax and share of Associates' profits		401,376,567	246,016,251
Tax Expense	'23[1(xiv) & 30]'		
- Current		144,855,775	48,386,323
- Deferred charge/ (credit)		(165,462,322)	(37,846,292)
- Fringe Benefits Tax		25,690,065	20,081,474
- MAT Credit Entitlement		(25,543,761)	(13,724,220)
Provision for tax related to earlier years		-	(13,183,603)
Profit after Tax before share of Associates' profit		421,836,810	242,302,569
Share of Associates' net profit	'7'	333,774,649	324,009,648
Profit after Tax after share of Associates' profit		755,611,459	566,312,217
Add: Net (Profit)/ Loss attributable to Minority	'3'	809,479	6,809,059
Profit attributable to Equity shareholders		756,420,938	573,121,276
Balance brought forward from previous year		2,104,103,286	1,730,787,712
Balance available for appropriation		2,860,524,224	2,303,908,988
APPROPRIATION			
Proposed Dividend on Equity Shares		214,142,582	142,630,839
Corporate Dividend Tax for Current Year	'23(18)'	36,393,533	24,240,111
Transferred to General Reserve		51,598,989	32,934,752
		302,135,104	199,805,702
Balance Carried to Balance Sheet		2,558,389,120	2,104,103,286
		2,860,524,224	2,303,908,988
Earnings per Share	'23(32)'		
- Basic		4.67	3.94
- Diluted		4.65	3.74
NOTES TO ACCOUNTS	'23'		

The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account.
This is the Consolidated Profit and Loss Account referred to in our report of even date.

H. Singh
Partner
Membership No. F-86994
For and on behalf of
Price Waterhouse
Chartered Accountants

Rajendra S Pawar
Chairman and Managing Director

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Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : June 11, 2008

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2008

		Year ended 31st March, 2008 (Rs.)		Year ended 31st March, 2007 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax and share of Associates' profits		401,376,567		246,016,251
Adjustments for:				
Depreciation and Amortisation	529,355,790		472,568,640	
Interest Expenses	190,304,653		161,009,101	
Interest Income	(31,758,195)		(36,995,564)	
(Profit)/ Loss on Fixed Assets sold	4,716,680		(6,312,019)	
(Profit)/ Loss on sale of Investments	1,486,234		(6,390,102)	
Miscellaneous Expenditure written off	90,802		92,802	
Provision for Doubtful Debts	68,725,676		81,459,169	
Provision for Doubtful Advances	2,677,110		-	
Provision for slow/ non-moving Inventory	8,385,103		2,120,608	
Advances written off	1,507,283		-	
Liabilities/ Provisions no longer required written back	(62,232,859)		(49,281,086)	
Provision for Gratuity & Leave Encashment	33,657,655		43,026,775	
Foreign Exchange Adjustments	(20,957,570)		11,349,619	
Employees Stock Option Expenses	(29,958)	725,928,404	8,760,442	681,408,385
Operating profit before working capital changes		**1,127,304,971**		**927,424,636**
Add/ (Less): (Increase)/ Decrease in operating working capital:				
Trade receivables	161,983,901		355,938,559	
Loans and Advances & Other Current Assets	(94,228,436)		(321,988,588)	
Inventories	(2,418,376)		(25,213,940)	
Current Liabilities and Provisions	301,013,380	366,350,469	(312,978,230)	(304,242,199)
Cash generated from operations		**1,493,655,440**		**623,182,437**
Taxes paid (including TDS)		(199,424,710)		(41,846,122)
Interest paid - Others		(38,972,841)		(15,703,598)
Net cash from operating activities (A)		**1,255,257,889**		**565,632,717**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets (Net of Capital work-in-progress)		(847,668,114)		(623,128,568)
Cost of Investment in Evolv [Refer note 23 on Schedule 23]		(28,000,182)		(681,089,730)
Proceeds from Sale of fixed assets		9,624,745		30,462,978
Miscellaneous Expenses incurred		(487,500)		(454,010)
Purchase of Convertible Preference Shares from IFC		-		(100)
Proceeds from Sale of Investments		3,500,000		61,271,458
Purchase of Mutual Funds		(15,118,038)		-
Dividend from Associates		62,805,080		57,973,920
Loan to NIIT Institute of Information Technology		(83,500,000)		(229,000,000)
Loan Given to NIIT Education Society received back		46,200,000		22,500,000
Receipt of loan back from NIITian Welfare Trust		-		100,000,000
Interest Received (Revenue)		48,213,936		24,758,855
Net cash used for Investing activities (B)		**(804,430,073)**		**(1,236,705,197)**

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2008 (Contd.)

		Year ended 31st March, 2008 (Rs.)		Year ended 31st March, 2007 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Receipt from issue of Shares (Current year - in NIIT Wuxi Service Outsourcing Training School, Previous year - in NIIT Institute of Finance Banking and Insurance Training Limited) [Refer Note 25 on Schedule 23]		1,801,344		10,000,000
Proceeds form fresh issue of Share Capital (including Share Premium)		3,107,352		78,744,660
Proceeds/ (Payments) from long term borrowings		(1,997,924)		1,520,459,500
Loans repaid during the year		(422,423,740)		(163,888,890)
Proceeds from Working Capital Borrowings		240,366,600		-
Vehicle Loans				
- Received during the year	-		8,709,290	
- Repaid during the year	(11,091,110)	(11,091,110)	(13,833,907)	(5,124,617)
Repayment of Element K Liabilities including Loan [Refer note 12 on Schedule 23]		-		(988,417,397)
Proceeds/ (Payments) relating to Cash Credits (Net)		(25,098,121)		254,076,548
Interest Paid (including financing charges on finance lease arrangements)		(160,276,287)		(126,865,153)
Dividend Paid		(143,439,549)		(116,346,564)
Dividend Distribution Tax Paid		(24,245,016)		(16,261,684)
Net cash from financing activities (C)		**(543,296,451)**		**446,376,403**
Net Increase/(Decrease) in Cash & Cash Equivalents (A) + (B) + (C)		**(92,468,635)**		**(224,696,077)**
Adjustment on account of Foreign Exchange Fluctuations		133,433,573		145,960,485
Cash and cash equivalents as at the beginning of the year (Note 1)		**735,902,157**		**650,152,546**
Cash and cash Equivalents Acquired on Acquisition [Refer note 23 on Schedule 23]		22,356,071		164,485,203
Cash and cash equivalents as at end of the year (Note 1)		**799,223,166**		**735,902,157**

Notes:

1. Cash and cash equivalents as on

	31st March, 2008 (Rs.)	31st March, 2007 (Rs.)
Cash, Cheques & Drafts (in hand) and Remittances in transit	303,051,642	201,600,445
Balances with banks [For restricted Balances, refer Note 34 on Schedule 23] [Includes Rs. 26,069,500/- (Previous year Rs. 20,661,534/-) pledged as margin money]	496,171,524	534,301,712
	799,223,166	735,902,157

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) of The Companies Act, 1956.
3. The schedules from 1 - 23 form an integral part of the Cash Flow Statement.
4. Previous year figures, to the extent feasible, have been regrouped/ recasted wherever necessary to conform to the current year's classification.

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

H. Singh
Partner
Membership No. F-86994
For and on behalf of
Price Waterhouse
Chartered Accountants

Rajendra S Pawar
Chairman and Managing Director

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CEO & Whole-time Director

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : June 11, 2008

Schedule No.		As At 31st March, 2008 (Rs.)	As At 31st March, 2007 (Rs.)
1	SHARE CAPITAL [Refer Notes 1(ix), 9, 21 and 22 on Schedule 23]		
	Authorised		
	250,000,000 Equity Shares of Rs. 2/- each (Previous year 50,000,000 Equity Shares of Rs. 10/- each)	500,000,000	500,000,000
	2,500,000 Redeemable Preference Shares of Rs. 100/- each	250,000,000	250,000,000
		750,000,000	750,000,000
	Issued		
	164,708,863 Equity shares of Rs. 2/- each (Previous year 19,756,406 Equity Shares of Rs. 10/- each)	329,417,726	197,564,060
		329,417,726	197,564,060
	Subscribed		
	164,702,863 Equity shares of Rs. 2/- each (Previous year 19,755,206 Equity Shares of Rs. 10/- each)	329,405,726	197,552,060
		329,405,726	197,552,060
	Paid-up		
	164,702,863 Equity shares of Rs. 2/- each (Previous year 19,755,206 Equity Shares of Rs. 10/- each)	329,405,726	197,552,060
	Add: Forfeited Share (Amount originally paid-up)	6,000	6,000
	Note: Issued Share Capital includes 142,176,960 Equity Shares of Rs. 2/- each (Previous year 17,461,494 Equity Shares of Rs. 10/- each) allotted as fully paid up bonus shares by way of Capitalisation of General Reserve/ Share Premium account/ Capital Redemption Reserve in 2007-08, 1998-99, 1994-95, 1992-93 and 1987-88.		
		329,411,726	197,558,060
1A	EMPLOYEES STOCK OPTION OUTSTANDING [Refer Notes 1(ix) and 9 on Schedule 23]		
	Employees Stock Option Outstanding	4,905,992	5,878,052
		4,905,992	5,878,052

Schedule No.			As At 31st March, 2008 (Rs.)		As At 31st March, 2007 (Rs.)
2	**RESERVES AND SURPLUS** [Refer Notes 1(xi), 7, 9, 10, 21 & 22 on Schedule 23]				
	Capital Redemption Reserve				
	As per Last Balance Sheet	54,598,467		54,598,467	
	Less: Utilised for issue of bonus shares	(54,598,467)	-	-	54,598,467
	Share Premium				
	As per Last Balance Sheet	159,776,818		62,794,328	
	Add: Additions during the year on account of FCCB Conversion	415,720,000		-	
	Add: Additions during the year on account of exercise of ESOP's	3,804,188		96,982,490	
	Less: Utilised for Issue of Bonus Shares	(55,140,513)	524,160,493	-	159,776,818
	Capital Reserve		55,999,900		55,999,900
	General Reserve (Note 1 below)				
	As per Last Balance Sheet	544,360,142		557,110,238	
	Less: Utilised for Leave encashment on account of revised AS15 (Net of Deferred tax assets amounting to Rs. 228 lacs)	-		(45,684,848)	
	Add: Transferred from Profit and Loss account	51,598,989	595,959,131	32,934,752	544,360,142
	Hedging Reserve Account (Debit Balance) (Net of Deferred Tax Rs. 29.57 Lacs)		(5,743,133)		-
	Profit & Loss Account		2,558,389,120		2,104,103,286
			3,728,765,511		**2,918,838,613**

Note :

1 General Reserve above represents General Reserve as per the Indian Companies Act, 1956 in respect of Indian Companies.

2 General Reserve, if any, of overseas Companies are included as part of the Profit & Loss Account balance as it is not practical to give movement thereof.

