
NIIT
seize the new day
NIIT Limited annual report 2009-2010

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

Contents

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

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
Indian Overseas Bank
Standard Chartered Bank
Citibank NA
BNP Paribas
Wachovia Bank of Georgia
Bank of the West

Registered Office
B-234 Okhla Phase - I
New Delhi 110 020, India
Email (Investor Services): investors@niit.com
Tel : +91-11-41407000
Fax : +91-11-26817344

Corporate Office
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

NIIT Limited

NIIT

FINANCIAL HISTORY

REVENUES & PROFITABILITY (Rs. Mn)

For the Fiscal period ended	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10
Global Revenues (NIIT & its subsidiaries)	4,507	7,951	10,068	11,486	11,993
REVENUES OF NIIT LTD.	3,449	4,008	4,975	5,795	6,448
Operating Expenses	2,874	3,325	4,112	4,649	5,286
Interest & Finance Expenses	43	50	74	108	171
Depreciation	238	314	358	402	542
Profit Before Tax	294	319	431	635	448
Profit After Tax	270	329	328	472	312
Equity Dividends	116	143	214	214	231
Earnings Per Share (Rs.) * - Basic	13.97	16.97	2.02	2.86	1.89
Operating Margin (%)	16.7	17.0	17.3	19.8	18.0
Profit Before Tax / Revenues (%)	8.5	8.0	8.7	11.0	7.0
Return on Capital Employed	7.7	8.5	9.0	9.9	7.5

ASSETS & LIABILITIES (Rs. Mn)

As At	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10
Sources of Funds					
Equity Capital	193	198	329	330	330
Reserves & Surplus	2,695	2,896	3,308	3,518	3,610
Loan Funds	1,195	1,340	813	1,987	2,506
Deferred Tax Liability					1
Total	**4,083**	**4,434**	**4,450**	**5,835**	**6,447**
Applications of Funds					
Gross Block (includes Capital Work in Progress)	2,215	2,630	2,870	3,584	3,977
Net Block (includes Capital Work in Progress)	954	1,158	1,208	1,952	1,900
Investments	1,456	1,702	1,785	1,848	2,012
Deferred Tax Assets	20	77	95	62	-
Current Assets	2,758	2,846	2,991	4,074	4,459
Current Liabilities	1,105	1,349	1,629	2,102	1,924
Net Current Assets	1,653	1,497	1,362	1,972	2,535
Miscellaneous Expenditure					
Total	**4,083**	**4,434**	**4,450**	**5,835**	**6,447**
Debt-Equity Ratio	0.41	0.43	0.22	0.52	0.64
Current Ratio	2.50	2.11	1.84	1.94	2.32
Fixed Asset Turnover	1.56	1.52	1.73	1.62	1.62
Receivable Days	165	144	100	119	127
Dividend per share (Rs.)	6.00	6.50	1.3**	1.3**	1.4**
Book value per share (Rs.)*	149	157	22	23	24
Share Price on Closing date (BSE) (Rs.)	296	665	98	20	58
Market Capitalisation (Rs. Mn)*	5,728	13,138	16,141	3,341	9,518

Notes: * Based on Equity outstanding as on Balance Sheet date
** 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 40 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
  - Bioinformatics and Educational Technology programmes
  - Executive Management Programmes for working professionals, from premier business schools through NIIT Imperia, Centre for Advanced Learning
  - Training programs for financial services sector from NIIT Institute of Finance, Banking & Insurance (IFBI)
  - NIIT Uniqua, Centre for Process Excellence, addresses the increasing demand for skilled workers in the business and technology services industry by providing training programs in relevant areas. This is a part of NIIT Institute of Process Excellence, a NIIT-Genpact venture.
  - Facilitate scholarship programs through Bhavishya Jyoti Scholarship initiative
  - www.training.com, an e-Learning initiative to provide convenient, personalized and affordable training to students and working professionals
  - Industry linked joint programs in IT and Management Sciences with IGNOU-world's largest Open University

- **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**

  NIIT has provided computer-based learning to over 12,000 government and private schools across the country cumulatively impacting lives of more than 8 million kids. Last year alone, NIIT reached out to more than a million kids through learning solutions, installed in more than 4700 schools. NIIT further strengthened its leadership position in the Govt. sector by getting new orders for IT education and IT enabled education projects as well as extension and repeat orders from governments of Assam, Andhra Pradesh, Gujarat and Rajasthan. Some of the highlights of school learning solutions by NIIT are:

  - ❖ NIIT eGuru is a holistic education solution that comprises of **Interactive Classrooms** (an end to end Teaching Learning solution for classrooms, that uses elements of interactivity, automation and web links library etc); **Math lab** (an innovative concept that enables school students to learn and explore mathematical concepts); **IT Wizard** (equips the students with core computer knowledge and IT skills); **Quick School** (an Education Resource Planning solution for school management) and **Smart Science Station** (a pioneering solution which integrates Science Labs with classrooms)
  - ❖ Besides there are comprehensive teacher training programs designed for school teachers. These programs are aimed at skilling the teachers in integrating technology into teaching learning process thereby helping them in achieving desired teaching outcomes
  - ❖ Learning solutions for schools are designed based on inputs and extensive validations from academicians and academic institutions around the country. NIIT continues to focus on extensive research in Instructional methodologies as well as curriculum design and development
- **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
- **NIIT Yuva Star, Career Development Centre**
  - ❖ To bridge the Education-Employability gap and create talent pool in urban slums, NIIT announced NIIT Yuva Star, Career Development Centre. 18 centers are now operating in Delhi and have impacted over 1500 slum youth already
- **NIIT District Learning Centre**
  - ❖ In line with its commitment to harness talent pool from semi-urban India, NIIT has two fully functional District Learning Centres at Chhindwara and Barkuhi in MP

- **NIIT University**
  - ❖ Ushering in a new model in higher education is the not-for- profit **NIIT University,** established in 2009 with a vision of being the leading centre of innovation and learning in emerging areas of the Knowledge Society. Nestled in the foothills of Aravali, in Neemrana, Rajasthan, the picturesque 100 acres fully residential green campus has been developed as an institute of excellence based on the four core principles of providing industry linked, technology based, research driven, seamless education. *"NIIT University, established by the NIIT Institute of Information Technology (TNI), a not-for-profit Society, has received recognition vide Government of Rajasthan Ordinance No. 4 of 2009 dated 14th October 2009"*
- **Alliances with global IT majors**
  - ❖ Adobe, Cisco, CompTIA, EMC, IBM, Intel, Microsoft, Oracle, SAP, Sun Microsystems, SAS, Thomson Prometric, Pearson VUE
- **Assessed at SEI-CMM Level 5**
- **Awards and Acknowledgements**
  - ❖ NIIT USA was ranked #1 in the 'Quality of Service Leaders' and positioned as #2 Service Provider in the 'Bakers Dozen Customer Satisfaction 2010 Ratings'- a listing brought out by the reputed HRO Today magazine
  - ❖ Element K received Gold Award for Green Training by LearnX Asia Pacific Conference
  - ❖ Element K received 'Top 20 Leadership Training Companies' award by Training Industry, Inc
  - ❖ NIIT has been honoured as the - 'Most influential IT Training brand in China', on the eve of 60 years of People's Republic of China (PRC) celebrations
  - ❖ NIIT USA has been awarded the Gold for 'Excellence in eLearning award' by Chief Learning Officer (CLO) Magazine as part of its Learning in Practice Awards, one of the industry's highest honors for the second consecutive year
  - ❖ NIIT USA featured in Training magazine's Annual 'Top 125' List
  - ❖ NIIT USA received Brandon Hall Excellence in eLearning Award 2009 Bronze for innovation in technology
  - ❖ NIIT USA ranked among the Top 20 Companies in the Training Outsourcing Industry in 2009, by TainingOutsourcing.com for the third consecutive year
  - ❖ NIIT receives the prestigious CIO 100 Award 2009, presented by CIO Magazine (a part of the IDG group). The Award, in its fourth year in India, has been honouring exceptional work in IT leadership worldwide for the past 22 years. NIIT has received this recognition for the pioneering work done on revamping our website: www.niit.com
  - ❖ NIIT was conferred the 'Top IT Training Company Award 2009' by the country's leading publication group Cybermedia, the publisher of Dataquest. (NIIT has been getting this award successively for the past 17 years, since the inception of this category)
  - ❖ NIIT received the ICT Gold Medal – Vietnam for the 4th year in a row in July 2009
  - ❖ NIIT received the Best Learning Partner award from CISCO and Microsoft in 2009
  - ❖ NIIT's Institute of Finance, Banking and Insurance (IFBI) was recognized as the Best Training School by The Week – Nielsen survey in 2009

- NIIT received the Best Green IT Project award by PC Quest for V-lab in 2009
- NIIT ICT enabled Learning Solutions bagged the following awards in the digital learning category at eIndia 2009, India's Largest ICT event
  - *ICT Enabled School of the Year Award - The Scindia School, Gwalior, Madhya Pradesh*
  - *Civil society / Development agency Initiative of the year - Hole-in-the-Wall Education Ltd. (HiWEL)*
  - *Government / Policy Initiative of the year - Implementation of Shared Computing Technology in 5000 Govt. schools of Andhra Pradesh*
- NIIT eGuru was chosen amongst Top 100 Franchise list, by Franchise India magazine
- NIIT has been accorded the Business Superbrands 2008 status for the second time by the Superbrands Council
- NIIT recognized by UNESCO for innovation in ICT in Education in 2008
- NIIT (HiWEL) has been conferred the coveted 'Digital Opportunity Award' by World Information Technology Services Alliance (WITSA) in 2008
- Ranked amongst 'India's Most Trusted Services Brand' in Economic Times Brand Equity survey in 2008
- Ranked amongst India's 'Most Respected Companies' in the IT sector in a survey done by Business World magazine in 2007
- NIIT was ranked as 'India's Most Customer Responsive Educational Institution' as per Avaya GlobalConnect Customer Responsiveness Awards in 2007 for the third consecutive year.
- The company was awarded the 'Indian Franchisor of the Year Award' in 2007 by Franchising Association of India
- NIIT was ranked amongst the 'Top 10 Business Brands since 60 years of Independence', by a leading Indian magazine 'The Week' in 2007
- The company received the 'Award for Excellence in Innovative HR practices' 2005 by Delhi Management Association and Watson Wyatt World
- NIIT is the only Indian Education company to be featured in "The BCG 50 Local Dynamos"
- Slumdog Millionaire won the Oscars in 2009. The movie was based on the book 'Slumdog Millionaire' (previously published as Q&A), written by Vikas Swarup. The author credits Hole-in-the-Wall Education Ltd. (HiWEL) as his inspiration for the book

- **Global operations in**
  - **Americas –** Canada, Cuba, Mexico, Peru, USA , El Salvador, Nicaragua, Honduras
  - **Europe –** Greece, Italy, Kazakhstan, UK, Serbia
  - **Asia –** Afghanistan, Bangladesh, Brunei, Cambodia, China, India, Indonesia, Laos, Malaysia, Nepal, Singapore, Sri Lanka, Thailand, Vietnam
  - **Middle East –** Iran, Oman, Qatar
  - **Africa –** Botswana, Ghana, Jamaica, Liberia, Libya, Nigeria, Senegal, South Africa, Sudan, Zimbabwe
  - **Australia/Oceania –** Australia, New Zealand, Fiji

Dear NIIT Shareowner,

Your Directors take pleasure in presenting the 27th Annual Report along with the audited statement of accounts for the financial year ended March 31, 2010.

Financial Highlights

The highlights of your Company's financial results for the financial year April 1, 2009 to March 31, 2010 are as follows:

(Rs. Mn.)

Particulars	NIIT Limited - Group (Consolidated)		NIIT Limited (Stand alone)	
	2009-10	2008-09	2009-10	2008-09
Net Sales (Income from operations)	**11,993**	11,486	**6,252**	5,456
Other Income	**43**	203	**196**	339
Total Income	**12,036**	11,689	**6,448**	5,795
Total Expenditure	**10,797**	10,549	**5,457**	4,758
Profit before depreciation and taxes	**1,239**	1,140	**990**	1,037
Depreciation	**751**	647	**542**	402
Net tax provision	**108**	104	**136**	163
Net profit before share of Associates' Profit & Minority Interest	**380**	389	**312**	472
Share of Associates' Profit and Minority Interest	**322**	309	**-**	-
Net Profit	**702**	698	**312**	472
Basic EPS (Rs.)	**4.25**	4.23	**1.89**	2.86
Diluted EPS (Rs.)	**4.25**	4.23	**1.89**	2.86

Despite global recessionary conditions, your Company's consolidated income from operations has increased to Rs. 11,993 million as against Rs. 11,486 million in the previous year, registering a growth of 4.42% over the previous year, while Net Profit (after Associates' Profit) is Rs.702 million as against Rs. 698 million in the previous year.

The income from operations for the year under review for the Company on a standalone basis increased to Rs. 6,252 million as compared to Rs. 5,456 million in the previous year, thereby registering a growth of 14.58% on yearly basis and Net Profit dipped from Rs. 472 million in the year 2008-09 to Rs 312 million in the current year.

Business Operations

The year started with widespread global economic crisis and extreme risk aversion by customers, resulting in cut back on investment and recruitment. In this environment, the Company focused on profitability through efficient cost management and scale back investments. However, the environment has shown changes in the last quarter and there were signs of global economic recovery, strong growth projections for India, China and other emerging economies and return of business confidence with projections of robust recruitment across sectors. This positive environment at the year end resulted in the positive growth in most businesses and renewed focus on new products and new initiatives.

During the year under review, your Company partnered with various globally recognized technology companies like IBM, SAP and expanded its product portfolio by launching various new programs like Futurz: GNIIT IMS Track, Diploma in Finance & Accounts, ERP Training for SMB segments etc. The Company has recently entered into a Global Partnership with Indira Gandhi National Open University (IGNOU) for Education & Skill Building to enhance employability.

The School Learning Solutions continue to cater to the requirements of private and government schools for IT and IT enabled education. During the year, your Company saw an acceleration of interest by many State Governments for providing IT education in schools. Your Company has secured two new major contracts from the states of Gujarat and Andhra Pradesh besides the renewal of contracts for existing schools from Chhattisgarh and Assam.

In Learning Solutions for Enterprises Business, your Company improved its margins through meticulous short term expense management, cost variabalization, as well as rationalized sales and product investment despite overall shrinkage of training budgets by corporates.

During the year, your Company launched basic english and professional life skills training for consumers under the brand 'NIIT English Plus'. The 'English for Life' product is designed to upgrade the skills and employability of adolescent youth and college-going population in rural and semi-urban markets across India. This business is at a pilot stage with potential for major growth.

Future Plans

Beside the three existing core competencies of growth of your Company in the past i.e. Pedagogy, Technology and Partnerships, the Company will also focus its energy on its new capabilities like new technology based delivery models, learning libraries, school management systems etc. This will result in scaling up customer access, improved margins and a wider global reach.

Share Capital

The Company has allotted 112,611 equity shares of Rs. 2 each to the employees under NIIT Employee Stock Option Plan 2005. Accordingly, the paid-up share capital of your Company stands increased from Rs. 329,965,972 to Rs. 330,191,194.

Debentures

Your Company has raised Rs. 600 million by issue of Unsecured Redeemable Non-Convertible Debentures (NCDs) to Standard Chartered Bank (SCB) on private placement basis in the year under review. The NCDs issued to SCB are listed at the National Stock Exchange of India Limited (NSE).

Dividend

In view of the Company's profitable performance, your Directors are pleased to recommend, for approval of the Members at the ensuing Annual General Meeting, a dividend of Rs. 1.40 per equity share of Rs. 2 each.

Transfer to Reserves

In accordance with statutory provisions, your Company has transferred a sum of Rs. 31 million to the General Reserve and Rs. 202 million to the Debenture Redemption Reserve.

Awards and Acknowledgments

During the year under review, your Company received many recognitions at the international and national levels. Some of them are:

- NIIT, USA (Subsidiary of NIIT) was ranked #1 in the 'Quality of Service Leaders' and positioned as #2 Service Provider in the 'Bakers Dozen Customer Satisfaction 2010 Ratings'- a listing brought out by the reputed HRO Today magazine.
- Element K (Subsidiary of NIIT) received Gold Award for Green Training by LearnX Asia Pacific Conference.
- Element K (Subsidiary of NIIT) received 'Top 20 Leadership Training Companies' award by Training Industry, Inc.
- NIIT was honoured as the - 'Most influential IT Training brand in China', on the eve of 60 years of People's Republic of China celebrations.
- NIIT, USA (Subsidiary of NIIT) was awarded the Gold for 'Excellence in eLearning award' by Chief Learning Officer (CLO) Magazine as part of its Learning in Practice Awards, one of the industry's highest honors for the second consecutive year.
- NIIT's innovative ICT learning solutions secured three awards at the 'Digital Learning Awards' at eINDIA 2009 Summit - India's largest ICT event.
- NIIT was conferred ICT Gold Medal – Vietnam for the 4th year in a row.
- NIIT was conferred the 'Top IT Training Company Award 2009' by Cybermedia, for the 17th successive year.
- NIIT received the Best Learning Partner award from CISCO and Microsoft for 2009.
- NIIT received the Best Green IT Project award by PC Quest for V-lab in 2009.

Subsidiary Companies

NIIT China (Shanghai) Limited, a step down subsidiary company, has incorporated Wuxi NIIT Information Technology Consulting Limited in China and further Wuxi NIIT Information Technology Consulting Limited has incorporated Changzhou NIIT Information Technology Consulting Limited in China during the year under review. Consequently, these two newly incorporated companies have become step down subsidiary companies of your Company. Further, Imperia China (Shanghai) Limited and NIIT Middle East WLL, Bahrain have ceased to be step down subsidiary companies. PCEC NIIT Institute of Information Technology, a step down subsidiary company, has passed the resolution for its voluntary liquidation and also ceased its operations.

As per the provisions of Section 212 of the Companies Act, 1956 (hereinafter referred to as 'the Act'), your Company is required to attach the Directors' Report, Balance Sheet, Profit and Loss Account and other information of the subsidiaries to its Balance Sheet. Your Directors believe that the audited consolidated accounts present a full and fair picture of the state of affairs and financial conditions of the Company and its subsidiaries, as is done globally. Hence, the Company made an application to the Ministry of Corporate Affairs, seeking exemption from the requirement of attaching the Directors' Report, Balance Sheet, Profit and Loss Account and other information of the subsidiaries to its Balance Sheet. The approval of the Central Government has been received vide letter No. 47/182/2010-CL-III dated March 25, 2010. Accordingly, the Annual Report of your Company does not contain separate financial statements of its subsidiaries, but contains audited consolidated financial statement of the Company and its subsidiaries.

However, a statement of the Company's interest in the subsidiaries and a summary of the financials of the subsidiaries are given along with the consolidated accounts. The annual accounts of the subsidiaries, along with the related information, will be made available to the Members seeking such information at any point of time. The annual accounts of the subsidiaries are also available for inspection for any Member/ Investor, during the business hours, at the Registered Office of the Company and the same can be accessed from the website of the Company i.e. www.niit.com.

Consolidated Financial Statements

In compliance with Clause 32 of the Listing Agreement, the consolidated financial statements are prepared in accordance with the Accounting Standards notified under Section 211(3C) of the Act read with the Companies (Accounting Standards) Rules, 2006. The consolidated financial statements together with Auditors' Report thereon form part of the Annual Report.

Delisting of Shares

Your Company had voluntarily applied for delisting of equity shares from 'The Calcutta Stock Exchange Limited' (CSE) under the SEBI (Delisting of Securities) Guidelines, 2003 in the year 2004. Pursuant to the application, CSE has approved the delisting of the equity shares by way of a letter no. CSE/LD/31/2010 dated March 19, 2010. However, the equity shares of the Company shall continue to be listed at the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

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 as well as 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 the 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

As required by Clause 49 of the Listing Agreement, the Management Discussion and Analysis Report is annexed and forms part of the Directors' Report.

Directors

Mr. Shardul S Shroff has stepped down from the Directorship of the Company w.e.f. May 7, 2010. Mr. Shroff was associated with the Company since 2001. The Board placed on record the immense contribution made by Mr. Shroff during his tenure as a Director in your Company.

In accordance with the provisions of the Act and Articles 64, 65 and 66 of the Articles of Association of your Company, Mr. Rajendra S Pawar and Mr. Surendra Singh, Directors of your Company, retire by rotation and due for election at the ensuing Annual General Meeting, however they being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Act, 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, 2010 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 Act, 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, Exports, Foreign Exchange Earnings and Outgo and other information forming part of the Directors' Report in terms of Section 217(1)(e) of the Act, and the Rules made thereunder

a) **Conservation of energy**

Although the operations of the Company are not energy intensive, the management has been highly conscious of criticality of conservation of energy at all the operational levels and efforts are made in this direction on a continuous basis. Adequate measures have been taken to reduce energy consumption whenever possible by using energy efficient equipments. The requirement of disclosure of particulars with respect to conservation of energy as prescribed in Section 217 (1) (e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable to the Company and hence are not provided.

b) **Technology absorption**

The Company realizes that in order to stay competitive and avoid obsolescence, it would have to invest in new technology across multiple product lines and services offered by it. Hence, the Company is making every effort to develop methods for 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 in 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) **Foreign exchange earnings and outgo**

i) **Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.**

The Company exports customized learning content to its overseas clients to meet their varying learning needs. The Company develops content in a multitude of subjects for widely varied audience.

The Company will continue to strengthen its presence in China, South Africa, Nigeria, Malaysia, Vietnam etc. and will also focus on new territories including Bhutan, Maldives and Columbia, with a view to increase exports. The Company will put impetus on potential geographies for expansion of its business outside India.

ii) **Foreign exchange earnings and outgo**

The details of foreign exchange earnings and outgo are mentioned in Notes Nos. 11,12, 13 and 14 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, 2010.

Public Deposits

In terms of the provisions of Section 58A of the Act read with the Companies (Acceptance of Deposits Rules), 1975, 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 Act, read with the Companies (Particulars of Employees) Rules, 1975 are given in **Annexure-I** and forms part of this report.

Auditors and Auditors' Report

M/s Price Waterhouse, Chartered Accountants (registration number FRN 301112E), the Statutory Auditors of your Company, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received a letter from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 224 (1B) of the Act and that they are not disqualified for reappointment within the meaning of Section 226 of the Act.

The notes on Accounts referred to in the Auditors' Report are self explanatory and do not require for any further comments.

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 the 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 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 has granted 61,41,130 Stock Options (Grant-V and Grant-VI) of Rs. 2 each at market price to eligible employees 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.

Further, none of the employees was granted options equal to or exceeding 1% of the issued capital of the Company.

Acknowledgements

Your Directors take this opportunity to thank 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
DIN - 00042516

Place : New Delhi
Date : May 7, 2010

Annexure - I

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, 2010

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

Name	Age (Years)	Qualification(s)	Experience (Years)	Designation	Nature of Duties	Gross Remuneration (Rs.)	Date of Joining	Previous Employment and Designation
Abraham Michael Tharakan	45	B.Sc., Dip in Comp	18	General Manager	Head - Design & Development	2,633,461	25-Nov-02	Max Ateev, Senior Project Manager
Ajai Manohar Lal	55	B.Sc., M.Sc.	34	Senior Vice President - International IT Education Business	Head - International IT Education Business	4,229,963	17-Jan-00	DTE Gen Mech Forces, Director
Ajay Mohan Goel	47	B.E., MBA	27	Senior Vice President	Head - Operations EPL	3,946,525	10-Jan-07	Max Health Staff International Limited, CEO
Akhlesh Agarwal	44	M.E.	21	Vice President	Practice Manager - CTS	2,791,807	9-Jul-94	TCS Limited, Senior System Analyst
Aman Nagar	45	B.Sc., MBA	19	Vice President - ICS	Head - ICS	3,755,580	6-Nov-08	HP India, System Integration Partner Business Manager
Amitabh Lahiri	52	B.E.	28	Senior Vice President - Global Delivery & Operations	Head - Global Delivery & Opeartions	5,255,436	6-Jul-07	Genpact, Consultant - Six Sigma Practice
Anuradha S Boxwala	45	B.Sc., Dip In Comp	21	Senior Vice President - Global Sales Enablement & India Sales, ILS	Head- Global Sales Enablement & India Sales	3,964,924	1-Jul-89	First Employment
Ashish Basu	50	B.Sc., M.Sc., MBA	27	President - New Business Incubation	Head - New Business Incubation	6,694,939	20-Jun-05	NIIT USA Inc., President KSB Global Solutions
Ashish Nanda	36	B. Com, CA	12	General Manager - Corporate Accounts	Financial Controller - Corporate Accounts	2,732,980	1-Jan-04	NIIT Online Learning Limited, Assistant Manager-Accounts
Asim Kumar Talukdar	54	B.Sc., MBA	32	Senior Vice President - Human Resources	Head - HRO	4,314,147	16-Apr-07	HT Media Limited, Vice President HRD & Admin.
Babita Karki	43	B.Sc., M.Sc.	19	Chief Innovation Officer	Leader, Innovation	2,415,277	11-Apr-91	Uptron ACL, Counsellor Cum Instructor
Dr. Smarajit Dey	53	B.E., M.E., Ph.D.	31	President - Stragetic Initiatives	IBU Head	7,176,426	1-Apr-07	NIIT Institute of Information Technology, Professor & Dean
Ganesh Krishnamurthy	44	B. Com	20	Vice President	Practice Head - Content	3,097,188	1-Apr-02	Trigyn Technologies Inc., Project Manager
Jitender Mahajan	46	B.Com, CA, CS	22	Chief Financial Officer	CFO	3,990,277	12-Mar-02	Electrolux Kelvinator Limited, General Manager - Corporate Accounts
Kawaljit Singh	49	B.Com, CA, CS Inter	29	Financial Controller - Corp Centre	Financial Controller - Corporate Accounts	3,717,498	1-Jul-08	NIIT Technologies Limited, Financial Controller-Corp Centre
L Balasubramanian	56	B.Sc.	36	President - School Learning Solutions	IBU Head	5,948,648	30-Nov-88	DCM Data Products, Regional Systems Engineering Manager
Meenakshi Goel	46	BA, MA, Dip in Comp	21	Vice President	Head - Design & Development, GDD	2,483,287	28-Apr-89	First Employment
Mohit Hira	47	BA	24	President - Elearning, Retail	Head - Elearning, Retail	7,496,434	4-Nov-08	Times Internet, Director
P Rajendran	57	B.E.	36	Chief Operating Officer & Whole-time Director	COO	12,684,590	1-Sep-82	Keltron Limited, Resident Manager
Parveen Jain	44	B. Com, M. Com, FCS, LLB, PG - Dip in IRPM	18	Company Secretary & Legal Counsel	Company Secretary & Legal Counsel	2,481,404	1-Mar-06	Escorts Limited, Deputy GM-Law & Corporate Secretariat
Placid Sam	49	B.E., MBA	23	Senior Vice President - English & Professional Life Skills Training	BU Head - English & Professional Life Skills Training	4,600,293	16-Mar-09	Subhiksha India Limited, Chief Operating Officer
Raghavan Govindan	53	B.Sc., MMS	30	President - Individual Learning Solutions	President - ILS	12,380,502	1-Jun-05	Ingram Micro India, Managing Director
Rajendra Singh Pawar	59	B. Tech.	38	Chairman & Managing Director	CMD	9,005,903	2-Dec-81	HCL Ltd, Planning Manager
Sanjay Mal	47	B.Com	26	Senior Vice President - Finance	Finance & Investor Relations Head	2,866,403	8-Jan-03	A Arora & Associates, Senior Associate
Sanjeev Sethi	43	B.E.	21	Senior Vice President - Commercial Services	Head - CSO	4,259,050	3-Nov-08	Cadence Design Systems, Director-Real Estate & Facilities
Shampi Venkatesh	44	B. Com	23	Senior Vice President	Head - ILS (IT) Operations, India	4,946,248	1-Oct-03	NIIT Online Learning Limited, Head Operations
Shraman Jha	40	BA, MBA, MA	16	Senior Vice President	Head - NIIT Imperia	5,125,748	1-Jul-08	The Telegraph, Vice President
Sunil Sirohi	43	B.Sc., M.Sc., Dip in Mgmt	19	Vice President - Information Resources	Head-IRO	3,003,811	5-Aug-91	Europcar Limited, Station Manager
Udai Singh	42	B.E., M.E.	21	Executive Vice President - SLT	Head - SLT	3,966,380	23-Mar-05	NIIT Online Learning Limited, Whole-time Director & COO
Venkata Durga Ravi Kiran Patibanda	43	B.Sc., MBA, Dip in Comp	20	Vice President- Operations	Head, Operations	2,695,728	2-Jul-90	First Employment
Vijay Kumar	46	B.Sc., MBA	24	Senior Vice President	Business Head - ROW	3,140,711	26-Sep-05	Aptech Limited, Head - Sales & Marketing
Vijay Kumar Thadani	59	B. Tech.	38	Chief Executive Officer & Whole-time Director	CEO	9,036,715	2-Dec-81	Keltron Limited, Branch Manager
Vikas Baijal	42	B.Sc., MSW	20	Vice President - Human Resources	Head-IBU HR	3,112,279	4-Aug-97	HFCL Dacom Infocheck Limited, Manager- HRD
Vipul Rastogi	40	B.E., MBA	15	Vice President - Enterprise Solutions, India	BU Head, Enterprise Solutions, India	4,227,016	10-Dec-07	Alcoa India Private Limited, Managing Director

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

Name	Age (Years)	Qualification(s)	Experience (Years)	Designation	Nature of Duties	Gross Remuneration (Rs.)	Date of Joining	Previous Employment and Designation
Archana Kumar	43	BA, MBA	19	General Manager - Human Resources	IBU HR Head	1,002,746	6-Aug-04	CMC Limited, Senior Manager-Corporate Human Resources
Ashutosh Chadha	41	CA, CFA, CS	18	General Manager-Accounts	Accounts Operations Head	2,756,189	9-Apr-07	Wipro E-Periperals, Chief Finance Officer & Company Secretary
Harjinder Singh Sidhu	33	BA (Hons), MBA	10	Vice President - Human Resources	Head - Talent Acquisition	1,292,034	1-Oct-09	NIIT Institute of Process Excellence Limited, Vice President-HR
Hemant Sethi	47	B.E.	26	Senior Vice President-GSA	Head-GSA	1,350,528	1-Dec-09	Spanco Telesystems and Solutions Limited, Senior Vice President - Sales & Marketing
Nicholas George	49	B.Sc., MBA	24	Senior Vice President	BU Head	1,105,893	9-May-94	Escors Limited, Management Trainee
Rajeev Agarwala	51	B.Com	29	Vice President	Head-ERP Training	2,527,044	20-Jul-09	Siemens Information Systems Limited, Associate Vice President
Sanjiv R Pande	48	B. Tech (Electronics)	25	President - School Learning Solutions	IBU Head	262,841	15-Mar-10	IBM, Vice President
Santosh Nair	44	B.E., MBA	20	Senior Vice President-Strategic Marketing	Strategic Marketing Head	3,887,445	26-Mar-07	Mahindra Holidays & Resort India Limited, Head Marketing

NOTES :

1. The gross remuneration shown above comprises salary, allowances, incentives, monetary value of perquisites as per the 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

Information relating to NIIT ESOP-2005 under SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 (as on March 31, 2010)

(a) Options granted	Grant I – 555,350* Grant II – 46,200* Grant III – 115,000* Grant IV – 1,282,050** Grant V – 5,597,410** Grant VI – 543,720** *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 ** The options were granted on shares of face value of 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 Grant IV ** 88.70 / 88.70 Grant V ** 72.20 / 72.20 Grant VI ** 69.20 / 69.20 # closing price on the National Stock Exchange of India Limited * at approx 23.45% discount to market price ** at market price
(c) Options vested	No. of shares (Pre bonus & split / Post bonus & split) Grant I 519,050 / - Grant II 26,350 / - Grant III - / 456,581 Grant IV - / 1,237,050 Grant V - / - Grant VI - / - Total 545,400 / 1,693,631
(d) Options exercised	No. of shares (Pre bonus & split / Post bonus & split) Grant I 413,357 / 453,002 Grant II 21,800 / 34,125 Grant III - / - Grant IV - / - Grant V - / - Grant VI - / - Total 435,157 / 487,127

(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 / 453,002 Grant II: 21,800 / 34,125 Grant III: - / - Grant IV: - / - Grant V: - / - Grant VI: - / - Total: 435,157 / 487,127
(f)	Options lapsed (includes options not vested based on proformance parameter)	No. of shares Pre bonus & split / Post bonus & split Grant I: 40,300 / 309,696 Grant II: 19,850 / - Grant III: - / 423,323 Grant IV: - / 63,750 Grant V: - / 151,725 Grant VI: - / 45,870 Total: 60,150 / 994,364
(g)	Variation of terms of options	Nil
(h)	Money realized by exercise of options	Rs. 91,521,258 /-
(i)	Total number of options in force	7,601,012 (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: 33 • No. of options granted to such personnel: - 238,450 (Pre bonus and split) - 1,072,875 (Post bonus and split) ^Only summary given because of sensitive nature of information *includes directors (excluding promoter 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. 1.89
(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. 1(vii) and 16 contained in the Notes to Accounts (Schedule No. 19) forming part of the Balance Sheet and Profit and Loss Account for the financial year ended on March 31, 2010.

