

**SHARPENING
THE EDGE**

NIIT LIMITED ANNUAL REPORT
2010-2011



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

	Page No.
Corporate Information	4
Financial History	5
NIIT at a Glance	6
Directors' Report	10
Management Discussion and Analysis	17
Corporate Governance Report	29
Financial Statement of NIIT Limited	45
Consolidated Financial Statement of NIIT Limited (Group)	89
Financial Summary of Subsidiary Companies	131
Proxy Form and Attendance Sheet	135

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

Madhabi Puri Buch
Director

Company Secretary

Rajesh Arora

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

FINANCIAL HISTORY

REVENUES & PROFITABILITY (Rs. Mn)

For the Fiscal period ended	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11
Global Revenues (NIIT & its subsidiaries)	7,951	10,068	11,486	11,993	12,483
REVENUES OF NIIT LTD.	4,008	4,975	5,795	6,448	6,698
Operating Expenses	3,325	4,112	4,649	5,286	5,491
Interest & Finance Expenses	50	74	108	171	212
Depreciation	314	358	402	542	577
Profit Before Tax	319	431	635	448	553
Profit After Tax	329	328	472	312	497
Equity Dividends	143	214	214	231	248
Earnings Per Share (Rs.) * - Basic	16.97	2.02	2.86	1.89	3.01
Operating Margin (%)	17.0	17.3	19.8	18.0	18.0
Profit Before Tax / Revenues (%)	8.0	8.7	11.0	7.0	8.3
Return on Capital Employed (%)	8.5	9.0	9.9	7.5	10.7

ASSETS & LIABILITIES (Rs. Mn)

As At	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11
Sources of Funds					
Equity Capital	198	329	330	330	330
Reserves & Surplus	2,896	3,308	3,518	3,610	3,833
Loan Funds	1,340	813	1,987	2,506	2,497
Deferred Tax Liability	-	-	-	1	-
Total	4,434	4,450	5,835	6,447	6,660
Applications of Funds					
Gross Block (includes Capital Work in Progress)	2,630	2,870	3,584	3,977	4,622
Net Block (includes Capital Work in Progress)	1,158	1,208	1,952	1,900	2,024
Investments	1,702	1,785	1,848	2,012	2,031
Deferred Tax Assets	77	95	62	-	27
Current Assets	2,846	2,991	4,074	4,459	5,038
Current Liabilities	1,349	1,629	2,102	1,924	2,459
Net Current Assets	1,497	1,362	1,972	2,535	2,579
Total	4,434	4,450	5,835	6,447	6,660
Debt-Equity Ratio	0.43	0.22	0.52	0.64	0.60
Current Ratio	2.11	1.84	1.94	2.32	2.05
Fixed Asset Turnover	1.52	1.73	1.62	1.62	1.45
Receivable Days	144	100	119	127	149
Dividend per share (Rs.)	6.50**	1.3	1.3	1.4	1.5
Book value per share (Rs.) *	157	22	23	24	25
Share Price on Closing date (BSE) (Rs.)	665	98	20	58	58
Market Capitalisation (Rs. Mn)*	13,138	16,141	3,341	9,518	9,600

Notes: * Based on Equity outstanding as on Balance Sheet date

** Based on the Face value of Rs. 10 per share

CONSOLIDATED FINANCIAL HISTORY

CONSOLIDATED REVENUES & PROFITABILITY (Rs. Mn)

For the Fiscal period ended	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11
REVENUES OF NIIT CONSOLIDATED	7,951	10,068	11,486	11,993	12,483
Operating Expenses	7,177	9,033	10,300	10,425	10,890
EBITDA	774	1,036	1,186	1,569	1,593
Net other income(-)/expense(+)	55	104	45	329	323
Depreciation	473	529	647	751	854
Profit Before Tax ,Exceptional items and Share of Associate profit	246	402	493	488	415
Exceptional items	-	-	-	-	142
Profit after Tax before share of Associates' profit	242	422	389	380	469
Profit attributable to Equity shareholders	573	756	698	702	922
Equity Dividends	143	214	214	231	248
Earnings Per Share (Rs.) * - Basic	29.5	4.7	4.2	4.3	5.6
Operating Margin (%)	9.7	10.3	10.3	13.1	12.8
Profit Before Tax / Revenues (%)	3.1	4.0	4.3	4.1	3.3
Return on Capital Employed (%)	15.3	15.9	15.4	14	15.3