2A	**CURRENCY TRANSLATION RESERVE** [Refer Note 1(x) on Schedule 23]				
	As per Last Balance Sheet		22,905,619		50,371,406
	Increase/ (Decrease) during the year on translation of balances		(65,933,576)		(27,465,787)
			(43,027,957)		**22,905,619**

Schedule No.			As At 31st March, 2008 (Rs.)		As At 31st March, 2007 (Rs.)
3	**MINORITY INTEREST** [Refer Notes 1(i), 17, 23 and 25 on Schedule 23]				
	As per Last Balance Sheet		3,870,495		679,554
	Add: Minority share in the Capital (current year addition)		11,530,108		10,000,000
	Add: Minority share in the result of current year [Minority share of loss of the subsidiary companies in excess of their interest of Rs. 973,266/- (Previous year Rs. 1,184,242/-) has been absorbed by the Majority Shareholders (NIIT Limited) in terms of Accounting Standard 21]		(809,479)		(6,809,059)
			14,591,124		3,870,495
4	**SECURED LOANS** [Refer Notes 2(iii), 6 and 11 on Schedule 23]				
	Loans from Banks				
	- Rupee Term loans	286,805,553		450,694,443	
	- Working Capital Borrowings	40,061,100		-	
	- Other Term Loans	1,261,924,650		1,520,459,500	
	- Cash Credit	228,978,427		254,076,548	
	- Vehicle Loans	18,374,391	1,836,144,121	29,465,501	2,254,695,992
	[Loans due within one year Rs. 453,319,148/- (Previous Year Rs. 326,671,900/-)]				
			1,836,144,121		2,254,695,992
5	**UNSECURED LOANS** [Refer Notes 1(x), (xii), 2(iii), 21, 23 and 33(b) on Schedule 23]				
	Working Capital Borrowings		200,305,500		-
	2.5% Foreign Currency Convertible Bonds		-		437,900,000
	Other Loans		8,000,000		-
	Deferred Lease Obligations		12,773,346		5,477,554
			221,078,846		443,377,554

SCHEDULES annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2008 (Contd.)

6. Fixed Assets
[Refer Notes 1(ii), (iii), (iv), (x), (xii), (xiii), 3, 12, 13, 23, 26, 27(a) and 28 on Schedule 23]

(Amount in Rs.)

	GROSS BLOCK						DEPRECIATION AND AMORTISATION						NET BLOCK	
Description of Assets	Cost as on 01.04.2007	Assets Acquired on acquisition	Additions during the Year	Sales / Adj. during the Year	Translation Adjustment	Total as on 31.03.2008	As on 01.04.2007	Assets Acquired on acquisition	Charge For the Year	Sales / Adj. during the Year	Translation Adjustment	Total as on 31.03.2008	As on 31.03.2008	As on 31.03.2007
Tangible														
Land														
- Freehold	39,515,082	-	-	-	-	39,515,082	-	-	-	-	-	-	39,515,082	39,515,082
- Leasehold	-	-	70,076,199	-	-	70,076,199	-	-	-	-	-	-	70,076,199	-
Building	208,891,024	-	-	-	-	208,891,024	16,905,674	-	3,403,533	-	-	20,309,207	188,581,817	191,985,350
Plant & Machinery														
- Owned	1,359,209,784	-	219,367,102	129,110,300	(7,295,396)	1,442,171,190	922,227,840	-	171,114,204	124,653,073	(2,982,993)	965,705,978	476,465,212	436,981,944
- Leased	6,762,129	-	4,838,146	361,819	(44,632)	11,193,824	3,993,262	-	2,152,424	361,797	(4,116)	5,779,773	5,414,051	2,768,867
Lease Hold Improvements	195,301,645	-	65,104,618	6,827,581	(90,156)	253,488,526	72,876,646	-	56,775,777	5,831,485	(26,169)	123,794,769	129,693,757	122,424,999
Furniture & Fixtures														
- Owned	164,611,065	-	25,000,322	23,703,939	(348,849)	165,558,599	101,933,269	-	20,388,313	22,423,665	(672,512)	99,225,405	66,333,194	62,677,796
- Leased	6,286,574	-	-	3,795	-	6,282,779	3,579,539	-	1,644,491	3,778	-	5,220,252	1,062,527	2,707,035
Vehicles	62,784,921	5,405,076	301,999	11,458,017	(160,286)	56,873,693	14,526,990	2,098,641	4,377,450	3,850,600	(160,355)	16,992,126	39,881,567	48,257,931
Sub Total (a)	2,043,362,224	5,405,076	384,688,386	171,465,451	(7,939,319)	2,254,050,916	1,136,043,220	2,098,641	259,856,192	157,124,398	(3,846,145)	1,237,027,510	1,017,023,406	907,319,004
Intangible (Courseware/Products)														
Software														
- Acquired	1,228,808,318	-	113,750,854	11,883,250	(50,510,845)	1,280,165,077	709,870,316	-	245,366,893	11,882,878	(31,851,955)	911,502,376	368,662,701	518,938,002
- Internally Generated	68,473,340	-	-	-	-	68,473,340	52,435,701	-	14,831,124	-	-	67,266,825	1,206,515	16,037,639
- Leased	-	-	6,740,696	-	(62,182)	6,678,514	-	-	748,966	-	(6,909)	742,057	5,936,457	-
Patents	5,122,965	-	7,476,950	-	-	12,599,915	4,360,815	-	1,598,828	-	-	5,959,643	6,640,272	762,150
Goodwill														
- on Consolidation	2,262,695,481	19,082,664	-	-	(176,081,239)	2,105,696,906	-	-	-	-	-	-	2,105,696,906	2,262,695,481
- on acquisition	93,591,233	-	-	-	(7,283,199)	86,308,034	86,158,874	-	6,953,787	-	(6,804,627)	86,308,034	-	7,432,359
Sub Total (b)	3,658,691,337	19,082,664	127,968,500	11,883,250	(233,937,465)	3,559,921,786	852,825,706	-	269,499,598	11,882,878	(38,663,491)	1,071,778,935	2,488,142,851	2,805,865,631
Total (a +b)	5,702,053,561	24,487,740	512,656,886	183,348,701	(241,876,784)	5,813,972,702	1,988,868,926	2,098,641	529,355,790	169,007,276	(42,509,636)	2,308,806,445	3,505,166,257	3,713,184,635
Previous Year	2,735,426,461	2,514,230,216	783,542,463	138,846,773	(192,298,806)	5,702,053,561	1,604,709,554	45,159,124	472,568,640	114,695,814	(18,872,578)	1,988,868,926	3,713,184,635	
										Capital Work-in-Progress (including Capital Advances)			475,838,882	133,531,863

Notes:

(i) Gross Block of Building includes 10 shares of Rs. 500/- each in the Guru Vidya Co-operative Housing Society Ltd.

(ii) Out of the total land as above, 100 acres of land amounting Rs. 26,086,500/- at Tehsil Behror, District Alwar is allotted for education purpose. This land cannot be transferred without the approval of the allotment authority.

(iii) Addition to building includes borrowing costs of Nil (Previous year Rs. 7,474,485/-).

Schedule No.

7 INVESTMENTS

[Refer Notes 1(i), (v) and 17 on Schedule 23]

A Trade, Long Term Investments

(Amount in Rs.)

Particulars	As at 01.04.2007	Dividend	Share of Profit/(Loss) in associates	Adjustments	As at 31.03.2008
a) In Associates					
Mindshaper Technologies Private Limited					
- Net Assets Value	5,068,196	-	-	(5,068,196)	-
Aesthetic Technologies Private Limited					
- Net Assets Value	9,427,389	-	(318,927)	-	9,108,462
NIIT Technologies Limited (formerly NIIT Investments Limited)					
- Capital Reserve	(415,866,458)	-	-	-	(415,866,458)
- Net Assets Value	1,007,555,695	(62,805,080)	334,093,576	-	1,278,844,191
Total Investment in Associates	606,184,822	(62,805,080)	333,774,649	(5,068,196)	872,086,195

	As At 31st March, 2008 (Rs.)	As At 31st March, 2007 (Rs.)
b) Others		
32,111 (Previous Year 45,911) Equity Shares of Rs 10/- each fully paid-up in Mindshaper Technologies Private Limited		3,544,789
Less: Provision for diminution in the value of investment [Refer Note 17(2) on Schedule 23]		(3,544,789)
B Non - Trade short term Investments		
In mutual funds, debts and money market securities [Fair market value as on 31st March, 2008 Rs. 21,027,942 (Previous year Rs. 5,333,854/-)]	5,100,000	20,300,000
Total A(a)+A(b)+B	611,284,822	892,386,195

8 INVENTORIES

[Refer Notes 1(vi) and 12 on Schedule 23]

		31st March, 2008		31st March, 2007
Raw Material		9,104,740		8,702,865
Education and Training Material*				
- Traded	100,369,284		100,577,843	
- Manufactured	9,493,758	109,863,042	7,809,789	108,387,632
Software**		7,388,289		15,232,301
		126,356,071		132,322,798

Note :

*Net of provision for non-moving inventories of Rs. 5,233,078/- (Previous year Rs. 2,120,608/-)

**Net of provision for non-moving inventories of Rs. 3,152,025/- (Previous year Nil)

Schedule No.		As At 31st March, 2008 (Rs.)	As At 31st March, 2007 (Rs.)
9	SUNDRY DEBTORS		
	(Unsecured)		
	[Refer Notes 12, 23 and 31(a) on Schedule 23]		
	Outstanding over six months:		
	- Considered good	666,516,227	877,033,198
	- Considered doubtful	639,092,519	629,885,316
	Other debts:		
	- Considered good	1,381,157,853	1,327,192,826
	- Considered doubtful	15,985,850	23,676,422
		2,702,752,449	2,857,787,762
	Less: Provision for Doubtful Debts	655,078,369	653,561,738
		2,047,674,080	2,204,226,024
10	CASH AND BANK BALANCES		
	[Refer Notes 12, 23 and 34 on Schedule 23]		
	Cash and Cheques in Hand	303,051,642	201,600,445
	Balances with Banks in:		
	- Current Accounts (Refer Note 34 on Schedule 23)	444,845,157	440,458,093
	- Dividend Accounts	3,989,953	4,769,803
	- Fixed Deposit Accounts	46,709,700	88,301,440
	[Includes Rs. 26,069,500/- (Previous year Rs. 20,661,534/-) pledged as margin money]		
	Exchange Earners' Foreign Currency Account	626,714	772,376
		799,223,166	735,902,157
11	OTHER CURRENT ASSETS		
	(Unsecured, considered good)		
	[Refer Notes 1(vii), 12 and 23 on Schedule 23]		
	Unexecuted subscriptions	131,243,073	187,578,350
	Interest Receivable	1,298,187	17,753,928
	Unbilled Revenue (Net)	168,037,803	96,497,970
		300,579,063	301,830,248

Schedule No.		As At 31st March, 2008 (Rs.)		As At 31st March, 2007 (Rs.)
12 LOANS & ADVANCES (Unsecured, considered good except where otherwise stated)				
[Refer Notes 1(xiv), (xvi), 11, 12, 20, 23 and 30(i) on Schedule 23]				
Loan to NIIT Education Society		13,500,000		280,000,000
Loan to NIIT Institute of Information Technology		303,800,000		-
Loan to NOLL ESOP Trust		438,797		438,797
Deferred Expenses				
- Royalty	158,469,839		140,996,901	
- Commission	71,109,541	229,579,380	67,480,034	208,476,935
Advances recoverable in cash or in kind or for value to be received				
- Considered Good	416,653,740		406,432,946	
- Considered Doubtful	12,157,038		9,479,932	
	428,810,778		415,912,878	
Less: Provision for Doubtful Advances	12,157,038	416,653,740	9,479,932	406,432,946
Security Deposits				
- Considered Good	290,059,261		227,378,549	
- Considered Doubtful	733,449		733,449	
	290,792,710		228,111,998	
Less: Provision for Doubtful Security Deposits	733,449	290,059,261	733,449	227,378,549
Advance payment of Fringe Benefit Tax	67,027,623		38,746,887	
Less: Provision for Fringe Benefit Tax	(65,001,033)	2,026,590	(38,568,977)	177,910
Advance Tax	466,521,772		-	
Less: Provision for Tax	(420,235,176)	46,286,596	-	-
MAT Credit entitlement				
Opening Balance	13,724,220		-	
Reversal of MAT credit	(2,885,095)		-	
Created during the Year	25,543,761		13,724,220	
Utilised during the year	(34,632,886)	1,750,000	-	13,724,220
		1,304,094,364		1,136,629,357