		Grant I* (Rs.)	Grant II* (Rs.)	Grant III* (Rs.)	Grant IV (Rs.)	Grant V (Rs.)	Grant VI (Rs.)
(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	Weighted average exercise price	24.00	31.60	121.62	88.70	72.20	69.20
	Weighted average fair value	13.15	9.63	37.23	32.09	34.47	32.71
	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	Grant IV	Grant V	Grant VI
(i) risk-free interest rate	7%	7%	7.93%	9.24%	6.89%	6.50%
(ii) expected life	2.5 years	2.5 years	2.5 years	2.5 years	3.5 years	3.5 years
(iii) expected volatility	14%	14%	45.47%	51.81%	66.48%	66.23%
(iv) expected dividends	Not considered	Not considered	2.79%	2.04%	1.76%	1.76%
(v) the price of the underlying share in market at the time of option grant	Rs. 235.15	Rs. 237.00	Rs. 912.15	Rs. 88.70	Rs. 72.20	Rs. 69.20

MANAGEMENT DISCUSSION AND ANALYSIS

Environment

The financial year 2009-10 saw a significant shift in economic trends from an uncertain outlook in the beginning of the year to cautious optimism at the end of the year.

The year started with:

- global economic turmoil with widespread fear of a economic collapse
- recessionary trends in many global economies
- extreme risk aversion resulting in cut back on investments and recruitment across sectors

The environment changed dramatically at the year end:

- there were signs of economic recovery globally,
- strong growth projections for India, China and other emerging economies
- a return of business confidence with projections of robust recruitment across sectors

In this environment, NIIT Limited ("NIIT" or "the Company") started the year with:

- flat to negative year-on-year in most businesses for the first quarter
- focus on profitability through efficient cost management and
- scale back on investments

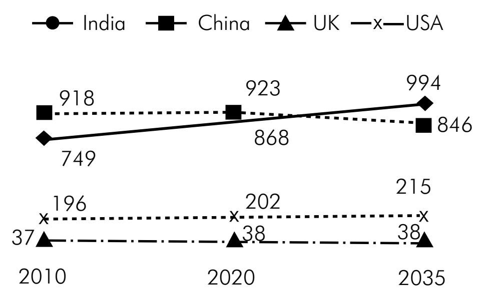
This altered noticeably by the year end:

- positive growth returned in most businesses
- aggressive push to growth and profitability as well as
- renewed focus on new products and new initiatives

The year closed amid recovering world markets and brightening sentiment, punctuated intermittently by the receding aftershocks of the global economic crisis. Employment witnessed a rebound effect among rapidly developing economies like India & China. However volatility in energy prices, exchange rates and inflation do not show any signs of subsiding and increasingly appear to have become the new facts of life. In this environment, the education and training sector remains a key determinant of economic growth and recovery, both for India and rest of the world. Governments are increasingly looking to education and skill development to promote economic growth:

- The Right to Education (RTE) bill was passed by the Indian Parliament

Working Age Group Population (Mn)

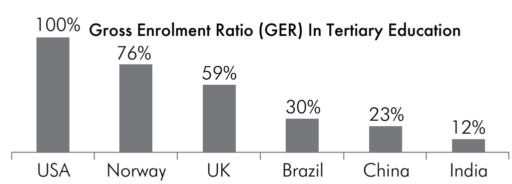


Source:UN Population Division

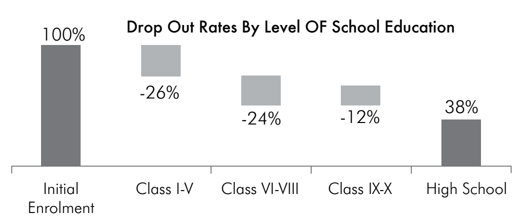
- Extensive funding and policy reforms are occurring in India with Skills development and vocational training high on the agenda of the Government and the Planning Commission
- Foreign Universities Bill cleared by the Union Cabinet
- National Commission for Higher Education and Research (NCHER) – new regulatory body designed to replace the University Grants Commission (UGC), All India Council for Technical Education (AICTE) and National Council for Teacher Education (NCTE)

India is poised to reap the benefits of the demographic dividend based on a young population. However, India's demographic advantage will arise only from productivity improvement and tackling the following challenges:

- India has the largest uneducated and untrained population and
- Low enrolments and high drop-out rates in school education



Source:Planning Commission, CII, UIS Data Centre



Source:Planning Commission, CII

The government is trying to transform the education and training scenario through the following framework to reach the planned outcomes. NIIT, by virtue of its strengths, has a crucial role to play in the emerging scenario.

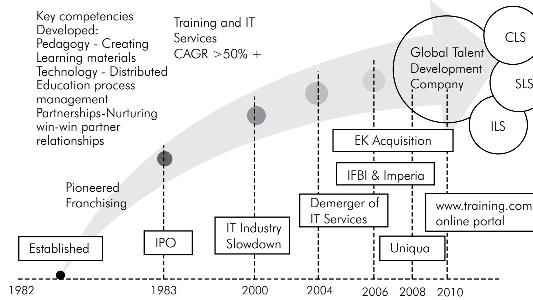
	The emerging framework	Planned outcome	NIIT's strengths
Skills development	• National Skills Development Corporation • Target: vocational skills to 500 Mn people by 2022	• 10,000 new vocational schools • 50,000 skill development centers • Revamp of ITIs • Public Private Partnerships (PPP)	• Long standing brand • Best in class domain partnerships • Content creation capability • Processes & tools for distributed delivery of education • Breadth and depth of reach
Schools Education	• Right To Education • National Curriculum Framework • Education through ICT	• ICT@Schools, Sarva Shiksha Abhiyan (SSA), Rastriya Madhyamik Shiksha Abhiyan (RMSA) • PPP for Model Schools • Skills training in schools • Technology enabled teaching	• Innovative pedagogical solutions • Operations & Project Management • Teaching/ learning content • Scalable delivery capability
Higher Education	• New regulatory framework: NCHER, Foreign Education Providers • Gross Enrolment Ratio (GER) of 30% by 2020 vs current GER of 12.4%	• Polytechnics , Community Colleges • Technology enabled teaching • Professional skills training	• Institutional alliances models • Global linkages

NIIT in this Environment

NIIT is well positioned to further consolidate its 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 emerging economies, 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 Teaching & Learning Content • IT Learning • Teacher Training • School Management Services	• IT Training • BPO, KPO Training • BFSI Training • Management Education • English Language • Professional Life skills • Training.com	• Online & Print Learning Products • Training Delivery • Custom Content Development • Managed Training Services
Geoprahic Coverage	India, Emerging Economies	India, China, Emerging Economies	India, USA, Europe

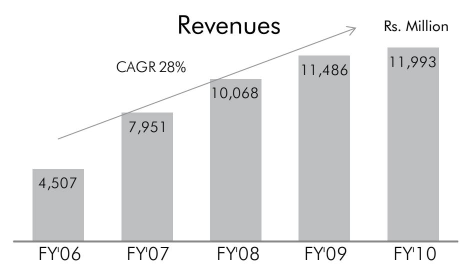
Over the last three decades, NIIT has grown from being an IT training company to a global talent development corporation and has developed key competencies.

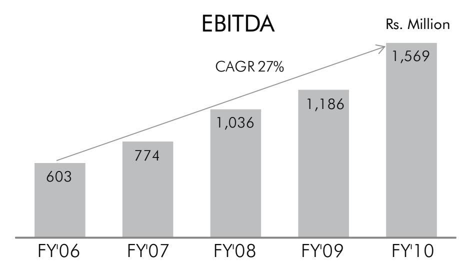


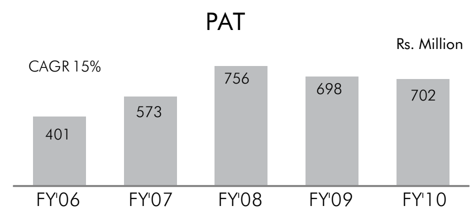
Company Performance

Over the last 5 years, the Company has shown consistent improvement in its performance.

- Revenues have grown at a CAGR of 28 percent,
- EBITDA clocked a CAGR of 27 percent and
- PAT improved at a CAGR of 15 percent







The Company's performance for the year 2009-10 is reflected in the table below:

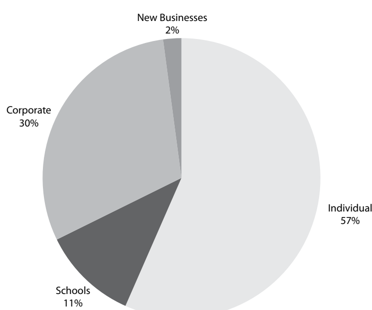
Rs. Millions

	FY'10	FY'09	Change
System wide Revenues	17,964	16,893	6%
Net Revenues	11,993	11,486	4%
EBITDA (earnings before interest, taxes depreciation and amortization)	1,569	1,186	32%
Depreciation and Amortization	751	647	16%
Profit before tax	488	493	-1%
Operational PAT	380	389	-2%
Share of profits from associates / attributable to minority shareholders	322	309	2%
Profit after tax	702	698	1%
Basic EPS (Rs.)	4.3	4.2	1%

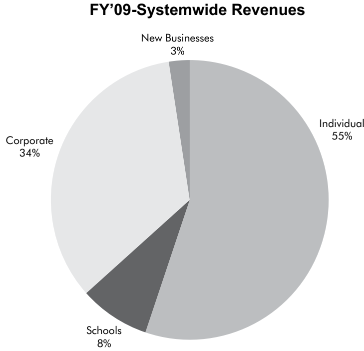
The Company saw an improvement in its net revenues and profitability during the year with:

- Net Revenues at Rs. 11,993 million (a 4 percent growth),
- EBITDA at Rs. 1,569 million (a 32 percent growth) and
- Net profit of Rs. 702 million

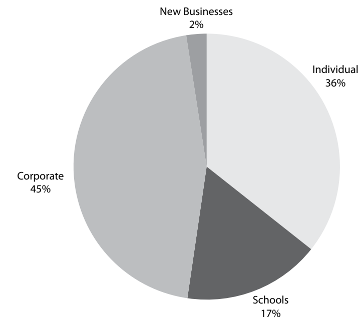
FY'10-Systemwide Revenues



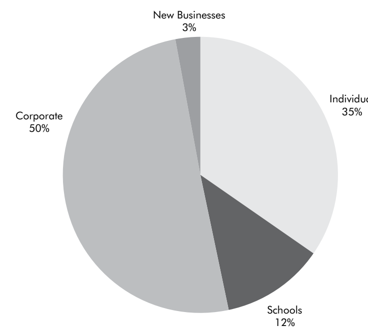
FY'09-Systemwide Revenues



FY'10-Net revenues



FY'09-Net Revenues



During FY'10, the Company offered the following learning solutions:

- **Individual**
  - **IT Training:** the Company provided IT/ITES training to individuals interested in pursuing a career in IT/ITES or upgrading their IT skills through partnerships with technology companies. These programmes were provided across India, China and other emerging economies.
  - **New Businesses:**

    Finance & Management Training: the Company offered training programmes to individuals in banking, insurance, finance and management. These programmes were offered through innovative business models involving partnerships with leading banks, insurance companies as well as leading management institutes.

    BPO Training: In FY'09, the Company entered into a joint venture with Genpact to offer knowledge and training in business processes and soft skills to address the increasing demand for skilled workers in the business & technology services industry.

Basic English Training: the Company commenced basic English and Professional Life skills training for individuals under the brand name NIIT English Plus. The “English for Life” product is designed to upgrade the skills and employability of adolescent youth and college-going population in rural and semi-urban markets across India.

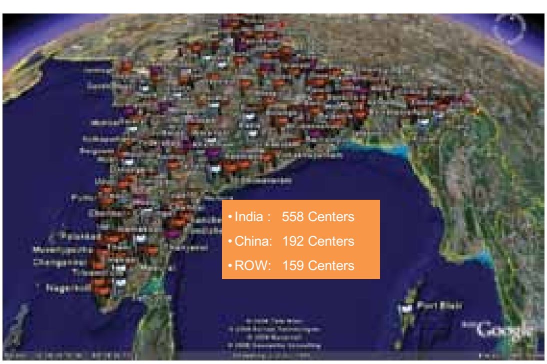
Online Training: the Company began offering a wide range of online courses to working professionals via its web site www.training.com

- **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 outsourcing and Custom projects.

Business overview

Individual Learning Solutions

NIIT’s offerings for Individuals include IT, BFSI, Management, BPO and English & Professional life skills. For this, NIIT has a presence across India, China and other emerging economies.



IT Training

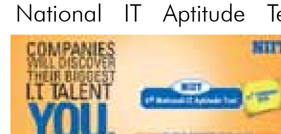
The Individual Learning Solutions continued to focus on providing skill sets to people for the IT & ITES industry thereby improving the individual employability in the IT sector. The revenue growth of 7 percent in this business was led by Edgeineers and IMS product lines, with strong uptake in GNIIT enrolments towards the end of the financial year. During FY’10, the business recorded an overall enrolment growth of 12 percent over previous year.

- **India**

  As part of the growth strategy, the Company focused on the following initiatives during FY’10:

  - New products leveraging Technology Partnerships - During the year, the Company launched new training programs in partnership with:
    - IBM – to offer training programs in IBM technologies
    - SAP – training to future SAP consultants in world-leading business software, Enterprise Resource Planning and related applications

  - IGNOU, the world's largest Open University, has entered into a Global Partnership for Education & Skill Building to enhance employability. Under this far-reaching agreement, the two organizations plan to jointly offer programs in Information Technology and Management including an Executive MBA.
  - Expanded product portfolio by launching the following programs:
    - Futurz : GNIIT IMS Track
    - Diploma in Finance & Accounts
    - ERP Training for SMB segments
  - National IT Aptitude Test – The Company conducted the National IT Aptitude Test for the sixth consecutive year. The Company saw



a 40 percent increase in number of registrations for the test which was simultaneously conducted in 22 cities across India.

- During FY'10, the Company carried out numerous engagements with the students, parents and Training & Placement Officers in colleges, in partnership with our Technology Partners, through uniquely branded seminars "Sure-Shot."

The closing order book was Rs. 982 million, of which 70 percent is executable during FY'11. Despite the challenging recruitment environment which prevailed during most of the period, the Company saw an increase in the placements of its students by 25 percent.

➢ **China**

During FY'10, the Company expanded its China operations by bringing 3 new Government-assisted NIIT centres live in Dalian, Chengdu & Changzhou. In addition, NIIT ramped up its capacity in Wuxi New District representing NIIT's largest such facility anywhere in the world. Together, this group of Government-assisted centers, situated inside software parks, offers students a wide complement of NIIT courses to choose from.

NIIT Wuxi Centre

The Company added new Cisco Learning Partner Associates (LPA) in the Cisco channel and successfully grew the 'Li Gong Xin Rui' range of programs. These programs offer Sun, Microsoft, Cisco and CompTIA technology training for working professionals and ready to enter the workforce graduates, with the aim to equip the students with industry relevant IT and soft skills, to make them employment ready.

➢ **Other Emerging Economies**

During FY'10, the Company continued to focus on select high potential geographies. To this end, the Company strengthened its presence in South Africa, Botswana, Nigeria, Malaysia, Vietnam and Thailand. The Company organized myriad country events to launch products, evangelize partners, and spread the word. These events included the Business Partner Meet for the launch of 10th Scholarship in Nigeria was held under the banner "Skill up Nigeria" as well as the first ever Global Partner Summit with participation from 17 countries and technology partners Microsoft, Sun, Cisco and Oracle to mark the rollout of new versions of flagship programs.

Financials of ILS - IT Training

Rs. Millions	FY'10	FY'09	Change
System wide Revenues	10,163	9,317	9%
Net Revenues	4,275	3,982	7%
EBITDA	987	865	14%
OM%	23%	22%	136 bps

New Businesses

During the year, the Company consolidated its presence in Financial Services training and Executive Management Education, with the two businesses Institute of Finance, Banking and Insurance (IFBI) and NIIT Imperia completing their 3rd year of operations.

After successfully weathering the banking sector crisis which continued through the first half of FY'10, IFBI rebounded strongly in the second half when hiring returned to the sector. To exploit the full extent of the rebound in the banking sector, IFBI broad-based its partner list by adding 16 new institutions. During the year, IFBI increased its offerings by launching a Diploma in Finance & Accounts as well as programs in Rural and Agri Finance training. In FY'10, IFBI entered into a strategic alliance with Tamil Nadu Adi Dravidar Housing Development Corporation (TAHDC) to offer career focused Post Graduate Diploma in Banking Operations (PGDBO) to youth from underprivileged sections of society.

NIIT Imperia continued to establish its unique model of Executive Management Education that combines programs offered by world-class management institutes with the geographical reach made possible by NIIT's Synchronous Learning Technology. During the year, it signed fresh partnership agreements with MDI Gurgaon to offer joint management development

programs, KPMG for IFRS Training, IMI for Strategic HR Management Training & IAMI for Digital Marketing programs. It also launched new programs in HR with IIM-L and Supply chain with IIM-C.

The NIIT Institute of Process Excellence was set up in joint participation with Genpact in FY'09 under the brand name of NIIT UNIQUA to cater to the growing people needs of the Global BPO/KPO industry. UNIQUA offers the industry's most comprehensive training curriculum for existing and prospective employees of business services and technology companies. During FY'10, Uniqua stabilized its own operations and began to reach out across India through the extended NIIT Centre network.

In FY'10, the Company launched basic English and Professional Life skills training for individuals under the brand name NIIT English Plus. The "English for Life" product is designed to upgrade the skills and employability of adolescent youth and college-going population in rural and semi-urban markets across India. Its unique methodology includes audio-visual sound-bites and rich interactive learning content facilitated by local English trainers. English is taught in the context of a wide variety of professional situations, lending an aura of authenticity and leveraging each scenario to prepare the youth for the world of work.

NIIT ENGLISH PLUS

During FY'10, the Company began offering a wide range of online courses to working professionals over the web site www.training.com. As it expands, this new business represents an additional method to leverage large cross-sections of the Element K content by offering it directly to consumers around the world.

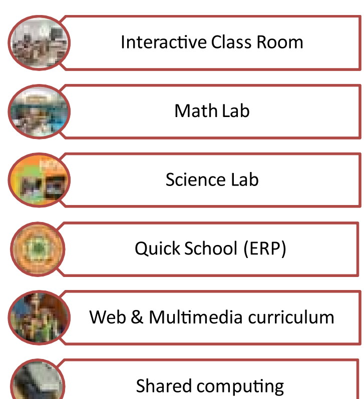
Financials of New Businesses

Rs. Millions	FY'10	FY'09	Change
System wide Revenues	379	406	-7%
Net Revenues	296	334	-11%
EBITDA	(152)	(75)	

During FY'10, the New businesses recorded an order intake of Rs. 310 million. At the end of the year, the Order book stood at Rs. 62 million.

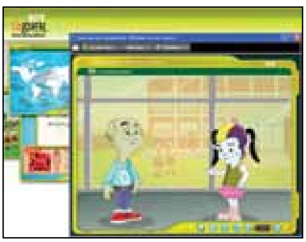
School Learning Solutions

The School Learning Solutions provides products and services for IT training and for technology enabled learning & teaching for schools. Central & State Governments continued their thrust to significantly expand the base of schools providing IT education under Sarv Shiskha Abhiyan and ICT@Schools schemes. The Company saw a significant number of tenders floated by the State governments. The Company continued with its selective approach to these tenders and its strategy of balancing growth and capital intensity. Of the total tenders awarded during the year, the Company received new orders from the states of Gujarat, Andhra Pradesh besides the renewals of contracts for existing schools from Chhattisgarh and Assam. During the year, the Company added 2,478 additional government schools taking the tally



of schools serviced cumulatively to more than fifteen thousand.

For private schools, the Company offers a comprehensive suite of products and solutions under the NIIT e-Guru brand. NIIT e-Guru provides a holistic education package to the schools addressing the needs of all key stakeholders within the education realm—Students, Teachers, School management and Parents, in line with NCERT's National Curriculum framework. The product suite launched last year saw encouraging response from schools. During the year, the Company overhauled its legacy IT Wizard product including the "Programming and Productivity Curriculum" as well as "Web and Multimedia", further strengthening its e-Guru offering for schools comprising of 'Interactive Classrooms' for teachers, 'Math lab' and 'IT Wizard' for students, and 'Quick School' an Education Resource Planning solution for school management.



Financials for School Learning Solutions

Rs. Millions	FY'10	FY'09	Change
Net Revenues	2,000	1,383	45%
EBITDA	296	214	38%
OM%	15%	15%	- 66 bps

During FY'10, the Company recorded an order intake of Rs. 2,062 million. At the end of the year, the Order book for this business stood at Rs. 3,316 million. Of this, 31 percent is executable during FY'11.

Corporate Learning Solutions

During FY'10, the Corporate Learning Solutions fought to improve profitability in the backdrop of a global financial crisis and shrinking corporate training budgets. This was accomplished through meticulous short term expense management, cost variabalization as well as rationalized sales and product investments.

The Company expanded market awareness with coordinated/ linked direct marketing, advertising and industry events such as Real World Blended Learning advertising, direct marketing, white papers and industry event presentations. It worked to formalize, enhance, and drive reseller support programs including training, certification, and support. Further, it established new licensing/ partnership/ development models to accelerate expansion of business skills portfolio.

During the year, the Company executed high impact features and enhancements in KHub, its proprietary Learning Management System. It further streamlined its online delivery site for international users, thereby achieving markedly faster and more secure performance. The vLab (Virtual Labs) product range successfully targeted growth in for-profit education and publishing, with strong future prospects in the pipeline as well. In delivery, the Company has achieved very high Customer Satisfaction scores with perfect ratings frequently being received from clients.

NIIT offers its customers an end-to-end solution.

Learning Products (SAAS)	• 3500+ titles; SAAS model • 3.5 Mn+ learners on Khub • Largest print & eLearning library
Training Outsourcing	• Recurring revenues, long term partnerships • Multi year, multi geography relationships • Opportunities in India growth sectors
Custom Projects	• 150+ customers; 49 in Fortune 500 • Continue to maintain leadership position in content development • Establish 'curriculum-led' development model to increase order size and value

Financials for Corporate Learning Solutions

Rs. Millions	FY'10	FY'09	Change
Net Revenues	5,422	5,786	-6%
EBITDA	437	183	139%
OM%	8%	3%	490 bps

During the year, the business clocked an order intake of USD 127.5 million. The closing order book stood at USD 90.3 million. Of this, 58 percent is executable during FY'11.

Recognitions

- NIIT won 4 Platinum, 15 Gold and 3 Silver category awards in Prometric Partner Awards 2009
- Element K received Gold Award for Green Training by LearnX Asia Pacific Conference
- Element K included in Visionaries Quadrant for Leading Industry Analyst Firm's Corporate Learning Systems Report
- NIIT has been honoured as the - 'Most influential IT Training brand in China', on the eve of 60 years of People's Republic of China (PRC) celebrations.
- NIIT USA has been awarded the Gold for 'Excellence in eLearning award' by Chief Learning Officer (CLO) Magazine as part of its Learning in Practice Awards, one of the industry's highest honors for the second consecutive year.
- NIIT USA featured in Training magazine's Annual 'Top 125' List
- NIIT USA received Brandon Hall Excellence in eLearning Award 2009 Bronze for innovation in technology
- NIIT USA ranked among the Top 20 Companies in the Training Outsourcing Industry in 2009, by TrainingOutsourcing.com for the third consecutive year.
- NIIT receives the prestigious CIO 100 Award 2009, presented by CIO Magazine (a part of the IDG group). The Award, in its fourth year in India, has been honouring exceptional work in IT leadership worldwide for the past 22 years. NIIT has received this recognition for the pioneering work done on revamping our website: www.niit.com.
- NIIT was conferred the 'Top IT Training Company Award 2009' by the country's leading publication group Cybermedia, the publisher of Dataquest. (NIIT has been getting this award successively for the past 16 years, since the inception of this category).
- NIIT received the ICT Gold Medal – Vietnam for the 4th year in a row in July 2009
- NIIT received the Best Learning Partner award from CISCO and Microsoft in 2009
- NIIT's Institute of Finance, Banking and Insurance (IFBI) was recognized as the Best Training School by The Week – Nielsen survey in 2009
- NIIT received the Best Green IT Project award by PC Quest for V-lab in 2009
- NIIT ICT enabled Learning Solutions bagged the following awards in the digital learning category at eIndia 2009, India's Largest ICT event
  - ICT Enabled School of the Year Award – The Scindia School, Gwalior, Madhya Pradesh
  - Civil society / Development agency Initiative of the year - Hole in the Wall Education
  - Government / Policy Initiative of the year - Implementation of Shared Computing Technology in 5000 Govt. schools of Andhra Pradesh
- NIIT has been accorded the Business Superbrands 2008 status for the second time by the Superbrands Council.
- NIIT is the only Indian Education company to be featured in "The BCG 50 Local Dynamos".
- Slumdog Millionaire won the Oscars in 2009. The movie was based on the book 'Slumdog Millionaire' (previously published as Q&A), written by Vikas Swarup. The author credits Hole-in-the-Wall Education Ltd. (HiWEL) as his inspiration for the book.

Consolidated Financial review of the Company

The financial summary for FY'10 is as follows:

Rs. Million

	FY'10	FY'09	Change
Revenues	11,993	11,486	4%
Operating Expenses	10,425	10,300	1%
- Personnel Cost	3,016	3,339	-10%
- Development, Production & Execution costs	4,804	4,282	12%
- Administration & Others (excl finance costs)	1,649	1,785	-8%
- Marketing	955	894	7%
EBITDA	1,569	1,186	32%
OM%	13%	10%	275 bps
Net Other Income	(330)	(45)	
Depreciation & Amortization	751	647	16%
Profit before taxes	488	493	-1%
Taxes	108	104	4%
Share of Associate profits/ profits attributable to Minority shareholders	322	309	4%
Profit after tax attributable to equity holders	702	698	1%
Basic EPS (Rs.)	4.25	4.23	1%

Previous year data not regrouped

Revenues

The Company recorded a 4 percent increase in the revenues to Rs. 11,993 million. This increase was driven primarily by the School Learning Solutions business. The economic slowdown especially in the developed countries as well as the significant recruitment cutbacks in the Indian BFSI space adversely affected the Corporate Learning Business and the New Businesses respectively.

Net other income

The net other income in FY'10 reflects the net interest expenses for the Company as well as the capital gain on mutual fund, investments and other miscellaneous income. The net interest & financial expense for FY'10 stood at Rs.333 million compared to Rs. 249 million for FY'09. The increase is due to the debt raised by the Company during the year to fund its capital expenditure including new projects in the Schools business and for new business initiatives.

Other income for the year was Rs. 3 million as compared to Rs. 203 million in FY'09. Net foreign exchange losses of Rs. 40 million were booked during FY'10 compared to a gain of Rs. 44 million in the previous year. In FY'09, the Company had recorded a profit of Rs. 96 million on the sale of 75 acres of land to the NIIT Institute of Information Technology, which is setting up a University.

Expenses

On an overall basis, the operating expenses increased 1 percent YoY as compared to a 4 percent revenue growth due to:

- Development, production and execution expenses increased by 12 percent due to the changes in product mix
- Marketing costs increased by 7 percent as the Company ramped up its marketing campaign to improve market share as well as to launch its new initiatives in the second half of the year.
- A reduction in the people cost of 10 percent, brought about by a net reduction of 156 people and a variabalisation of the salary costs in line with the volatile markets offset the above increase substantially and
- The cost management initiatives started by the Company in September 2008 pertaining to travel, telecom and premise expenses continued through the year and this also aided in reducing the fixed costs during the year.
- The increase in depreciation is attributable to the addition of assets during the year especially for the Schools projects.

Detailed Analysis of Consolidated Balance Sheet as on March 31, 2010

Rs. Million

Particulars	March 31, 2010		March 31, 2009	
Sources of Funds				
Share Capital	330		330	
Minority Interest	21		6	
Employee Stock Option outstanding	-		1	
Reserves and Surplus	4,713		4,444	
Net Worth		5,064		4,781
Secured Loans	2,535		2,521	
Unsecured Loans	1,510		960	
Loan funds		4,046		3,481
Total		9,110		8,262

Application of Funds				
Fixed Assets				
Gross Block	8,137		7,843	
Depreciation	3,221		2,729	
Net Block		4,916		5,114
Capital Work in Progress		448		616
Investments		1,274		1,066
Net Current Assets		2,173		1,121
Deferred Tax Assets		298		344
Miscellaneous Expenditure		1		1
Total		9,110		8,262

Share Capital

During the year, the share capital of the Company increased marginally due to issuance of shares to employees upon exercise of vested options.

Reserves and Surplus

For the purposes of consolidation, while converting the financial statements of foreign subsidiaries into the Group Currency (INR), the Company followed the Indian Accounting Standard - AS 11 "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 "Currency Translation Reserve."

Loan Funds

During FY'10, the Company raised fresh debt of Rs. 600 million in India as well as GBP 9.4 million for overseas operations. The debt was raised to fund the cash flow requirements and reduce the cost of borrowings of the Company. During the year, the Company repaid USD 7 million of the foreign currency term loan, USD 5 million of the overseas working capital facility as well as Rs. 123 million of the Rupee term loan.

As of the year end, the total loans stood at Rs. 4,046 million as compared to Rs. 3,481 million in March 2009. The outstanding included:

Secured Non Convertible debentures:	Rs. 1,000 million
Foreign currency loans:	Rs. 1,454 million
Vehicle loan:	Rs. 1 million
Working capital debt:	Rs. 80 million
Unsecured Short term debt:	Rs. 1207 million
Overseas working capital debt:	Rs. 155 million
Deferred lease obligations and other loans:	Rs. 148 million

Fixed Assets

At the beginning of the year, the Net block stood at Rs. 5,114 million. During the year, the Company invested Rs. 949 million in fixed assets including capitalization of the opening capital work in progress. The addition was for the following:

Projects in the Schools business:	Rs. 200 million
New initiatives & products:	Rs. 514 million
Capacity expansion & upgradation:	Rs. 19 million
Normal capital expenditure:	Rs. 216 million

In addition, the Company has an amount of Rs. 448 million as Capital work in progress. The Net block stood at Rs. 4,916 million as on March 31, 2010.

Investments

At the year end, the investments stood at Rs. 1,274 million which included the holding value of:

NIIT Technologies Limited:	Rs. 1,269 million
Investments in debt schemes of mutual funds:	Rs. 5 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 value of the inventory held by the Company increased from Rs. 97 million to Rs. 126 million.

- **Trade Receivables**
  The total receivables of the Company were at Rs. 3,403 million up from Rs. 2,904 million as on March 31, 2009, representing 104 days sales outstanding. This increase is attributable to the changes in business mix and due to longer collection cycles in government and corporate collections. This has also resulted in the outstanding over six months increasing from 24 percent to 32 percent.

- **Cash and Bank**
  The cash and bank balances as on March 31, 2010 stood at Rs. 616 million compared to Rs. 747 million as on March 31, 2009. During the year the Company:
  - generated Rs. 205 million from operations,
  - utilized Rs. 459 million for investment activities including purchase of fixed assets for the School business projects and
  - Utilized Rs. 94 million in financing activities of paying interest and dividend as well as repaying debt.

- **Other Current Assets**
  Other current assets included interest receivable and unbilled revenues. The balance as of March 31, 2010 stood at Rs. 698 million, as compared to Rs. 386 million in the previous year.

Loans and Advances

Loans and advances 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. 1,538 million as compared to Rs. 1,500 million as on March 31, 2009.

Current Liabilities

Current liabilities decreased from Rs. 4,068 million in FY'09 to Rs. 3,785 million in FY'10. This decrease is primarily attributable to the decrease in sundry creditors (including capital creditors). Current liabilities consists of sundry creditors including capital creditors, advances from customers, security deposits, deferred revenues and other liabilities.

Provisions

The total provisions decreased from Rs. 445 million to Rs. 422 million. The outstanding amount included Rs. 270 million for the proposed dividend of Rs. 1.40 per equity share of Rs. 2 and the dividend distribution tax thereon; compensated absences provision of Rs. 143 million and gratuity provision of Rs. 8 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, 2010 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.

Tax matters

During the last quarter of the financial year ended March 31, 2010, the Company received Show Cause Notices u/s 263 of the Income Tax Act, 1961 issued by the Commissioner of Income Tax for the assessment years 1999-00 to 2005-06, who later issued Orders directing the Assessing Officer for re-assessment on certain items. The quantum of Income Tax demand, if any, has neither been quantified nor ascertained and thus, indeterminable at this stage. These orders have been challenged by the Company in the Income Tax Appellate Tribunal (Tribunal). Based on legal opinion, the Company is confident that appeals so filed shall be decided in its favor.