Schedule No.		As At 31st March, 2008 (Rs.)		As At 31st March, 2007 (Rs.)
13 CURRENT LIABILITIES				
[Refer Notes 1(vii), (xi), 7, 12 and 23 on Schedule 23]				
Sundry Creditors		1,854,998,710		1,662,888,641
Advances from Customers		270,196,541		134,252,017
Security Deposits		7,636,411		7,116,116
Interest accrued but not due on Loans		13,951,339		22,895,814
Deferred Revenue		914,405,875		900,789,761
Unclaimed Dividend*		3,989,953		4,769,803
Unclaimed Fractional Share Payment		239,273		139,777
Other Liabilities		120,341,630		89,730,081
Derivative Instrument mark-to-market Liability		7,917,681		-
*There are no amounts due for payment to the Investor Protection Fund under Section 205 C of the Companies Act, 1956 as at the year end.				
		3,193,677,413		2,822,582,010
14 PROVISIONS				
[Refer Notes 1(viii), (xiv), (xvii), 10, 12, 23, 30 and 31(b) on Schedule 23]				
Proposed Dividend on Equity Shares		214,113,722		142,630,839
Tax on proposed dividend above		36,388,628		24,240,111
Provision for Rent (Onerous Contracts)		1,201,858		63,918,989
Provision for Gratuity		9,917,590		2,110,864
Provision for Compensated Absences		155,261,297		129,410,367
Provision for Tax	-		295,119,743	
Less: Advance Tax	-	-	(276,858,168)	18,261,575
		416,883,095		380,572,745
15 MISCELLANEOUS EXPENDITURE				
(to the extent not written off or adjusted)				
[Refer Note 1(xv) on Schedule 23]				
PRELIMINARY EXPENSES				
Opening Balance	710,239		349,030	
Add: Incurred during the year	487,500		454,011	
Less: Written off during the year	(90,802)	1,106,937	(92,802)	710,239
		1,106,937		710,239

SCHEDULES annexed to and forming part of the Consolidated Profit and Loss Account for the year ended 31st March, 2008

Schedule No.	Year ended 31st March, 2008 (Rs.)	Year ended 31st March, 2007 (Rs.)
16 REVENUE FROM OPERATIONS		
[Refer Notes 1(vii) and 27(b) & (c) on Schedule 23]		
Courseware Revenue	5,114,930,936	3,550,506,809
Services Revenue	3,905,712,557	3,654,900,459
Subscription Revenue	1,047,639,578	745,877,776
	10,068,283,071	7,951,285,044
17 OTHER INCOME		
[Refer Notes 1(vii), (x), 17(2) and 31(b) on Schedule 23]		
Profit on sale of		
- Short Term Other Investments (Net)	81,962	3,430,299
- Fixed Assets (Net)	-	6,312,019
Profit on sale of long term non trade investments	3,500,000	2,959,803
Provision/ Other Liabilities written back	65,198,722	30,592,953
Miscellaneous	4,691,769	17,448,252
	73,472,453	60,743,326
18 PERSONNEL		
[Refer Notes 1(viii), (ix), 5, 9, 10 and 26 on Schedule 23]		
Salaries and Benefits	2,870,938,870	2,404,670,329
Contribution to retirement benefit funds	107,941,429	75,993,626
Employees Stock Option Expenses/ (write back)	(29,958)	8,760,442
Welfare and other expenses	74,768,373	65,085,809
	3,053,618,714	2,554,510,206

Schedule No.	Year ended 31st March, 2008 (Rs.)		Year ended 31st March, 2007 (Rs.)	
19 DEVELOPMENT, PRODUCTION AND EXECUTION				
[Refer Notes 1(xvi), 5, 15 and 26 on Schedule 23]				
Material Consumed for courseware sales				
Opening Inventory				
- Raw material	8,702,865		13,793,895	
- Finished goods	7,809,789		7,200,237	
	16,512,654		20,994,132	
Add: Purchase of Material for consumption	134,108,661		95,758,514	
Less: Closing Inventory				
- Raw material	9,104,726		8,702,865	
- Finished goods	9,493,758		7,809,789	
	18,598,484	132,022,831	16,512,654	100,239,992
Courseware and Manuals		695,388,617		453,461,718
Bought out Packages/Products		235,299,281		86,892,312
Course Execution Charges		339,226,434		352,620,752
Professional Charges		643,110,687		603,759,790
Equipment Hiring		123,758,822		75,645,699
Royalties		1,309,882,017		889,335,199
Freight and Cartage		114,756,665		80,080,072
Others		22,229,385		31,551,271
		3,615,674,739		2,673,586,805

Schedule No.		Year ended 31st March, 2008 (Rs.)		Year ended 31st March, 2007 (Rs.)
20 ADMINISTRATION AND OTHERS [Refer Notes 1(x), (xi), (xii), (xv), 5, 7, 8, 26, 28, 31 and 33(a) on Schedule 23]				
Rent		345,880,360		259,774,221
Rates and Taxes		20,021,248		14,762,197
Electricity and Water		125,280,900		113,579,647
Communication		116,612,036		103,238,236
Legal and Professional		185,143,227		139,439,228
Traveling and Conveyance		419,048,852		346,956,714
Bad debts and provision for doubtful debts	77,296,654		81,459,169	
Less: Provision for Doubtful debts written back	(8,570,978)	68,725,676	(18,688,135)	62,771,034
Provision for doubtful advances		2,677,110		-
Advances written off		1,507,283		-
Insurance Premium		25,059,464		24,413,581
Repairs and Maintenance				
- Plant and Machinery	70,665,649		53,280,110	
- Buildings	11,838,407		10,526,069	
- Others	43,893,560	126,397,616	42,333,945	106,140,124
Loss on exchange fluctuation (Net)		627,108		11,585,667
Loss on Sale of Fixed Assets (Net)		4,716,680		-
Security and Administration Services		38,977,216		32,785,752
Miscellaneous expenditure written off		90,802		92,802
Sundry Expenses		76,718,950		109,992,961
		1,557,484,528		1,325,532,164
21 SELLING & MARKETING [Refer Notes 1(xvi) and 5 on Schedule 23]				
Advertisement and Publicity		581,862,557		439,079,053
Sales Commission		184,086,567		124,827,581
Discount		772,282		172,876
Others		39,608,492		40,385,695
		806,329,898		604,465,205

Schedule No.		Year ended 31st March, 2008 (Rs.)		Year ended 31st March, 2007 (Rs.)
22 INTEREST AND FINANCE CHARGES				
[Refer Notes 1(xii), (xiii) and 11 on Schedule 23]				
Bank, Discounting and Other Financial Charges		19,368,830		11,335,562
Interest paid on:				
- Fixed Loans	151,331,812		145,305,503	
- Others	38,972,841		15,703,598	
	190,304,653		161,009,101	
Less: Interest Received (Gross):				
- Deposits	(5,330,120)		(35,433,094)	
- Loans	(26,423,760)		-	
- Others	(4,315)		(1,562,470)	
	(31,758,195)	158,546,458	(36,995,564)	124,013,537
		177,915,288		135,349,099

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are 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 and the relevant provisions of the Companies Act, 1956 on an accrual basis, under historical cost convention. The disclosure requirements of Schedule VI of the Companies Act, 1956, have been complied with to the extent applicable. The significant accounting policies adopted by the Group are detailed below:

i. Basis of consolidation

The consolidated financial statements include accounts of NIIT Limited, its subsidiary undertakings and associates (the "Group") (Refer Note 17 below). Subsidiary undertakings are those companies in which NIIT Limited, directly or indirectly, has an interest of more than one half of the voting power or otherwise has power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. All material inter-company transactions, balances and unrealised surpluses and deficits on transactions between Group companies are eliminated. Consistency in adoption of accounting policies among all Group companies is ensured to the extent practicable. Separate disclosure is made for minority interests.

Investments in associates (entities over which the company exercises significant influence) are accounted for using the equity method.

ii. Fixed Assets, Depreciation and Amortisation

Fixed Assets are stated at acquisition cost except where fixed assets 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 capitalised 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" issued by the "Institute of Chartered Accountants of India". Expenses incurred during the research phase till the establishment of commercial feasibility is charged to the Profit and Loss Account.

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

Buildings	58 years
Leasehold Improvements	3-5 years or lease period, whichever is lower
Computers, printers and related accessories (Included under Plant & Machinery)	2-5 years
Office Equipment and Electronic Equipments	5- 21 years
Software (courseware and products) and Patents	3-5 years
Furniture, fixtures and vehicles	5-10 years
Assets under employee benefits scheme except vehicles	3 years
Assets acquired under lease (Included under Plant & Machinery and Furniture & Fixtures)	Lease Period
Goodwill (other than arising on consolidation - Refer note iv below)	5 years
All other assets	Rates prescribed under schedule XIV to the Companies Act, 1956

Fixed Assets purchased for the utilisation and implementing the contractual obligation with the customers under the project would be depreciated over the period of contract.

Further, computer systems and software are technically evaluated each year for their useful economic life and the unamortised depreciable amount of the asset is charged to Profit and Loss Account as depreciation/ amortisation over their revised remaining useful life.

iii. Impairment of Assets

All assets other than inventories, investments and deferred tax assets 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. Goodwill on Consolidation

The excess/ deficit of the cost of the investment in its subsidiaries over its share of net worth (residual interest in the assets of the subsidiaries after deducting all its liabilities) of the subsidiaries at the date of investment in the subsidiaries is treated as goodwill/ capital reserve in the consolidated financial statements. Value of Goodwill arising on consolidation is reviewed for impairment at the end of each accounting year.

v. Investments

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

vi. Inventories

Inventories are valued at lower of cost or net realisable value. Cost is determined using weighted average method or FIFO, as the case may be, and includes applicable costs incurred in bringing inventories to their present location and condition.

vii. Revenue Recognition

The revenue in respect of sale of courseware including technical information and reference material and other goods are recognised on dispatch/ delivery of the material to the customer whereas the revenue from the tuition activity is recognised over the period of the course programmes or as per the terms of agreement, as the case may be.

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

Subscription revenue is deferred and recognised ratably over the term of the subscription. Unexecuted subscription pending collection are considered as current assets and subsequently recognised as sundry debtors on rendering of services. Royalty revenue is recognised over the life of a contract or on a usage basis, as applicable. Royalty rates vary based upon the type and the number of course titles licensed by a customer, the frequency of use or the number of users accessing the content. Revenue from hosting agreements is recognised over the length of the contract/ usage.

Revenue from recruitment services is recognised on placement of candidate with the client as per the terms of the contract. Revenue from assessment of personnel is recognised on completion of the assessment as per the terms of the contract.