Revenue Recognition Policy

The significant Accounting policies and practices followed by NIIT Limited are disclosed in Note 1 of Schedule "20" (Notes to Accounts) of the Accounts for the year.

Reserves

NIIT Limited reserves did not reflect any reserves on account of revaluation of assets.

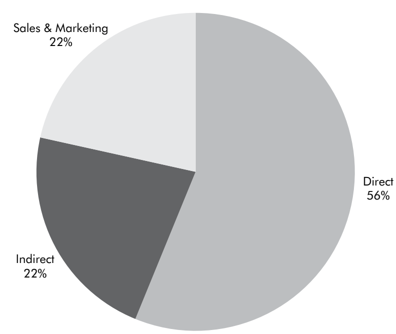
Human Resources

The Company has been built on the foundations of people being the key drivers to growth of the organisation. People are at the core of its Vision, which espouses mutual positive regard, career building and providing opportunities for learning, thinking, innovation and growth. The Company offers an environment where all-round development is as much of a goal as realization of career ambitions.

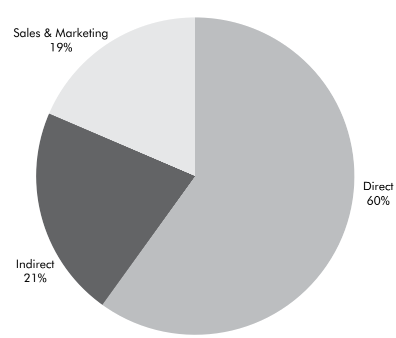
During FY'10, the Company continued to focus on improving people productivity through training and development of its people.

During FY'10, the Company reduced its net headcount by 156. This reduction in head count was a part of the cost management initiatives undertaken by the Company to reduce its fixed costs given the economic slowdown. As of the year end, the headcount stood at 3,485 with 56 percent in direct roles, 22 percent in sales and marketing and the balance in indirect roles.

FY'10



FY'09



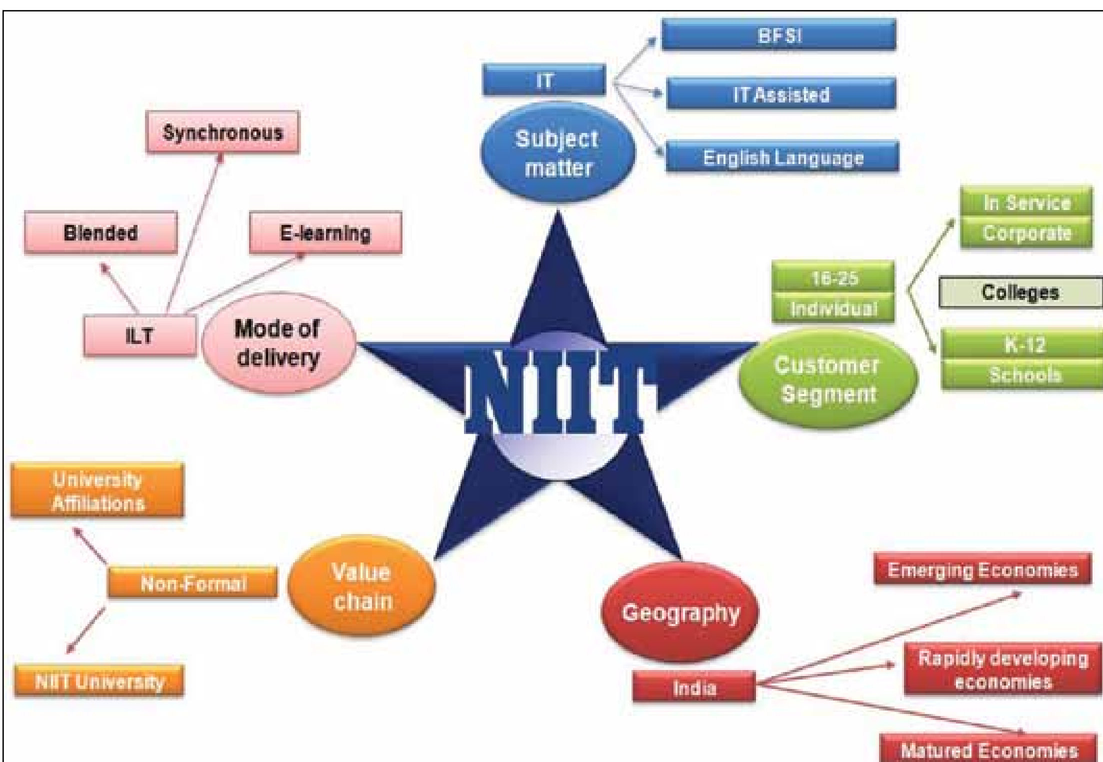
Future Outlook

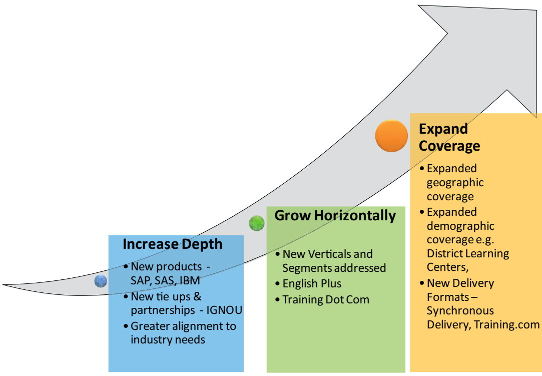
The building blocks for NIIT's growth are in place with:

- NIIT's core competencies – acquired over its 3 decades of existence, will remain foundational to its future
  - Pedagogy – Creating Learning materials
  - Technology – Distributed Education process management
  - Partnerships – Nurturing win-win partner relationships
- New capabilities
  - Learning libraries
  - New Delivery models
  - Online assessment systems
  - School Management System
  - Online Learning Library
  - Low cost training centers
  - University partnerships
  - 'NIIT Inside' model
- Macro Trends are favorable with:
  - Accelerating GDP growth
  - Increased government spending
  - Increasing profits of the corporate sector
  - Indications of large hiring plans across sectors
  - Increase in employee salaries
- Lead Business indicators are positive with:
  - Enrolments growth
  - Growth in placements
  - Strong Order Book
  - Competitive wins
  - Profitability improvement

The Company has a multi dimensional growth strategy set to:

- Increase depth
- Grow horizontally
- Expand Coverage





The Company's business specific outlook and strategy set includes:

Individual Learning Solutions

➢ IT Training

Key Business Challenges
- Although improved, decision making by potential students continues to be slow
- Cost-effective growth of enrolments

NIIT's Initiatives and Responses
- Continued focus on IMS domain, entry into ERP space
- Increased feet on the street and mass contact programs (seminars, College Placement Officers meets)
- Channel capability building

Positive Business Trends
- Increasing enrollments in specific segments: Edgeineers (35%) and IMS (88%) Q4FY10
- ILS- IT placements continue to grow (25% FY 10)
- Sustained growth in International business

Business Outlook
- Continued growth in IMS enrolments
- Entry into higher-end training opportunities
- Entry into new areas like IBM technologies
- Margin expansion due to growth in revenue, Cost control & product mix

➢ New Businesses

Key Business Challenges
- Leveraging Recruitment plans of Banks, Insurance Companies and BPO Companies into student enrolment through cost-effective customer acquisition

NIIT's Initiatives and Responses
- More tie-ups with Banks, Insurance Companies and Management Institutes and BPO Companies
- Leveraging ILS footprint for College students segment

Positive Business Trends
- 58% growth in Q4 FMT enrolments and strong talent requirements
- Successful placements of students in select Banks & BPO Companies
- Successful pilot of low cost delivery models

Business Outlook
- Expected to recover further on the back of strong hiring plans by Banks and Insurance Companies
- Executive Management education to gain momentum
- Skill development spends of Govt. to contribute

School Learning Solutions

Key Business Challenges
•Rapid scale up of private schools business
•Capital requirement in government schools

NIIT's Initiatives and Responses
•Selectivity in government schools business; developing models to increase scope beyond ICT
•Increasing reach and sales force for eGuru
•Leverage School management services and teachers training

Positive Business Trends
- Government focus on education translating in to increased number of projects
- Increase in number of deployments of Interactive Class Room product and greater acceptance of Quick School ERP solution

Business Outlook
- Growth in GSA segment to remain strong
- Growth in Private schools on improved offering set
- Assured annuity revenue from existing order book

Corporate Learning Solutions

Key Business Challenges / Opportunities
- Rapid scale up of e-Learning Products business
- Softness in Custom Content development and in Print & Publishing
- IT companies looking at outsourcing customer education in Europe and APAC

NIIT's Initiatives and Responses
- Increased sales force and support for e-Learning Products Library
- Restructuring & cost rationalization to protect profitability
- Focused sales effort towards Governments and IT companies

Positive Business Trends
- Steady growth in e-Learning Products business (15%Q4FY10)
- Growing pipeline of deals for Training Outsourcing
- Economic upswing leads to higher spending on training and skill building in India

Business Outlook
- e-Learning Products, Training outsourcing and Govt. Projects to contribute to volume growth
- Margins improvement
- Forex Volatility may affect metrics

Risk and Concerns

As a global enterprise, NIIT is exposed to wide variety of risks across our entire range of business line / operations. In broadest sense, the Company perceives risks as the danger of not achieving financial, operative and strategic goals set to be achieved during the year. NIIT has a comprehensive risk management structure in place, which is intended to enable the Company to recognize and analyse risks early and to put an appropriate mitigation plan in place. This system is implemented as an integral part of NIIT's business processes across the Company. It constitutes of multiple control mechanisms with major and important constituents of the decision making process. These mechanisms include recording, monitoring and controlling internal enterprise processes and business risks with a comprehensive risks reporting system. Through the said mechanism, NIIT's endeavor is to maximize the stakeholders value by maintaining a steady balance between risks and returns.

The external environment in FY'10 was as challenging as the previous year and therefore application of Enterprise Risks Management (ERM) in NIIT has been proven to provide the real benefits. The continuing slowdown across the globe, which resulted in adverse business growth across many corporates but with an affective ERM process implementation NIIT has proven the importance and benefits of such process. In spite of continuing slow economy growth, IT industry has always thrived on a dynamic and highly competitive business environment due to rapid technological changes and innovation globally which forced everyone to change their existing business model.

NIIT has addressed the technological changes and effects of innovation by dynamically changing its business structures globally. Since risk taking is an intrinsic part of business growth and the risks emerge either from external environments or from internal operations. Any ongoing business activity provides opportunities for growth but which have inherent risks, therefore it has been NIIT's constant endeavor to balance risk appetite in each of its existing business lines to ensure that each of the businesses are generating high risk adjusted returns. Prioritization of key risks is significant and NIIT has taken upfront initiatives to identify the risks, define the risk matrix framework and document them in consultation with the business groups. NIIT's risk matrix framework addresses all the significant risks of the businesses as envisaged by the management from time to time based on past experience and existing environment surrounding for each business activity along with a mitigation strategy for the same. The mitigation strategy is simultaneously addressed by the respective business group for each identified risk while finalizing strategic and operational parameters and compliances & assurance are addressed through the Internal Audit & Assurance Group. The major and significant risks identified by the Company with mitigation strategy in place are:

1) External Risks - Political, Environment, Macroeconomic, Exchange Fluctuation, Competition, Legal and Technology Obsolescence; and
2) Internal Risks - Business Concentration, Investment Process, Human Resource, R& D, Regulatory compliances and Financial Reporting.

The Company is well diversified, both in terms of geography and the services it offers. With its balanced mix of revenues coming from Individual, Institutional and Corporate customers, across multiple vertical domains, it is well positioned to manage any slowdowns in one part of its product portfolio or a specific geography. The Company believes that with the ERM process it has, robust and 'fit for situation' risk management processes in place and reports placed to the Board of Directors are reviewed and acted upon at regular intervals.

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 optimizing 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's 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, 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 of six Directors of which three are Independent Directors, constituting 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 and 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.

Composition of the Board* and their Director Identification Number (DIN)

Name of the Director and Designation	Category	DIN #
Mr. Rajendra S Pawar (Chairman and Managing Director)	Promoter	00042516
Mr. Vijay K Thadani (Chief Executive Officer & Whole-time Director)	Promoter	00042527
Mr. P Rajendran (Chief Operating Officer & Whole-time Director)	Executive Director	00042531
Mr. Subroto Bhattacharya (Director)	Independent Director	00009524
Mr. Surendra Singh (Director)	Independent Director	00003337
Mr. Sanjay Khosla (Director)	Independent Director	00981819

Note:
1. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956.
2. * Mr. Shardul S Shroff has stepped down from the Board of the Company effective from May 7, 2010

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. 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. Mr. Pawar is a member on the Prime Minister's National Council on Skill Development; has served on the PM's National Taskforce commissioned to develop India into an IT Superpower; is an advisor to the Hunan province of China; and was a member of PIAC (Presidential International Advisory Council) of the Government of South Africa for IT.

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, Indian School of Business, Indian Institute of Management, Bangalore and the Scindia School. 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 is the CEO and co-founder of NIIT. As CEO of NIIT, Mr. Thadani has built an organisation that is recognized for its innovative efforts of taking computer education to the masses. He has led the Company's globalization 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 170 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 and Vice Chairman, CII Northern Region.

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. P. Rajendran, Director & Chief Operating Officer, joined the Company in 1982 and is part of the core team that has developed the organization and brought it to its present position of international standing. He is an alumnus of Indian Institute of Technology, Delhi.

Today, Mr. Rajendran leads the People initiatives, Infrastructure & Technology Services and the legal compliances at NIIT. He facilitates the Company's thrust with Governments in many countries for skills development in public private partnership. A people person and a believer in leveraging Information Technology for Human Resources competitiveness and innovation, he has helped NIIT emerge as one of the most exciting places to work, in the Indian IT Industry. The Company has received many awards in recognition of its innovative HR practices.

Mr. Rajendran is actively associated with industry associations like CII, NASSCOM and FICCI. He is member of the CII Africa Council and the CII National Committee on Skills, Human Resources and Industrial Relations. He is on the Central Board of Trustees of Employees' Provident Fund Organization and on the Board of Management of Guru Gobind Singh Indraprastha University.

He takes keen interest in the area of deployment of Information & Communication Technologies (ICT) for human development and creation of new jobs.

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: Independent Director

Profile: Mr. Subroto Bhattacharya, a Chartered Accountant with over 33 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 and the Compensation/Remuneration Committee.

Mr. Surendra Singh

Designation: 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. Sanjay Khosla

Designation: 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 2009-2010 on the following dates:

Sr. No.	Date of Meetings	Sr. No.	Date of Meetings
1	May 27, 2009	5	December 11, 2009
2	June 27, 2009	6	January 23, 2010
3	July 29, 2009	7	March 26, 2010
4	October 26, 2009		

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 has been placed before the Board for their consideration. The Board and/or 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 Board Meetings minutes of the subsidiary companies;
- Review of foreign exchange exposures;
- Review of annual budgets, capital budgets and updates;
- Review and adoption of accounts and quarterly and annual financial results;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and Company Secretary;
- Materially important litigations, show cause notice, demand, prosecution, and penalty notices;
- Any material default in financial obligations to and by us, or substantial nonpayment for goods/ services sold/rendered by us.;
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property;
- Any significant development on the human resources aspect;
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business;
- Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement; and
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

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

Director's attendance and their directorship & membership/chairmanship in other companies

The required information as on March 31, 2010 as per Clause 49 of the Listing Agreement with the Stock Exchanges is provided in the following table:

Sr. No.	Name of Director	No. of Directorships in other Indian Companies*	No. of Membership (Chairmanship) in other Board Committees**	No of Board Meetings		Whether attended last AGM
				Held	Attended	
1.	Mr. Rajendra S Pawar	12	5(1)	7	7	Yes
2	Mr. Vijay K Thadani	8	4(1)	7	6	Yes
3.	Mr. P Rajendran	9	3(1)	7	6	Yes
4	Mr. Subroto Bhattacharya	5	7(3)	7	7	Yes
5	Mr. Surendra Singh	4	6(1)	7	6	Yes
6	Mr. Sanjay Khosla***	-	-	7	1	Yes
7	Mr. Shardul S Shroff***	7	2	7	0	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 and Mr. Shardul S Shroff had participated in the meetings through tele-conference, wherever they could not attend in person. Mr. Shroff ceased to be a Director of the Company w.e.f. May 7, 2010.

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. Majority of the Members of the Committee are 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 placed before the Board for its consideration and approval. The Audit Committee comprises of the following Directors:

Chairman: Mr. Subroto Bhattacharya

Members : Mr. Vijay K. Thadani 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; and
- To look into substantial defaults, if any, in the payment to the Shareholders (in case of non-payment of declared dividends), Debentureholders 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 2009- 2010 are given below:

Name of Members	No. of Meetings		Date of Meetings
	Held	Attended	
Mr. Subroto Bhattacharya	5	5	May 1, 2009 May 27, 2009 July 29, 2009 October 26, 2009 January 23, 2010
Mr. Surendra Singh	5	5	
Mr. Shardul S Shroff*	5	-	

* Mr. Shardul S Shroff ceased to be Member of the Committee w.e.f. May 7, 2010 and Mr. Vijay K Thadani replaced him as Member of Audit Committee.

Compensation / Remuneration Committee

The Compensation / Remuneration Committee of the Company is constituted to evaluate remuneration and benefits for the Executive Directors, to frame policies and systems for Employees Stock Option Plans and to formulate and administer the Company's Employees Stock Option Plans from time to time. Further the Compensation/ Remuneration Committee also acts as Nomination Committee for induction of new directors on the Board of the Company.

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

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

Chairman: Mr. Subroto Bhattacharya

Members: Mr. Sanjay Khosla and Mr. Surendra Singh

Functions and 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;
- To make recommendation for nomination of new Directors on the Board; and
- To review the strength, structure, size and composition of the Board and such other matter related to appointment of director.

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 2009-10 are given below :

Name of Members	No. of Meetings		Date of Meetings
	Held	Attended	
Mr. Subroto Bhattacharya	3	3	May 27, 2009 October 26, 2009 January 23, 2010
Mr. Surendra Singh	3	3	
Mr. Sanjay Khosla*	3	-	
Mr. Shardul S Shroff *#	3	-	

* Mr. Sanjay Khosla and Mr. Shardul S Shroff had participated in the meetings through tele-conference.

\# Mr. Shardul S Shroff ceased to be Chairman/Member of the Committee w.e.f. May 7, 2010

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 evaluation process and Company's Rules/Policies. In terms of the guidelines, the Company ensures that the remuneration payable to Executive Director by way of salary including 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 2009-10, are given below:

(Amount in Rs.)

Name of Directors	Mr. Rajendra S Pawar	Mr. Vijay K. Thadani	Mr. P. Rajendran
Salary	3,825,000	3,825,000	2,925,000
Perquisites and allowances	3,892,772	3,924,470	2,780,668
Contribution to Provident Fund, Superannuation Fund or Annuity Fund	1,288,131	1,287,245	978,922
Performance- Linked Bonus	-	-	6,000,000
Total	**9,005,903**	**9,036,715**	**12,684,590**
Stock Options under ESOP-2005	Nil	Nil	Nil

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
4. In view of the global recessionary conditions, Executive Directors voluntarily waived 25% of their Basic Salary.

Remuneration to Non-Executive Directors

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company, its Promoters, 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 bill of Rs 385,250 was received. The transaction is not a material transaction and therefore, does not affect the independence of the Director.

Details of Remuneration paid/payable to Independent

Directors for the financial year 2009-2010 and other details are given below:

(Amount in Rs.)

Name of Directors	Mr. Subroto Bhattacharya	Mr. Surendra Singh	Mr. Shardul S Shroff	Mr. Sanjay Khosla
Commission	500,000	500,000	500,000	500,000
Sitting Fees	240,000	220,000	--	20,000
No. of shares held in the Company	56,250	56,250	56,250	56,250
*No. of Options granted during the year.	69,000	69,000	69,000	69,000

* During the year under review, each Independent Directors were issued Options under ESOP 2005 having vesting period of three year (1/3rd Options will vest in each year) from the date of grant and exercisable over the period of 3 years from the date of each vesting. The Options were granted at the market price.

Criteria for making payment to Independent 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 pattern.
- 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 2009-2010 are given below:

Name of Members	No. of Meetings		Date of Meetings
	Held	Attended	
Mr. Surendra Singh	4	4	May 27, 2009 July 29, 2009 October 26, 2009 January 23, 2010
Mr. Vijay K Thadani	4	4	
Mr. P Rajendran	4	4	

During the financial year 2009-2010, the Company has received request/queries/complaints from various Shareholders/Investors relating to non-receipt of declared dividend/ bonus shares/Annual Report, change of bank account details, transfer of shares/ dematerialization, 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 elsewhere in this Report. As on March 31, 2010, 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) The Debenture Allotment Committee which approves the matters related to issue and allotment of Debentures and activities related thereto.

e) The Borrowing Committee which approves the borrowing upto prescribed limit on behalf of the Company between two Board Meetings.

f) 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 2009-2010. 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 statement 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

Details of the last three Annual General Meetings and the Special Resolutions passed thereat are given as follows:

Financial Year	Date & Time	Location	Special Resolution(s)
2008-09	July 27, 2009 11.00 A.M.	FICCI Auditorium Tansen Marg, New Delhi – 110001	No Special Resolution passed in the AGM
2007-08	July 28, 2008 11.00 A.M.	FICCI Auditorium Tansen Marg, New Delhi – 110001	No Special Resolution passed in the AGM
2006-07	July 25, 2007 11.00 A.M	FICCI Auditorium Tansen Marg, New Delhi - 110001	• 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.

Note: No Extra-ordinary General Meeting held during the last three years.

Postal Ballot

During the preceding financial year, no resolution was 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 2009-10 with Related Parties were on arm length basis and the same are reported under Notes to 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 # 21 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 Authorities 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 2009-10

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.

g) **Inter-se relationships between directors**

There is no inter-se relationship between Directors of the Company

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 with the Stock Exchanges.

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 Directors and Designated Employees. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of NIIT 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 / trademarks / patents, etc belonging to the Company.

F. **Corporate Governance - Voluntary Guidelines 2009**

The Ministry of Corporate Affairs has issued the 'Corporate Governance - Voluntary Guidelines 2009', for voluntary adoption by the Corporate Sector for further improvement of corporate governance standards and practices. These Guidelines intends to provide corporate sector a framework to govern themselves voluntarily as per the highest standards of ethical and responsible conduct of business. As a proactive step in this direction, the Company has authorized Compensation/ Remuneration Committee to determine and set the criteria for induction of new directors on the Board of the Company, review the strength, structure, size and composition of the Board and such other matter related to appointment of Directors. The other clauses of the said voluntary Guidelines are being reviewed by the management and will be implemented in phased manner.

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 May 27, 2009, July 29, 2009, October 26, 2009 and January 25, 2010 for the Investors of the Company immediately after the declaration of quarterly/ annual results. In addition, an Annual Investor Meet (for institutional investors) was also organized in Mumbai on May 28, 2009.

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, Corporate Governance Report, 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 : Friday, July 9, 2010

Time : 11.30 A.M.

Venue : Parkland Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi – 110 074

Book Closure Dates: July 2, 2010 to July 9, 2010 (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, 2010	By 14th August, 2010
Financial reporting for the second quarter ending September 30, 2010	By 14th November, 2010
Financial reporting for the third quarter ending December 31, 2010	By 14th February, 2011
Financial reporting for the year ending March 31, 2011	By 30th May, 2011
Annual General Meeting for the year ending March 31, 2011	By 31st August, 2011

d. **Dividend**

In view of our confidence in the future, the Board of Directors have recommended a dividend of Rs. 1.40 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. The dividend, if declared, would be paid to such shareholders whose names appear in the Register of Members as on July 9, 2010, holding shares in physical form. In respect of shares held in electronic mode, the dividend will be paid on the basis of list of beneficial owners as furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of the business hours on July 1, 2010.

e. Register ECS Mandate and furnish correct bank account particulars with the Company / Depository Participant

Investors should provide an ECS mandate to the Company in case of shares held in physical form and ensure that the correct and updated particulars of their bank account are available with the Depository Participant (DP) in case of shares held in demat form. This would facilitate in receiving direct credits of dividends, refunds etc, from the Company and avoiding postal delays and loss in transit.

f. Unclaimed / Unpaid Dividend

All unclaimed / unpaid dividend due for the financial year ended upto September 30, 2002 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 October 1, 2002 to March 31, 2004 on or before August 25, 2011 after which any unpaid dividend amount for the financial year 2002-2004 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.

The Shareholders are also requested to apply for revalidation / issue of demand drafts for the unclaimed / unpaid fractional share payment payable on account of demerger scheme on or before October 12, 2011 after which any unpaid fractional amount related to demerger will be transferred by the Company to IEPF and no claim shall lie against the Company or IEPF after the said transfer.

g. 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 and Transfer Agent of the Company in case the shareholding is in physical form. The shareholders can obtain a copy of Form 2B from the Registered Office of the Company or can be downloaded from the website of the Company at www.niit.com. In case of demat holdings the request is to be submitted to the Depository Participant.

h. Listing of Equity Shares and Debentures

The Equity Shares of the Company are listed at the National Stock Exchange of India Limited (NSE), Mumbai and Bombay Stock Exchange Limited (BSE), Mumbai. The listing fees for the financial year 2010-11 have been paid to the Stock Exchanges. During the year, the Company received the Delisting approval from the Calcutta Stock Exchange Limited under the Voluntary Delisting of equity shares under SEBI (Delisting of Securities) Guidelines, 2003.

The Debentures issued by the Company on private placement basis are listed at the NSE. The listing fees for the financial year 2010-11 have been paid to NSE.

i. 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.

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

Annual General Meeting	Date when held	Book Closure (both days inclusive)
26th AGM	Monday, July 27, 2009	Tuesday, July 21, 2009 to Monday, July 27, 2009
25th AGM	Monday, July 28, 2008	Tuesday, July 22, 2008 to Monday, July 28, 2008
24th AGM	Wednesday, July 25, 2007	Thursday, July 19, 2007 to Wednesday, July 25, 2007

k. Stock Code

Trading symbol on the NSE	: NIITLTD
Trading symbol on the BSE	: 500304
ISIN No. of Equity Shares at NSDL/CDSL	: INE 161A01038

l. 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, 2009 to March 31, 2010 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, 2009 to March 31, 2010

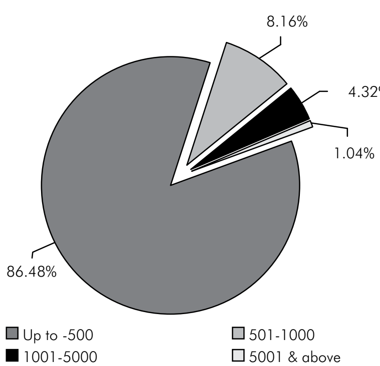
Month	Bombay Stock Exchange				National Stock Exchange			
	Sensex	High (Rs.)	Low (Rs.)	*Market Cap (Rs. Mn)	Nifty	High (Rs.)	Low (Rs.)	*Market Cap (Rs. Mn)
Apr-09	11403	29.25	20.30	4,364	3474	29.20	20.35	4,356
May-09	14625	54.00	26.90	8,373	4449	54.40	26.95	8,381
Jun-09	14494	66.75	51.05	10,138	4291	66.95	51.20	10,155
Jul-09	15670	74.50	45.75	9,973	4636	74.60	45.65	9,957
Aug-09	15667	73.80	59.55	11,425	4662	73.80	59.05	11,400
Sep-09	17127	77.00	67.05	11,656	5084	76.95	66.15	11,639
Oct-09	15896	76.85	57.15	9,873	4712	77.50	57.55	9,864
Nov-09	16926	70.15	53.10	11,301	5033	70.00	53.40	11,326
Dec-09	17465	77.80	67.00	11,375	5201	77.80	66.40	11,408
Jan-10	16358	79.05	66.00	11,491	4882	79.20	66.00	11,515
Feb-10	16430	72.00	63.95	10,706	4922	72.15	61.10	10,739
Mar-10	17528	68.35	56.00	9,518	5249	68.25	56.30	9,485

* Market capitalization at closing price of the month
Source : BSE & NSE website.

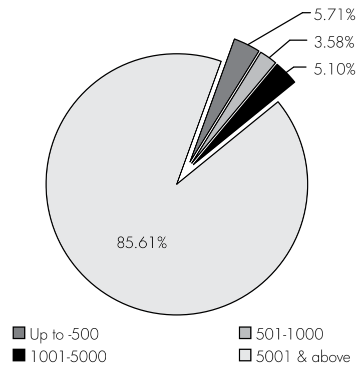
Shareholding Distribution as on March 31, 2010

Range (No. of Shares)	No. of Shareholders	% to Total Shareholders	Total No. of Shares	% to Total Shares
Up to -500	78,559	86.48	9,420,184	5.71
501-1000	7,412	8.16	5,912,321	3.58
1001-5000	3,928	4.32	8,426,461	5.10
5001 & above	945	1.04	141,336,631	85.61
TOTAL	**90,844**	**100.00**	**165,095,597**	**100.00**

No. of Shareholders



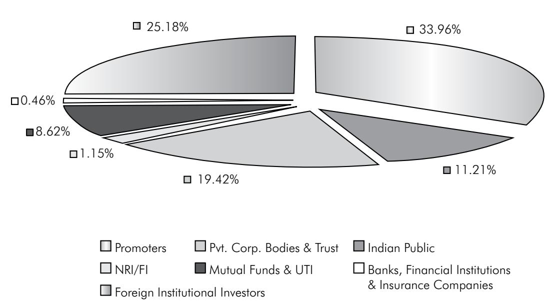
No. of Shares



Shareholding Pattern as on March 31, 2010

Category	No. of shares held (face value of Rs. 2 each)	Percentage of total shareholding
Promoters' Holding		
Indian Promoters	56,072,908	33.96
Foreign Promoters	-	-
Total Promoters' Holding	**56,072,908**	**33.96**
Public Shareholding		
Mutual Funds and UTI	14,230,238	8.62
Banks, Financial Institutions & Insurance Companies	760,143	0.46
Foreign Institutional Investors	41,574,699	25.18
Private Corporate Bodies & Trust	18,500,779	11.21
Indian Public	32,061,600	19.42
NRI/ Foreign Individuals	1,895,230	1.15
Total Public Shareholding	**109,022,689**	**66.04**
Grand Total	**165,095,597**	**100.00**

Shareholding Pattern



m. **Details of requests/queries/complaints received and resolved during the financial year 2009-10:**

Nature	Request / queries received	Complaints	Resolved	Un-resolved
Change of address	29	-	29	-
Change of Bank details	23	-	23	-
Correction in dividend warrant	189	-	189	-
Non Receipt of Annual Report	-	12	12	-
Non receipt of Dividend	-	53	53	-
Non Receipt of Bonus/ Split/ demerger Share certificate/s	-	1	1	-
Requests for Annual Report	10	-	10	-
Requests for Bonus/Split share certificates	5	-	5	-
Requests for shareholding details	3	-	3	
Revalidation of Dividend warrant	48	-	48	
SEBI/Stock Exchange letters	-	3	3	-
Share certificates lodged for transfer	12	-	12	-
Others(non classified in above)	5	-	5	-
Total	**324**	**69**	**393**	-

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 or disputes / legal impediments etc. There is no request/query/complaint pending at the end of the financial year.

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

As on date there are no outstanding warrants / bonds/ other instruments (except Stock Options granted under NIIT ESOP 2005, the details of which are given in Directors Report) which are convertible into equity shares.

o. **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, 2010, 99.14 percent of the shares of the Company were held in a dematerialised form.

p. **Consolidate Multiple Folios**

Investors should consolidate their shareholding held in multiple folios. This would facilitate one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.

q. **Liquidity of Shares**

The shares of the Company are traded elctronically on the NSE and BSE. The Company's shares continued to be part of BSE- 500 Index and BSE-TECk Index of BSE.

r. **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 19 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.

s. **Permanent Account Number for transfer of shares in physical form**

SEBI vide its Circular dated May 20, 2009 has stated that for securities market transactions and off-market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company's RTA for registration of such transfer of shares. Accordingly, shareholders are requested to please furnish copy of PAN card to the Company's RTA for registration of transfer of shares in their name.

t. **Compliance Officer**

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

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

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

v. **Registrar for Dematerialisation and Physical Transfer of Shares**

The Company has appointed a Registrar for dematerialisation (Electronic Mode) 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

w. **Registered Office:**

NIIT Limited,
B-234, Okhla Industrial Area, Phase – I,
New Delhi - 110 020

x. **Address for Correspondence**

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

NIIT Limited
Investors Services
B-234, Okhla Industrial Area, 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 May 7, 2010.

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 2009-10.

Place : New Delhi
Dated : May 7, 2010

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

B-234 Okhla Industrial Area, Phase-I

New Delhi - 110 020

We hereby certify that for the financial year 2009-10:

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 2009-10 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 2009-10 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	**Vijay K. Thadani**	**Jitender Mahajan**
Dated : May 7, 2010	CEO and Whole-time Director	Chief Financial Officer

Auditors' Certificate regarding compliance of conditions of Corporate Governance

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, 2010, 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.

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.

For **Price Waterhouse**
Firm Registration Number : 301112E
Chartered Accountants

H. Singh
Partner
Membership No. F-86994

Place : New Delhi
Date : May 7, 2010

AUDITORS' REPORT

TO THE MEMBERS OF NIIT LIMITED

1. We have audited the attached Balance Sheet of NIIT Limited (the "Company") as at March 31, 2010, 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 (together the "Order") 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. 4,810 lacs and Rs. 1,297 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 is the same i.e. Rs. 1,236 lacs.

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. 15,189.74 lacs with subsidiaries and Rs. 289.77 lacs with other companies, the management has informed us that the transactions dealt are of a special 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 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, customs duty 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, 2010 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	801.37	2001 – March 2010	High Court of Andhra Pradesh
Finance Act, 1994	Service Tax	209.78	2004-05	Customs, Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	4.08	2004-05	Income Tax Appellate Tribunal

(x) The Company has no accumulated losses as at March 31, 2010 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 or debenture holders 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.

AUDITORS' REPORT (Contd.)

(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 Letter of Credit of Rs. 1,124 lacs (USD 2.5 million), guarantee of Rs. 6,826 lacs (GBP 10 million) and a security of Rs 170 lacs to banks for loans availed by its subsidiaries. As these are for loans availed by its subsidiaries, these are not considered prejudicial to the interest of the Company.

(xvi) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

(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 created security or charge in respect of debentures issued and outstanding at the year-end.

(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, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 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, 2010;

(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.

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

H. Singh
Partner
Membership No. F-86994

Place : New Delhi
Date : May 7, 2010

NIIT Limited

NIIT

BALANCE SHEET as at March 31, 2010

	Schedule No./ (Note Reference)		As At March 31, 2010 (Rs.)		As At March 31, 2009 (Rs.)
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	`1'	330,197,194		329,971,972	
Employees Stock Option Outstanding	`1A'	-		679,662	
Reserves and Surplus	`2'	3,609,790,465	3,939,987,659	3,517,359,612	3,848,011,246
DEFERRED TAX LIABILITIES (Net)	`20(30)'		1,431,621		-
LOAN FUNDS					
Secured Loans	`3'	1,065,541,682		1,265,872,569	
Unsecured Loans	`4'	1,440,389,825	2,505,931,507	720,861,326	1,986,733,895
			6,447,350,787		**5,834,745,141**
APPLICATION OF FUNDS					
FIXED ASSETS	`5'				
Gross Block		3,897,354,942		3,408,363,345	
Less: Depreciation		2,076,893,196		1,631,714,037	
Net Block			1,820,461,746		1,776,649,308
Capital work-in-progress (including Capital Advances)	`20(27)'		79,436,218		175,774,614
INVESTMENTS	`6'		2,012,160,343		1,847,973,464
DEFERRED TAX ASSETS (Net)	`20(30)'		-		62,343,202
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	`7'	101,330,727		92,420,202	
Sundry Debtors	`8'	2,169,738,886		1,785,636,415	
Cash and Bank Balances	`9'	288,683,992		399,295,919	
Other Current Assets	`10'	687,107,539		286,549,047	
Loans and Advances	`11'	1,212,297,512		1,510,187,960	
		4,459,158,656		4,074,089,543	
Less : CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	`12'	1,588,148,641		1,747,514,530	
Provisions	`13'	335,717,535		354,570,460	
		1,923,866,176		2,102,084,990	
Net Current Assets			2,535,292,480		1,972,004,553
			6,447,350,787		**5,834,745,141**

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.

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

Rajendra S Pawar
Chairman and Managing Director
DIN - 00042516

Vijay K Thadani
CEO & Whole-time Director
DIN - 00042527

H. Singh
Partner
Membership No. F-86994

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : May 7, 2010

PROFIT AND LOSS ACCOUNT for the year ended March 31, 2010

	Schedule No./ (Note Reference)	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
INCOME			
Revenue from Operations	`20 [1(v),10(a),11and 18]'	6,251,721,044	5,456,168,674
Other Income	`14'	196,036,098	339,102,252
		6,447,757,142	5,795,270,926
EXPENDITURE			
Personnel	`15'	1,174,176,184	1,311,384,086
Development, Production and Execution	`16'	2,589,508,988	1,894,983,974
Administration and Others	`17'	959,808,851	961,006,379
Marketing	`18'	562,888,632	482,005,873
Interest and Finance Charges	`19'	171,127,894	108,289,916
Depreciation and Amortisation	`5'	541,792,739	402,413,434
		5,999,303,288	5,160,083,662
Profit before Tax		**448,453,854**	**635,187,264**
Tax Expense	`20(30)'		
- Current		102,095,361	90,732,143
- Deferred charge/ (credit)		45,994,357	47,947,757
- Fringe Benefit Tax		-	24,401,409
Provision for tax relating to earlier years/ (credit)		(11,332,198)	-
Profit after Tax		**311,696,334**	**472,105,955**
Balance brought forward from Previous year		2,359,717,257	2,224,508,572
Balance available for appropriation		**2,671,413,591**	**2,696,614,527**
APPROPRIATION			
Dividend :			
- Proposed Dividend on Equity Shares		231,133,836	214,477,882
- Corporate Dividend Tax on above	`20(28)'	25,975,979	23,145,300
Transferred to General Reserve		31,169,633	47,210,596
Transferred to Debenture Redemption Reserve		202,063,492	52,063,492
Balance Carried to Balance Sheet		2,181,070,651	2,359,717,257
		2,671,413,591	2,696,614,527
Earnings per share	`20 [1(xiv), (32)]'		
- Basic		1.89	2.86
- Diluted		1.89	2.86

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.

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

Rajendra S Pawar
Chairman and Managing Director
DIN - 00042516

Vijay K Thadani
CEO & Whole-time Director
DIN - 00042527

H. Singh
Partner
Membership No. F-86994

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : May 7, 2010

CASH FLOW STATEMENT for the year ended March 31, 2010

		Year ended March 31, 2010 (Rs.)		Year ended March 31, 2009 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax		**448,453,854**		**635,187,264**
Add/ (Less):				
Depreciation and Amortisation	541,792,739		402,413,434	
Provision for Doubtful Debts	53,850,405		39,514,540	
Provision for Doubtful Advances	458,706		384,400	
Provision for slow/ non-moving Inventory	3,000,000		11,584,957	
Inventory written off	1,264,705		6,825,437	
Advances written off	3,003,807		2,116,456	
Foreign Exchange Adjustments	74,079,137		(66,133,180)	
Interest Expenses	258,122,288		161,703,760	
Interest Income	(110,784,789)		(77,599,613)	
Dividend Income	(78,289,000)		(78,289,000)	
Loss/ (Profit) on Disposal of Fixed Assets (Net)	7,602,658		(94,233,896)	
Profit on sale of Investment	(312,783)		(6,811,068)	
Liabilities written back	(8,288,332)		(10,283,506)	
Provision for Gratuity & Compensated Absences (Net)/ (Credit)	(38,339,558)		11,939,683	
Employees Stock Option Expenses/ (Credit)	(85,025)	707,074,958	-	303,132,404
Operating Profit before Working Capital changes		**1,155,528,812**		**938,319,668**
Add/ (Less) : (Increase)/ Decrease in Operating Working Capital				
Trade Receivables	(457,405,299)		(544,782,690)	
Inventories	(13,175,230)		393,326	
Other Current Assets	(413,852,209)		(133,686,827)	
Loans and Advances	(18,188,489)		(30,574,283)	
Current Liabilities and Provisions	(128,696,898)	(1,031,318,125)	415,365,281	(293,285,193)
Direct Tax -(Paid)/ Refund received (including TDS)		(111,293,562)		(126,118,463)
Net cash from Operating Activities (A)		**12,917,125**		**518,916,012**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets (including Capital work-in-progress)		(386,259,418)		(1,271,646,834)
Proceeds from sale of Fixed Assets		2,518,478		112,547,083
Proceeds from sale of Capital work-in-progress		-		108,238,413
Loan given to Subsidiaries		(37,910,000)		(421,900,000)
Loan given to Subsidiaries received back		347,640,000		43,800,000
Loan given to Others		(189,000,000)		(179,500,000)
Loan given to Others received back		185,000,000		57,000,000
Interest received		124,078,506		64,303,803
Dividend received		78,289,000		188,290,000
Purchase of Mutual Funds		(250,000,000)		(250,000,000)
Sale of Mutual Funds		250,197,783		250,311,068
Proceeds from disposal of Investments in Associates		115,000		6,500,000
Investment in Equity Shares in Subsidiary Companies		(164,186,879)		(63,000,000)
Net cash used in Iinvesting Activities (B)		**(39,517,530)**		**(1,355,056,467)**

CASH FLOW STATEMENT for the year ended March 31, 2010 (Contd.)

	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Shares (including Share Premium)	2,962,014	6,722,952
Issue of Non Convertible Debentures	600,000,000	1,000,000,000
Short term Loan from Banks:		
- Raised during the year	200,000,000	600,000,000
- Repaid during the year	(700,000,000)	-
Short term Loan raised from Others	500,000,000	-
Vehicle Loan repaid during the year	(5,161,344)	(10,014,956)
Term Loan repaid during the year	(122,916,662)	(163,888,891)
Repayment of Loans to Banks - Working Capital	-	(40,061,100)
Repayment of Loans to Banks - Cash Credit	(72,252,881)	(89,618,862)
Interest paid on Fixed Loan (including finance charges on finance lease arrangement)	(256,426,282)	(149,163,738)
Dividend paid (including Dividend Tax)	(236,616,367)	(218,538,200)
Receipt of Loans	98,000,000	96,500,000
Repayment of Loans	(91,600,000)	(220,300,000)
Net cash (used in)/ from Financing Activities (C)	**(84,011,522)**	**811,637,205**
Net Decrease in Cash & Cash Equivalents (A+B+C)	**(110,611,927)**	**(24,503,250)**
Cash and Cash Equivalents as at the beginning of the year	**399,295,919**	**423,799,169**
Cash and Cash Equivalents as at the end of the year	**288,683,992**	**399,295,919**
Cash and Cash Equivalents comprise		
Cash, Cheques & Drafts (in hand) and Remittances in transit	92,271,481	276,013,161
Balance with Scheduled Banks *	196,412,511	123,282,758
*[Include Rs. 41,060,354/- (Previous year Rs. 38,030,317/-) pledged as margin money]		
Cash and Cash Equivalents as at the end of the year	**288,683,992**	**399,295,919**

Notes :

1 The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 - "Cash Flow Statements" 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.

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

Rajendra S Pawar
Chairman and Managing Director
DIN - 00042516

Vijay K Thadani
CEO & Whole-time Director
DIN - 00042527

H. Singh
Partner
Membership No. F-86994

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : May 7, 2010

SCHEDULES annexed to and forming part of the Balance Sheet as at March 31, 2010

Schedule No.		As At March 31, 2010 (Rs.)	As At March 31, 2009 (Rs.)
1.	**SHARE CAPITAL**		
	(Refer Note 16 on Schedule 20)		
	Authorised		
	250,000,000 Equity Shares of Rs. 2/- each (Previous year 250,000,000 Equity Shares of Rs. 2/- 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		
	165,101,597 Equity Shares of Rs. 2/- each (Previous year - 164,988,986 Equity Shares of Rs. 2/- each)	330,203,194	329,977,972
		330,203,194	**329,977,972**
	Subscribed		
	165,095,597 Equity Shares of Rs. 2/- each (Previous year - 164,982,986 Equity Shares of Rs. 2/- each)	330,191,194	329,965,972
		330,191,194	**329,965,972**
	Paid-up		
	165,095,597 Equity Shares of Rs. 2/- each (Previous year - 164,982,986 Equity Shares of Rs. 2/- each)	330,191,194	329,965,972
	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 142,176,960 Equity Shares of Rs. 2/- 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.		
		330,197,194	**329,971,972**
1A.	**EMPLOYEES STOCK OPTION OUTSTANDING**		
	(Refer Notes 1(vii) and 16 on Schedule 20)		
	Employees Stock Option Outstanding	-	679,662
		-	**679,662**

SCHEDULES annexed to and forming part of the Balance Sheet as at March 31, 2010 (Contd.)

Schedule No.			As At March 31, 2010 (Rs.)		As At March 31, 2009 (Rs.)
2.	RESERVES AND SURPLUS				
	Share Premium				
	(Refer Note 16 on Schedule 20)				
	As per Last Balance Sheet	514,383,038		506,160,493	
	Add: Additions during the year on account of exercise of ESOP's	3,313,926	517,696,964	8,222,545	514,383,038
	General Reserve				
	As per Last Balance Sheet	625,726,233		578,515,637	
	Add : Transfer from Profit and Loss Account	31,169,633	656,895,866	47,210,596	625,726,233
	Debenture Redemption Reserve				
	As per Last Balance Sheet	52,063,492		-	
	Add: Transfer from Profit and Loss Account	202,063,492	254,126,984	52,063,492	52,063,492
	Hedging Reserve Account (Debit balance)				
	(Refer Notes1(ix) and 10 on Schedule 20)				
	Hedging Reserve	-		(52,310,874)	
	Deferred Tax Asset on Hedging Reserve	-	-	17,780,466	(34,530,408)
	Profit and Loss Account		2,181,070,651		2,359,717,257
			3,609,790,465		**3,517,359,612**

SCHEDULES annexed to and forming part of the Balance Sheet as at March 31, 2010 (Contd.)

Schedule No.		As At March 31, 2010 (Rs.)		As At March 31, 2009 (Rs.)
3. SECURED LOANS				
[Refer Note 6 on Schedule 20]				
Loans from Banks				
- Rupee Term Loans*	-		122,916,662	
- Cash Credit	64,131,867		136,384,748	
- Vehicle Loans*	1,409,815	65,541,682	6,571,159	265,872,569
* (Amount due within one year Rs.1,409,815/- (Previous year Rs 127,967,144/-))				
Non Convertible Debentures (Refer Notes below)		1,000,000,000		1,000,000,000
		1,065,541,682		**1,265,872,569**

Notes:

(i) 12% Non Convertible Debentures to Life Insurance Corporation of India amounting to Rs. 500,000,000/- are redeemable at par as follows:

Redemption Date	Value to be redeemed (Rs.)
20th October 2013	166,666,667
20th October 2014	166,666,667
20th October 2015	166,666,666
	500,000,000

(ii) 11.25% Non Convertible Debentures to Indian Overseas Bank amounting to Rs. 500,000,000/- are redeemable at par as follows:

Redemption Date	Value to be redeemed (Rs.)
17th March 2012	100,000,000
17th March 2013	200,000,000
17th March 2014	200,000,000
	500,000,000

	As At March 31, 2010 (Rs.)	As At March 31, 2009 (Rs.)
4. UNSECURED LOANS		
[Refer Notes 1 (x) and 33(b) on Schedule 20]		
Long Term Loan from Subsidiaries [Amount due within one year Nil (Previous year Nil)]	123,600,000	117,200,000
Deferred Lease Obligation [Amount due within one year Rs.19,195,999/- (Previous year Rs.3,365,768/-)]	116,789,825	3,661,326
Short Term Loans		
- From Banks	100,000,000	600,000,000
- From Others	500,000,000	-
Short Term Non Convertible Debentures (Refer Note below)	600,000,000	-
	1,440,389,825	**720,861,326**

Note: Non Convertible Debentures held by Fortis Mutual Fund as on March 31, 2010 amounting to Rs. 600,000,000/- are redeemable at par on July 2, 2010.

SCHEDULES annexed to and forming part of the Balance Sheet as at March 31, 2010 (Contd.)

5. FIXED ASSETS
[Refer Notes 1 (i), (ii), (x), (xi), 27, 33(b), 35 and 36 on Schedule 20]

(Amount in Rs.)

	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
Description of Assets	Cost As on 01.04.2009	Additions during the year	Sales/ Adj. during the year	Total as on 31.03.2010	As on 01.04.2009	For the year	Sales/ Adj. during the year	Total as on 31.03.2010	As on 31.03.2010	As on 31.03.2009
Tangible										
Land-Freehold	20,507,577	-	-	20,507,577	-	-	-	-	20,507,577	20,507,577
Buildings	208,891,024	427,862	-	209,318,886	23,712,740	3,407,337	-	27,120,077	182,198,809	185,178,284
Plant & Machinery										
- Owned	1,622,103,410	236,937,130	62,848,703	1,796,191,837	697,900,346	276,031,535	61,304,567	912,627,314	883,564,523	924,203,064
- Leased	7,831,919	-	54,397	7,777,522	5,908,499	916,442	28,428	6,796,513	981,009	1,923,420
Lease hold Improvements	346,045,916	14,889,924	28,131,533	332,804,307	166,624,884	69,147,440	24,625,303	211,147,021	121,657,286	179,421,032
Furniture & Fixtures										
- Owned	168,991,569	16,593,156	9,538,869	176,045,856	81,103,190	23,323,666	8,320,657	96,106,199	79,939,657	87,888,379
- Leased	9,327,882	-	10,240	9,317,642	6,417,101	1,833,543	3,140	8,247,504	1,070,138	2,910,781
Vehicles	40,227,911	-	6,150,974	34,076,937	13,355,102	3,525,285	2,331,485	14,548,902	19,528,035	26,872,809
Sub Total (a)	**2,423,927,208**	**268,848,072**	**106,734,716**	**2,586,040,564**	**995,021,862**	**378,185,248**	**96,613,580**	**1,276,593,530**	**1,309,447,034**	**1,428,905,346**
Intangible (Educational Content/ Products)										
Software										
- Acquired	744,499,723	125,226,371	-	869,726,094	532,089,900	102,129,948	-	634,219,848	235,506,246	212,409,823
- Internally generated	227,336,500	73,674,214	-	301,010,714	97,091,332	53,496,638	-	150,587,970	150,422,744	130,245,168
- Leased	-	124,436,000	-	124,436,000	-	6,136,569	-	6,136,569	118,299,431	-
Patents	12,599,914	3,541,656	-	16,141,570	7,510,943	1,844,336	-	9,355,279	6,786,291	5,088,971
Sub Total (b)	**984,436,137**	**326,878,241**	**-**	**1,311,314,378**	**636,692,175**	**163,607,491**	**-**	**800,299,666**	**511,014,712**	**347,743,962**
Total (a+b)	**3,408,363,345**	**595,726,313**	**106,734,716**	**3,897,354,942**	**1,631,714,037**	**541,792,739**	**96,613,580**	**2,076,893,196**	**1,820,461,746**	**1,776,649,308**
Previous year	**2,711,902,474**	**1,156,606,966**	**460,146,095**	**3,408,363,345**	**1,661,438,661**	**402,413,434**	**432,138,058**	**1,631,714,037**	**1,776,649,308**	
					Capital Work-in Progress (Including Capital Advances)				79,436,218	175,774,614

Notes :

(i) Gross Block of Buildings includes 10 shares of Rs. 50/- each in the Guru Vidya Co-operative Housing Society Ltd.

(ii) Out of the total land as above, 25 acres of land amounting Rs. 6,521,625/- at Tehsil Behror, District Alwar is alloted for education purpose. This land cannot be transferred without the approval of the allotment authority.

SCHEDULES annexed to and forming part of the Balance Sheet as at March 31, 2010 (Contd.)

Schedule No.		As At March 31, 2010 (Rs.)		As At March 31, 2009 (Rs.)
6.INVESTMENTS				
[Refer Notes 1 (iii), 20, 22, 25 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 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)	-
1,000,000 (Previous year 900,000) Equity Shares of Rs. 10/- each fully paid-up in Hole-in-the-Wall Education Limited		10,500,000		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
10,250,000 (Previous year 7,350,000) Equity Shares of Rs. 10/- each fully paid-up in NIIT Multimedia Limited		102,500,000		73,500,000
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
8,050,000 (Previous year 4,000,000) Equity Shares of Rs. 10/- each fully paid-up in NIIT Institute of Finance Banking and Insurance Training Limited		80,500,000		40,000,000
863,471 (Previous year 503,691) Equity Shares of Rs. 10/- each Fully Paid-up in Evolv Services Limited		46,187,061		28,000,182
9,000,000 (Previous year 4,500,000) Equity Shares of Rs. 10/- each fully paid-up and Rs 30,000,000/- towards Share Application money in NIIT Institute of Process Excellence Limited		120,000,000		45,000,000
- 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		100		100
In Other Companies				
Nil (Previous year 190,627) Equity Shares of Rs 10/- each fully paid-up in Aesthetic Technologies Private Limited	-		20,000,584	
Less: Provision for diminution in value of Investment	-	-	(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 value of Investment	(2,400)	-	(2,400)	-
		2,012,160,343		1,847,973,464

Schedule No.		As At March 31, 2010 (Rs.)		As At March 31, 2009 (Rs.)
7. INVENTORIES (Finished Goods) [Refer Notes 1(iv) and 18 on Schedule 20]				
Education and Training Material *		99,575,690		89,050,728
Software **		1,755,037		3,369,474
		101,330,727		**92,420,202**

Notes:
* Net of provision for non-moving inventories of Rs. 5,300,000/- (Previous year Rs. 2,300,000/-).
** Net of provision for non-moving inventories of Nil (Previous year Rs. 12,436,982/-).

8. SUNDRY DEBTORS (Unsecured) [Refer Note 31 on Schedule 20]				
Outstanding for over six months				
- Considered Good	812,852,268		459,233,647	
- Considered Doubtful	172,227,620		268,376,380	
Other Debts - Considered Good	1,356,886,618		1326,402,768	
	2,341,966,506		2,054,012,795	
Less : Provision for Doubtful Debts	172,227,620	2,169,738,886	268,376,380	1,785,636,415
		2,169,738,886		**1,785,636,415**
9. CASH AND BANK BALANCES				
Cash and Cheques in Hand		92,271,481		276,013,161
Balances with Scheduled Banks in :				
- Current Accounts		149,625,365		80,502,550
- Dividend Account		4,961,032		3,954,217
- Fixed Deposit Accounts [Include Rs. 41,060,354/- (Previous year Rs. 38,030,317/-) pledged as margin money]		41,060,354		38,030,317
- Exchange Earners' Foreign Currency Account		765,760		795,674
		288,683,992		**399,295,919**
10. OTHER CURRENT ASSETS (Unsecured, considered good) [Refer Note 1(v) on Schedule 20]				
Interest Receivable		1,019,837		14,313,554
Unbilled Revenue (Net)		686,087,702		272,235,493
		687,107,539		**286,549,047**

Schedule No.		As At March 31, 2010 (Rs.)		As At March 31, 2009 (Rs.)
11.LOANS AND ADVANCES				
(Unsecured, considered good except where otherwise stated)				
[Refer Notes 1(xii), 23, 24 and 30 on Schedule 20]				
Loan to Subsidiaries		129,662,200		466,791,520
Loan to NIIT Education Society		3,500,000		3,500,000
Loan to NIIT Institute of Information Technology		440,300,000		436,300,000
Recoverable from Subsidiaries		120,903,464		110,244,582
Advances recoverable in cash or in kind or for value to be received *				
- Considered good	130,780,204		142,800,135	
- Considered doubtful	5,949,495		7,088,713	
	136,729,699		149,888,848	
Less : Provision for Doubtful Advances	5,949,495	130,780,204	7,088,713	142,800,135
* Includes amount due from Directors or Other Officers Nil (Previous year Nil) Maximum amount due from Directors or Other Officers during the year Rs.961,952/- (Previous year Rs. 3,220,607/-).				
Security Deposits				
- Considered good	331,155,708		315,086,186	
- Considered doubtful	5,047,157		6,186,175	
	336,202,865		321,272,361	
Less : Provision for Doubtful Security Deposits	5,047,157	331,155,708	6,186,175	315,086,186
Advance payment of Fringe Benefit Tax	88,113,046		88,113,046	
Less : Provision for Fringe Benefit Tax	(87,396,232)	716,814	(87,396,232)	716,814
Advance payment of Income Tax	632,861,521		521,567,959	
Less: Provision for Current Tax	(577,582,399)	55,279,122	(486,819,236)	34,748,723
		1,212,297,512		**1,510,187,960**

Schedule No.	As At March 31, 2010 (Rs.)	As At March 31, 2009 (Rs.)
12. CURRENT LIABILITIES		
[Refer Notes 1(ix), 10 and 34 on Schedule 20]		
Sundry Creditors		
- Due to Mirco Enterprises and Small Enterprises	1,007,635	11,706
- Due to Others	1,030,061,206	1,170,661,056
Amount Payable to Subsidiaries	20,520,204	35,850,035
Advances from Customers	405,717,880	350,738,842
Security Deposits	1,910,215	5,921,715
Interest accrued but not due on loans	16,050,766	14,354,760
Unpaid Dividend*	4,961,032	3,954,217
Unclaimed fractional share payment	234,658	236,652
Deferred Revenue	35,491,005	15,581,098
Other Liabilities	72,194,040	97,893,575
Derivative Instrument Fair Value Liability	-	52,310,874
*There are no amounts due for payment to the Investor Protection Fund under section 205C of the Companies Act, 1956 as at the year end.		
	1,588,148,641	**1,747,514,530**
13. PROVISIONS		
[Refer Notes 1(vi), (xii), 17 and 28 on Schedule 20]		
Provision for Compensated Absences	77,501,140	111,094,326
Provision for Gratuity	1,106,580	5,852,952
Proposed Dividend on Equity Shares	231,133,836	214,477,882
Corporate Dividend Tax	25,975,979	23,145,300
	335,717,535	**354,570,460**

SCHEDULES annexed to and forming part of the Profit and Loss Account for the year ended March 31, 2010

Schedule No.		Year ended March 31, 2010 (Rs.)		Year ended March 31, 2009 (Rs.)
14. OTHER INCOME				
[Refer Notes 1(v),(viii), (ix), 10(b), 20, 22, 28 and 36 on Schedule 20]				
Profit on sale of				
- Short term Investments -others	197,783		311,068	
- Fixed Assets (Net)	-	197,783	94,233,896	94,544,964
Profit on sale of long term - trade investments		115,000		6,500,000
Provisions/ Other Liabilities written back		8,288,332		10,283,506
Recoveries from Overseas Subsidiaries for expenses		85,574,116		82,759,963
Gain on exchange fluctuations (Net)		-		44,653,709
Dividend Income from Subsidiary		78,289,000		78,289,000
Miscellaneous		23,571,867		22,071,110
		196,036,098		**339,102,252**
15. PERSONNEL				
[Refer Notes 1(vi), (vii),5,8,16,17,19 and 27 on Schedule 20]				
Salaries and Benefits [Includes contribution towards Provident and Other Funds Rs. 50,494,861/- (Previous year Rs. 59,733,924/-)]		1,138,918,577		1,257,556,696
Employees Stock Option write back		(85,025)		-
Welfare and Other Expenses		35,342,632		53,827,390
		1,174,176,184		**1,311,384,086**
16. DEVELOPMENT, PRODUCTION AND EXECUTION				
[Refer Notes 8,9,12,13,18,27 and 33(a) on Schedule 20]				
Courseware and Manuals [Includes inventory write off/ provision for Rs. 4,264,705/- (Previous year Rs. 9,125,437/-)]		671,085,198		615,643,263
Bought out Packages/ Products [Includes inventory write off/ provision Nil (Previous year Rs. 9,284,957/-)]		763,964,380		172,141,538
Course Execution Charges		753,821,529		745,392,397
Professional Charges		309,983,798		267,024,556
Equipment Hiring		30,692,727		34,720,378
Consumables		4,667,562		5,142,729
Freight and Cartage		54,014,917		54,868,166
Others		1,278,877		50,947
		2,589,508,988		**1,894,983,974**

Schedule No.		Year ended March 31, 2010 (Rs.)		Year ended March 31, 2009 (Rs.)
17. ADMINISTRATION AND OTHERS				
[Refer Notes 1(viii), (ix), 5, 8, 10, 13, 15, 27, 31 and 33(a) on Schedule 20]				
Rent		281,440,969		297,366,201
Rates and Taxes		2,917,946		1,049,720
Electricity and Water		88,915,879		101,233,124
Communication		73,507,313		77,850,673
Legal and Professional		76,503,480		80,470,459
Travelling and Conveyance		173,690,391		224,662,421
Insurance Premium		8,413,073		7,522,792
Repairs and Maintenance:				
- Plant and Machinery		14,403,738		14,949,715
- Buildings		2,512,415		2,484,016
- Others		39,303,348		39,269,873
Provision for Doubtful Debts		53,850,405		39,514,540
Provision for Doubtful Advances		458,706		384,400
Advances written off		3,003,807		2,116,456
Loss on Exchange Fluctuations (Net)		42,770,998		-
Expenses on Equipment Hiring		12,097,807		9,738,190
Security and Administration Services		33,984,891		35,851,705
Loss on sale/ disposal of Fixed Assets (Net)		7,602,658		-
Sundry Expenses		44,431,027		26,542,094
		959,808,851		**961,006,379**
18. MARKETING				
[Refer Note 5 on Schedule 20]				
Advertisement and Publicity		531,823,160		453,321,560
Discount		60,210		137,556
Others		31,005,262		28,546,757
		562,888,632		**482,005,873**
19. INTEREST AND FINANCE CHARGES				
[Refer Notes 1(x), (xi), 7, 11 and 33(b) on Schedule 20]				
Bank, Discounting and Other Financial Charges		23,790,395		24,185,769
Interest Expenses:				
- Fixed Loans	65,214,796		91,376,489	
- Non Convertible Debentures	150,805,069		31,160,959	
- Others	42,102,423	258,122,288	39,166,312	161,703,760
Less: Interest Earnings (Gross) :				
- Deposits	(2,927,002)		(2,386,555)	
- Loans	(100,559,510)		(75,212,038)	
- Others	(7,298,277)	(110,784,789)	(1,020)	(77,599,613)
		171,127,894		**108,289,916**

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2010

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared on an accrual basis, under historical cost convention and in compliance in all material aspects with the applicable accounting principles in India, the applicable accounting standards notified 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 educational content 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" as notified under section 211(3C) of the Companies Act, 1956. Expenses incurred during the research phase till the establishment of commercial feasibility is charged to the Profit and Loss Account.

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
Plant and Machinery including: - Computers, Printers and related accessories - Office Equipments and Electronic Equipments - Air Conditioners	 2-5 years 8 years 10 years
Furniture, Fixtures & Electric Fittings	7-10 years
Leasehold Improvements	3-5 years or lease period, whichever is lower
Assets under employee benefits scheme except vehicles	3 years
Assets acquired under lease (Included under Plant & Machinery and Furniture & Fixtures)	Lease Period
Intangible Assets including: - Acquired and Internally Generated (Computer Software, Educational Content and Products) - Patents	 3-5 years 3-5 years
All other assets (including vehicles)	Rates prescribed under Schedule XIV to the Companies Act, 1956

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

Further, educational content, 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/ training 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 capitalized 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.

The Company undertakes fixed price projects for supply/ installation/maintenance of technology equipment & infrastructure set-up, providing educational product and educational services. Revenue from initial project set up activities & development of products under such contracts is recognised under proportionate completion method. The revenue in such contracts from sale of technology equipments is recognised on delivery of the technology equipment when substantial risks and rewards of ownership in such technology equipment pass to the customer based on contractual terms of the respective contracts and in respect of technology equipments, which are not sold, the revenue from the same along with the revenue from educational services is recognised over the contracted period of service. Deferred Revenue represents unamortised amounts billed to customers in advance for products, services or subscriptions.

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

In respect of sale and lease back transactions, revenue is recognised on delivery of the product. Gain on sale on such transactions is recognised in the Profit and Loss Account over the lease period of the respective product.

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.

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 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 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.

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)**

Equity settled 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 un-amortized portion. The balance in employee stock option outstanding account, net of any un-amortised 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 and 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 Shareholders' Funds 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 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 is determined based on the provisions of Income Tax Act, 1961. 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 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.

Disclosure of show cause notices are made on merits of the matters where management foresees possibilities of outflow of resources.

xiv) **Earnings Per Share**

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

2. CONTINGENT LIABILITIES

i. Guarantees issued by bankers outstanding at the end of accounting year Rs. 125,486,322/- (Previous year Rs. 4,362,745/-).