Dividend income is recognised when the right to receive dividend is established. Interest income is recognised on accrual basis.

viii. Employee Benefits

Gratuity

NIIT provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Company's liability is actuarially determined at the end of the year. Shortfall in the fund size maintained by the trust set up by the Company with Life Insurance Corporation of India for employees of certain entities with in the group is additionally provided for.

Liability for certain entities which are not funded through trust maintained with Life Insurance Corporation of India, is actuarially determined and provided for.

Actuarial gains if any are recognised in the Profit and Loss Account and disclosed as an asset in the Balance Sheet.

Compensated Absences

Liability in respect of compensated absences is provided for both encashable leave and those expected to be availed. The Group has defined 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 recognised in the Profit and Loss Account as income or expense as the case may be.

Superannuation

The Group makes defined contribution, in respect of employees based in India, to the trust established for the purpose by the Parent Company towards superannuation fund maintained with Life Insurance Corporation of India. Contribution made during the year is charged to Profit and Loss Account.

Provident Fund

The Group makes contribution to the "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" for certain entities in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is actuarially determined and provided for if the circumstances indicate that the trust may not be able to generate adequate returns to cover the interest rates notified by the Government. The Company's contribution towards Provident Fund is charged to Profit & Loss Account.

For other entities, Provident Fund contributions are made to the Regional Provident Fund Commissioner in accordance with the Employee Provident Fund rules.

Pension Fund

The Group makes defined contribution in respect of employees based in India, to a government administered pension fund. The Company's contribution towards Employee Pension Scheme is charged to Profit & Loss Account.

Overseas Plans

In respect of the Companies incorporated outside India, where applicable, the companies make defined contributions on a monthly basis towards the respective retirement plans which are charged to Profit and Loss Account. These Companies have no further obligation towards the respective retirement benefits.

ix. Employees Stock Option Plan (ESOP)

The stock options granted under "NIIT Employee Stock Option Plan 2005" are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India, whereby the intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Profit and Loss Account on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expense equal to the unamortised portion. The balance in employee stock option outstanding account, net of any unamortised deferred employee compensation, is shown separately as part of shareholders' funds.

x. Foreign Currency Transactions/ Translation

Transactions in foreign currency (currency other than companies' reporting currency) are booked at standard rates determined periodically, which approximates the actual rate, and all monetary assets and liabilities in foreign currency are restated at the end of the accounting year. Gain/ Loss arising out of fluctuations on realisation/ payment or restatement is charged/ credited to the Profit and Loss Account.

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 is recognised to the Profit and Loss Account over the life of the contract except to the extent on which accounting policy on derivative instruments and hedge accounting as detailed in (xi) below and further explained in note 7 below.

For the purposes of consolidation, the operations of overseas subsidiaries which are considered as non-integral in nature and accordingly the assets and liabilities of non-Indian subsidiaries are translated at the year-end exchange rate and income and expenditure items are translated at predetermined rates that approximate the exchange rate prevailing on the date of the transaction. The resultant translation adjustment is reflected as a separate component of Shareholders' Funds as 'Cumulative Translation Reserve'. Upon dissolution/ disposal of non-Indian subsidiaries, the balance in Cumulative Translation Reserve in relation to those subsidiaries is transferred to Profit & Loss Accounts.

xi. Derivative Instruments and Hedge Accounting

In accordance with its Risk management policies and procedures, the Group uses derivative instruments such as foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecasted transactions. The derivatives that qualify for hedge accounting and designated as cash flow hedges are initially measured at fair value & are remeasured at a subsequent reporting date and the changes in the fair value of the derivatives i.e. gain or loss (net of tax impact) is recognised directly in Shareholders' Funds under hedging reserve to the extent considered highly effective. Gain or loss on derivative instruments that either does not qualify for hedge accounting or not designated as cash flow hedges or designated cash flow hedges to the extent considered ineffective are recognised in the Profit and Loss Account.

Hedge accounting is discontinued when the hedging instrument expires, sold, terminated, exercised or no longer qualifies for hedge accounting. The cumulative gain or loss on the hedging instrument recognised in Shareholders' Funds under Hedging Reserve is retained there until the forecasted transaction occurs subsequent to which the same is adjusted against the related transaction. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Shareholders' Fund is transferred to Profit and Loss Account in the same period.

xii. Leases

The Lease rental in respect of operating lease arrangements are charged to expense when due 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 capitalised at an amount equal to the present value of future lease payments and a corresponding amount is recognised as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to the leased asset.

xiii. Borrowing Cost

Borrowing costs are recognised in the Profit and Loss Account in the period 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 capitalised. Ancillary costs in connection with the arrangement of borrowings are amortised over the period of respective loan.

xiv. Taxation

Tax expense, comprising of both current tax (including fringe benefits 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 recognised for financial reporting purposes and the amounts that are recognised for current tax purposes. As a matter of prudence deferred tax assets are recognised and carried forward only to the extent, there is reasonable/ virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Current tax (including fringe benefits tax, where applicable) is determined based on the provisions of the Income Tax Laws of the respective countries. Minimum Alternate Tax (MAT) paid in excess of normal income tax is recognised as asset (MAT Credit entitlement) only to the extent, there is reasonable certainty that the Company shall be liable to pay tax as per the normal provisions of the Act in future. MAT Credit is utilised in the year when normal income tax is higher than the Minimum Alternate Tax (MAT).

xv. Miscellaneous Expenditure (to the extent not written off or adjusted)

- Preliminary Expenses are written off over a period of 5 to 10 year of commencement of commercial operation of the concerned subsidiary.
- Expenses that cannot be directly attributable to creation of any fixed asset incurred up to the date of commencement of commercial operations of subsidiaries are carried forward as deferred revenue expenses to be written off over 5 years.

xvi. Deferred Charges

Deferred royalties, sales commissions and referral fees are amortised over the term of the license or subscription associated with the related revenue.

xvii. Provisions and Contingencies

The Group 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.

2. CONTINGENT LIABILITIES

i. Guarantees issued to bankers outstanding at the end of accounting year Rs. 10,881,495/- (Previous year Rs. 23,875,777/-). [Refer Note 6(iv)(b)]

ii. Corporate Guarantees Rs. 150,000,000/- given on behalf of NIITian Welfare Trust for loan availed by Trust (Previous year Rs. 75,000,000/-).

iii. Corporate Guarantees Rs. 140,213,850/- [USD 3.5 Million (Net of Loan outstanding USD 36.5 Million)] given to ICICI Bank on behalf of NIIT (USA) Inc. (Previous year Rs. 152,045,950/-) [USD 3.5 Million (Net of Loan outstanding USD 35 Million)].

iv. Claims against the Group not acknowledged as debts Rs. 15,611,360/- (Previous year Rs. 13,000,000/-).

v. Andhra Pradesh works contract tax demand Rs. 81,080,962/- (Previous year Rs. 55,946,064/-). Management does not foresee any financial implication based on the advice of the legal consultant.

vi. In case of leasehold land, finance charges including interest amounting to Rs. 10,243,144/- demanded by Greater Noida Industrial Development Authority on account of installment payment on Land not acknowledged as debt.

vii. The transfer pricing analysis in relation to transactions between two foreign subsidiaries, subsequent to August 02, 2006 is under process. Management does not foresee any financial implication on these statements of accounts upon completion of such analysis.

In respect of the transactions for the period prior to August 02, 2006, any implications arising out of the tax assessment, the Company is indemnified by the seller or its representatives, and therefore, does not expect any impact on the future profitability and cash out flows.

3. Estimated amount of contracts remaining to be executed on capital account (Net of advances) not provided for Rs. 335,448,394/- (Previous year Rs. 23,032,058/-).

4. Pursuant to the Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 approved

by Hon'ble High Court of Delhi vide order dated May 18, 2004, the Global Solution Business Undertaking (GSB) of the Company was transferred to NIIT Technologies Limited (hereinafter referred to as NTL) from the appointed date i.e. April 1, 2003. In this regard, the mutation of certain properties which was not completed till the previous year were sold by the Company on behalf of NTL during the year.

5. Certain common resources are shared by the Group and NIIT Technologies Limited and its subsidiaries (NTL Group). This resulted in the Group recovering Rs. 18,514,825/- (Previous year Rs. 11,563,410/-) from NTL Group and NTL Group recovering Rs. 42,774,724/- (Previous year Rs. 42,119,306/-) from the Group which have been included/ netted off against the relevant heads in the Profit and Loss Account viz, Personnel, Development, Production & Execution, Administration & Others and Marketing Expenses.

6. i. Working Capital Limits are secured by hypothecation of stocks and book debts of the Group. The Group has utilised the fund-based limits during the year to the extent of Rs. 269,039,527/- (Previous year 254,076,548/-).

   ii. NIIT (USA) Inc. has entered into an Agreement with ICICI Bank Limited on January 27, 2008 for a loan of USD 5,000,000 towards working capital requirements. The Loan is secured by a Corporate Guarantee by NIIT Limited, the Parent Company.

   iii. Rupee Term Loan from bank is secured by way of first charge created on all movable assets, both present and future and specified immovable properties, subject to first charge created on stocks and book debts of the Parent Company in respect of working capital limits above.

   iv. Other term loan is secured by

      a). 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 NIIT (USA) Inc., USA.

      b). The Parent Company has extended a corporate guarantee. During the previous year, the Parent Company had also created a negative lien on the shares of NIIT Technologies Limited held by its wholly owned subsidiary Scantech Evaluation Services Limited, for a period of one year (Lock-in-period) in terms of the loan agreement. As at the year end, the Company is in the process of pledging these shares after completion of the lock-in-period. [Refer note 2(iii)]

   v. Vehicle loans from banks are secured by way of hypothecation of the vehicles financed.

7. DERIVATIVE INSTRUMENTS

   a). During the year, the Group has reviewed its risk management policy and hedging strategies in respect of highly probable forecasted transactions and firm commitments with effect from January 21, 2008. The Group has designated certain foreign currency derivative instruments which meet the hedging criteria, as Cash Flow Hedges.

   The derivative instruments held by the Group as on March 31, 2008 taken to hedge its exposure included forward exchange contracts of USD 192.5 lacs having a fair value loss of Rs. 79.17 lacs. In relation to the above, loss aggregating to Rs. 57.43 lacs (net of deferred tax asset of Rs. 29.57 lacs) has been included in Hedging Reserve under Shareholders' Fund as on March 31, 2008 and the balance has been recognised in the Profit and Loss Account.

   b). The Group was amortising premium or discount arising on all forward exchange contracts over the life of the contract and was simultaneously recognising the exchange differences on such contracts in the Profit and Loss Account as per the accounting policy stated in note 1(x) above. However with effect from January 21, 2008, the Group revised its accounting policy on derivative instruments explained in note 1(xi) above and further detailed in (a) above. The aforesaid revision which did not have any significant impact on the Profit and Loss Account, however resulted in recognition of related loss (Net of deferred tax) in Hedging Reserve Account under Shareholders' Equity to the extent of Rs. 57.43 lacs and recognition of additional liability in relation to derivatives to the extent of Rs. 79.17 lacs.