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

iii. Corporate Guarantee Rs. 944,470,800/- [USD 21 million (net of payment of USD 22.5 million)] given to ICICI Bank, Bahrain on behalf of NIIT (USA) Inc. (Previous year Rs. 1,678,426,200/- [USD 33 million (net of payment of USD 10.5 million)]).

iv. Corporate Guarantee Rs. 682,552,000/- [GBP 10 million (loan outstanding GBP 9.40 million)] (Previous year Nil) given to ICICI Bank UK PLC on behalf of NIIT (USA) Inc.

v. Stand by Letter of Credit of Rs. 247,361,400/- [USD 5.50 million] (Previous year Rs. 152,584,200/- [USD 3 million]) from BNP Paribas in favor of Bank of West, USA on behalf of Element K Corporation, USA.

vi. Security given to Indian Overseas Bank against Working Capital limits on behalf of Evolv Services Limited of Rs. 10,000,000/- (Previous year Rs. 10,000,000/-) [Amount outstanding at year end Rs. 9,472,172/- (Previous year Rs. 8,496,824/-)], NIIT Institute of Finance Banking and Insurance Training Limited of Rs.10,000,000/- (Previous year Nil) [Amount Outstanding at year end Nil] and Hole-in-the-Wall Education Limited of Rs.7,000,000/- (Previous year Nil) [Amount Outstanding at year end Rs. 6,443,889/-].

vii. Claims against the Company not acknowledged as debts Rs. 13,200,000/- (Previous year Rs. 14,900,000/-).

viii. Andhra Pradesh works contract tax demand Rs. 80,137,287/- (Previous year Rs. 74,601,827/-). Management does not foresee any financial implication based on the advice of the legal consultant.

ix. Service Tax demand amounting to Rs. 104.89 Lacs (Previous year Rs. 104.89 Lacs) and equal amount of penalty i.e. Rs. 104.89 Lacs (Previous year Rs. 104.89 Lacs) raised by Commissioner of Service Tax, Delhi. Management does not foresee any financial implication based on the advice of the legal consultant.

x. Income Tax demand for Rs. 721 Lacs for Assessment year 2006-07. Management does not foresee any financial implication based on the advice of the legal consultant.

3. During the last quarter of current financial year ended March 31, 2010, the Company has received Show Cause Notices u/s 263 of the Income Tax Act, 1961 issued by the Commissioner of Income Tax for the Assessment years 1999-00 to 2005-06 ,who later issued Orders directing the Assessing Officer for re-assessment on certain items. The quantum of Income Tax demand, if any, has neither been quantified nor ascertained and thus, indeterminable at this stage. These orders have been challenged by the Company in the Income Tax Appellate Tribunal. Based on legal opinion, the Company is confident that appeals so filed shall be decided in its favour.

4. Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for Rs. 15,804,313/- (Previous year Rs. 208,865,610/-).

5. Certain common resources are shared by the Company and NIIT Technologies Limited ('NTL'). This resulted in the Company recovering Rs. 3,856,927/- (Previous year Rs. 8,835,659/-) from NTL and NTL recovering Rs. 9,598,975/- (Previous year Rs. 10,860,791/-) from the Company which have been included/ netted off against relevant head in the Profit and Loss Account viz., Personnel, Administration & Others and Marketing expenses.

6. DETAILS OF SECURITY GIVEN AGAINST LOANS

i). Working Capital Limits of the Company and sub-limits of certain subsidiaries are secured by hypothecation of stocks and book debts of the Company. The Company and the subsidiaries have utilised the cash credit (fund-based) limits to the extent of Rs. 64,131,867/- (Previous year Rs. 136,384,748/-) and Rs. 15,916,061/- (Previous year Rs. 8,496,824/-) respectively as at year end.

ii). 12% Non Convertible Debentures issued to Life Insurance Corporation of India and 11.25% Non Convertible Debentures issued to Indian Overseas Bank are secured by way of first charge on pari-passu basis on the immovable and movable fixed assets of the Company. The Company had maintained 100% asset cover sufficient to discharge the principal amount at all times during the financial year 2009-10 for these debentures.

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. 13,902,514/- (Previous year Rs. 16,078,179/-).

8. Expenses during the year are net of recoveries towards common services from domestic subsidiaries amounting to Rs. 14,635,499/- (Previous year Rs. 28,828,253/-).

9. The Course Execution Charges include payments to licensees, business partners, channel partners and other agencies for execution of education and training business. Course Execution Charges include Nil (Previous year Rs. 45 Lacs) pertaining to previous years.

10. DERIVATIVE INSTRUMENTS

a. The following table summarises the movement in designated forward covers:

Particulars	Designated Forward Covers (USD Mn) FY 2009-10	Designated Forward Covers (USD Mn) FY 2008-09
Opening Balance as at beginning of the year	10.50	13.25
Additions during the Current year	-	9.75
Matured during the year	10.50	12.50
Closing Balance as at end of the year	-	10.50

During the Current year, loss of Rs. 88.82 Lacs (Previous year Rs. 823 Lacs) has been debited to Revenue account on maturity of the designated forward covers and Nil (Previous year Rs. 523 Lacs) have been debited to Hedging Reserve Account on the designated forward covers outstanding as at the year end.

b. Mark to Market gain/ (loss) on undesignated forward covers amounting to Rs. 3.35 Lacs [Previous year Rs. (524) Lacs] has been recognised as gain/ (loss) on exchange fluctuation in the Profit and Loss Account.

11. EARNINGS IN FOREIGN CURRENCY

Particulars	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
Export of services & products	474,805,435	499,158,772
Interest (Net of Taxes)	25,189,578	20,318,997
Recovery of expenses from Overseas Subsidiaries	85,574,116	82,759,963

12. CIF VALUE OF IMPORTS

Particulars	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
Bought out packages/ products	226,755,748	156,602,756
Capital goods	13,031,888	53,105,948

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2010 (Contd.)

13. EXPENDITURE IN FOREIGN CURRENCY (Net of taxes)

Particulars	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
Production, development and execution	110,120,441	256,314,981
Travel	25,820,649	42,100,577
Professional fee	2,682,005	1,417,555
Others	12,695,887	8,866,815

14. DIVIDEND REMITTED IN FOREIGN CURRENCY

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Number of Non-residents to whom dividend is paid (Nos.)	3	-
Number of Shares held by Non-residents (Nos.)	78,750	-
Amount remitted (Rs.)	102,375	-
Year to which the dividend related (Financial year)	2008-09	-

15. PAYMENT TO AUDITORS

Particulars	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
Statutory Audit fee	4,860,000	4,860,000
Tax Audit fee	470,000	470,000
Others	2,285,000	2,460,000
Reimbursement of expenses (including Service Tax)	1,298,722	1,327,105

16. 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 and 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. 2/- each (Rs. 10/- each pre 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. ESOP information is given for the number of shares after sub-division and Bonus issue.

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2010 (Contd.)

The summary of options granted is as follows:

Particulars	Grant I		Grant II		Grant III		Grant IV		Grant V*			Grant VI*		
									Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
Date of Grant	02-Aug-05	02-Aug-05	11-Aug-05	11-Aug-05	05-Jun-07	05-Jun-07	28-Jul-08	28-Jul-08	26-Oct-09	26-Oct-09	26-Oct-09	23-Jan-10	23-Jan-10	23-Jan-10
Date of Vesting	02-Aug-06	02-Aug-06	11-Aug-06	11-Aug-06	05-Jun-08	05-Jun-08	28-Jul-09	28-Jul-09	26-Oct-10	26-Oct-11	26-Oct-12	23-Jan-11	23-Jan-12	23-Jan-13
Live options at the beginning of the year (Nos.)	92,430	667,180	34,125	34,125	447,879	750,000	1,274,550	-	-	-	-	-	-	-
Granted during the year (Nos.)	-	-	-	-	-	-	-	1,282,050	1,865,803	1,865,803	1,865,804	181,240	181,240	181,240
Forfeited/ lapsed till vesting period (Nos.)	-	-	-	-	-	293,419	37,500	7,500	50,575	50,575	50,575	15,290	15,290	15,290
Options Vested (Nos.)	-	-	-	-	-	456,581	1,237,050	-	-	-	-	-	-	-
Forfeited/ lapsed post vesting (Nos.)	13,944	294,627	-	-	8,702	8,702	18,750	-	-	-	-	-	-	-
Options exercised (Nos.)	78,486	280,123	34,125	-	-	-	-	-	-	-	-	-	-	-
Outstanding/ exercisable at the end of the year (Nos.)	-	92,430	-	34,125	439,177	447,879	1,218,300	1,274,550	1,815,228	1,815,228	1,815,229	165,950	165,950	165,950
Exercise Price (Rs.)	24.00	24.00	31.60	31.60	121.62	121.62	88.70	88.70	72.20	72.20	72.20	69.20	69.20	69.20
Remaining Contractual Life (Days)	-	123	-	132	431	795	849	1,214	1,304	1,669	2,035	1,393	1,758	2,124
Fair value of the options based on Black and Scholes Model (Rs.)	13.15	13.15	9.63	9.63	37.23	37.23	32.09	32.09	32.00	34.77	36.64	30.47	32.91	34.74
Intrinsic Value of the options granted (Rs.)	7.35	7.35	-	-	-	-	-	-	-	-	-	-	-	-

* During the year, the Compensation/ Remuneration Committee at its meeting held on October 26, 2009 has approved Grant V of 5,597,410 options (post bonus and split) and at its meeting held on January 23, 2010 has approved Grant VI of 543,720 options (post bonus and split) out of the options under ESOP Plan 2005, to Senior Managerial Personnel of the Company. Options under both these grants shall be vested in 3 equal installments over three years period from the date of grant.

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2010 (Contd.)

The assumptions used by independent valuers, for determination of fair value of a share of Rs. 2/- each fully paid up as per the Black & Scholes Model are as follows:

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V			Grant VI		
					Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3
Market price considered (Rs.)	31.35	31.60	121.62	88.70	72.20	72.20	72.20	69.20	69.20	69.20
Exercise price (Rs.)	24.00	31.60	121.62	88.70	72.20	72.20	72.20	69.20	69.20	69.20
Dividend yield	Not considered	Not considered	2.79%	2.04%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%
Volatility	14%	14%	45.47%	51.81%	71.63%	66.14%	61.68%	71.56%	65.68%	61.44%
Average life of the options (in years)	2.5	2.5	2.5	2.5	2.5	3.5	4.5	2.5	3.5	4.5
Risk free rate	7%	7%	7.93%	9.24%	6.55%	6.92%	7.19%	6.19%	6.51%	6.80%

Other information regarding employee share based payment is as below:

(Amount in Rs.)

Particulars	Grant I		Grant II		Grant III		Grant IV		Grant V			Grant VI		
									Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
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. 11,722,216/- (Previous year Rs. 5,008,418/-)]	-	-	-	-	-	4,498,765	10,574,007	23,143,506	20,575,115	11,178,074	7,852,836	334,011	180,379	126,940

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

17. 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 ended March 31, 2010 (Rs. Lacs)	Year ended March 31,2009 (Rs. Lacs)
• Employers' Contribution to Provident Fund Trust	233.91	247.04
• Employers' Contribution to Superannuation Fund	87.76	99.95
• Employers' Pension Scheme	135.43	136.93

Contribution towards Provident Fund, Superannuation Fund and Pension Scheme to the defined contribution plans includes following cost for Key Managerial Personnel:

	Year ended March 31, 2010 (Rs. Lacs)	Year ended March 31,2009 (Rs. Lacs)
• Employers' Contribution to Provident Fund Trust	12.62	15.33
• Employers' Contribution to Superannuation Fund	13.75	16.80
• Employers' Pension Scheme	0.06	0.18

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, 2010. Therefore, no additional provision for the year has been recommended by the actuary.

II. **Compensated Absences**

(Amount in Rs. Lacs)

Particulars	As at March 31, 2010	As at March 31, 2009
i) **Change in Present value of obligation:**		
Present value of obligation as at the beginning of the year	**1,110.94**	**1,002.44**
Past service cost/ (gain)*	(315.00)	-
Current service cost**	140.64	119.07
Interest cost	88.65	-
Benefits paid	(5.74)	(10.57)
Actuarial (gain)/ loss on obligations	(244.48)	-
Present value of obligation as at the end of the year	**775.01**	**1,110.94**

* Past accumulation of compensated absences has been reduced from 90 days to 60 days pursuant to change in company policy.

** Current service cost is gross of recoveries/ (net of credits) from/ to Associates & Subsidiaries [Current year Rs. (15.96) lacs, Previous year Rs. (19.90) Lacs]

Particulars	As at March 31, 2010	As at March 31, 2009
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, an actuarial valuation was carried out in respect of contribution to Gratuity Fund.

(Amount in Rs. Lacs)

Particulars	As at March 31, 2010	As at March 31, 2009
i) Change in Present value of Obligation:		
Present value of obligation as at the beginning of the year	**724.44**	**643.56**
Interest Cost	54.87	51.49
Current service cost	98.59	87.37
Benefits Paid	(76.89)	(91.49)
Actuarial (gain)/ loss on Obligations	(43.19)	33.51
Present value of obligation as at the end of the year	**757.82**	**724.44**

(Amount in Rs. Lacs)

Particulars	As at March 31, 2010	As at March 31, 2009
ii) Change in Plan Assets:		
Fair value of Plan Assets as at the beginning of the year	**665.91**	**595.93**
Expected return on Plan Assets	63.22	55.72
Contributions*	97.34	108.37
Benefits Paid	(76.89)	(91.49)
Actuarial (loss)/ gain on Plan Assets	(2.82)	(2.62)
Fair value of Plan Assets as at the end of the year	**746.76**	**665.91**

* Contributions include Recoveries from Associates and Subsidiaries.

(Amount in Rs. Lacs)

Particulars	As at March 31, 2010	As at March 31,2009	As at March 31, 2008
iii) Amount of Asset/ (Liability) recognised in the Balance Sheet:			
Fair value of Plan Assets as at the end of the year	746.76	665.91	595.93
Present value of obligation as at the end of the year	757.82	724.44	643.56
Asset/ (Liability) Recognised in Balance Sheet	**(11.06)**	**(58.53)**	**(47.63)**

(Amount in Rs. Lacs)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
iv) Net Gratuity Cost recognised in Profit and Loss Account:		
Current service cost	98.59	87.37
Interest cost	54.87	51.49
Expected return on Plan Assets	(63.22)	(55.72)
Net Actuarial (gain)/ loss recognised during the year	(40.37)	36.13
Expense recognised in Profit and Loss Account*	**49.87**	**119.27**
Actual return on Plan Assets	60.40	53.10
*Gross of Recoveries from Associates & Subsidiaries Rs. 2.03 Lacs (Previous year Rs. 5.79 Lacs), also includes Rs. 9.11 Lacs (Previous year Rs. 18.12 Lacs) towards contribution for Key Managerial Personnel.		

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	9.40%	9.35%

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 of India 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

C) The Company has accounted for unclaimed employee related reimbursements in respect of earlier years, aggregating to Rs. 327.23 Lacs, based on maximum possible liability payable by the Company in this respect.

18. 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 and rendering services. 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, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
Opening stock	3,369,474	13,087,184
Purchases	762,349,943	162,423,826
Stock written off/ provision for obsolescence	-	9,284,957
Sales	815,243,184	173,435,372
Closing stock	1,755,037	3,369,474

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 material:**

Particulars	Year ended March 31, 2010		Year ended March 31, 2009	
	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)
Opening stock				
- Courseware	989,083	89,050,728	1,031,979	98,136,738
Purchase/ printed				
- Courseware	10,909,435	673,146,932	7,798,015	600,690,204
- Technical Information & Reference Material (Produced/ Duplicated)	-	8,463,228	-	5,867,049
Stock written off/ provision for obsolescence				
- Courseware	-	4,264,705	-	9,125,437
Sales				
- Courseware*	10,879,086	2,267,411,796	7,840,911	2,581,114,627
- Technical Information & Reference Material	-	192,468,728	-	368,512,816
Closing Stock				
- Courseware	1,019,432	99,575,690	989,083	89,050,728

* 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. 2,976,597,336/- (Previous year Rs. 2,333,105,859/-).

19. MANAGERIAL REMUNERATION

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

Particulars	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
Profit before taxation as per Profit and Loss Account (after exceptional items)	448,453,854	635,187,264
Less: Profit on sale of undertakings/ investments	(115,000)	(102,229,975)
Less: Bad debts written off net of provision for doubtful debts and advances	(98,426,996)	18,122, 994
Add: Depreciation included in books of accounts	541,792,739	402,413,434
Less: Depreciation specified under section 350	(456,470,934)	(331,942,667)
Net Profit under Section 349 of the Companies Act, 1956	**435,233,663**	**621,551,050**
Add: Directors' Remuneration (Including Non Executive Directors remuneration)	33,207,208	33,355,755
Net Profit under Section 198 of the Companies Act, 1956	**468,440,871**	**654,906,805**
Maximum remuneration allowable under section 198 of the Companies Act, 1956, restricted to 11% of Net Profit.	51,528,496	72,039,749
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.	4,684,409	6,549,068

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, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
Salary, perquisites and allowances	21,172,910	25,272,267
Contribution to provident fund and other funds	3,554,298	5,043,488
Performance Linked Bonus	6,000,000	-
Total	**30,727,208**	**30,315,755**

b. **Non Executive Directors' Remuneration**

Particulars	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
Commission to Non Executive Directors	2,000,000	2,000,000
Sitting Fees	480,000	1,040,000
Total	**2,480,000**	**3,040,000**

20. 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.)
Prudential ICICI MF	-	-	5,005,127	50,000,000	5,005,127	50,061,284	-	-	-
Franklin Templeton Funds	-	-	74,989	75,000,000	74,989	75,039,105	-	-	-
HDFC MF	-	-	4,082,996	50,000,000	4,082,996	50,056,718	-	-	-
Birla Sun Life Mutual Fund	-	-	7,489,463	75,000,000	7,489,463	75,040,676	-	-	-
TOTAL	-	-	**16,652,575**	**250,000,000**	**16,652,575**	**250,197,783**	-	-	-
Previous year	-	-	*11,265,437*	*250,000,000*	*11,265,437*	*250,311,068*	-	-	-
Profit from sale of units Rs. 197,783/- (Previous year Rs. 311,068/-) is included in Other Income in Schedule 14.									

* Includes additional units received under dividend reinvestment plan.

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

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 GIS Limited
   3. 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)

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

NIIT Limited

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 (Note 2)	17,565,131 (9,790,734)	- (-)	- (-)	- (-)	- (-)	17,565,131 (9,790,734)
Sale of Goods (Note 3)	- (120,000)	- (-)	- (-)	- (-)	2,459,290 (2,695,405)	2,459,290 (2,815,405)
Purchase of Fixed Assets (Note 4)	5,460,000 (10,152,602)	- (8,992,473)	- (-)	- (-)	- (-)	5,460,000 (19,145,075)
Sale of Fixed Assets (Note 5)	- (-)	- (373,477)	- (-)	- (-)	- (214,004,013)	- (214,377,490)
Rendering of Services (Note 6)	467,266,769 (507,134,865)	5,457,650 (5,993,065)	- (-)	- (-)	- (-)	472,724,419 (513,127,930)
Receiving of Services (Note 7)	34,133,773 (26,110,177)	8,128,918 (7,446,152)	- (-)	- (-)	- (-)	42,262,691 (33,556,329)
Recovery of Expenses from (Note 8)	18,944,387 (37,779,341)	5,359,937 (11,693,209)	- (-)	- (-)	3,526,458 (8,617,772)	27,830,782 (58,090,322)
Recovery of Expenses by (Note 9)	3,886,116 (3,971,162)	9,598,975 (10,860,791)	- (-)	- (-)	- (1,336,490)	13,485,091 (16,168,443)
Finance:						
- Investments made (Note 10)	162,686,879 (63,000,000)	- (-)	- (-)	- (-)	- (-)	162,686,879 (63,000,000)
- Loans Given (Note 11)	37,910,000 (421,900,000)	- (-)	- (-)	- (-)	189,000,000 (179,500,000)	226,910,000 (601,400,000)
- Loans Given Received Back (Note 12)	347,640,000 (43,800,000)	- (-)	- (-)	- (-)	185,000,000 (57,000,000)	532,640,000 (100,800,000)
- Loans Taken (Note 13)	98,000,000 (96,500,000)	- (-)	- (-)	- (-)	- (-)	98,000,000 (96,500,000)
- Repayment of Loan taken (Note 14)	91,600,000 (220,300,000)	- (-)	- (-)	- (-)	- (-)	91,600,000 (220,300,000)
- Interest Income (Note 15)	37,322,084 (28,608,529)	- (-)	- (-)	- (-)	63,237,426 (46,603,507)	100,559,510 (75,212,036)
- Interest expenditure (Note 16)	12,769,803 (12,618,145)	- (-)	- (-)	- (-)	- (-)	12,769,803 (12,618,145)
Remuneration (Note 17)	- (-)	- (-)	30,727,208 (30,315,755)	- (-)	- (-)	30,727,208 (30,315,755)
Other Expenses (Note 18)	- (-)	- (-)	- (-)	1,056,000 (1,396,000)	15,432,000 (450,000)	16,488,000 (1,846,000)
Other Income (Note 19)	105,499,667 (100,085,869)	- (-)	- (-)	- (-)	- (1,103,631)	105,499,667 (101,189,500)
Dividend Income (Note 20)	78,289,000 (78,289,000)	- (-)	- (-)	- (-)	- (-)	78,289,000 (78,289,000)
Advance/ Security Deposit Recovered (Note 21)	- (-)	- (-)	- (-)	- (-)	- (24,058,720)	- (24,058,720)
Guarantees and Collaterals (Note 22)	811,989,000 (162,584,200)	- (-)	- (-)	- (-)	- (-)	811,989,000 (162,584,200)

Notes:

1. Previous year figures are given in parenthesis.
2. Includes Purchase of Goods from:
   - NIIT (USA) Inc. Rs. 158.10 Lacs (Previous year Rs. 89.71 Lacs)
   - Element K Corporation, USA Nil (Previous year Rs. 8.20 Lacs)
3. Includes Sale of Goods to:
   - NIIT Institute of Information Technology Rs. 24.59 Lacs (Previous year Rs. 26.95 Lacs)
   - NIIT Institute of Finance Banking and Insurance Training Limited Nil (Previous year Rs. 1.20 Lacs)
4. Includes Purchase of Fixed Assets from:
   - NIIT (USA) Inc. Nil (Previous year Rs. 94.28 Lacs)
   - Evolv Services Limited Rs. 54.60 Lacs (Previous year Rs. 7.25 Lacs)
   - NIIT Technologies Limited Nil (Previous year Rs. 89.92 Lacs)
5. Includes Sale of Fixed Assets to:
   - NIIT Technologies Limited Nil (Previous year Rs. 3.73 Lacs)
   - NIIT Institute of Information Technology Nil (Previous year Rs. 2,140.04 Lacs)
6. Includes Rendering of Services to:
   - NIIT (USA) Inc. Rs. 3,305.32 Lacs (Previous year Rs. 3,875.64 Lacs)
   - NIIT Antilles NV, Netherlands Antilles Rs. 944.94 Lacs (Previous year Rs. 492.66 Lacs)
   - NIIT Limited, UK Rs. 329.35 Lacs (Previous year Rs. 519.35 Lacs)
   - NIIT Technologies Limited Rs. 54.47 Lacs (Previous year Rs. 53.11 Lacs)
   - Evolv Services Limited Rs. 8.60 Lacs (Previous year Rs. 38.09 Lacs)
   - NIIT Institute of Finance Banking and Insurance Training Limited Rs. 79.00 Lacs (Previous year Rs. 97.19 Lacs)
   - NIIT Malaysia, Sdn. Bhd Nil (Previous year Rs. 48.14 Lacs)
7. Includes Receiving of Services from:
   - NIIT (USA) Inc. Rs. 150.23 Lacs (Previous year Rs. 176.70 Lacs)
   - NIIT GIS Limited Rs. 5.94 Lacs (Previous year Rs. 18.23 Lacs)
   - NIIT Smart Serve Limited, Rs. 75.35 Lacs (Previous year Rs. 74.46 Lacs)
   - Evolv Services Limited Rs. 133.30 Lacs (Previous year Rs. 66.17 Lacs)
   - NIIT Institute of Finance Banking and Insurance Training Limited Rs. 57.81 Lacs (Previous year Nil)
8. Includes Recovery of Expenses from:
   - Hole-in-the-Wall Education Limited Rs. 17.70 Lacs (Previous year Rs. 33.27 Lacs)
   - NIIT (USA) Inc. Rs. 37.09 Lacs (Previous year Rs. 41.17 Lacs)
   - NIIT Institute of Finance Banking and Insurance Training Limited Rs. 103.27 Lacs (Previous year Rs.184.26 Lacs)
   - NIIT Technologies Limited Rs. 38.57 Lacs (Previous year Rs. 88.36 Lacs)
   - NIIT GIS Limited Rs. 11.49 Lacs (Previous year Rs. 28.01 Lacs)
   - NIIT Institute of Information Technology Rs. 35.26 Lacs (Previous year Rs. 86.18 Lacs)
   - NIIT Institute of Process Excellence Limited Rs. 23.74 Lacs (Previous year Rs. 70.76 Lacs)
   - Element K Corporation, USA Nil (Previous year Rs. 43.59 Lacs)
   - NIIT Limited, UK Rs. 2.09 Lacs (Previous year Rs. 4.75 Lacs)

9. Includes Recovery of Expenses by:
   - NIIT Technologies Limited Rs. 95.99 Lacs (Previous year Rs. 108.61 Lacs)
   - NIIT Institute of Information Technology Nil (Previous year Rs. 8.02 Lacs)
   - NIIT (USA) Inc. Rs. 38.86 Lacs (Previous year Rs. 39.70 Lacs)
   - NIIT Limited, UK Nil (Previous year Rs. 5.35 Lacs)
10. Represents Investments made in:
   - NIIT Multimedia Limited Rs. 290.00 Lacs (Previous year Rs. 180.00 Lacs)
   - NIIT Institute of Finance Banking and Insurance Training Limited Rs. 405.00 Lacs (Previous year Nil)
   - Evolv Services Limited Rs. 181.87 Lacs (Previous year Nil)
   - NIIT Institute of Process Excellence Limited Rs. 750.00 Lacs (Previous year Rs. 450.00 Lacs)
11. Loans Given relates to:
   - Hole-in-the-Wall Education Limited Nil (Previous year Rs. 292.00 Lacs)
   - NIIT Institute of Finance Banking and Insurance Training Limited Rs. 125.00 Lacs (Previous year Rs. 135.00 Lacs)
   - NIIT Multimedia Limited Nil (Previous year Rs. 50.00 Lacs)
   - NIIT (USA) Inc. Rs. 241.10 Lacs (Previous year Rs. 3,605.00 Lacs)
   - NIIT Institute of Information Technology Rs. 1,890.00 Lacs (Previous year Rs. 1795.00 Lacs)
   - Evolv Services Limited Rs. 13.00 Lacs (Previous year Rs. 137.00 Lacs)
12. Loans Given Received Back relates to:
   - NIIT (USA) Inc. Rs. 3,361.40 Lacs (Previous year Nil)
   - Hole-in-the-Wall Education Limited Nil (Previous year Rs. 133.00 Lacs)
   - NIIT Multimedia Limited Nil (Previous year Rs. 85.00 Lacs)
   - NIIT Education Society Nil (Previous year Rs. 100.00 Lacs)
   - NIIT Institute of Information Technology Rs. 1850.00 Lacs (Previous year Rs. 470.00 Lacs)
   - NIIT Institute of Finance Banking and Insurance Training Limited Nil (Previous year Rs. 185.00 Lacs)
   - Evolv Services Limited Rs. 115.00 Lacs (Previous year Rs. 35.00 Lacs)
13. Loans Taken from:
   - Scantech Evaluation Services Limited Rs. 980.00 Lacs (Previous year Rs. 965.00 Lacs)
14. Repayment of Loans Taken:
   - Scantech Evaluation Services Limited Rs. 916.00 Lacs (Previous year Rs. 2,203.00 Lacs)
15. Interest Income from:
   - NIIT (USA) Inc. Rs. 300.25 Lacs (Previous year Rs. 227.70 Lacs)
   - Hole-in-the-Wall Education Limited Rs. 43.44 Lacs (Previous year Rs. 29.36 Lacs)
   - NIIT Multimedia Limited Nil (Previous year Rs. 5.91 Lacs)
   - NIIT Education Society Rs. 2.80 Lacs (Previous year Rs. 4.79 Lacs)
   - Evolv Services Limited Rs. 10.93 Lacs (Previous year Rs. 11.07 Lacs)
   - NIIT Institute of Information Technology Rs. 629.57 Lacs (Previous year Rs 461.24 Lacs)
   - NIIT Institute of Finance Banking and Insurance Training Limited Rs. 18.60 Lacs (Previous year Rs. 12.04 Lacs)
16. Interest Expenditure includes:
   - Scantech Evaluation Services Limited Rs. 127.70 Lacs (Previous year Rs. 126.18 Lacs)
17. Includes transactions for the year mainly with:
   - Rajendra S Pawar Rs. 90.06 Lacs (Previous year Rs. 109.84 Lacs)

- Vijay K Thadani Rs. 90.37 Lacs (Previous year Rs. 111.63 Lacs)
- P Rajendran Rs. 126.85 Lacs (Previous year Rs. 81.70 Lacs)

18. Other Expenses includes:
- Renuka Thadani Rs. 6.24 Lacs (Previous year Rs. 9.00 Lacs)
- Veena Oberoi Rs. 4.32 Lacs (Previous year Rs. 4.96 Lacs)
- Pace Industries Private Limited Rs. 4.32 Lacs (Previous year Rs. 4.50 Lacs)
- NIIT Institute of Information Technology Rs. 150.00 Lacs (Previous year Nil)

19. Other Income includes:
- NIIT (USA) Inc. Rs. 67.96 Lacs (Previous year Rs. 88.71 Lacs)
- NIIT Antilles NV, Netherlands Antilles Rs. 774.26 Lacs (Previous year Rs. 728.84 Lacs)
- NIIT Institute of Finance Banking and Insurance Training Limited Rs. 133.32 Lacs (Previous year Rs. 114.89 Lacs)
- NIIT Institute of Information Technology Nil (Previous year Rs 11.04 Lacs)
- NIIT Institute of Process Excellence Limited Rs. 42.19 Lacs (Previous year Rs. 40.71 Lacs)
- NIIT Limited, UK Rs. 10.11 Lacs (Previous year Rs. 6.81 Lacs)
- Hole-in-the-Wall Education Limited Rs. 8.33 Lacs (Previous year Rs. 9.59 Lacs)

20. Dividend Income includes:
- Scantech Evaluation Services Limited Rs. 782.89 Lacs (Previous year Rs. 782.89 Lacs)

21. Advance/ Security Deposit Recovered
- NIIT Institute of Information Technology Nil (Previous year Rs. 240.59 Lacs)

22. Guarantees and Collaterals:
- Element K Corporation, USA Rs. 1,124.37 Lacs (Previous year Rs. 1,525.84 Lacs)
- NIIT Institute of Finance Banking and Insurance Training Limited Rs. 100.00 Lacs (Previous year Nil)
- Hole-in-the-Wall Education Limited Rs. 70.00 Lacs (Previous year Nil)
- NIIT (USA) Inc Rs. 6,825.52 Lacs (Previous year Nil)
- Evolv Services Limited Nil (Previous year Rs. 100.00 Lacs)

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

Particulars	As at March 31, 2010			As at March 31, 2009		
	Recoverable	Payables	Guarantees & Collaterals Outstanding	Recoverable	Payables	Guarantees & Collaterals Outstanding
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Subsidiaries	524,889,252	144,350,976	2,913,317,200	904,384,974	154,684,333	2,375,055,100
Associates	3,575,552	2,461,529	-	1,024,072	16,607,962	-
Key Managerial Personnel	-	6,000,000	-	-	-	-
Parties in which Key Managerial Personnel of the Company are interested	444,175,620	2,194,883	-	457,190,712	1,860,039	-

22. During the year, the Company has disposed off its holding in Aesthetic Technologies Private Limited of 190,627 fully paid up Equity Shares of Rs. 10/- each for a consideration of Rs. 115,000/-. An equivalent amount of gain has been recognised, as the investment was fully provided for in the earlier years.

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2010 (Contd.)

23. The loan given to NIIT Institute of Information Technology outstanding as on March 31 2010 is Rs. 4,403 Lacs (at an annual Interest rate of 12%) after loan repayment of Rs 1,850 Lacs. The repayment of the principal amounts of the loan by NIIT Institute of Information Technology is scheduled to start from September 2014 in 20 quarterly installments. The above loan is subordinated to bank to the tune of Rs. 4,363 Lacs.

24. Disclosure pursuant to Clause 32 of Listing Agreement in respect of loans given to subsidiaries and other parties in which Key Managerial Personnel are interested:

Name of Company	Outstanding		Maximum Balance during the year	
	As at March 31, 2010 (Rs.)	As at March 31, 2009 (Rs.)	2009-10 (Rs.)	2008-09 (Rs.)
NIIT Multimedia Limited	-	-	-	8,500,000
Hole-in-the-Wall Education Limited	36,200,000	36,200,000	36,200,000	36,200,000
NIIT Institute of Finance Banking and Insurance Training Limited	26,000,000	13,500,000	26,000,000	18,500,000
Evolv Services Limited	-	10,200,000	11,500,000	13,500,000
NIIT (USA) Inc.	67,462,200	406,891,520	407,289,400	406,891,520
NIIT Education Society	3,500,000	3,500,000	3,500,000	13,500,000
NIIT Institute of Information Technology	440,300,000	436,300,000	615,300,000	483,300,000
Total	**573,462,200**	**906,591,520**	**1,099,789,400**	**980,391,520**

25. During the year, the Company has made further investment in the equity shares of Rs. 10 each in its subsidiary companies as follows:

i) Rs. 290 Lacs in NIIT Multimedia Limited,

ii) Rs. 405 Lacs in NIIT Institute of Finance Banking and Insurance Training Limited,

iii) Rs. 750 Lacs in NIIT Institute of Process Excellence Limited,

iv) Rs. 15 Lacs to acquire 1 Lac equity shares of Hole-in-the-Wall Education Limited from International Finance Corporation, USA.