8. PAYMENT TO AUDITORS

a). Payment to Parent Company auditors

Particulars	Year Ended March 31, 2008 (Rs.)	Year Ended March 31, 2007 (Rs.)
Audit fee	14,026,094	13,979,775
Tax Audit fee	840,814	841,815
Others	2,571,143	2,882,729
Reimbursement of expenses (including Service Tax)	3,944,398	2,792,315

b). Payment to other auditors amounting to Rs. 5,047,707/- (Previous year Rs. 5,118,109/-).

9. EMPLOYEES STOCK OPTION SCHEME

a). During the year 2005-06, the Parent Company had established NIIT Employee Stock Option Plan 2005 "ESOP 2005" and the same was approved at the General Meeting of the Company held on May 18, 2005. The plan was set up so as to offer and grant, for the benefit of employees (excluding promoters) of the Parent Company, who are eligible under "Securities Exchange Board of India (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999", options of the Company in aggregate up to 1,925,000 options under ESOP 2005, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board, in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard. As per the plan, each option is exercisable for one equity share of face value of Rs. 10/- each (Rs. 2/- each post bonus and split) fully paid up on payment to the Parent Company, for such shares, at a price to be determined in accordance with ESOP 2005.

During the year, the Parent Company has issued bonus shares in the ratio of 1:2 i.e. one additional equity share for every two equity shares and also sub-divided 1 equity share of Rs. 10/- each into 5 equity shares of Rs. 2/- each fully paid up as on the record date. ESOP information is therefore given for the number of shares after sub division and bonus issue and previous year information has been restated accordingly.

The summary of options granted is as follows:

Particulars	Grant I		Grant II		Grant III*
	2007-2008	2006-2007	2007-2008	2006-2007	2007-2008
Date of Grant	August 02, 2005	August 02, 2005	August 11, 2005	August 11, 2005	June 5, 2007
Date of Vesting	August 02, 2006	August 02, 2006	August 11, 2006	August 11, 2006	June 5, 2008
Live options at the beginning of the year (Nos.)	799,373	4,032,750	34,125	297,750	862,500
Granted during the year (Nos.)	-	-	-	-	-
Forfeited/ lapsed till vesting period (Nos.)	-	139,875	-	100,125	112,500
Options Vested (Nos.)	-	3,892,875	-	197,625	-
Forfeited/ lapsed post vesting (Nos.)	3,375	27,750	-	-	-
Options exercised (Nos.)	128,818	3,065,753	-	163,500	-
Outstanding/ exercisable at the end of the year (Nos.)	667,180	799,373	34,125	34,125	750,000
Exercise Price (Rs.)	24.00	24.00	31.60	31.60	121.62
Remaining Contractual Life (Days)	488	853	497	862	1,160
Fair value of the options based on Black and Scholes Model (Rs.)	13.15	13.15	9.63	9.63	37.23
Intrinsic Value of the options granted (Rs.)	7.35	7.35	-	-	-

*During the year, the Compensation/ Remuneration Committee at its meeting held on June 5, 2007 has approved 115,000 options (Grant III) out of the options under ESOP 2005, to Senior Managerial Personnel of the Company.

The assumptions used by independent valuers, for determination of fair value of a share of Rs. 10/- each fully paid up as per the Black & Scholes model are as follows:

Particulars	Grant I	Grant II	Grant III
Market price considered	235.15	237	912.15
Exercise price	180	237	912.15
Dividend yield	Not considered	Not considered	2.79%
Volatility	14%	14%	45.47%
Average life of the options (in years)	2.5	2.5	2.5
Risk free rate	7%	7%	7.93%

Other information regarding employee share based payment is as below:

(Amount in Rs.)

Particulars	Grant I		Grant II		Grant III	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Expense amortised during the year on the basis of intrinsic value of the options	-	8,760,442	-	-	-	-
Additional expense, had the Group recorded the ESOP expense based on fair value of the options	-	6,908,279	-	72,775	22,952,055	-

During the year, Element K Corporation has granted stock options to its employees. Information regarding employee share based payment is as below:

Particulars	Grant I	Grant II
Expense amortised during the year on the basis of intrinsic value of the options	-	-
Additional expense, had the Company recorded the ESOP expense based on fair value of the options	3,705,219	248,225

For impact on basic and diluted EPS, had fair value of the option been used for determining ESOP expense, refer Note 32 below.

10. EMPLOYEE BENEFITS

Retirement Benefit Plans

A) Defined Contribution Plans

The Group makes contribution towards Provident Fund, Superannuation Fund and Pension Scheme to the defined contribution plans for eligible employees.

The Group has charged the following costs in the Profit and Loss Account:

	For the year ended March 31, 2008 (Rs. Lacs)	For the year ended March 31, 2007 (Rs. Lacs)
• Employers' Contribution to Provident Fund Trust	270.54	208.75
• Employers' Contribution to Superannuation Fund	110.61	102.11
• Employers' Pension Scheme	217.77	195.12
• Contribution to 401K Plans	227.08	206.86

B) Defined Benefit Plans

1. Provident Fund

In respect of Group's obligation towards guaranteed returns on Provident Fund Contributions made to the NIIT Limited Employees Provident Fund Trust as the overall interest earnings and cumulative surplus are more than the statutory requirements, there is no liability of employer for the year ended March 31, 2008. Therefore, no provision for the year has been recommended by the actuary.

2. Compensated Absences

Particulars	As at March 31, 2008 (Rs. Lacs)	As at March 31, 2007 (Rs. Lacs)
i. Change in Present value of Obligation		
Present value of obligation as at the beginning of the year	1,294.10	868.17*
Present value of obligation on the date of acquisition	7.28	610.61
Current service cost	289.18	112.93
Benefits paid	(16.21)	(19.43)
Actuarial (gain)/ loss on obligations	(21.73)	(278.18)
Present value of obligation as at the end of the year	1,552.62	1,294.10
*Provision for Compensated Absences as at March 31, 2006		183.22
Impact of Transition provision of AS - 15		684.95
(Transferred from General Reserve)		868.17
ii. Principal actuarial assumptions used in accounting for Compensated Absences		
For entities in USA:		
Discount Rate (per annum)	6.00%	6.00%
Future Salary Increase	3.00%	3.00%
For entities in Malaysia:		
Discount Rate (per annum)	7.50%	-
Future Salary Increase		
For First 5 Years	10.00%	-
Thereafter	7.00%	-
Other than entities in USA and Malaysia:		
Discount Rate (per annum)	8.00%	8.00%
Future Salary Increase		
For First 5 Years	10.00%	10.00%
Thereafter	7.00%	7.00%

Note: There are few subsidiaries for which the actuarial valuation was not considered necessary in the previous year as the number of employees in these subsidiaries were not significant.

3. Gratuity Funds

I. Funded

	As at March 31, 2008 (Rs. Lacs)	As at March 31, 2007 (Rs. Lacs)
i. Change in Present Value of Obligation		
Present value of obligation as at the beginning of the year	461.39	453.49
Add: Transferred from Non-Funded	0.14	-
	461.53	453.49
Interest cost	36.92	35.43
Current service cost	75.41	52.13
Benefits paid	(101.96)	(85.85)
Actuarial (gain)/ loss on obligations	180.37	6.19
Present value of obligation as at the year end	652.27	461.39

		As at March 31, 2008 (Rs. Lacs)	As at March 31, 2007 (Rs. Lacs)
ii.	Change in Plan Assets		
	Fair value of plan assets as at the beginning of the year	495.63	445.70
	Expected return on plan assets	45.10	36.72
	Contributions	167.16	96.91
	Benefits paid	(101.96)	(85.85)
	Actuarial gain/ (loss) on obligations	(0.40)	2.15
	Fair value of plan assets as at the year end	605.53	495.63
iii.	Amount of the (Asset)/ Obligation recognised in the Balance Sheet		
	Fair value of Plan Assets as at the year end	605.53	495.63
	Present value of obligation as at the year end	652.27	461.39
	(Assets)/ Obligation recognised in Balance Sheet	46.74*	(34.24)
	*Net of Assets recognised in Balance Sheet Rs. 1.79 lacs		
iv.	Net Gratuity Cost recognised in Profit & Loss Account		
	Current service cost	75.41	52.13
	Interest cost	36.92	35.43
	Expected return on Plan Assets	(45.10)	(36.72)
	Net Actuarial (gain)/ loss recognised during the year	180.77	(9.56)
	Expense recognised in Profit & Loss Account*	248.00	41.28
	Actual return on plan assets	44.70	38.87
	*Includes recovery from Associates amounting to Rs. 7.82 lacs (Previous year Nil)		
v.	Assumptions used in accounting for gratuity plan		
	Discount Rate (per annum)	8.00%	8.00%
	Future Salary Increase	5.00%	5.00%
	Expected Rate of return on Plan Assets	9.10%	9.10%

vi. Investment details of Plan Assets

The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of investment maintained by Life Insurance Corporation are not available with the Group and have not been disclosed.

The expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management, historical result of the return on plan assets.

	As at March 31, 2008 (Rs. Lacs)	As at March 31, 2007 (Rs. Lacs)
II. Non Funded		
i. Change in Present Value of Obligation		
Present value of obligation as at the beginning of the year	21.10	16.61
Less: Transferred to Funded	(0.14)	-
	20.96	16.61
Present value of obligation on acquisition	16.45	-
Interest cost	1.87	0.63
Current service cost	9.74	3.61
Benefits paid	(2.60)	-
Actuarial (gain)/ loss on obligations	4.22	0.25
Present value obligation as at the year end	50.64	21.10
ii. Net Gratuity Cost recognised in Profit & Loss Account		
Current service cost	9.74	3.62
Interest cost	1.87	0.63
Expected return on Plan Assets	-	-
Net Actuarial (gain)/ loss recognised during the year	1.62	1.56
Expense recognised in Profit & Loss Account	13.23	5.81
iii. Assumptions used in accounting for gratuity plan		
Discount Rate (per annum)	8.00%	8.00%
Future Salary Increase	5.00%	5.00%

11.a) NIIT (USA) Inc., USA, a wholly owned subsidiary 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 step down newly incorporated subsidiary NIIT Ventures Inc., USA. The principal amount is repayable in ten half-yearly installments by July 31, 2012.

b) Loans and advances include unamortised balance of Rs. 40,505,938/- (Previous year Rs. 54,060,763/-) pertaining to ancillary costs incurred in connection with the loan.

12.a) A subsidiary Company, NIIT Ventures Inc., USA (NVI) was formed on July 21, 2006. On August 02, 2006, NVI acquired US based learning company – Element K Corporation, for a cash consideration of Rs. 1,644,807,697/- (including a loan of Rs. 1,017,947,923/-). The net liabilities of Element K Group, as on the date of acquisition were Rs. 1,746,894,812/- [Refer para (b) below], based on a fair valuation report of an independent financial consultant appointed by NVI. The consideration paid less the fair value of net assets acquired resulted in Goodwill of Rs. 2,427,984,542/- in the consolidated financial statements which had been ascertained as follows:

Particulars		(Amount in Rs.)
Consideration paid in cash		626,859,774
Add: Other Expenses in relation to acquisition		54,229,956
Total	(A)	681,089,730
Net Assets/ (Liabilities) acquired	(B)	(1,746,894,812)
Goodwill arising on acquisition	(A-B)	2,427,984,542

Out of total consideration, an amount of Rs. 225,926,250/- was deposited in an escrow account in accordance with the Share Purchase Agreement ('SPA'). The same was payable to the seller in two equal tranches subject to the conditions mentioned in the SPA. Out of the first tranche, an amount of Rs. 58,248,893/- was paid to the seller in the year ended March 31, 2007 and balance of Rs. 101,085,250/- has been paid during the year. There were no adjustments arising on the final settlement during the year.

b) The carrying value of assets and liabilities of the EK Group was adjusted on the date of acquisition based on recommendations of an independent financial consultant appointed by NVI. The adjustment in the carrying value of assets and accrual for liabilities were made based on the aforesaid review of carrying value of all assets and liabilities of the companies in the EK Group with the purpose that these assets and liabilities can be represented in the balance sheet at their fair value in terms of usage and business direction, past obligation, technical obsolescence, revenue and cash generation capabilities. The summarised Balance Sheet as on August 02, 2006 after adjusting carrying values as mentioned above is as follows:

(Amount in Rs.)