26. The Company had acquired control in Evolv Services Limited ("Evolv") as on January 15, 2008 and was also issued 359,780 warrants, each warrant entitles to acquire one share of Evolv. During the year, the Company has exercised these warrants to acquire equal number of shares in the share capital of Evolv Services Limited at an exercise price of Rs. 50.55 per share aggregating to Rs. 18,186,879/- . 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 ("Call Option") the remaining shares of the sellers' shareholding beginning September 2009 at a call option price determined by price valuer as on the date of exercise of the call option.

27. The Company internally develops 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 abovementioned assets. The costs incurred during the year towards the development are as follows:

Description	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
Salary and Other employee benefits	94,104,260	99,113,691
Direct Production Overheads	11,506,893	27,191,021
Rent	5,000,827	5,271,116
Electricity and Water	4,756,434	3,379,313
Other Expenses	3,779,648	7,163,327
Total	**119,148,062**	**142,118,468**

28. The Company's wholly owned domestic subsidiary Scantech Evaluation Services Limited has declared dividend amounting to Rs. 782.89 lacs (Previous year Rs. 782.89 Lacs) in respect of which dividend distribution tax would be paid by the subsidiary. In terms of provisions of sub-section 1A of section 115O 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. 133.05 lacs (Previous year Rs. 133.05 lacs).

29. 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	57,769 (49,570)	83,712 (79,368)	5,957 (11,566)
America	4,406 (4,371)	- (-)	- (-)
Europe	334 (536)	- (-)	- (-)
Asia Pacific	8 (85)	- (-)	- (-)
Total	**62,517 (54,562)**	**83,712 (79,368)**	**5,957 (11,566)**

Previous year figures are given in parenthesis.

30. TAXATION

a) Upon finalisation of Income Tax Return of Assessment year 2009-10 an amount of Rs. 19.65 Lacs (Net) has been reversed during the year.

b) The Company is in the process of revising its Income Tax Returns for Previous years to claim expenses as referred to in Note 17(C) above.

c) Break up of Deferred Tax Assets/ Liabilities and reconciliation of Current year Deferred Tax Charge/ (Credit) is as follows:

(Amount in Rs. Lacs)

Deferred Tax Assets/Liabilities	Opening As on 01.04.2009	Charged/ (Credited) to Profit and Loss Account	Closing As on 31.03.2010
Deferred Tax Liabilities:			
Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	959	18	977
Total (A)	**959**	**18**	**977**
Deferred Tax Assets:			
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	(957)	335	(622)
- Provision for Inventory	(50)	32	(18)
- Provision for Compensated Absences, Bonus, Gratuity and other timing differences	(398)	126	(272)
- Deferred Income on sale and lease back transaction	-	(51)	(51)
Total (B)	**(1405)**	**442**	**(963)**
Net Deferred Tax Liabilities/ (Assets) (A+B)	**(446)**	**460**	**14**
Add: Deferred tax asset related to fair value loss on derivative instruments not charged in the Profit and Loss Account but accounted in the Balance Sheet (Refer Note 10 above)	(178)	178	-
Net Deferred Tax Liabilities/ (Assets)	**(624)**	**638**	**14**
Previous year	(955)	331	(624)

i. Deferred Tax Assets and Liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.

ii. Deferred Tax Asset on Long term capital loss has not been considered in absence of virtual certainty of availability of Long term capital gains.

31. a) Movement of Provision for Doubtful Debts

Particulars	Year ended March 31, 2010 (Rs. Lacs)	Year ended March 31, 2009 (Rs. L acs)
Opening Provision	2,683.76	2,506.38
Add: Additional Provision created	538.50	395.14
Less: Bad Debts written off	1,499.99	217.76
Closing Provision	1,722.27	2,683.76

b) Certain overdue debtors balances aggregating to Rs.1,509.10 Lacs (Previous year Rs. 1,623.90 Lacs) relating to government customers are not provided for based on confirmations/ acknowledgment for services rendered. The management is taking appropriate action for recovery of the amounts and is confident of recovery of the same.

32. EARNINGS PER SHARE

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Profit attributable to Equity Shareholders (Rs.) - (A)	311,696,334	472,105,955
Weighted average number of Equity Shares outstanding during the year (Nos.) - (B)	165,057,116	164,827,249
Nominal Value of Equity Shares (Rs.)	2/-	2/-
Basic Earnings per Share (Rs.) (A/B)	1.89	2.86
Add : Effect of Potential Dilutive Shares (being employee stock options- Refer Note 16 above) (Nos.)	-	1,476
Weighted average shares outstanding considered for determining Diluted Earnings per Share (Nos.) - (C)	165,057,116	164,828,725
Profit after considering increased earnings of Dilutive Shares (Rs.) (D)	311,696,334	472,105,955
Diluted Earnings per Share (Rs.) (D/C)	1.89	2.86
EARNINGS PER SHARE {had fair value method been employed for accounting of employee stock options (Refer Note 16 above)}		
Particulars	**Year ended March 31, 2010**	**Year ended March 31, 2009**
Profit attributable to Equity Shareholders (Rs.) -(E)	260,874,972	444,463,684
Profit attributable to Equity Shareholders for Diluted (Rs.) -(F)	260,874,972	444,463,684
Basic Earnings per Share (Rs.) (E/B)	1.58	2.70
Diluted Earnings per Share (Rs.) (F/C)	1.58	2.70

33. LEASES

a) **Operating Leases**

All significant operating leases entered into by the Company after March 31, 2001 are cancelable on giving a notice of 1 to 6 months.

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

Particulars	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
In respect of Premises*	276,279,592	292,338,598
In respect of Equipments**	31,884,126	35,475,853
In respect of Vehicles	7,404,177	6,208,491

* 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, Furniture & Fixtures and Software. 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 assets that have been capitalised are as follows:

Particulars	Minimum lease payments (Rs.)	Present value of lease payments (Rs.)
Not later than 1 year	32,066,932 (3,624,000)	19,195,999 (3,365,768)
Later than 1 year but not later than 5 years	122,859,383 (300,000)	97,593,826 (295,559)

Particulars	Amount (Rs.)
Minimum Lease Payments	154,926,315 (3,924,000)
Less : Finance Charges	38,136,490 (262,673)
Present Value of Lease Payments	116,789,825 (3,661,327)

Previous year figures are given in parenthesis.

34. Parties covered under Micro, Small and Medium Enterprises Development Act, 2006 for the year ended March 31, 2010 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 Act, 2006 are as follows:

(Amount in Rs. Lacs)

Particulars	2009-10	2008-09
a) the principal amount and the interest due thereon remaining unpaid to any supplier		
i) Principal amount	9.58	0.10
ii) Interest thereon	0.16	0.02
b) the amount of payment made to the supplier beyond the appointed day and the interest thereon, during an accounting year		
i) Principal amount	18.36	Nil
ii) Interest thereon	Nil	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	0.33	Nil
d) the amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	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	Nil

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2010 (Contd.)

35. During the Previous year, the Company had reviewed the estimated useful life of certain class of fixed assets which had resulted in increase of depreciation for the previous financial year by Rs. 129.20 Lacs with a corresponding impact on profit before taxes.

36. Other Income in the Previous year includes an amount of Rs. 957 Lacs on account of sale of 75 Acres of land and the project cost to NIIT Institute of Information Technology.

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

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

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

Rajendra S Pawar
Chairman and Managing Director
DIN - 00042516

Vijay K Thadani
CEO & Whole-time Director
DIN - 00042527

H. Singh
Partner
Membership No. F-86994

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary
& Legal Counsel

Place : New Delhi
Date : May 7, 2010

NIIT Limited

NIIT

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

REGISTRATION DETAILS

Registration No.	15865	State Code	55
Balance Sheet Date	31-03-2010		

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

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
Conversion of Bonds	NIL	Employees Stock Option	225

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

Total Liabilities	6447351	Total Assets	6447351

SOURCES OF FUNDS

Paid up Capital	330197	Reserves & Surplus	3609790
Deferred Tax Liabilities (Net)	1432	Secured Loans	1065542
Unsecured Loans	1440390		

APPLICATION OF FUNDS (AMOUNT IN Rs. THOUSANDS)

Net Fixed Assets	1899898	Investments	2012160
Net Current Assets	2535293	Accumulated Losses	NIL
Miscellaneous Expenditure	NIL		

PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)

Turnover	6447757	Total Expenditure	5999303
Profit/ (Loss) before Tax	448454	Profit/ (Loss) after Tax	311696
Earning per share (in Rs.)	1.89	Diluted Earning per share (in Rs.)	1.89
Dividend (%) - Equity	70.00		

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
DIN - 00042516

Vijay K Thadani
CEO & Whole-time Director
DIN - 00042527

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : May 7, 2010

Financial Summary of Subsidiary Companies as at March 31, 2010

(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	1,395,447	5,869,253	85,808	4,212,106 [Refer note 5 below]	-	(404,308)	-	(404,308)	-
Hole-in-the-Wall Education Limited	INR	66,000,070	(87,227,699)	33,269,924	54,497,553	-	29,837,346	(9,391,087)	4,224	(9,395,311)	-
Scantech Evaluation Services Limited	INR	99,100,000	39,533,865	230,507,991	91,874,126	98,198,200 [Refer note 6 below]	-	105,309,250	3,939,142	101,370,108	78,289,000
NIIT Multimedia Limited	INR	102,500,000	(3,268,891)	99,977,412	746,303	-	-	(667,786)	-	(667,786)	-
NIIT Institute of Finance Banking and Insurance Training Limited	INR	100,000,000	(157,885,450)	89,759,617	147,645,067	-	128,260,583	(99,264,487)	2,791,509	(102,055,996)	-
NIIT (USA) Inc., USA	USD	1,136,130,696	(486,655,937)	2,473,600,993	1,824,126,234	-	1,108,817,275	30,681,543	1,764,906	28,916,637	-
NIIT Ventures Inc., USA	USD	4,661	(161,513,188)	1,363,719,503	1,525,228,030	-	-	(30,395,933)	-	(30,395,933)	-
Element K India Private Limited	INR	320,120	94,082,625	117,171,688	22,768,943	-	138,208,157	18,063,991	3,470,000	14,593,991	-
Element K Corporation, USA	USD	466,151	(1,311,459,167)	1,712,539,110	3,023,532,126	-	3,580,656,141	75,433,136	(444,864)	75,878,000	-
Element K (UK) Limited	GBP	77,771	13,860,514	17,081,530	3,143,245	-	44,529,703	(1,634,493)	-	(1,634,493)	-
Element K Canada Inc.	CAD	388	(44,288,235)	46,817,173	91,105,020	-	192,461,824	3,990,229	-	3,990,229	-
PT NIIT Indonesia, Indonesia	IDR	7,560,000	(6,680,899)	879,101	-	-	-	-	-	-	-
NIIT Antilles NV, Netherlands Antilles	USD	1,644,127,480	(1,015,578,341)	845,184,634	216,635,495	-	647,809,630	165,902,518	4,392,608	161,509,910	-
NIIT Malaysia Sdn Bhd, Malaysia	MYR	71,098,787	(22,204,691)	70,433,388	21,539,292	-	28,300,612	7,186,409	-	7,186,409	-
NIIT GC Limited, Mauritius	USD	97,181,720	(78,800,156)	60,329,127	41,947,563	-	6,113,140	(1,826,770)	-	(1,826,770)	-
NIIT China (Shanghai) Limited, Shanghai	CNY	10,250,891	57,992,665	188,147,979	119,904,423	-	264,113,022	(8,600,103)	(2,970,554)	(5,629,549)	-
PCEC NIIT Institute of Information Technology, Shanghai	CNY	33,144,622	(33,140,912)	3,710	-	-	27,817,514	(467,351)	-	(467,351)	-
NIIT Wuxi Service Outsourcing Training School, China	CNY	4,503,360	16,097,701	38,976,446	18,375,385	-	53,857,429	25,875,299	6,551,918	19,323,381	-
NIIT Limited, U.K.	GBP	12,649,466	1,396,004	148,915,662	134,870,192	-	208,404,428	(790,014)	(457,932)	(332,082)	-
Evolv Services Limited	INR	14,607,733	404,284	54,380,303	39,368,286	-	89,441,692	789,525	-	789,525	-
NIIT Institute of Process Excellence Limited	INR	150,000,000	(109,600,000)	62,668,875	22,268,875	-	69,328,140	(56,736,014)	-	(56,736,014)	-
Chongqing NIIT Education Consulting Limited, China	CNY	3,681,180	(7,901)	14,455,950	10,782,671	-	9,116,451	(4,058,664)	(753,615)	(3,305,049)	-
Wuxi NIIT Information Technology Consulting Limited, China	CNY	5,732,480	(342,768)	5,483,642	93,930	-	-	(22,660)	-	(22,660)	-
Changzhou NIIT Information Technology Consulting Limited, China	CNY	3,434,150	(808,034)	2,658,594	32,478	-	-	(689,978)	-	(689,978)	-

Local currency of the respective entity 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 share application money.
3. Reserves include Currency Translation Reserve.
4. Total Assets 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, 2010 are as follows:

1 IDR = 0.0050 INR 1 CNY = 6.5879 INR 1 BHD = 119.2854 INR
1 CAD = 44.2876 INR 1 USD = 44.9748 INR 1 GBP = 68.2552 INR
1 MYR = 13.7854 INR

AUDITORS' REPORT - Consolidated Financial Statement of NIIT Limited and its subsidiaries

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

1. We have audited the attached Consolidated Balance Sheet of NIIT Limited (the "Company") and its subsidiaries and associate company; hereinafter referred to as the "Group" (refer Note 10 on Schedule 23 to the attached consolidated financial statements) as at March 31, 2010, the related Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of seventeen subsidiaries included in the consolidated financial statements, which constitute total assets of Rs.15,917 lacs and total liabilities of Rs.6,190 lacs as at March 31, 2010 and total revenue of Rs.14,043 lacs, total expenses of Rs.12,981 lacs and net cash flows amounting to Rs.50 lacs for the year then ended on that date considered in the 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 on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors. Also we did not audit the financial statements of one associate company whose share of net loss of Rs.71 lacs for the period upto December 31, 2009 has been considered in these financial statements. The share of net loss has been considered based on unaudited financial statements provided by the Company.

4. We report that the consolidated financial statements have been prepared by the Company's Management 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 notified under sub-section 3C of Section 211 of the Companies Act, 1956.

5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;

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

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

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

H. Singh
Partner
Membership No. F-86994

Place : New Delhi
Date : May 7, 2010

CONSOLIDATED BALANCE SHEET as at March 31, 2010

	Schedule No./ (Note Reference)		As at March 31, 2010 (Rs.)		As at March 31, 2009 (Rs.)
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	'1'	330,197,194		329,971,972	
Employees Stock Option Outstanding	'1A'	-		679,662	
Reserves and Surplus	'2'	4,630,573,382		4,163,872,632	
Currency Translation Reserve	'2A'	82,110,198	5,042,880,774	280,583,954	4,775,108,220
MINORITY INTEREST	'3'		21,816,195		6,119,550
LOAN FUNDS					
Secured Loans	'4'		2,535,256,460		2,520,939,252
Unsecured Loans	'5'		1,510,444,714		960,224,261
			9,110,398,143		8,262,391,283
APPLICATION OF FUNDS					
FIXED ASSETS	'6'				
Gross Block		8,137,575,250		7,842,875,434	
Less: Depreciation		3,221,423,594		2,728,678,186	
Net Block			4,916,151,656		5,114,197,248
Capital work-in-progress (including Capital Advances)			447,850,221		616,130,708
INVESTMENTS	'7'		1,274,416,109		1,066,354,811
DEFERRED TAX ASSETS (Net)	'23[(1(xiv) & 29]'		297,520,463		343,982,815
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	'8'	125,934,835		96,694,395	
Sundry Debtors	'9'	3,402,680,873		2,903,698,119	
Cash and Bank Balances	'10'	615,936,286		747,394,937	
Other Current Assets	'11'	697,787,052		385,663,288	
Loans & Advances	'12'	1,538,037,171		1,499,837,686	
		6,380,376,217		5,633,288,425	
Less : CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	'13'	3,785,097,923		4,067,516,770	
Provisions	'14'	421,743,933		445,062,089	
		4,206,841,856		4,512,578,859	
Net Current Assets			2,173,534,361		1,120,709,566
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	'15'		925,333		1,016,135
			9,110,398,143		8,262,391,283

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.

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

Rajendra S Pawar
Chairman and Managing Director
DIN - 00042516

Vijay K Thadani
CEO & Whole-time Director
DIN - 00042527

H. Singh
Partner
Membership No. F-86994

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : May 7, 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended March 31, 2010

	Schedule No./ (Note Reference)	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
INCOME			
Revenue from Operations	'16'	11,993,488,013	11,485,591,665
Other Income	'17'	43,089,587	203,923,458
		12,036,577,600	11,689,515,123
EXPENDITURE			
Personnel	'18'	3,016,965,264	3,323,128,227
Development, Production and Execution	'19'	4,804,300,727	4,292,948,898
Administration and Others	'20'	1,687,985,349	1,789,825,710
Selling and Marketing	'21'	955,072,262	894,265,523
Interest and Finance Charges	'22'	332,698,372	249,322,035
Depreciation and Amortisation	'6'	751,125,534	646,765,293
		11,548,147,508	11,196,255,686
Profit before Tax and share of Associates' profit		**488,430,092**	**493,259,437**
Tax Expense	'23[(1(xiv) & 29]'		
- Current		130,506,529	107,738,406
- Deferred charge/ (credit)		(10,918,114)	(31,454,758)
- Fringe Benefits Tax		-	27,519,419
- Provision for Tax relating to earlier years/ (credit)		(11,323,013)	-
Profit after Tax before share of Associates' profit		**380,164,690**	**389,456,370**
Share of Associates' net profit	'7'	304,537,474	283,176,236
Profit after Tax after share of Associates' profit		**684,702,164**	**672,632,606**
Add : Net Loss attributable to Minority	'3'	17,602,159	24,969,807
Profit attributable to Equity shareholders		**702,304,323**	**697,602,413**
Balance brought forward from Previous year		2,895,709,041	2,558,389,120
Balance available for appropriation		**3,598,013,364**	**3,255,991,533**
APPROPRIATION			
Proposed Dividend on Equity Shares		231,133,836	214,477,882
Corporate Dividend Tax for Current year	'23(18)'	39,281,195	36,450,516
Transferred to General Reserve		41,306,644	57,290,602
Transferred to Debenture Redemption Reserve		202,063,492	52,063,492
		513,785,167	360,282,492
Balance Carried to Balance Sheet		3,084,228,197	2,895,709,041
		3,598,013,364	3,255,991,533
Earnings per Share	'23[(1(xviii) & 31]'		
- Basic		4.25	4.23
- Diluted		4.25	4.23
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.

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

Rajendra S Pawar
Chairman and Managing Director
DIN - 00042516

Vijay K Thadani
CEO & Whole-time Director
DIN - 00042527

H. Singh
Partner
Membership No. F-86994

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : May 7, 2010

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2010

		Year ended March 31, 2010 (Rs.)		Year ended March 31, 2009 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before Tax and share of Associates' profit		**488,430,092**		**493,259,437**
Adjustments for:				
Depreciation and Amortisation	751,125,534		646,765,293	
Interest Expenses	308,430,624		204,178,957	
Interest Income	(75,522,627)		(53,249,033)	
(Profit)/ Loss on Fixed Assets sold	11,028,508		(93,760,212)	
(Profit)/ Loss on sale of Investments	1,570,773		(7,059,757)	
Miscellaneous Expenditure written off	90,802		90,802	
Provision for Doubtful Debts	177,414,467		157,040,477	
Provision for Doubtful Advances	458,706		384,400	
Provision for slow/ non-moving Inventory	5,433,553		27,485,951	
Inventory Scrapped	-		8,205,582	
Government Grants	(3,032,876)		-	
Advances written off	3,003,807		2,116,456	
Liabilities/ Provisions no longer required written back	(24,336,587)		(45,059,903)	
Provision for Gratuity & Compensated Absences	(42,804,789)		28,954,804	
Foreign Exchange Adjustments	106,755,193		(24,126,942)	
Employees Stock Option Expenses	7,210,776	1,226,825,864	(2,055,546)	849,911,329
Operating profit before working capital changes		**1,715,255,956**		**1,343,170,766**
Add/ (Less): (Increase)/ Decrease in operating working capital:				
Trade Receivables	(707,830,924)		(1,006,964,547)	
Loans and Advances & Other Current Assets	(334,252,620)		(178,383,157)	
Inventories	(34,673,993)		(6,029,858)	
Current Liabilities and Provisions	(303,328,214)	(1,380,085,751)	953,475,850	(237,901,712)
Cash generated from operations		**335,170,205**		**1,105,269,054**
Taxes paid (including TDS)		(129,728,916)		(177,169,887)
Net cash from Operating activities (A)		**205,441,289**		**928,099,167**
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (including Capital Work-in-Progress)		(646,728,143)		(1,862,323,054)
Proceeds from sale of Fixed Assets		9,672,095		221,007,486
Proceeds from sale of Mutual Funds		250,697,783		272,059,757
Purchases of Mutual Funds		(250,000,000)		(250,000,000)
Purchase of Minority Shares in Subsidiary		(1,500,000)		-
Dividend Received		94,207,620		94,207,620
Loans given to NIIT Institute of Information Technology		(189,000,000)		(179,500,000)
Loans given to NIIT Institute of Information Technology received back		185,000,000		47,000,000
Loans given to NIIT Education Society received back		-		10,000,000
Interest Received		88,212,823		40,786,053
Net cash used for Investing activities (B)		**(459,437,822)**		**(1,606,762,138)**

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2010 (Contd.)

	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Receipt from issue of Shares in Subsidiaries from Minority Shareholders	26,792,992	16,498,233
Proceeds from fresh issue of Share Capital (including Share Premium)	2,962,014	6,722,952
Proceeds/ (Payments) from Term Borrowings	(1,150,000)	600,000,000
Loans repaid during the year	(581,963,142)	(179,708,061)
Proceeds from Working Capital Borrowings	491,736,550	89,766,813
Vehicle Loans repaid during the year	(5,627,547)	(11,337,029)
Proceeds/ (Payments) relating to Cash Credits (Net)	(64,831,820)	(81,123,862)
Issue of Non Convertible Debentures	600,000,000	1,000,000,000
Interest Paid (including financing charges on finance lease arrangements)	(312,193,343)	(193,686,321)
Dividend Paid	(213,471,067)	(214,149,458)
Dividend Tax Paid	(36,450,516)	(36,388,628)
Government Grants received during the year	-	8,997,836
Net cash from/ (used in) Financing activities (C)	**(94,195,879)**	**1,005,592,475**
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	**(348,192,412)**	**326,929,503**
Adjustment on account of Foreign Exchange Fluctuations	216,733,761	(375,782,915)
Cash and Cash Equivalents as at the beginning of the year (Note 1)	**747,394,937**	**796,248,349**
Cash and Cash Equivalents as at the end of the year (Note 1)	**615,936,286**	**747,394,937**

Notes:

1. **Cash and Cash Equivalents as on**

	March 31, 2010 (Rs.)	March 31, 2009 (Rs.)
Cash, Cheques & Drafts (in hand) and Remittances in transit	109,897,770	298,538,750
Balances with banks [Includes Rs. 42,273,754/- (Previous year Rs. 43,047,754/-) pledged as margin money]	506,038,516	448,856,187
	615,936,286	**747,394,937**

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/ recast wherever necessary to conform to the Current year's classification.

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

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

Rajendra S Pawar
Chairman and Managing Director
DIN - 00042516

Vijay K Thadani
CEO & Whole-time Director
DIN - 00042527

H. Singh
Partner
Membership No. F-86994

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : May 7, 2010

SCHEDULES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2010

Schedule No.		As At March 31, 2010 (Rs.)	As At March 31, 2009 (Rs.)
1	**SHARE CAPITAL**		
	Authorised		
	250,000,000 Equity Shares of Rs. 2/- each (Previous year 250,000,000 Equity Shares of Rs. 2/- 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		
	165,101,597 Equity Shares of Rs. 2/- each (Previous year 164,988,986 Equity Shares of Rs. 2/- each)	330,203,194	329,977,972
		330,203,194	**329,977,972**
	Subscribed		
	165,095,597 Equity Shares of Rs. 2/- each (Previous year 164,982,986 Equity Shares of Rs. 2/- each)	330,191,194	329,965,972
		330,191,194	**329,965,972**
	Paid-up		
	165,095,597 Equity Shares of Rs. 2/- each (Previous year 164,982,986 Equity Shares of Rs. 2/- each)	330,191,194	329,965,972
	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 142,176,960 Equity Shares of Rs. 2/- 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.		
		330,197,194	**329,971,972**
1A	**EMPLOYEES STOCK OPTION OUTSTANDING**		
	[Refer Notes 1(ix) and 8 on Schedule 23]		
	Employees Stock Option Outstanding	-	679,662
		-	**679,662**

SCHEDULES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2010 (Contd.)

Schedule No.			As At March 31, 2010 (Rs.)		As At March 31, 2009 (Rs.)
2	**RESERVES AND SURPLUS**				
	(Refer Notes 1(xi), 6, 8 and 22 on Schedule 23)				
	Share Premium				
	As per Last Balance Sheet	532,383,038		524,160,493	
	Add: Additions during the year on account of exercise of ESOP's	3,313,926	535,696,964	8,222,545	532,383,038
	Capital Reserve		55,999,900		55,999,900
	General Reserve (Note 1 below)				
	As per Last Balance Sheet	653,249,733		595,959,131	
	Add: Transferred from Profit and Loss Account	41,306,644	694,556,377	57,290,602	653,249,733
	Hedging Reserve Account (Debit Balance)				
	Hedging Reserve	-		(52,310,874)	
	Deferrred Tax Asset on Hedging Reserve	-	-	17,780,466	(34,530,408)
	Debenture Redemption Reserve				
	As per Last Balance Sheet	52,063,492		-	
	Add: Transfer from Profit and Loss Account	202,063,492	254,126,984	52,063,492	52,063,492
	Government Grant				
	Opening Balance	8,997,836		-	
	Add: Grant received during the year	-		8,997,836	
	Less: Income recognised during the year	(3,032,876)	5,964,960	-	8,997,836
	Profit and Loss Account		3,084,228,197		2,895,709,041
	Notes :				
	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 and Loss Account balance as it is not practical to give movement thereof.				
			4,630,573,382		**4,163,872,632**
2A	**CURRENCY TRANSLATION RESERVE**				
	[Refer Notes 1(x) and 29 on Schedule 23]				
	As per Last Balance Sheet		280,583,954		(43,027,957)
	Increase/ (Decrease) during the year on translation of balances		(198,473,756)		323,611,911
			82,110,198		**280,583,954**
3	**MINORITY INTEREST**				
	[Refer Notes 1(i), 10(1), 12, 14, 15 and 20 on Schedule 23]				
	As per Last Balance Sheet		6,119,550		14,591,124
	Add : Increase in Minority Share Capital		26,792,992		16,498,233
	Add: Increase in Minority Share due to increase in Networth on account of further Investment in Subsidiary		6,505,812		-
	Less: Minority Share in loss of Current year		(17,602,159)		(24,969,807)
	[Minority Share of loss of the Subsidiary Companies in excess of their interest of Rs. 10,094,145/- (Previous year Rs. 4,263,074/-) has been absorbed by the Majority Shareholders]				
			21,816,195		**6,119,550**

Schedule No.			As At March 31, 2010 (Rs.)		As At March 31, 2009 (Rs.)
4	**SECURED LOANS**				
	[Refer Notes 2 and 5 on Schedule 23]				
	Loans from Banks				
	- Rupee Term Loans	-		122,916,662	
	- Other Term Loans	787,059,000		1,246,105,480	
	- Short Term Loans	666,739,717		-	
	- Cash Credit	80,047,928		144,879,748	
	- Vehicle Loans	1,409,815	1,535,256,460	7,037,362	1,520,939,252
	[Loans due within one year Rs. 982,973,132/- (Previous year Rs. 483,996,944/-)]				
	Non Convertible Debentures (Refer Notes below)		1,000,000,000		1,000,000,000
			2,535,256,460		**2,520,939,252**

Notes:

(i) 12% Non Convertible Debentures to Life Insurance Corporation of India amounting to Rs. 500,000,000/- are redeemable at par as follows:

Redemption Date	Value to be redeemed (Rs.)
20th October 2013	166,666,667
20th October 2014	166,666,667
20th October 2015	166,666,666
	500,000,000

(ii) 11.25% Non Convertible Debentures to Indian Overseas Bank amounting to Rs. 500,000,000/- are redeemable at par as follows:

Redemption Date	Value to be redeemed (Rs.)
17th March 2012	100,000,000
17th March 2013	200,000,000
17th March 2014	200,000,000
	500,000,000

Schedule No.		As At March 31, 2010 (Rs.)	As At March 31, 2009 (Rs.)
5	**UNSECURED LOANS**		
	[Refer Notes 1(xii), 5(vi) and 32(b) on Schedule 23]		
	Working Capital Loan	155,130,246	330,133,413
	Short Term Loan from Banks	100,000,000	600,000,000
	Short Term Non Convertible Debentures (Refer note below)	600,000,000	-
	Short Term Loan from Others	506,850,000	8,000,000
	Deferred Lease Obligations	148,464,468	22,090,848
	[Due within one year Rs. 32,387,557/- (Previous year Rs. 12,538,688/-)]		
		1,510,444,714	**960,224,261**

Note: Non Convertible Debentures held by Fortis Mutual Fund as on March 31, 2010 amounting to Rs. 600,000,000/- are redeemable at par on July 2, 2010.

6. Fixed Assets

[Refer Notes 1(ii), (iii), (iv), (x), (xii), (xiii), 4, 12, 15, 25, 27, 28 and 32(b) on Schedule 23]

(Amount in Rs.)

Description of Assets	GROSS BLOCK Cost as on 01.04.2009	Additions during the Year	Sales/ Adj. during the Year	Translation Adjustment Increase/ (Decrease)	Total as on 31.03.2010	DEPRECIATION AND AMORTISATION As on 01.04.2009	Charge For the Year	Sales/ Adj. during the Year	Translation Adjustment Increase/ (Decrease)	Total as on 31.03.2010	NET BLOCK As on 31.03.2010	As on 31.03.2009
Tangible												
Land												
- Freehold	20,507,577	-	-	-	20,507,577	-	-	-	-	-	20,507,577	20,507,577
- Leasehold	70,076,199	-	-	-	70,076,199	-	-	-	-	-	70,076,199	70,076,199
Building	208,891,024	427,862	-	-	209,318,886	23,712,740	3,407,337	-	-	27,120,077	182,198,809	185,178,284
Plant & Machinery												
- Owned	1,897,422,120	247,266,168	80,401,702	(24,038,477)	2,040,248,109	879,652,774	315,889,562	74,083,725	(18,689,910)	1,102,768,701	937,479,408	1,017,769,346
- Leased	26,797,663	24,227,905	54,397	(2,836,058)	48,135,113	10,778,585	8,043,676	28,428	(943,196)	17,850,637	30,284,476	16,019,078
Lease Hold Improvements	394,204,856	15,819,917	32,049,411	(845,395)	377,129,967	192,051,002	80,694,796	27,048,135	(1,137,611)	244,560,052	132,569,915	202,153,854
Furniture & Fixtures												
- Owned	215,766,408	18,206,668	17,701,678	(4,170,054)	212,101,344	107,814,564	28,075,255	13,109,759	(2,129,133)	120,650,927	91,450,417	107,951,844
- Leased	5,718,434	-	10,240	-	5,708,194	4,381,567	356,918	3,140	-	4,735,345	972,849	1,336,867
Vehicles	50,575,876	1,411,889	7,743,149	(1,680,335)	42,564,281	19,259,302	4,541,214	3,100,169	(1,548,556)	19,151,791	23,412,490	31,316,574
Sub Total (a)	**2,889,960,157**	**307,360,409**	**137,960,577**	**(33,570,319)**	**3,025,789,670**	**1,237,650,534**	**441,008,758**	**117,373,356**	**(24,448,406)**	**1,536,837,530**	**1,488,952,140**	**1,652,309,623**
Intangible (Educational Content/ Products)												
Software												
- Acquired	1,492,980,211	126,153,566	485,967	(93,878,303)	1,524,769,507	1,237,822,146	118,600,392	372,585	(88,934,527)	1,267,115,426	257,654,081	255,158,065
- Internally Generated	661,040,678	379,890,619	-	(68,649,079)	972,282,218	132,349,767	183,535,479	-	(16,635,720)	299,249,526	673,032,692	528,690,911
- Leased	8,479,002	124,436,000	-	(853,605)	132,061,397	3,768,443	6,136,569	-	2,066,623	11,971,635	120,089,762	4,710,559
Patents	12,599,915	3,541,656	-	-	16,141,571	7,510,943	1,844,336	-	-	9,355,279	6,786,292	5,088,972
Goodwill on Consolidation	2,668,239,118	8,005,812	-	(306,608,241)	2,369,636,689	-	-	-	-	-	2,369,636,689	2,668,239,118
Goodwill	109,576,353	-	-	(12,682,155)	96,894,198	109,576,353	-	-	(12,682,155)	96,894,198	-	-
Sub Total (b)	**4,952,915,277**	**642,027,653**	**485,967**	**(482,671,383)**	**5,111,785,580**	**1,491,027,652**	**310,116,776**	**372,585**	**(116,185,779)**	**1,684,586,064**	**3,427,199,516**	**3,461,887,625**
Total (a+b)	**7,842,875,434**	**949,388,062**	**138,446,544**	**(516,241,702)**	**8,137,575,250**	**2,728,678,186**	**751,125,534**	**117,745,941**	**(140,634,185)**	**3,221,423,594**	**4,916,151,656**	**5,114,197,248**
Previous year	**5,813,972,702**	**1,632,805,167**	**462,130,088**	**858,227,653**	**7,842,875,434**	**2,308,806,445**	**646,765,293**	**433,426,378**	**206,532,826**	**2,728,678,186**	**5,114,197,248**	
									Capital Work-in-Progress (including Capital Advances)		447,850,221	616,130,708

Notes : (i) Gross Block of Building includes 10 shares of Rs. 50 /- each in the Guru Vidya Co-operative Housing Society Limited.

(ii) Out of the total land as above, 25 acres of land amounting Rs. 6,521,625/- at Tehsil Behror, District Alwar is alloted for education purpose. This land cannot be transferred without the approval of the allotment authority.

Schedule No.

7 INVESTMENTS

[Refer Notes 1(i), (v) and 10(2) on Schedule 23]

A Trade, Long Term Investments (Amount in Rs.)

Particulars	As at 01.04.2009	Dividend	Share of Profit/ (Loss) in Associates	Loss on Sale of Investment	As at 31.03.2010
In Associates					
Aesthetic Technologies Private Limited					
- Net Assets Value	8,975,544	-	(7,094,882)	(1,880,662)	-
NIIT Technologies Limited					
- Capital Reserve	(415,866,458)	-	-	-	(415,866,458)
- Net Assets Value	1,467,945,725	(94,207,620)	311,632,356	-	1,685,370,461
Sub Total (A)	**1,061,054,811**	**(94,207,620)**	**304,537,474**	**(1,880,662)**	**1,269,504,003**

B Non - Trade short term investments

Particulars	As at 01.04.2009	Purchases	Sales	As at 31.03.2010
In Mutual Fund, Debts and Money Market Securities [Fair Market value as on March 31, 2010 Rs. 6,127,650/- (Previous year Rs. 6,387,334/-)]	5,300,000	250,000,000	(250,387,894)	4,912,106
Sub Total (B)	**5,300,000**	**250,000,000**	**(250,387,894)**	**4,912,106**
Total (A + B)	**1,066,354,811**			**1,274,416,109**

		As At March 31, 2010 (Rs.)		As At March 31, 2009 (Rs.)
8 INVENTORIES				
[Refer Note 1(vi) on Schedule 23]				
Raw Material		5,458,263		9,495,824
Finished Goods				
a) Education and Training Material*				
- Traded	104,135,866		78,416,086	
- Manufactured	9,723,886	113,859,752	5,236,334	83,652,420
b) Software**		6,616,820		3,546,151
		125,934,835		**96,694,395**

Notes :

* Net of provision for non-moving inventories of Rs. 7,590,162/- (Previous year Rs. 5,233,078/-).

** Net of provision for non-moving inventories of Nil (Previous year Rs. 12,436,982/-).

SCHEDULES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2010 (Contd.)

Schedule No.		As At March 31, 2010 (Rs.)	As At March 31, 2009 (Rs.)
9	SUNDRY DEBTORS		
	[Unsecured]		
	[Refer Note 30 on Schedule 23]		
	Outstanding over six months :		
	- Considered Good	1,090,639,342	684,911,532
	- Considered Doubtful	710,289,702	830,832,158
	Other Debts :		
	- Considered Good	2,312,041,531	2,218,786,586
	- Considered Doubtful	27,334,289	16,981,344
		4,140,304,864	3,751,511,620
	Less : Provision for Doubtful Debts	737,623,991	847,813,501
		3,402,680,873	**2,903,698,119**
10	CASH AND BANK BALANCES		
	Cash and Cheques in Hand	109,897,770	298,538,750
	Balances with Banks in :		
	- Current Accounts	458,018,826	389,807,134
	- Dividend Accounts	4,961,032	3,954,217
	- Fixed Deposit Accounts	42,292,898	54,299,162
	[Includes Rs. 42,273,725/- (Previous year Rs. 43,047,754/-) pledged as margin money]		
	Exchange Earners' Foreign Currency Account	765,760	795,674
		615,936,286	**747,394,937**
11	OTHER CURRENT ASSETS		
	(Unsecured, considered good)		
	(Refer Note 1(vii) on Schedule 23)		
	Interest Receivable	1,070,971	13,761,167
	Unbilled Revenue (Net)	696,716,081	371,902,121
		697,787,052	**385,663,288**

Schedule No.		As At March 31, 2010 (Rs.)		As At March 31, 2009 (Rs.)
12 LOANS & ADVANCES				
(Unsecured, considered good except where otherwise stated)				
[Refer Notes 1(xiv), (xvi), 11 and 19 on Schedule 23]				
Loan to NIIT Education Society		3,500,000		3,500,000
Loan to NIIT Institute of Information Technology		440,300,000		436,300,000
Deferred Expenses				
- Commission	186,086,609		168,555,273	
- Royalty	107,457,520	293,544,129	76,824,064	245,379,337
Advances recoverable in cash or in kind or for value to be received				
- Considered Good	328,945,047		382,973,134	
- Considered Doubtful	6,513,715		7,652,933	
	335,458,762		390,626,067	
Less : Provision for Doubtful Advances	6,513,715	328,945,047	7,652,933	382,973,134
Security Deposits				
- Considered Good	366,270,082		354,533,168	
- Considered Doubtful	5,047,157		6,186,175	
	371,317,239		360,719,343	
Less : Provision for Doubtful Security Deposits	5,047,157	366,270,082	6,186,175	354,533,168
Advance payment of Fringe Benefit Tax	96,919,894		96,926,342	
Less: Provision for Fringe Benefit Tax	(94,957,919)	1,961,975	(95,018,742)	1,907,600
Advance Tax	724,632,632		598,958,547	
Less : Provision for Tax	(622,866,694)	101,765,938	(525,464,100)	73,494,447
MAT Credit entitlement		1,750,000		1,750,000
		1,538,037,171		**1,499,837,686**

SCHEDULES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2010 (Contd.)

Schedule No.		As At March 31, 2010 (Rs.)		As At March 31, 2009 (Rs.)
13 CURRENT LIABILITIES				
(Refer Notes 1(vii), (xi) and 6 on Schedule 23)				
Sundry Creditors		2,106,527,522		2,412,298,106
Advances from Customers		429,436,026		391,955,875
Security Deposits		3,285,215		7,647,360
Interest accrued but not due on Loans		20,681,256		24,443,975
Deferred Revenue		1,091,127,622		1,018,151,677
Unclaimed Dividend *		4,961,032		3,954,217
Unclaimed Fractional Share Payment		234,658		236,652
Other Liabilities		128,844,592		156,518,034
Derivative Instrument Fair Value Liability		-		52,310,874
* There are no amounts due for payment to the Investor Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.				
		3,785,097,923		4,067,516,770
14 PROVISIONS				
[Refer Notes 1(viii), (xvii) and 9 on Schedule 23]				
Proposed Dividend on Equity Shares		231,133,836		214,477,882
Tax on Proposed Dividend		39,281,195		36,450,516
Provision for Gratuity		8,085,700		12,858,093
Provision for Compensated Absences		143,243,202		181,275,598
		421,743,933		445,062,089
15 MISCELLANEOUS EXPENDITURE				
(to the extent not written off or adjusted)				
[Refer Note 1(xv) on Schedule 23]				
PRELIMINARY EXPENSES				
Opening Balance	1,016,135		1,106,937	
Less: Written off during the year	(90,802)	925,333	(90,802)	1,016,135
		925,333		1,016,135

SCHEDULES annexed to and forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2010

Schedule No.		Year ended March 31, 2010 (Rs.)		Year ended March 31, 2009 (Rs.)
16 REVENUE FROM OPERATIONS				
[Refer Notes 1(vii) and 28 on Schedule 23]				
Courseware Revenue		4,722,200,378		5,700,206,696
Services Revenue		5,223,701,751		4,367,961,680
Subscription Revenue		1,344,704,429		1,231,193,214
Hardware & Accessories Revenue		702,881,455		186,230,075
		11,993,488,013		11,485,591,665
17 OTHER INCOME				
[Refer Notes 1(vii), (x), 10(2)(b), 22 and 26 on Schedule 23]				
Profit on sale of				
- Short Term Investments (Net)		309,889		559,757
- Fixed Assets (Net)		-		93,760,212
Provision/ Other Liabilities written back		24,336,587		45,059,903
Gain on Exchange Fluctuation (Net)		-		44,230,728
Miscellaneous		18,443,111		20,312,858
[Net of Loss of Rs. 1,880,662/- (Previous year Gain of Rs. 6,500,000/-) on account of sale of Long Term Investments]				
		43,089,587		203,923,458
18 PERSONNEL				
[Refer Notes 1(viii), (ix), 8, 9 and 27 on Schedule 23]				
Salaries and Benefits		2,871,417,558		3,145,109,317
Contribution to Retirement Benefit Funds		89,799,388		109,459,419
Employees Stock Option Expenses/ (write back)		7,210,776		(2,055,546)
Welfare and Other expenses		48,537,542		70,615,037
		3,016,965,264		3,323,128,227
19 DEVELOPMENT, PRODUCTION AND EXECUTION				
[Refer Notes 1(xvi) and 16 on Schedule 23]				
Material Consumed				
Opening Inventory				
- Raw Material	9,495,823		9,104,726	
- Finished Goods	5,236,334		9,493,758	
	14,732,157		18,598,484	
Add: Purchase of Material	116,822,678		153,677,826	
Less: Closing Inventory				
- Raw Material	5,458,263		9,495,823	
- Finished Goods	9,723,886		5,236,334	
	15,182,149	116,372,686	14,732,157	157,544,153
Courseware and Manuals		844,980,428		724,168,352
Bought out Packages/ Products		911,964,514		290,062,820
Course Execution Charges		803,440,168		827,425,347
Professional Charges		650,672,651		664,079,842
Equipment Hiring		123,887,656		151,119,456
Royalties		1,227,866,425		1,337,759,501
Freight and Cartage		117,639,584		132,552,928
Others		7,476,615		8,236,499
		4,804,300,727		4,292,948,898

Schedule No.		Year ended March 31, 2010 (Rs.)		Year ended March 31, 2009 (Rs.)
20 ADMINISTRATION AND OTHERS				
[Refer Notes 1(x), (xi), (xii), (xv), 6, 7, 27, 30 and 32(a) on Schedule 23]				
Rent (Net of recoveries)		407,260,188		446,145,337
Rates and Taxes		19,543,647		23,072,387
Electricity and Water		113,548,858		126,190,511
Communication		125,730,565		136,510,026
Legal and Professional		155,701,146		178,917,806
Travelling and Conveyance		311,807,942		428,714,174
Bad Debts and Provision for Doubtful Debts		177,414,467		157,040,477
Provision for Doubtful Advances		458,706		384,400
Advances written off		3,003,807		2,116,456
Insurance Premium		26,234,837		24,299,914
Repairs and Maintenance				
- Plant and Machinery	88,278,358		78,397,450	
- Buildings	13,563,993		15,928,519	
- Others	45,484,274	147,326,625	45,773,668	140,099,637
Loss on Exchange Fluctuation (Net)		39,714,338		-
Loss on Sale of Fixed Assets (Net)		11,028,508		-
Security and Administration Services		42,380,624		44,719,602
Miscellaneous Expenditure written off		90,802		90,802
Sundry Expenses		106,740,289		81,524,181
		1,687,985,349		1,789,825,710
21 SELLING & MARKETING				
[Refer Note 1(xvi) on Schedule 23]				
Advertisement and Publicity		665,100,639		611,854,276
Sales Commission		214,624,956		214,972,594
Discount		60,210		137,556
Others		75,286,457		67,301,097
		955,072,262		894,265,523
22 INTEREST AND FINANCE CHARGES				
(Refer Notes 1(xii), (xiii) and 32(b) on Schedule 23)				
Bank, Discounting and Other Financial Charges		55,746,805		59,059,802
Interest Expense:				
- Fixed Loans	157,625,555		173,017,998	
- Non Convertible Debentures	150,805,069		31,160,959	
- Others	44,043,570		39,332,309	
	352,474,194		243,511,266	
Less : Interest Received (Gross) :				
- Deposits	(4,575,389)		(5,455,552)	
- Loans	(63,610,811)		(47,792,461)	
- Others	(7,336,427)		(1,020)	
	(75,522,627)	276,951,567	(53,249,033)	190,262,233
		332,698,372		249,322,035

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2010

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 companies and associates (The 'Group') (Refer Note 10 below). Subsidiary companies 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 educational content 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" as notified under section 211(3C) of the Companies Act, 1956. Expenses incurred during the research phase till the establishment of commercial feasibility is charged to the Profit and Loss Account.

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
Plant and Machinery including:	
- Computers, Printers and related accessories	2-5 years
- Office Equipment and Electronic Equipments	8 years
- Air Conditioners	10 years
Furniture, Fixtures and Electric Fittings	7-10 years
Leasehold Improvements	3-5 years or lease period, whichever is lower
Assets under employee benefits scheme except Vehicles	3 years
Assets acquired under lease (Included under Plant & Machinery and Furniture & Fixtures)	Lease Period
Intangible Assets including:	
- Acquired and Internally Generated (Computer Software, Educational Content and Products)	3-5 years
- Patents	3-5 years
- Goodwill [other than arising on consolidation - Refer note (iv) below]	5 years
All other assets (including Vehicles)	Rates prescribed under schedule XIV to the Companies Act, 1956

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

Further, educational content, 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. The 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. Investments in Associates are accounted for based on "Equity Method" in accordance with provisions of Accounting Standard 23 as notified under Section 211(3C) of the Companies Act, 1956.

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.

The Company undertakes fixed price projects for supply/ installation/ maintenance of technology equipment & infrastructure set-up, providing educational product and educational services. Revenue from initial project set up activities & development of products under such contracts is recognized under proportionate completion method. The revenue in such contracts from sale of technology equipments is recognized on delivery of the technology equipment when substantial risks and rewards of ownership in such technology equipment pass to the customer based on contractual terms of the respective contracts and in respect of technology equipments, which are not sold, the revenue from the same along with the revenue from educational services is recognized over the contracted period of service.

Revenue derived pursuant to content hosted on customers' server for a definite period is recognised on delivery of the content. Subscription fee for content hosted on the companies server is billed on the respective invoicing dates as per the agreement and revenue for the same is recognised ratably over the term of the subscription. Deferred Revenue represents unamortised amounts billed to customers in advance for products, services or subscriptions.

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.

In respect of sale and lease back transactions, revenue is recognised on delivery of the product. Gain on sale on such transactions is recognised in the Profit and Loss Account over the lease period of the respective product.

Revenue is net of discounts and applicable taxes.

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 using projected unit credit method. 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 the 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 using projected unit credit method. 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 and Loss Account.

For other entities, Provident Fund contributions are made to the Regional Provident Fund Commissioner in accordance with the Employee Provident Fund rules and are accounted as defined contribution plans.

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 and 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)**

Equity settled stock options 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 un-amortised portion. The balance in employee stock option outstanding account, net of any un-amortised deferred employee compensation, is shown separately as part of Shareholders' Funds.

Employee share-based payment plans in the form of cash settled stock option are accounted for using the intrinsic value method. The intrinsic value being the excess of fair value of the underlying share on the date of grant, based on independent valuer report, over its exercise price. The liability for cash settled options is measured at intrinsic value over the life of options whereby intrinsic value is re-measured at each reporting date, with any changes in intrinsic value recognised in the Profit and Loss Account. The liability at the date of exercise is settled based on valuation of share as per latest audited financials.

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 credited/ charged 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 6 below.

For the purposes of consolidation, in case of subsidiaries for which operations are considered as non-integral in nature, the assets and liabilities 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 'Currency Translation Reserve'. Upon dissolution/ disposal of non-Indian subsidiaries, the balance in Currency Translation Reserve in relation to those subsidiaries is transferred to Profit and Loss Account.

In case of foreign operations which are integral in nature, financial statements are translated as if all its transactions had been entered into by the Parent Company itself. Non monetary assets and income and expenditure items are translated at the rates that approximate the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities are translated at year-end exchange rate. The resultant translation adjustment is charged to the Profit and Loss Account.

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 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 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 years of commencement of commercial operation of the concerned subsidiary.

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. Further, the proportionate share of contingent liabilities of associate companies are recognised as per the provisions of Accounting Standard 23 as notified under section 211(3C) of the Companies Act, 1956.

Disclosure of show cause notices are made on merits of the matters where management foresees possibilities of outflow of resources.

xviii. **Earnings per Share**

The earnings considered in ascertaining the Earnings Per Share ('EPS') comprises the net profit after tax. The number of shares used in computing the Basic EPS is the weighted average number of shares outstanding during the year. The Diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential Dilutive Equity Shares.

2. CONTINGENT LIABILITIES

i. Guarantees issued by bankers (including associate companies) outstanding at the end of accounting year Rs. 215,201,868/- (Previous year Rs. 29,924,812/-).

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

iii. Corporate Guarantee Rs. 157,411,800/- [USD 3.5 Million (Net of Loan outstanding USD 17.50 Million)] given to ICICI Bank on behalf of NIIT (USA) Inc. (Previous year 178,014,900/-) [(USD 3.5 Million (Net of Loan outstanding USD 29.50 Million)]. (Refer Note 5(i)(b) below).

iv. Corporate Guarantee Rs. 40,953,120/- [GBP 0.60 Million] (Previous year Nil) given to ICICI Bank, UK PLC on behalf of NIIT (USA) Inc.

v. Guarantees issued to bankers outstanding at the end of accounting year Rs. 196,247,979/- (Previous year Rs. 208,874,229/-) relating to associate companies.

vi. Corporate Guarantees outstanding at the end of accounting year Rs. 127,469,266/-. (Previous year Rs. 142,871,864/-) relating to associate companies.

vii. Claims against the Group not acknowledged as debts (including associate companies) Rs. 63,342,670/- (Previous year Rs. 83,527,765/-).

viii. Andhra Pradesh works contract tax demand Rs. 80,137,287/- (Previous year Rs. 74,601,827/-). Management does not foresee any financial implication based on the advice of the legal consultant.

ix. Service Tax demand amounting to Rs. 104.89 Lacs (Previous year Rs. 104.89 Lacs) and equal amount of penalty i.e. Rs. 104.89 Lacs (Previous year Rs. 104.89 Lacs) raised by Commissioner of Service Tax, Delhi. Management does not foresee any financial implication based on the advice of the legal consultant.

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

xi. The transfer pricing analysis in relation to transactions between two foreign subsidiaries subsequent to March 31, 2007 is under process. Management does not foresee any financial implication on these statements of accounts upon completion of such analysis.

xii. Income Tax demand for Rs. 721 Lacs for Assessment year 2006-07. Management does not foresee any financial implication based on the advise of the legal consultant.

xiii. Income Tax demand of associate companies of Rs. 142.31Lacs (Rs. 99.57 Lacs relating to AY 2006-07).

3. During the last quarter of current financial year ended March 31, 2010, the Parent Company has received Show Cause Notices under section 263 of the Income Tax Act, 1961 issued by the Commissioner of Income Tax for the Assessment years 1999-00 to 2005-06, who later issued Orders directing the Assessing Officer for re-assessment on certain items. The quantum of Income Tax demand, if any, has neither been quantified nor ascertained and thus, indeterminable at this stage. These orders have been challenged by the Company in the Income Tax Appellate Tribunal (Tribunal). Based on legal opinion, the Management is confident that appeals so filed shall be decided in its favor.

4. Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided (including associate companies) for Rs. 96,147,055/- (Previous year Rs. 315,834,043/-).

5. DETAILS OF SECURITY GIVEN AGAINST LOANS
   i. 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) A corporate guarantee extended by the Parent Company [Refer Note 2(iii)].
      c) Scantech Evaluation Services Limited, a wholly owned subsidiary of the Parent Company had created a negative lien on the shares of NIIT Technologies Limited held by it. During the year these shares have been pledged with ICICI Bank Limited, Bahrain Branch as a continuing first priority security interest towards a financial facility availed by NIIT (USA) Inc., USA, for purchase of 100% equity in Element K Corporation, USA.
   ii. NIIT (USA) Inc. has availed of a loan of Rs. 666,739,717/- [GBP 9,400,000] from ICICI Bank UK Plc. The loan is secured by a first pari-passu charge over all the present and future immovable and movable assets of NIIT (USA) Inc., USA, covered by a Corporate Guarantee by NIIT Limited, the Holding Company.
   iii. Working Capital Limits (Cash Credit) are secured by hypothecation of stocks and book debts of the Parent Company. The Group has utilised the cash credit (fund-based) limits to the extent of Rs. 80,047,928/- (Previous year 144,879,748/-) as at year end.
   iv. Vehicle loans from banks are secured by way of hypothecation of the vehicles financed.
   v. 12% Non Convertible Debentures issued to Life Insurance Corporation of India and 11.25% Non Convertible Debentures issued to Indian Overseas Bank are secured by way of first charge on pari-passu basis on the immovable and movable fixed assets of the Parent Company. The Parent Company had maintained 100% asset cover sufficient to discharge the principle amount at all times during the Financial year 2009-10 for these debentures.
   vi. Element K Corporation has utilized its line of credit from the Bank of the West for Rs. 155,130,246/- [USD 3,449,270] (Previous year Rs. 75,826,413/- [USD 1,490,844]) at the year end. The line of credit is secured by way of a standby letter of credit issued by BNP Paribas, India, counter guaranteed by NIIT Limited, the ultimate Holding Company
   vii. NIIT (USA) Inc. has a sanctioned working capital facility of USD 5,000,000 from ICICI Bank Limited. The utilization at year end was Nil (Previous year Rs. 254,307,000/- [USD 5,000,000]). The facility is secured by a Corporate Guarantee by NIIT Limited, the Holding Company.

6. DERIVATIVE INSTRUMENTS
   a) The following table summarises the movement in designated forward covers:

Particulars	Designated Forward Covers (USD Mn.) 2009-10	Designated Forward Covers (USD Mn.) 2008-09
Opening Balance as at beginning of the year	10.50	13.25
Additions during the Current year	-	9.75
Matured during the year	10.50	12.50
Closing Balance as at end of the year	-	10.50

   During the Current year, loss of Rs 88.82 Lacs (Previous year Rs. 823 Lacs) has been debited to Revenue account on maturity of the designated forward covers and Rs. Nil (Previous year Rs. 523 Lacs) have been debited to Hedging Reserve Account on the designated forward covers outstanding as at the year end.

   b) Mark to Market gain/ (loss) on undesignated forward covers amounting to Rs. 3.35 Lacs [Previous year Rs. (524) Lacs] has been recognized as gain/ (loss) on exchange fluctuation in the Profit and Loss Account.

7. PAYMENT TO AUDITORS

a) Payment to Parent Company auditors:

Particulars	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
Audit fee	9,600,000	9,670,640
Tax Audit fees	701,411	727,231
Others	2,953,844	2,847,835
Reimbursement of expenses (including Service Tax)	3,259,800	2,602,665

b) Payment to other auditors amounting to Rs. 5,143,319/- (Previous year Rs. 5,039,413/-).

8. 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 and 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. 2/- each (Rs. 10/- each pre 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. ESOP information is given for the number of shares after sub division and bonus issue.

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2010 (Contd.)

The summary of options granted is as follows:

Particulars	Grant I		Grant II		Grant III		Grant IV		Grant V*			Grant VI*		
									Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
Date of Grant	02-Aug-05	02-Aug-05	11-Aug-05	11-Aug-05	05-Jun-07	05-Jun-07	28-Jul-08	28-Jul-08	26-Oct-09	26-Oct-09	26-Oct-09	23-Jan-10	23-Jan-10	23-Jan-10
Date of Vesting	02-Aug-06	02-Aug-06	11-Aug-06	11-Aug-06	05-Jun-08	05-Jun-08	28-Jul-09	28-Jul-09	26-Oct-10	26-Oct-11	26-Oct-12	23-Jan-11	23-Jan-12	23-Jan-13
Live options at the beginning of the year (Nos.)	92,430	667,180	34,125	34,125	447,879	750,000	1,274,550	-	-	-	-	-	-	-
Granted during the year (Nos.)	-	-	-	-	-	-	-	1,282,050	1,865,803	1,865,803	1,865,804	181,240	181,240	181,240
Forfeited/ lapsed till vesting period (Nos.)	-	-	-	-	-	293,419	37,500	7,500	50,575	50,575	50,575	15,290	15,290	15,290
Options Vested (Nos.)	-	-	-	-	-	456,581	1,237,050	-	-	-	-	-	-	-
Forfeited/ lapsed post vesting (Nos.)	13,944	294,627	-	-	8,702	8,702	18,750	-	-	-	-	-	-	-
Options exercised (Nos.)	78,486	280,123	34,125	-	-	-	-	-	-	-	-	-	-	-
Outstanding/ exercisable at the end of the year (Nos.)	-	92,430	-	34,125	439,177	447,879	1,218,300	1,274,550	1,815,228	1,815,228	1,815,229	165,950	165,950	165,950
Exercise Price (Rs.)	24.00	24.00	31.60	31.60	121.62	121.62	88.70	88.70	72.20	72.20	72.20	69.20	69.20	69.20
Remaining Contractual Life (Days)	-	123	-	132	431	795	849	1,214	1,304	1,669	2,035	1,393	1,758	2,124
Fair value of the options based on Black and Scholes Model (Rs.)	13.15	13.15	9.63	9.63	37.23	37.23	32.09	32.09	32.00	34.77	36.64	30.47	32.71	34.74
Intrinsic Value of the options granted (Rs.)	7.35	7.35	-	-	-	-	-	-	-	-	-	-	-	-

*During the year, the Compensation/ Remuneration Committee, at its meeting held on October 26, 2009 has approved Grant V of 5,597,410 options (post bonus and split) and at its meeting held on January 23, 2010 has approved Grant VI of 543,720 options (post bonus and split) out of the options under ESOP Plan 2005, to Senior Managerial Personnel of the Company. Options under both these grants are vested in 3 equal installments over three years period from the date of grant.

The assumptions used by independent valuers, for determination of fair value of a share of Rs. 2/- each fully paid up as per the Black & Scholes Model are as follows:

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V			Grant VI		
					Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3
Market price considered (Rs.)	31.35	31.60	121.62	88.70	72.20	72.20	72.20	69.20	69.20	69.20
Exercise price (Rs.)	24.00	31.60	121.62	88.70	72.20	72.20	72.20	69.20	69.20	69.20
Dividend yield	Not considered	Not considered	2.79%	2.04%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%
Volatility	14%	14%	45.47%	51.81%	71.63%	66.14%	61.68%	71.56%	65.68%	61.44%
Average life of the options (in years)	2.5	2.5	2.5	2.5	2.5	3.5	4.5	2.5	3.5	4.5
Risk free rate	7%	7%	7.93%	9.24%	6.55%	6.92%	7.19%	6.19%	6.51%	6.80%

Other information regarding employee share based payment is as below:

(Amount in Rs.)

Particulars	Grant I		Grant II		Grant III		Grant IV		Grant V			Grant VI		
									Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
Additional expense had the Company recorded the ESOP Expense based on fair value of the options	-	-	-	-	-	4,972,945	12,639,011	27,677,744	24,985,499	13,574,153	9,536,132	942,032	508,735	358,016

Other Subsidiaries have granted stock options to its employees. Information regarding employee share based payments is as below:

Element K Corporation

(Amount in Rs.)

Particulars	Year ending March 31, 2010			Year ending March 31, 2009		
	Grant I	Grant II	Grant III	Grant I	Grant II	Grant III
Expense amortised during the year on the basis of intrinsic value of the options	2,487,500	1,107,305	-	-	-	-
Additional Expense/ (Income) had the Company recorded the ESOP expense based on the fair value of the options	(1,731,088)	637,380	-	2,235,207	3,369,206	-
Closing value of liability for cash settled options	2,344,986	1,043,865	-	-	-	-
Expense arising from increase in intrinsic value of liability for cash settled options during the year	2,487,500	1,107,305	-	-	-	-

During the year, Element K Corporation has issued and repurchased 18,000 shares under the plan and has recorded a charge of Rs. 4,620,054/- (USD 96,840) in the Profit and Loss Account. An amount of Rs. 3,388,851/- (USD 75,350) has been accrued as expense on account of change in accounting policy to cash settled stock option accounting for the outstanding options as at the year end.

NIIT Institute of Finance Banking and Insurance Training Limited ("NIFBIT")

(Amount in Rs.)

Particulars	Grant I					
	2009-10			2008-09		
	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3
Additional expense had the Company recorded the ESOP Expense based on fair value of the options	7,185	48,563	32,374	89,940	44,970	29,981

For impact on Basic and Diluted EPS, had fair value of the option been used for determining ESOP expense, refer Note 31 below.

9. 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:

(Amount in Rs. Lacs)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
• Employers Contribution to Provident Fund Trust	326.86	345.37
• Employers Contribution to Superannuation Fund	92.08	104.15
• Employers Pension Scheme	324.56	322.04
• Contribution to 401 (K) plans	98.39	185.54
Total*	**841.89**	**957.10**
*Does not include Gratuity Expense of Rs. 56.10 Lacs (Previous year Rs. 137.49 Lacs)		

B) Defined Benefit Plans

1. **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, 2010. Therefore, no provision for the year has been recommended by the actuary.

2. **Compensated Absences**

(Amount in Rs. Lacs)

	Particulars	As at March 31, 2010	As at March 31, 2009
i)	**Change in Present value of obligation:**		
	Present value of obligation as at the beginning of the year	**1,812.76**	**1,552.62**
	Interest cost	125.47	7.93
	Past service cost*	(333.60)	-
	Current service cost **	256.59	293.90
	Benefits paid	(85.67)	(20.03)
	Actuarial (gain)/ loss on obligations	(343.12)	(21.66)
	Present value of obligation as at the end of the year	**1,432.43**	**1,812.76**

* Past accumulation of compensated absences has been reduced from 90 days to 60 days on account of change in Group's leave policy.