Description	As at August 02, 2006
Assets	
Fixed Assets (net block) including Capital Work in Progress	76,858,045
Inventories	20,994,136
Sundry Debtors	695,902,424
Cash and Bank Balances	164,485,203
Other Current Assets	40,271,064
Loans and Advances	279,146,881
Profit and Loss Account (Debit Balance)	1,753,680,386
Total	**3,031,338,139**
Liabilities	
Shareholders' Fund	6,785,527
Current Liabilities & Provisions	1,023,991,711
Deferred Revenue	1,012,143,504
Other liabilities including Loans	988,417,397
Total	**3,031,338,139**

c) The erstwhile loans and liabilities of the Element K Group aggregating to Rs. 988,417,397/- was settled with an unsecured Promissory Note provided by the Company from NVI.

13. In the previous year, a 'Plan of Reorganisation' of the subsidiaries of Element K was taken subsequent to the acquisition i.e. August 02, 2006, except for Element K India Private Limited, Element K Canada and Element K (UK) Limited. The subsidiaries of Element K namely Element K Press LLC., Element K Online LLC., Element K Content LLC., Element K (Delaware) Inc., Element K LLC., and Content Media Corp., were amalgamated with the parent company, Element K Corporation, on December 31, 2006 based on net intrinsic value method. The net assets of the amalgamated subsidiaries are summarised below:

(Amount in Rs.)

Sl. No.	Name of the Company	Fixed Assets	Current Assets	Current Liabilities
1	Element K Press LLC.	1,604,709	154,103,256	58,977,641
2	Element K Online LLC.	21,118,456	242,616,235	416,734,072
3	Element K Content LLC.	47,158,942	116,945,798	505,880,052
4	Element K (Delaware) Inc.	-	570,882,197	751,675,610
5	Element K LLC.	-	103,171,888	618,722
6	Content Media Corp.	-	-	-
	TOTAL	69,882,107	1,187,719,374	1,733,886,097

14. The Net worth of Hole in the Wall Education Limited ('HIWEL') is eroded as at March 31, 2008. During the year, HIWEL has entered into fresh contracts and MOUs for project implementations, some of which are under implementation and others are ready to be initiated. In addition, there are certain projects that are in pipeline expected to materialise by the end of second and third quarters of the financial year 2008-09.

In the near future, HIWEL also plans to expand its focus to Trusts, Foundations and Corporates. It has also initiated tie-ups and associations with Foreign Agencies for International Projects with low turn around time. Sales and Marketing efforts would be channelised in these directions during the year 2008-09. The Company has also ventured into development of a new product named as "Next Generation Learning Stations" for which the Company has already started development work that is expected to be completed by March 2009, that will start generating additional revenues in 2009-10.

Based on these contracts and the business projections available with HIWEL, the accounts have been prepared on a going concern basis keeping in view of these contracts and plans which would enable HIWEL to generate sufficient funds to carry out its operations.

15. The course execution charges include payments to licensees, business partners, channel partners and other agencies for execution of education and training business.

16. Pursuant to the sale of main business of NIIT Online Learning Limited ('NOLL') to the Parent Company, NOLL has not yet undertaken any further business activity. Due to this reason, basic assumption of going concern of NOLL becomes doubtful. The management of NOLL is not contemplating liquidation and is evaluating business options though at present there is no concrete plan, but have represented that they shall take up suitable business at an opportune time. The assets and liabilities of NOLL are stated at realisable value and thus no further adjustments to the same are considered necessary.

17. DETAILS OF ENTITIES IN CONSOLIDATION

1) Details of NIIT Limited's subsidiaries, which have been considered in these consolidated accounts are as follows:

Name of the Subsidiary	Percentage of ownership interest (%)	Country of incorporation
Hole-in-the-Wall Education Limited	89.99	India
NIIT Institute of Finance Banking and Insurance Training Limited	80	India
Scantech Evaluation Services Limited	100	India
NIIT Multimedia Limited	100	India
NIIT Online Learning Limited	90	India
Evolv Services Limited (Formerly known as Evolv Management Services Private Limited) (Refer Note 23)	47.87	India
NIIT (USA) Inc.	100	United States
NIIT Antilles NV	100	Netherlands
- NIIT Middle East WLL	99.5	Bahrain
- NIIT Malaysia Sdn Bhd.	100	Malaysia
- NIIT GC Limited (Formerly NIIT TVE Limited)	100	Mauritius
* NIIT China (Shanghai) Limited	100	China
* NIIT Wuxi Service Outsourcing Training School [Refer Note 25]	60	China
* PCEC NIIT Institute of Information Technology	100	China
PT NIIT Indonesia (Under Liquidation)	100	Indonesia
NIIT Limited	100	UK
NIIT Ventures Inc.	100	United States
Element K Corporation [Refer Note 13]	100	United States
Element K India Private Limited	100	India
Element K (UK) Limited	100	United Kingdom
Element K, Canada	100	Canada

2) a) The details of associate companies (companies over which the Parent Company exercises significant influence, which have been consolidated on equity method) are as follows:

Name of the Associate Companies	Description of business	Percentage of ownership interest and voting power	Cost of Investment (Rs.)	Reporting dates used for consolidation
Aesthetic Technologies Private Limited	Software	22.94%	20,000,584	March 31, 2008
NIIT Technologies Limited and its subsidiaries	Software	24.70%	97,498,200	March 31, 2008

b) During the year, the Parent Company has further disposed off part of its holding in Mindshaper Technologies Private Limited of 13,800 fully paid up Equity Shares of Rs. 10/- each for a consideration of Rs. 35 lacs. With this disposal, Mindshaper Technologies Private Limited ceases to be the Associate of the Parent Company as at July 31, 2007.

In the absence of availability of the Financial Statements of the Company as at July 31, 2007, the carrying value in proportion to the Investment as at March 31, 2007 has been regarded as cost in accordance with Accounting Standard 23 – "Accounting for Investments in Associates" issued by The Institute of Chartered

Accountants of India, and the resulting Loss (Net of sale proceeds) has been charged to Profit & Loss Account.

c) The Parent Company's wholly owned domestic subsidiary Scantech Evaluation Services Limited's investment of 14,493,390 Equity Shares (including bonus shares received) of Rs. 10/- each in NIIT Technologies Limited were under negative lien with ICICI Bank Limited, Bahrain as a security towards the financial facility availed by NIIT (USA) Inc. for the purchase of 100% equity in Element K Corporation, USA. The Company is in the process of pledging these shares after completion of the lock-in-period in terms of the agreement.

During the year, Scantech Evaluation Services Limited has received 4,831,160 Bonus Shares of Rs. 10/- each fully paid up from NIIT Technologies Limited. Pursuant to this, its investment in NIIT Technologies Limited has increased to 14,493,480 Shares of Rs. 10/- each fully paid up.

18. The Parent Company's wholly owned domestic subsidiary Scantech Evaluation Services Limited has declared dividend amounting to Rs. 1,882.90 lacs during the year. In terms of provisions of sub-section 1A of Section 115 O of The Income Tax Act, 1961, liability for dividend distribution tax payable by the Parent Company, is net of the dividend distribution tax paid by the subsidiary company amounting to Rs. 320 lacs.

19. Related Party Disclosures as per Accounting Standard 18

a) Related parties with whom the Group has transacted

Associate Companies

1. NIIT Technologies Limited
2. NIIT Technologies Inc., USA
3. NIIT Technologies Pte Limited, Singapore (formerly NIIT Asia Pacific Pte Limited, Singapore)
4. NIIT GIS Limited
5. NIIT Technologies Limited, UK (formerly NIIT Europe Limited, UK)
6. NIIT Smart Serve Limited

Key Managerial Personnel

1. Rajendra S Pawar (Chairman and Managing Director)
2. Vijay K Thadani (Chief Executive Officer and Whole-time Director)
3. P Rajendran (Chief Operating Officer and Whole-time Director)

Relatives of Key Managerial Personnel

1. Renuka Thadani (Wife of Vijay K Thadani)
2. Veena Oberoi (Sister of Vijay K Thadani)
3. Sudha Rajendran (Wife of P Rajendran)

Parties in which the Key Managerial Personnel of the Group are interested

1. NIIT Institute of Information Technology
2. NIIT Education Society
3. Pace Industries Private Limited
4. NIIT Network Services Limited
5. Institute of Quality Limited

SCHEDULE '23': Notes to Consolidated Accounts for the year ended 31st March, 2008 (Contd.)

b) Details of significant transactions and balances with related parties on an arms' length basis

Nature of Transactions	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel	Parties in which Key Managerial Personnel of the Group are interested	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Sale of Goods	2,992,074	-	-	1,758,331	4,750,405
(Note 2)	(11,472,310)	(-)	(-)	(-)	(11,472,310)
Rendering of services	17,881,274	-	-	-	17,881,274
(Note 3)	(13,616,145)	(-)	(-)	(-)	(13,616,145)
Receiving of services	35,458,223	-	-	196,630	35,654,853
(Note 4)	(17,497,855)	(-)	(-)	(577,348)	(18,075,203)
Purchase of Fixed Assets	301,999	-	-	27,903,943	28,205,942
(Note 5)	(4,136,414)	(-)	(-)	(-)	(4,136,414)
Sale of Fixed Assets	150,022	-	-	-	150,022
(Note 6)	(3,026,007)	(-)	(-)	(1,309,998)	(4,336,005)
Recovery of expenses from	80,156,523	-	-	7,546,793	87,703,316
(Note 7)	(57,106,515)	(-)	(-)	(1,802,520)	(58,909,035)
Recovery of expenses by	43,481,812	-	-	2,012,734	45,494,546
(Note 8)	(46,451,105)	(-)	(-)	(483,610)	(46,934,715)
Loan Given	-	-	-	83,500,000	83,500,000
(Note 9)	(-)	(-)	(-)	(229,000,000)	(229,000,000)
Loans Given Received Back	-	-	-	46,200,000	46,200,000
(Note 10)	(-)	(-)	(-)	(22,500,000)	(22,500,000)
Interest Income	-	-	-	23,905,752	23,905,752
(Note 11)	(-)	(-)	(-)	(18,491,179)	(18,491,179)
Dividend Income	62,805,080	-	-	-	62,805,080
(Note 12)	(57,973,920)	(-)	(-)	(-)	(57,973,920)
Remuneration	-	39,096,822	-	-	39,096,822
(Note 13)	(-)	(25,267,019)	(-)	(-)	(25,267,019)
Other Expenses	4,853,654	-	1,101,000	180,000	6,134,654
(Note 14)	(4,813,205)	(-)	(898,000)	(180,000)	(5,891,205)
Other Income	-	-	-	-	-
(Note 15)	(11,647,343)	(-)	(-)	(692,682)	(12,340,025)
Assignment of Loan	-	-	-	273,800,000	273,800,000
(Note 16)	(-)	(-)	(-)	(-)	(-)