** Current service cost is gross of recoveries/ (Net of Credits) from/ (to) entities other than subsidiaries Rs. (8.84) Lacs (Previous year Rs. (12.21) Lacs)

	As at March 31, 2010 (Rs. Lacs)	As at March 31,2009 (Rs. Lacs)
ii) **Principal actuarial assumptions used in accounting for Compensated Absences:**		
For entities in USA:		
Discount Rate (per annum)	2.80%	6.00%
Future Salary Increase	3.00%	3.00%
For entities in Malaysia:		
Discount Rate (per annum)	4.70%	7.50%
Future Salary Increase		
- For First 5 Years	10.00%	7.65%
- Thereafter	7.00%	7.65%
For entities in China:		
Discount Rate (per annum)	3.80%	8.00%
Future Salary Increase		
- For First 5 Years	10.00%	10.00%
- Thereafter	7.00%	7.00%
For NIIT Antilles NV:		
Discount Rate (per annum)	3.50%	8.00%
Future Salary Increase		
- For First 5 Years	10.00%	5.00%
- Thereafter	7.00%	5.00%
For South Africa Branch of NIIT Antilles NV:		
Discount Rate (per annum)	9.30%	NA
Future Salary Increase		
- For First 5 Years	10.00%	NA
- Thereafter	7.00%	NA
For Evolv Services Limited:		
Discount Rate (per annum)	8.00%	8.00%
Future Salary Increase	5.50%	5.50%
Other entities:		
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**

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

I. **Funded**

(Amount in Rs. Lacs)

	Particulars	As at March 31, 2010	As at March 31, 2009
i.	**Change in present value of obligation :**		
	Present value of obligation as at beginning of the year	**748.18**	**652.27**
	Interest cost	56.78	52.18
	Current service cost	105.52	100.26
	Benefits paid	(76.89)	(91.49)
	Actuarial (gain)/ loss on obligations	(47.62)	34.96
	Present value of obligation as at the year end	**785.97**	**748.18**

(Amount in Rs. Lacs)

	Particulars	As at March 31, 2010	As at March 31, 2009
ii.	**Change in Plan Assets:**		
	Fair value of Plan Assets as at beginning of the year	**685.39**	**605.53**
	Expected return on Plan Assets	65.18	56.62
	Contributions	100.35	117.17
	Benefits Paid	(76.89)	(91.49)
	Actuarial (gain)/ loss on obligations	(2.90)	(2.44)
	Fair value of Plan Assets as at the year end	**771.13**	**685.39**

(Amount in Rs. Lacs)

	Particulars	As at March 31, 2010	As at March 31,2009	As at March 31,2008
iii.	**Amount of the Asset/ (Obligation) recognised in the Balance Sheet:**			
	Fair value of Plan Assets as at the year end	771.13	685.39	605.53
	Present value of obligation as at the year end	785.97	748.18	652.27
	(Assets)/ Obligation recognised in Balance Sheet*	**14.84**	**62.79**	**46.74**

* Net of Assets recognised in Balance Sheet Rs. 4.09 Lacs (Previous year Rs.2.98 Lacs)

(Amount in Rs. Lacs)

	Particulars	Year ended March 31, 2010	Year ended March 31, 2009
iv.	**Net Gratuity cost recognised in Profit and Loss Account:**		
	Current service cost	105.52	100.26
	Interest cost	56.78	52.18
	Expected return on Plan Assets	(65.18)	(56.62)
	Net Actuarial (gain)/ loss recognised during the year	(44.72)	31.29
	Expense recognised in Profit and Loss Account*	**52.40**	**127.11**
	Actual return on Plan Assets	**62.28**	**53.98**
	*Includes Recovery from entities other than subsidiaries amounting to Rs. 0.96 Lacs (Previous year Rs. 3.82 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	9.40%	9.35%

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 compensation of plan assets held, assessed risk of asset management, historical result of the return on plan assets.

II. Non Funded:

(Amount in Rs. Lacs)

	Particulars	As at March 31, 2010	As at March 31, 2009
i.	**Change in Present value of obligation:**		
	Present value of obligation as at beginning of the year	**62.80**	**50.64**
	Interest cost	4.85	4.00
	Current service cost	13.69	17.05
	Benefits paid	(5.46)	(9.13)
	Actuarial (gain)/ loss on obligations	(13.95)	0.24
	Present value obligation as at the year end	**61.93**	**62.80**

	Particulars	Year ended March 31, 2010	Year ended March 31, 2009
ii.	**Net Gratuity cost recognised in Profit and Loss Account:**		
	Current service cost	13.69	16.37
	Interest cost	4.85	4.00
	Net Actuarial (gain)/ loss recognised during the year	**(13.88)**	**0.24**
	Expense recognised in Profit and Loss Account	**4.66**	**20.61**

iii.	**Assumptions used in accounting for gratuity plan:**		
	Discount Rate (per annum)	8.00%	8.00%
	Future Salary Increase	5.00%	5.00%

Gratuity expenses recognized for funded and non-funded schemes in Profit and Loss Account amounts to Rs. 56.10 Lacs (Previous year Rs. 137.49 Lacs). Gratuity Liability recognized for funded and non-funded schemes as at year end amounts to Rs. 80.86 Lacs (Previous year Rs. 128.58 Lacs).

C) The Group has accounted for unclaimed employee related reimbursements in respect of earlier years, aggregating to Rs. 350.88 Lacs based on maximum possible liability payable by the Group in this respect.

10. DETAILS OF ENTITIES IN CONSOLIDATION

1. (a) 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	99.99	India
NIIT Institute of Finance Banking and Insurance Training Limited	80.50	India
Scantech Evaluation Services Limited	100	India
NIIT Multimedia Limited	100	India
NIIT Online Learning Limited	90	India
Evolv Services Limited (Refer note 15 below)	61.15	India
NIIT Institute of Process Excellence Limited	75	India
NIIT (USA) Inc.	100	United States
NIIT Antilles NV	100	Netherlands Antilles
NIIT Middle East WLL (liquidated during the year)	99.90	Bahrain
NIIT Malaysia Sdn. Bhd.	100	Malaysia
NIIT GC Limited	100	Mauritius
NIIT China (Shanghai) Limited	100	China
NIIT Wuxi Service Outsourcing Training School	60	China
Wuxi NIIT Information Technology Consulting Limited	60	China
Changzhou NIIT Information Technology Consulting Limited	60	China
Chongqing NIIT Education Consulting Limited	60	China
Chongqing Shapingba NIIT Software Service Outsourcing Education School	60	China
PCEC NIIT Institute of Information Technology (Under Liquidation)	100	China
PT NIIT Indonesia (Under Liquidation)	100	Indonesia
NIIT Limited, UK	100	UK
NIIT Ventures Inc., USA	100	United States
Element K Corporation, USA	100	United States
Element K India Private Limited, India	100	India
Element K (UK) Limited, UK	100	United Kingdom
Element K Canada Inc., Canada	100	Canada

(b) During the year, Wuxi NIIT Information Technology Consulting Limited is formed in June 2009 by NIIT China (Shanghai) Limited ("NIIT China") in association with Wuxi An Ai Ai Di Education Training Limited. NIIT China owns 60% of the equity interest by contributing Rs. 3,439,488/- (CNY 480,000). The approved business scope is providing information technology consulting and training services as well as development, service, sales of computer software and multimedia.

(c) During the year, Wuxi NIIT Information Technology Consulting Limited set up Changzhou NIIT Information Technology Consulting Limited in September 2009 by investing a sum of Rs. 3,434,150/- (CNY 500,000) to provide IT training for individual learners in Changzhou and to equip them with relevant IT skills. The approved business scope of Changzhou Consulting is providing information technology consulting, computer technology training services, as well as computer software, multimedia product development and technical advisory services.

(d) In an extraordinary general meeting of shareholders of NIIT Middle East WLL held on January 31, 2009, it was resolved to place the Company under voluntary liquidation w.e.f. February 15, 2009. As a result, the Company ceased all commercial operations from that date. During the Current year, the Company has been dissolved and the net loss amounting to Rs. 328,964/- has been included in Current year's consolidated financials.

(e) During the year, NIIT GC Limited passed a resolution to liquidate PCEC NIIT Institute of Information Technology ("PCEC Institute") on 15th October 2009. PCEC Institute ceased operation in November 2009. The Assets and Liabilities of PCEC Institute were transferred into Imperia Jing'an Center in December 2009 at book values. Subsequent to the year end, the Company has received letter for legal and tax de-registration. Accordingly, loss of Rs. 467,351/- has been recognised in the Consolidated Financial Statement.

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 associate	Description of business	Percentage of ownership interest and voting power	Cost of Investment (Rs.)	Reporting dates used for consolidation
Aesthetic Technologies Private Limited (till 4th January 2010)	Software	22.94%	20,000,584	December 31, 2009
NIIT Technologies Limited and its subsidiaries	Software	24.66%	97,498,200	March 31, 2010

b) During the year, the Parent Company has disposed off its holding in Aesthetic Technologies Private Limited for a consideration of Rs. 115,000/- and loss of Rs. 1,880,662/- has been charged to Consolidated Profit and Loss Account in the Current year.

11. Loans and Advances include unamortised balance of Rs. 34,825,967/- (Previous year Rs. 39,671,892/-) pertaining to ancillary costs incurred in connection with the loans taken by a subsidiary, NIIT (USA) Inc., USA.

12. During the year, the Parent Company has purchased 100,000 shares of Rs. 10/- each of Hole-in-the-Wall Education Limited (HIWEL) from International Finance Corporation (IFC), USA for Rs. 1,500,000/-. This has resulted into an increase of its holding in HIWEL to 99.99%. The Parent Company has recognised the entire consideration as goodwill on consolidation as minority interest at the date of acquisition was Nil.

13. The Net Worth of Hole-in-the-Wall Education Limited ('HIWEL') is eroded as at March 31, 2010. Financial year 2009-10 was an exceptional year due to the down turn in the global economy and HIWEL has not performed as per the expected growth anticipated and projected at the beginning of the year. 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 materialize by the end of second and third quarters of the Financial year 2010-11.

Based on these contracts and the business projections available with HIWEL along with support from the Parent Company, the accounts of HIWEL 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. In view of this, HIWEL is expected to generate profit in the coming years, henceforth improving its Net Worth position.

14. The Net Worth of NIIT Institute of Finance Banking and Insurance Training Limited ("NIFBIT") is eroded as at March 31, 2010. During the year, the shareholders of NIFBIT have further invested Rs. 500 Lacs as Share Capital (Rs. 405 Lacs from NIIT Limited and Rs. 95 Lacs from ICICI Bank Limited, the joint venture partner).Financial year 2009-10 was an exceptional year due to the down turn in the global economy and NIFBIT has not performed as per the growth anticipated and projected at the beginning of the year. During the year, NIFBIT has developed and introduced new courses which have received encouraging response. The future outlook and business plan of NIFBIT for the ensuing years project significant improvement in the business and financial performance.

Based on the above, the financial performance of NIFBIT is expected to improve the Net Worth position. The Holding Company has also extended a letter of support to secure the long term prospects of NIFBIT. Keeping in view of the above, the financial statements have been prepared on a going concern basis.

15. NIIT Limited (Parent Company) had acquired control in Evolv Services Limited ("Evolv") as on January 15, 2008 and was also issued 359,780 warrants, each warrant entitles to acquire one share of Evolv. During the year, the Parent Company has exercised these warrants to acquire equal number of shares in the Share Capital of Evolv Services Limited at an exercise price of Rs. 50.55 per share (including Share Premium of Rs. 40.55 per share) aggregating to Rs. 18,186,879. This has resulted into a further increase in proportion of shareholding to 61.15%. The goodwill has been arrived at after adjustment of net assets and losses absorbed in earlier years in respect of minority share. Accordingly, goodwill aggregating to Rs. 6,505,812, to the extent of minority interest of the net assets, has been recognized in these financial statements.

    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 ("Call Option") the remaining shares of the sellers' shareholding beginning September 2009 at a call option price determined by price valuer as on the date of exercise of the call option.

16. The course execution charges include payments to licensees, business partners, channel partners and other agencies for execution of education and training business. Course execution charges include Nil (Previous year Rs. 45 Lacs) pertaining to previous years.

17. 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.

18. The Parent Company's wholly owned domestic subsidiary Scantech Evaluation Services Limited has declared dividend amounting to Rs. 782.89 lacs (Previous year Rs. 782.89 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 of Rs. 392.81 Lacs is inclusive of the dividend distribution tax paid by the subsidiary company amounting to Rs. 133.05 lacs (Previous year Rs. 133.05 lacs).

19. Loans given to NIIT Institute of Information Technology outstanding as on March 31, 2010 are Rs. 4,403 Lacs (at an annual Interest rate of 12%) after loan repayment of Rs 1,850 Lacs. The repayment of the principal amounts of the loan by NIIT Institute of Information Technology is scheduled to start from September 2014 in 20 quarterly installments. The above loan is subordinated to bank to the tune of Rs. 4,363 Lacs.

20. During the year, the Parent Company has further invested a sum of Rs. 750 Lacs (Previous year Rs. 450 Lacs) in its subsidiary company, NIIT Institute of Process Excellence Limited. This Company was incorporated on April 2, 2008 vide board resolution dated March 17, 2008. The Parent Company holds 75% of the paid up capital with the balance being held by Genpact India Holdings. Out of the Current year investment, shares for an amount of Rs. 300 Lacs remains pending for allotment to the Parent Company.

21. The Holding Companies in USA, namely NIIT (USA) Inc. and NIIT Ventures Inc., are supporting the subsidiary, Element K Corporation, USA, in form of granting additional loans during the year and as well as extending the repayment of the principal amount of the loans that existed at the beginning of the year. This, along with the additional working capital loans obtained during the year and Element K Corporation's plans to diversify businesses across geographies, newer product launched as well as under development, is expected to improve the liquidity and financial position of the Company.

22. During the Previous year, Chongqing NIIT Education Consulting Limited, China had received government grants amounting to Rs. 7,456,200/- (CNY 1,000,000) and NIIT Wuxi Service Outsourcing Training School had received government grants amounting to Rs. 1,541,636/- (CNY 206,759) from Chongqing Fiscal Bureau for incentive of NIIT Chongqing's establishment and from Wuxi National Hi-tech Industrial Development Area Administration Committee to encourage and support NIIT Wuxi's development. During the year, the Company has invested the grant money for the intended purpose, hence the proportionate amount of Rs. 3,032,876/- has been credited to other income.

23. In the Previous year, NIIT China (Shanghai) Limited (NIIT China) extended loans to incorporate a new entity Imperia China (Shanghai) Limited (Imperia). In the Current year, NIIT China has revoked captive agreements and thus NIIT China has no influence/ control over the management or the operations of Imperia.

24. 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
4. NIIT GIS Limited
5. NIIT Technologies Limited, UK
6. NIIT Smart Serve Limited, UK
7. NIIT Technologies Pty Limited
8. NIIT Technologies KK, Japan
9. NIIT Technologies BV

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

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	-	-	-	2,459,290	2,459,290
(Note 2)	(-)	(-)	(-)	(6,065,915)	(6,065,915)
Rendering of Services to	11,238,360	-	-	5,054,906	16,293,266
(Note 3)	(10,221,005)	(-)	(-)	(4,271,004)	(14,492,009)
Receiving of Services from	43,366,111	-	-	-	43,366,111
(Note 4)	(52,443,464)	(-)	(-)	(202,349)	(52,645,813)
Purchase of Fixed Assets	-	-	-	-	-
(Note 5)	(8,992,473)	(-)	(-)	(-)	(8,992,473)
Sale of Fixed Assets	-	-	-	-	-
(Note 6)	(373,477)	(-)	(-)	(214,004,013)	(214,377,490)
Recovery of Expenses from	39,362,267	-	-	3,526,458	42,888,725
(Note 7)	(48,839,426)	(-)	(-)	(8,617,772)	(57,457,198)
Recovery of Expenses by	15,900,726	-	-	-	15,900,726
(Note 8)	(17,044,871)	(-)	(-)	(1,336,490)	(18,381,361)
Loans Given	-	-	-	189,000,000	189,000,000
(Note 9)	(-)	(-)	(-)	(179,500,000)	(179,500,000)
Loans Given Received Back	-	-	-	185,000,000	185,000,000
(Note 10)	(-)	(-)	(-)	(57,000,000)	(57,000,000)
Interest Income	-	-	-	63,237,426	63,237,426
(Note 11)	(-)	(-)	(-)	(46,603,507)	(46,603,507)
Dividend Income	94,207,620	-	-	-	94,207,620
(Note 12)	(94,207,620)	(-)	(-)	(-)	(94,207,620)
Remuneration	-	30,727,208	-	-	30,727,208
(Note 13)	(-)	(30,315,755)	(-)	(-)	(30,315,755)
Other Expenses	-	-	1,056,000	15,432,000	16,488,000
(Note 14)	(-)	(-)	(1,396,000)	(1,133,269)	(2,529,269)
Other Income	-	-	-	-	-
(Note 15)	(-)	(-)	(-)	(1,103,631)	(1,103,631)
Advance/ Security Deposit Recovered	-	-	-	-	-
(Note 16)	(-)	(-)	(-)	(24,058,720)	(24,058,720)
Loans Received	-	-	-	-	-
(Note 17)	(138,189,666)	(-)	(-)	(-)	(138,189,666)
Loans Received Repaid	-	-	-	-	-
(Note 18)	(138,189,666)	(-)	(-)	(-)	(138,189,666)
Interest Paid	-	-	-	-	-
(Note 19)	(1,013,540)	(-)	(-)	(-)	(1,013,540)

Notes:

1. Previous year figures are given in parenthesis.
2. Includes Sale of Goods to:
   - NIIT Institute of Information Technology Rs. 24.59 Lacs (Previous year 60.65 Lacs)
3. Includes Rendering of Services to:
   - NIIT Technologies Limited Rs. 78.12 Lacs (Previous year Rs. 55.39 Lacs)
   - NIIT Technologies Pte Limited, Singapore Rs. 34.16 Lacs (Previous year Rs. 31.65 Lacs)
   - NIIT Institute of Information Technology Rs. 50.55 Lacs (Previous year Rs. 42.71 Lacs)
4. Includes Receiving of Services from:
   - NIIT Smart Serve Limited, Rs. 300.80 Lacs (Previous year Rs. 416.12 Lacs)
   - NIIT Technologies Pty Limited Rs. 80.86 Lacs (Previous year Rs. 39.91 Lacs)
   - NIIT Technologies Pte Limited, Singapore Rs. 46.07 Lacs (Previous year Rs. 68.41 Lacs)
   - NIIT GIS Limited Rs. 5.94 Lacs (Previous year Nil)
5. Includes Purchase of Fixed Assets from:
   - NIIT Technologies Limited Nil (Previous year Rs. 89.92 Lacs)
6. Includes Sale of Fixed Assets to:
   - NIIT Institute of Information Technology Nil (Previous year Rs. 2,140.04 Lacs)
   - NIIT Technologies Limited Nil (Previous year Rs. 3.73 Lacs)
7. Includes Recovery of Expenses from:
   - NIIT Technologies Limited Rs. 283.51 Lacs (Previous year Rs. 327.46 Lacs)
   - NIIT GIS Limited Rs. 11.49 Lacs (Previous year Rs. 28.01 Lacs)
   - NIIT Institute of Information Technology Rs. 35.26 Lacs (Previous year Rs. 86.18 Lacs)
   - NIIT Technologies Inc., USA Rs. 94.92 Lacs (Previous year Rs. 132.36 Lacs)
   - NIIT Smart Serve Limited Rs. 3.54 Lacs (Previous year Nil)
8. Includes Recovery of Expenses by:
   - NIIT Technologies Limited Rs. 96.06 Lacs (Previous year Rs. 108.61 Lacs)
   - NIIT Technologies Limited, UK Nil (Previous year Rs. 58.29 Lacs)
   - NIIT Technologies Inc., USA Rs. 8.61 Lacs (Previous year Nil)
   - NIIT Technologies Pty Limited Rs. 1.20 Lacs (Previous year Nil)
   - NIIT Technologies Pte Limited, Singapore Rs. 53.12 Lacs (Previous year Nil)
9. Loans Given relates to:
   - NIIT Institute of Information Technology Rs. 1,890 Lacs (Previous year Rs. 1,795 Lacs)
10. Loans Given Received Back relates to:
    - NIIT Education Society Nil (Previous year Rs. 100 Lacs)
    - NIIT Institute of Information Technology Rs. 1,850 Lacs (Previous year Rs. 470 Lacs)
11. Interest Income from:
    - NIIT Education Society Rs. 2.80 Lacs (Previous year Rs. 4.79 Lacs)
    - NIIT Institute of Information Technology Rs. 629.57 Lacs (Previous year Rs. 461.24 Lacs)
12. Includes Dividend Income from:
    - NIIT Technologies Limited, India Rs. 942.08 Lacs (Previous year Rs. 942.08 Lacs)

13. Remuneration paid to :
    - Rajendra S Pawar Rs. 90.06 Lacs (Previous year Rs. 109.84 Lacs)
    - Vijay K Thadani Rs. 90.37 Lacs (Previous year Rs. 111.63 Lacs)
    - P Rajendran Rs. 126.85 Lacs (Previous year Rs. 81.70 Lacs)
14. Other Expenses includes:
    - Renuka Thadani Rs. 6.24 Lacs (Previous year Rs. 9.00 Lacs)
    - Veena Oberoi Rs. 4.32 Lacs (Previous year Rs. 4.96 Lacs)
    - Pace Industries Private Limited Rs. 4.32 Lacs (Previous year Rs. 4.50 Lacs)
    - NIIT Institute of Information Technology Rs. 150 Lacs (Previous year Rs. 6.83 Lacs)
15. Other Income includes:
    - NIIT Institute of Information Technology Nil (Previous year Rs. 11.04 Lacs)
16. Includes Advance/ Security Deposit Recovered from:
    - NIIT Institute of Information Technology Nil (Previous year Rs. 240.59 Lacs)
17. Includes Loans Received from:
    - NIIT Technologies Pte Limited, Singapore Nil (Previous year Rs. 581.53 Lacs)
    - NIIT Technologies Inc. , USA Nil (Previous year Rs. 343.01 Lacs)
    - NIIT Technologies KK, Japan Nil (Previous year Rs. 228.68 Lacs)
    - NIIT Technologies Limited, UK Nil (Previous year Rs. 228.68 Lacs)
18. Includes Loans Received Repaid to:
    - NIIT Technologies Pte Limited, Singapore Nil (Previous year Rs. 581.53 Lacs)
    - NIIT Technologies Inc., USA Nil (Previous year Rs. 343.01.Lacs)
    - NIIT Technologies KK, Japan Nil (Previous year Rs. 228.68 Lacs)
    - NIIT Technologies Limited, UK Nil (Previous year Rs. 228.68 Lacs)
19. Includes Interest Paid to:
    - NIIT Technologies Pte Limited, Singapore Nil (Previous year Rs 5.82 Lacs)
    - NIIT Technologies Inc. , USA Nil (Previous year Rs. 1.44.Lacs)
    - NIIT Technologies KK, Japan Nil (Previous year Rs. 1.92 Lacs)
    - NIIT Technologies Limited, UK Nil (Previous year Rs. 0.96 Lacs)

C. Balance as on March 31, 2010

Nature of Transactions	**Associates**	**Key Managerial Personnel**	**Parties in which Key Managerial Personnel of the Group are interested**	**Total**
	(Rs.)	**(Rs.)**	**(Rs.)**	**(Rs.)**
Receivable	8,667,337 (7,392,485)	- (-)	444,266,262 (446,598,630)	452,933,599 (453,991,115)
Payable	6,992,932 (25,767,598)	6,000,000 (-)	2,194,883 (1,860,039)	15,187,815 (27,627,637)

25. During the Previous year, the Group had reviewed the estimated useful life of certain class of fixed assets which had resulted in increase of depreciation for the previous Financial year by Rs. 140.40 Lacs with a corresponding impact on Profit Before Taxes.

26. Other Income in the Previous year includes an amount of Rs. 957 Lacs on account of sale of 75 Acres of land and the project cost to NIIT Institute of Information Technology.

27. The Group is internally developing 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 incurred towards the development is as follows:

Particulars	**Year ended March 31, 2010 (Rs.)**	**Year ended March 31, 2009 (Rs.)**
Salary and Other employee benefits	292,629,448	393,913,964
Professional Charges	51,165,699	138,125,728
Rent	19,670,305	19,202,816
Electricity and Water	4,810,385	3,379,313
Direct Production Overheads	12,740,906	30,185,434
Other Expenses	17,110,360	23,400,522
Total	**398,127,103**	**608,207,777**

28. 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	60,502 (53,143)	75,029 (66,819)	6,292 (11,992)
America	51,255 (55,062)	54,157 (58,026)	3,056 (4,241)
Europe	2,377 (2,479)	1,364 (1,137)	- (-)
Rest of the world	5,801 (4,172)	2,622 (2,307)	146 (95)
Total	**119,935** **(114,856)**	**133,172** **(128,289)**	**9,494** **(16,328)**

Previous year figures are given in parenthesis

29. TAXATION

i. Upon finalisation of Income Tax Return of the Parent Company for the Assessment year 2009-10, an amount of Rs. 19.65 Lacs (Net) has been reversed during the year.

ii. The Company is in the process of revising Income Tax Returns for Previous years to claim expenses as referred to in Note 9 (C) above.

iii. Break up of Deferred Tax Assets/ Liabilities and reconciliation of Current year Deferred Tax Credit is as follows:

GEOGRAPHY - INDIA

(Amount in Rs. Lacs)

Particulars	Balance as at 01.04.2009	Charged/ (Credited) to Profit and Loss Account	Balance as at 31.03.2010
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.	965	12	977
Total (A)	**965**	**12**	**977**
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	(981)	359	(622)
- Provision for Inventory	(50)	32	(18)
- Provision for Compensated Absences, Bonus and Gratuity and other timing differences	(407)	135	(272)
- Deferred Income on sale and lease back transaction	-	(51)	(51)
b) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation which originates during the tax holiday period but which reverses after the tax holiday period.	(26)	6	(20)
Total (B)	**(1,464)**	**481**	**(983)**
Net Deferred Tax Liabilities/ (Assets) (A+B)	**(499)**	**493**	**(6)**
Add: Deferred Tax Asset related to fair value loss on derivative instruments not charged in the Profit and Loss Account but taken to Reserves.	(178)	178	-
Net Deferred Tax Liabilities/ (Assets)	**(677)**	**671**	**(6)**
Previous year	(976)	299	(677)

GEOGRAPHY - USA

(Amount in Rs. Lacs)

Particulars	Balance as at 01.04.2009	Charged/ (Credited) to Profit and Loss Account	Currency Translation Adjustment	Balance as at 31.03.2010
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.	145	(52)	(14)	79
b) Impact of expenses prepaid in financial statements but allowed as deduction in Current year	1,152	170	(143)	1,179
Total (A)	**1,297**	**118**	**(157)**	**1,258**
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	(62)	(52)	10	(104)
- Provision for Compensated Absences, Bonus and Gratuity and other timing differences	(285)	12	32	(241)
- Difference in carrying amount of Goodwill	(162)	17	18	(127)
- Deferred Revenue	(1,322)	(110)	159	(1,273)
b) Carry forward unabsorbed losses/ depreciation	(2,161)	(463)	277	(2,347)
Total (B)	**(3,992)**	**(596)**	**496**	**(4,092)**
Net Deferred Tax Liabilities/ (Assets) (A+B)	**(2,695)**	**(478)**	**339**	**(2,834)**
Previous year	(1,442)	(777)	(476)	(2,695)

GEOGRAPHY - CHINA & OTHERS

(Amount in Rs. Lacs)

Particulars	Balance as at 01.04.2009	Charged/ (Credited)to Profit and Loss Account	Currency Translation Adjustment	Balance as at 31.03.2010
Deferred Tax Liabilities:				
a) Others	34	(24)	40	50
Total (A)	**34**	**(24)**	**40**	**50**
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	(42)	(15)	5	(52)
- Provision for Compensated Absences, Bonus and Gratuity and other timing differences	(58)	(66)	10	(114)
- Deferred Revenue	-	(20)	1	(19)
ESOP Expenses	(1)	1	-	-
Total (B)	**(101)**	**(100)**	**16**	**(185)**
Net Deferred Tax Liabilities/ (Assets) (A+B)	**(67)**	**(124)**	**56**	**(135)**
Previous year	(83)	17	(1)	(67)

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 Asset on Long term capital losses has not been considered in absence of virtual certainty of availability of Long term capital gains.

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

(Amount in Rs. Lacs)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Opening Provision	8,478	6,551
Add: Additional Provisions created	1,774	1,570
(Less): Provision written back	-	(9)
(Less): Bad Debts written off	(2,209)	(610)
Add/ (Less): Currency Translation Adjustments	(667)	976
Closing Provision	7,376	8,478

b) In respect of an overdue unbilled revenue of Rs. 11,723,941/- (USD 260,678), provision has not been made as the Management is confident of recovery of this based on anticipated business from the customer.

c) Certain overdue debtors balances aggregating to Rs. 1,509.10 Lacs (Previous year Rs. 1,623.90 Lacs) relating to government customers are not provided for based on confirmations/ acknowledgment for services rendered. The management is taking appropriate action for recovery of the amounts and is confident of recovery of the same.

31. EARNINGS PER SHARE

Particulars	**Year ended March 31, 2010**	**Year ended March 31, 2009**
Profit attributable to Equity Shareholders (Rs.) - (A)	702,304,323	697,602,413
Weighted average number of Equity Shares outstanding during the year (Nos.) - (B)	165,057,116	164,827,249
Add : Effect of Potential Dilutive Shares (being Stock options) (Nos.)	-	1,476
Weighted average shares outstanding considered for determining Dilutive Earnings per Share (Nos.) - (C)	165,057,116	164,828,725
Nominal Value of Equity Shares (Rs.)	2/-	2/-
Basic Earnings per Share (Rs.) (A/B)	4.25	4.23
Diluted Earnings per Share (Rs.) (A/C)	4.25	4.23
EARNINGS PER SHARE {had fair value method been employed for accounting for Employee Stock Options (Refer Note 8 above)}		
Profit attributable to Equity Shareholders (Rs.) - (D)	640,766,330	659,182,420
Basic Earnings per Share (Rs.) (D/B)	3.88	4.00
Diluted Earnings per Share (Rs.) (D/C)	3.88	4.00

32. LEASES

a) Operating Leases

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

Particulars	**Amount (Rs.)**	
	As at March 31,2010	**As at March 31,2009**
Amount payable within the next 1 year	121,925,718	144,055,630
Amount payable in the next 2 to 5 years	325,180,473	324,339,714
Amount payable beyond 5 years	151,847,068	249,621,394

Aggregate payments during the year under operating leases in respect of equipments, vehicles and premises for office and employees accommodation amounting to Rs. 510,278,176 /- (Previous year Rs. 532,924,255/-).

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. 34,270,158/- (Previous year Rs. 19,570,500/-). Sub lease payments recognised in the statement of Profit and Loss for the year amounted to Rs. 8,639,222/- (Previous year Rs. 13,895,253/-). The sublease has been netted off against the respective lease rental expenses in the Profit and Loss Account.

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 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	47,521,398 (14,554,166)	32,387,557 (12,538,688)
Later than 1 year but not later than 5 years	143,664,950 (11,331,278)	116,076,911 (9,552,160)

Particulars	**Amount (Rs.)**
Minimum Lease Payments as above	191,186,348 (25,885,444)
Less : Finance Charges	42,721,880 (3,794,596)
Present Value of Lease Payments	148,464,468 (22,090,848)

33. Previous year figures have been regrouped/ recast to conform to Current year classifications.

Signatures to the Schedule `1' to `23' above

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

Rajendra S Pawar
Chairman and Managing Director
DIN - 00042516

Vijay K Thadani
CEO & Whole-time Director
DIN - 00042527

H. Singh
Partner
Membership No. F-86994

Ashok Arora
Group Chief Financial Officer

Jitender Mahajan
Chief Financial Officer

Parveen Jain
Company Secretary & Legal Counsel

Place : New Delhi
Date : May 7, 2010

NIIT

NIIT Limited

Regd. Office : B-234, Okhla Ind. Area, Phase-I, New Delhi 110020

PROXY FORM

Folio No. ____________ DP-ID No.______________ Client ID No. ____________________

I/We __________________________________ of _____________________________________ in the district of ___________________________ being a member/members of NIIT Limited, hereby appoint __________________________of ____ in the district of ____ or failing him/her __________________________ of _________________________________ in the district of _________________________ as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11.30 A.M., at Parkland Exotica, Khasra No.123, Chattarpur Mandir Road, Satbari, New Delhi 110 074, on Friday, the 9th day of July, 2010.

Affix Revenue Stamp here

Signature of Proxy

Signature of Member(s)

Note : Proxies, in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

NIIT

NIIT Limited

Regd. Office : B-234, Okhla Ind. Area, Phase-I, New Delhi 110020

ATTENDANCE SHEET

(This attendance sheet duly filled in, to be handed over at the meeting)

Folio No.____________ DP-ID No.________________________________Client ID No. ________________

Name of the attending member (in block letters) ____

Name of Proxy(s) (in Block Letters) (to be filled in, if a proxy attends instead of the member) ______________________

____

No. of Shares held ____

I hereby record my presence at the Annual General Meeting being held at 11:30 A.M., at Parkland Exotica, Khasra No.123, Chattarpur Mandir Road, Satbari, New Delhi 110 074, on Friday, the 9th day of July, 2010

Member's/Proxy's Signature
(to be signed at the time of handing over this sheet)

Note: 1. Please bring this form with you to the Annual General Meeting
2. The Registration Counter shall open at 10.30 A.M.

NO GIFTS / GIFT COUPONS WILL BE DISTRIBUTED AT THE MEETING

Sona Printers Pvt. Ltd. F-86/1 Okhla Phase-1 New Delhi-20 Ph. 47219999 www.sona.in

GLOBAL PRESENCE

25% earth, 75% water, 80% NIIT

Americas
Canada
Cuba
Mexico
Peru
USA
El Salvador
Nicaragua
Honduras

Europe
Greece
Italy
Kazakhstan
UK
Serbia

Asia
Afghanistan
Bangladesh
Brunei
Cambodia
China
India
Indonesia
Laos
Malaysia
Nepal
Singapore
Sri Lanka
Thailand
Vietnam

Middle East
Iran
Oman
Qatar

Africa
Botswana
Ghana
Jamaica
Liberia
Libya
Nigeria
Senegal
South Africa
Sudan
Zimbabwe

Australia/Oceania
Australia
New Zealand
Fiji

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NIIT

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