Notes:

1. Previous year figures are given in parenthesis.
2. Includes sale of goods to:
   - NIIT Technologies Pte Limited, Singapore Rs. 29.92 Lacs (Previous year Rs. 114.72 Lacs)
   - NIIT Institute of Information Technology Rs. 17.58 Lacs (Previous year Nil)

3. Includes Rendering of services to:
   - NIIT Technologies Limited, India Rs. 159.59 Lacs (Previous year Rs. 304.87 Lacs)
   - NIIT Institute of Information Technology Rs. 12.86 Lacs (Previous year Nil)
4. Includes Receiving of services from:
   - NIIT Smart Serve Limited, Rs. 291.76 Lacs (Previous year Rs. 159.76 Lacs)
   - NIIT Technologies Pte Limited, Singapore Rs. 50.58 Lacs (Previous year Rs. 6.87 Lacs)
   - NIIT GIS Limited Rs. 12.24 Lacs (Previous year Nil)
   - Institute of Quality Limited Nil (Previous year Rs. 2.46 Lacs)
   - NIIT Network Services Limited Nil (Previous year Rs. 3.31 Lacs)
5. Includes Purchase of Fixed Assets from:
   - NIIT Institute of Information Technology Rs. 279.04 Lacs (Previous year Nil)
   - NIIT Technologies Limited Rs. 3.02 Lacs (Previous year Rs. 36.05 Lacs)
   - NIIT Smart Serve Limited Nil (Previous year Rs. 5.31 Lacs)
6. Includes Sale of Fixed Assets to:
   - NIIT Technologies Limited Rs. 1.50 Lacs (Previous year Rs. 30.26 Lacs)
   - NIIT Institute of Information Technology Nil (Previous year Rs. 13.10 Lacs)
7. Includes Recovery of Expenses from:
   - NIIT Technologies Limited Rs. 511.23 Lacs (Previous year Rs. 115.63 Lacs)
   - NIIT Technology Inc. (USA) Rs. 259.15 Lacs (Previous year Rs. 223.97 Lacs)
   - NIIT Institute of Information Technology Rs. 75.47 Lacs (Previous year Rs. 18.03 Lacs)
   - NIIT GIS Limited Rs. 28.09 Lacs (Previous year Rs. 17.89 Lacs)
   - NIIT Smart Serve Limited Rs. 2.24 Lacs (Previous year Rs. 13.61 Lacs)
8. Includes Recovery of Expenses by:
   - NIIT Technologies Limited, India Rs. 421.58 Lacs (Previous year Rs. 421.19 Lacs)
   - NIIT Institute of Information Technology Rs. 20.13 Lacs (Previous year Rs. 4.84 Lacs)
   - NIIT Smart Serve Limited Rs. 13.24 Lacs (Previous year Rs. 24.81 Lacs)
   - NIIT Technologies Pte Limited, Singapore Nil (Previous year Rs. 18.51 Lacs)
9. Loan Given relates to:
   - NIIT Institute of Information Technology Rs. 300 Lacs (Previous year Nil)
   - NIIT Education Society Rs. 535 Lacs (Previous year Rs. 2,290 Lacs)
10. Loans Given Received Back relates to:
    - NIIT Education Society Rs. 462 Lacs (Previous year Rs. 225 Lacs)
11. Interest Income from:
    - NIIT Education Society Rs. 239.06 Lacs (Previous year Rs.184.91 Lacs)
12. Includes Dividend Income from:
    - NIIT Technologies Limited, India Rs. 628.05 Lacs (Previous year Rs. 579.74 Lacs)
13. Includes Remuneration to:
    - Vijay K Thadani Rs. 174.71 Lacs (Previous year Rs. 78.53 Lacs)
    - Rajendra S Pawar Rs. 124.14 Lacs (Previous year Rs. 54.80 Lacs)
    - P Rajendran Rs. 92.12 Lacs (Previous year Rs.119.34 Lacs)
14. Other Expenses include transactions with:
    - NIIT Technologies Limited, UK Rs. 48.54 Lacs (Previous year Rs. 48.13 Lacs)
    - Renuka Thadani Rs. 8.25 Lacs (Previous year Rs. 5.32 Lacs)
    - Veena Oberoi Rs. 2.76 Lacs (Previous year Rs. 2.76 Lacs)
    - Pace Industries Private Limited Rs. 1.80 Lacs (Previous year Nil)
    - Sudha Rajendran Nil (Previous year Rs. 0.90 Lacs)

15. Other Income include transactions with:
 - NIIT Institute of Information Technology Nil (Previous year Rs. 6.93 Lacs)
 - NIIT Technologies Limited, India Nil (Previous year Rs. 116.47 Lacs)

16. Assignment of Loan includes:
 - Assignment of loan from NIIT Education Society to NIIT Institute of Information Technologies Rs. 2,738 Lacs (Previous year Nil)

c) Balances as on March 31, 2008

Nature of Transactions	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel	Parties in which Key Managerial Personnel of the Group are interested	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Receivable	8,385,926	-	-	318,524,128	326,910,054
	(16,799,905)	(-)	(-)	(297,877,771)	(314,677,676)
Payable	8,839,330	7,990,521	-	1,581,655	18,411,506
	(9,765,982)	(6,015,423)	(-)	(1,981,655)	(17,763,060)

Previous year figures are given in parenthesis.

20. During the year, the Parent Company has granted an additional loan of Rs. 535 Lacs (Previous year Rs. 2,290 lacs), at 8% per annum to NIIT Education Society, a society registered under Society Registration Act, 1860, which is formed for the purpose of setting up of University and sponsoring other societies for setting up of universities. The Society has repaid Rs. 462 lacs (Previous year Rs. 225 lacs) out of the loans given to it during the previous year. The Society is at present financed by the loan given by the Company and other sources [Donations of Rs. 398 lacs (Previous year Rs. 102 lacs) & other loans of Nil (Previous year Rs. 148 lacs)], which have primarily been utilised by the Society for giving loan to another society, namely, NIIT Institute of Information Technology, for the purpose of setting up of a university. As per the terms of the Loan Agreement between the Company and the Society, the loan along with accrued interest for the first three years was repayable in 20 equal quarterly installments, on the interest due dates from the beginning of the 6th year from the date of 1st drawdown. Accrued interest for the 4th and 5th year was payable on last day of each quarter. However, during the year, out of the total loan given to the Society, loan amounting to Rs. 2,738 lacs has been assigned to NIIT Institute of Information Technology from NIIT Education Society vide board resolution dated March 17, 2008 on the same terms and conditions. The transactions with the societies are on an arm's length basis. The Company has granted an additional loan of Rs. 300 lacs directly to NIIT Institute of Information Technology at 8% per annum after this assignment.

21. During the year the Parent Company has converted 2.5%, 1,000 Foreign Currency Convertible Bonds of USD 10,000 each amounting to Rs. 4,379 lacs issued in earlier years by issuance of 2,188,000 equity shares of Rs. 10/- each fully paid-up as per the terms of the agreement at a premium of Rs. 190/- per share.

22. During the year, the Parent Company has issued bonus shares in the ratio of 1:2 i.e. one additional equity share for every two equity shares and also sub-divided 1 equity share of Rs.10/- each into 5 equity shares of Rs. 2/- each fully paid up as on the record date i.e. August 31, 2007, as approved in Annual General Meeting held on July 25, 2007. For issuance of the bonus shares the Company has utilised Capital Redemption Reserve of Rs. 545.98 lacs and Share Premium amounting to Rs. 551.41 lacs.

23. a) As on January 15, 2008, the Parent Company acquired controlling interest in "Evolv Services Limited" (Formerly known as "Evolv Management Services Private Limited"), for a cash consideration of Rs. 28,000,182/-. Pursuant to this acquisition, the Parent Company has purchased 107,934 shares of

Rs. 10/- each from its promoters at Rs. 55.59 per share for a consideration of Rs. 6,000,051/- and further the Company has subscribed to additional 395,757 equity shares issued at a price of Rs. 55.59 per share for a consideration of Rs. 22,000,131/-, resulting in the Company acquiring 47.87% of share capital of Evolv Services Limited (Evolv). Further, the Company has been issued 359,780 warrants, each warrant gives right to acquire one share of 'Evolv' at an exercise price of Rs. 48.20 per warrant. However, the exercise price can be adjusted based on material adverse and favorable changes in working capital and assets of Evolv as per the audited accounts as on the closing date with reference to the November 15, 2007 audited accounts and certain events occurring before the first exercise of warrants as per the Share Purchase-cum-Share Subscription Agreement.

Based on audited Financial Statements, the Net Assets of Evolv to the extent of shares acquired by NIIT Limited as on the date of acquisition were Rs. 8,917,518/- [Refer para (b) below]. The consideration paid less the proportionate book value of net assets acquired resulted in Goodwill of Rs. 19,082,664/- in the consolidated financial statements which has been ascertained as follows:

Particulars		(Amount in Rs.)
Consideration paid in cash	(A)	28,000,182
Net Assets acquired	(B)	8,917,518
Goodwill arising on acquisition	**(A-B)**	**19,082,664**

The promoters of Evolv have an option to sell ("Put Option") their remaining shareholding to NIIT Limited in tranches beginning April 2009, at the put option price determined by a "Price valuer" as on the date of exercise of the put option. Similarly, NIIT Limited has the option to purchase ("the Call Option") the remaining shares of the sellers' shareholding beginning September 2009 at the call option price determined by a "Price valuer" as on the date of exercise of the call option.

b) The summarised balance sheet as on January 15, 2008:

(Amount in Rs.)

Description	As at January 15, 2008
Assets	
Fixed Assets (Net block) including Capital Work in Progress	3,306,435
Deferred Tax Asset (Net)	928,271
Sundry Debtors	8,651,367
Cash and Bank Balances	22,356,072
Loans and Advances	15,725,125
Other Current Assets	3,434,198
Profit and Loss Account (Debit Balance)	56,569,621
Total Assets	**110,971,089**
Liabilities	
Shareholders' Funds	75,200,183
Current Liabilities & Provisions	25,772,982
Loans	9,997,924
Total Liabilities	**110,971,089**
Net Assets	**18,630,562**
NIIT's share of Net assets @ 47.87%	**8,917,518**

24. Subsequent to the year end, the Parent Company has further invested a sum of Rs. 5 lacs in the newly established subsidiary company, NIIT Institute of Process Excellence Limited. The newly established company was incorporated on April 2, 2008, vide board resolution dated March 17, 2008.

25. During the year, NIIT China (Shanghai) Limited has entered into a Joint Venture with Wuxi An Ai Ai Di Education and Training Co. Limited, a Company having its registered office at Wuxi Innovation and Creation Park, Wuxi New District, Wuxi, PRC. The JV is formed by incorporating a new company "NIIT Wuxi Service Outsourcing Training school", in China with a registered capital of Rs. 4,503,360/- (RMB 800,000). NIIT China (Shanghai) Limited has contributed 60% of the registered Capital amounting to Rs. 2,702,016/- (RMB 480,000) with the balance being contributed by Wuxi An Ai Ai Di Education and Training Co. Limited. Since NIIT China (Shanghai) Limited has substantial control over the newly formed JV, the same has been consolidated in the NIIT Group Financial Statements.

26. During the year, the Group has initiated internal development of software tools, platforms and content/ courseware. The Investments would expand the business of the Group in existing and new markets, enhance capabilities of its products and software and offer more technology based learning products/ solutions to the customers in future. The Group is confident of ability to generate future economic benefits out of the above mentioned assets. The costs debited to capital work-in-progress on account of the above is as follows:

Description	(Amount in Rs.)
Salary and other employee benefits	374,628,044
Rent	16,658,549
Electricity and Water	4,467,412
Direct Production Overheads	10,656,428
Other expenses	17,228,294
Total	**423,638,727**

27. a) During the year, Element K Corporation has revised the estimated economical useful life of application software from 2 years to a period of 3-5 years to match with the expected benefits to be derived from such software and learning products as well as to align with the Group Policy. Had the earlier estimate of amortisation of such products been used, the Profit before tax and the written down value of such assets would have been lower by Rs. 13,059,648/- (USD 322,986).

b) In the previous period, the Element K Corporation recognised revenue from service contracts, under proportionate completion method, based on lower of proportion of cost incurred or time spent. During the year, the Company has estimated the level of efforts based on the proportion of cost incurred as the information on the time spent is not determinable, the earlier method would not have reflected an accurate estimate of the level of effort considering the increase in business, and also to align with the Group practice. Had the same method been followed, the revenue and profit before tax would have been lower by Rs. 12,082,801/- (USD 298,827) and current liabilities would have been higher by the same amount.

c) Revenue under product (subscriptions) business was recognised for the latter part of the first month based on the balance number of days in the second half of the month. In order to simplify the process, revenue in the current year is recognised for the first month assuming the same was contracted in the middle of the month. This has resulted in an increase in the revenue and Net Profit before tax during the year by Rs. 12,862,168/- (USD 318,102).

28. Pursuant to the implementation of Accounting Standard 11 "The Effects of changes in Foreign Exchange Rates", as prescribed by Companies (Accounting Standard) Rules 2006, in relation to foreign currency liabilities attributable to acquisition of fixed assets, the Group has recognised an exchange gain of Rs. 109.95 lacs for the year ended March 31, 2008 with corresponding impact on the profit before taxes.

29. SEGMENT INFORMATION

Primary Segment information – Business Segment

The sub businesses are fully aligned to global learning business of the Group and the same are being viewed by the management as a single primary segment, i.e. learning business segment.

Secondary Segment information – Geography

The secondary segment information in relation to the geographies is as follows:

(Amount in Rs. Lacs)

Particulars	Revenue from Customers by location of customers	Carrying amount of segment assets by location of the assets	Additions to fixed assets
India	44,155 (32,329)	48,350 (41,830)	4,035 (7,500)
America	50,361 (43,650)	42,874 (46,133)	1,003 (309)
Europe	3,981 (2,760)	4,042 (1,836)	1 (5)
Rest of Asia Pacific	2,186 (774)	1,747 (697)	88 (21)
Total	100,683 (79,513)	97,013 (90,496)	5,127 (7,835)

Previous year figures are given in parenthesis

30. TAXATION

i. Upon finalisation of income tax return of Assessment Year 2007-08 and revision of income tax return of Assessment Year 2006-07 of the Parent Company, an amount of Rs. 48 lacs (Net) has been credited to tax expense.

ii. 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 for the previous period ended March 31, 2007 was filed at a consolidated level subsequent to the preparation of the financial statements of the previous year. The current tax has been determined on consolidated profits and allocated to the respective entities. Deferred taxes have been determined only at consolidated level and reported herewith.

iii. Break up of Deferred Tax Assets/ Liabilities and reconciliation of current period deferred tax credit is as follows:

(Amount in Rs. Lacs)

Deferred Tax Assets/ Liabilities	Balance as at 01.04.2007	Balance as on the date of acquisition	Charged/ (Credited) to Profit & Loss Account	Balance as at 31.03.2008
Deferred Tax Liabilities				
a) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation	502	-	150	652
b) Impact of expenses prepaid in financial statements but allowed as deduction in current year	835	-	182	1,017
Total (A)	1,337	-	332	1,669
Deferred Tax Assets				
a) Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax:				
- Difference in carrying amount of Goodwill	(130)	-	(13)	(143)
- Provision for doubtful debts and advances	(900)	-	(85)	(985)
- Provision for Inventory	(5)	-	(21)	(26)
- Provision for Leave Encashment, Bonus, Gratuity and other timing differences	(482)	(9)	(408)	(899)
- ESOP Expenses	(20)	-	19	(1)
- Deferred Revenue	(554)	-	(263)	(817)
b) Carry forward unabsorbed losses/ depreciation	(42)	-	(1,205)	(1,247)
c) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation which originate during the tax holiday period but which reverses after the tax holiday period	(11)	-	(10)	(21)
d) Deferred Tax Asset related to fair value loss on derivative instruments not credited to Profit and Loss Account but taken to Balance Sheet. [Refer Note 7 above]	-	-	-	(30)
Total (B)	(2,144)	(9)	(1,986)	(4,169)
Net Deferred Tax Liability/ (Asset) (A+B)	(807)	(9)	(1,654)	(2,500)
Previous year	(428)	(825)	(379)	(807)

Note:

i. Deferred tax assets and liabilities are being offset to the extent they relate to taxes on income levied by the same governing tax laws.

ii. Deferred tax Assets arising from unabsorbed depreciation/ loss is considered certain of recovery.

31.a) Movement of Provision for Doubtful Debts during the year

(Amount in Rs. Lacs)

Particulars	Year ended March 31, 2008	Year ended March 31, 2007
Opening Provision as at the beginning of the year	6,536	5,846
Opening Provision on acquisition	21	796
Add: Additional Provisions created	773	813
(Less): Provision written back	(86)	(187)
(Less): Provision utilised	(261)	(578)
Add/ (Less): Restatement on account of Exchange Fluctuation	(432)	(154)
Closing Provision as at the year end	6,551	6,536

b) Movement of Provisions against onerous contracts

Particulars	Year ended March 31, 2008	Year ended March 31, 2007
Opening Provision as at the beginning of the year	63,918,989	-
Opening Provision on acquisition	-	84,940,428
(Less): Written back during the year	(58,090,216)	-
(Less): Provision utilised	(190,404)	(21,021,439)
Add/ (Less): Restatement on account of Exchange Fluctuation	(4,436,511)	-
Closing Provision as at the year end	1,201,858	63,918,989

The above amounts pertain to vacated office premises and were provided for (Net of estimated recoveries) based on the recommendations of the financial consultant.

32. EARNINGS PER SHARE

Particulars	Year ended March 31, 2008	Year ended March 31, 2007
Profit attributable to Equity shareholders (Rs.) - (A)	756,420,938	573,121,276
Add: Increase in profit (net of tax) on account of effect potential dilutive shares (being FCCB) [Refer Note 21 above] (Rs.)	-	10,200,702
Profit attributable to Equity shareholders considered for determining diluted earning per share (Rs.) - (B)	756,420,938	583,321,978
Weighted average number of Equity Shares outstanding during the year (Nos.) - (C)	161,921,655	145,527,171
Add: Effect of potential dilutive shares (being Employees Stock options) [Refer Note 9 above] (Nos.)	590,227	10,364,460
Weighted average shares outstanding considered for determining diluted earning per share (Nos.) - (D)	162,511,882	155,891,631
Nominal Value of Equity Shares (Rs.)	2/-	10/-
Basic Earnings per Share (Rs.) (A/C)	4.67	3.94
Diluted Earnings per share (Rs.) (B/D)	4.65	3.74

EARNINGS PER SHARE [had fair value method been employed for accounting for Employee Stock Options (Refer Note 9 above)]

Profit attributable to Equity shareholders (Rs.) - (E)	729,515,439	565,175,685
Add: Increase in profit (net of tax) on account of effect of potential dilutive shares (being FCCB) [Refer Note 21 above] (Rs.)	-	10,200,702
Profit attributable to Equity Shareholders considered for determining diluted earning per share (Rs.) - (F)	729,515,439	575,376,387
Basic Earnings per share (Rs.) (E/C)	4.51	3.88
Diluted Earnings per share (Rs.) (F/D)	4.49	3.69

Note:

Basic and Diluted Earnings Per Share (EPS) has been restated for the previous year to give effect of issue of bonus shares and sub-division of shares in accordance with Accounting Standard 20 "Earnings Per Share". Therefore, Earnings Per Share of previous year is not comparable with the face value of shares.

33. LEASES

a) Operating Leases

Total of future Minimum Lease Payments under non-cancelable leases in case of premises:

(Amount in Rs.)

Particulars	As at March 31,2008	As at March 31,2007
Amount payable within the next 1 year	103,626,743	103,853,200
Amount payable in the next 2 to 5 years	266,360,502	130,040,702
Amount payable beyond 5 years	246,777,378	-

Aggregate payments during the year under operating leases in respect of equipments, vehicles and premises for office and employees accommodation amounting to Rs. 430,510,866/- (Previous year Rs. 344,833,116/-).

Total of future minimum sublease payments (in respect of premises) expected to be received under non-cancelable subleases at the closing of the Balance Sheet amount to Rs. 25,956,668/- (Previous year Rs. 34,811,442/-). Sub lease payments recognised in the statement of Profit and Loss for the year amounted to Rs. 10,960,471/- (Previous year Rs. 10,432,608/-). The sublease has been netted off against the respective lease rental expenses in the Profit and Loss Account.

b) Finance Leases

i. Asset acquired under finance lease comprising of plant & machinery and furniture & fixtures. There are no exceptional/ restrictive covenants in the lease agreements.

ii. The minimum lease payment outstanding and their present value at the balance sheet date in respect of plant and machinery and furniture and fixtures that have been capitalised are as follows:

Particulars	Minimum lease payments (Rs.)	Present value of lease payments (Rs.)
Not later than 1 year	6,795,946 (3,727,380)	2,255,659 (3,221,928)
Later than 1 year but not later than 5 years	8,171,663 (2,349,765)	10,517,687 (2,255,626)

Particulars	(Amount in Rs.)
Minimum Lease Payments as above	14,967,609 (6,077,145)
Less: Finance Charge	2,194,263 (599,591)
Present Value of Lease Payments	12,773,346 (5,477,554)

34. Balances in current accounts with Banks amounting to Rs. 12,937,808/- (CNY 2,261,818) held by PCEC NIIT Institute of Information Technology are restricted by the Bank to be operated by the Company on account of expiry of the formal education license issued by the State Education Bureau which is in the process of revalidation by the Company.

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

Signatures to the Schedule `1' to `23' above

Rajendra S Pawar
Chairman and Managing Director

Vijay K Thadani
CEO & Whole-time Director

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : June11, 2008

GLOBAL PRESENCE

25% earth, 75% water, 80% NIIT

Americas
Brazil
Cuba
Mexico
Peru
USA
El Salvador
Honduras
Nicaragua

Europe
Kazakhstan
UK
Serbia

Asia
Bangladesh
Cambodia
China
India
Indonesia
Malaysia
Nepal
North Korea
Sri Lanka
Turkey
Vietnam

Middle East
Iran
Oman
Yemen

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Botswana
Ghana
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Zimbabwe

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