ASSETS & LIABILITIES (Rs. Mn)

As At	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11
Sources of Funds					
Equity Capital	198	329	330	330	330
Reserves & Surplus	2,947	3,691	4,445	4,713	5,235
Minority interest	4	15	6	22	30
Loan Funds	2,698	2,057	3,481	4,046	3,658
Total	5,847	6,092	8,262	9,110	9,253

Applications of Funds

Gross Block (includes Capital Work in Progress)	5,835	6,290	8,459	8,585	9,393
Net Block (includes Capital Work in Progress)	3,846	3,981	5,730	5,364	5,422
Investments	611	892	1,066	1,274	1,641
Deferred Tax Assets	81	250	344	298	307
Current Assets	4,511	4,578	5,688	6,380	7,104
Current Liabilities	3,203	3,611	4,568	4,207	5,221
Net Current Assets	1,308	967	1,121	2,174	1,883
Miscellaneous Expenditure	1	1	1	1	-
Total	5,847	6,092	8,262	9,110	9,253

Debt-Equity Ratio	0.86	0.51	0.73	0.80	0.66
Current Ratio	1.41	1.27	1.25	1.52	1.36
Fixed Asset Turnover	1.36	1.60	1.36	1.40	1.33
Receivable Days	101	74	92	104	114
Dividend per share (Rs.)	6.5**	1.30	1.30	1.40	1.50
Book value per share (Rs.) *	159	24	29	31	34
Share Price on Closing date (BSE) (Rs.)	665	98	20	58	58
Market Capitalization (Rs. Mn)*	13,138	16,141	3,341	9,518	9,600

Notes: * Based on Equity outstanding as on Balance Sheet date

** Based on the Face value of Rs. 10 per share

NIIT at a Glance

Global Learning Solutions for Individuals, Enterprises, Schools and Colleges

- o Presence in 40 countries worldwide
- o 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+, specialized 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
 - ❖ National IT Aptitude Test, India's largest and most widely recognized IT Aptitude Test
 - ❖ 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**
Learning Solutions for Enterprise:
 - ❖ 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
 - ❖ Managed Training Services

NIIT at a Glance (Contd.)

- **For Colleges and Universities**

- ❖ In-campus Learning Delivery through Synchronous Learning
- ❖ Curriculum Design
- ❖ Learner and Faculty Support Services

- **For Government and Private Schools**

NIIT has provided computer-based learning to over 14,000 government and private schools across the country cumulatively impacting lives of more than 9 million kids. 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 and Maharashtra. Some of the highlights of school learning solutions by NIIT are:

- ❖ NIIT NGuru is a holistic School Learning 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); Math lab (State-of-the-art Mathematics Laboratory for schools which comes with Geometer's Sketchpad Software, Multiple Teaching and Learning Aids like Technology Applications, Videos, Manipulative, Measuring Instruments and Theme Based Ambience); IT Wizard (equips the students with core computer knowledge and IT skills); Quick School (an Education Resource Planning solution for school management) and Mobile Science Lab (the first of its kind portable computerized Science Laboratory which enables students to correlate scientific concepts taught in the class to real life).

- **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 sections of the society.

- **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. 20 centers are now operating in Delhi - NCR and Jaipur and have impacted over 7000 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. These centers have impacted over 1500 students already with placements in companies like Infosys, NIIT Technologies and Hindustan Levers.

- **Alliances with global IT majors**

- ❖ Cisco, IBM, Intel, Microsoft, Oracle, SAP, Sun Microsystems, SAS, Tally, Thomson Prometric, Pearson VUE & Zend



NIIT at a Glance (Contd.)

- **Global operations in**
 - ❖ **Africa** – Botswana, Ghana, Libya, Liberia, Nigeria, Senegal, South Africa, Sudan, Zimbabwe, Egypt
 - ❖ **Americas** – Canada, Cuba, El Salvador, Honduras, Jamaica, Mexico, Nicaragua, Peru, USA
 - ❖ **Asia** – Afghanistan, Bangladesh, Bhutan, Brunei, Cambodia, China, India, Indonesia, Iran, Laos, Malaysia, Maldives, Nepal, Oman, Qatar, Sri Lanka, Thailand, Vietnam
 - ❖ **Europe** – Kazakhstan, UK, Norway
- **Awards and Acknowledgements (FY 2010-2011)**
 - ❖ NIIT won 'Top IT Training Company Award 2010' for the 18th year in succession by Cybermedia publications. *(NIIT has been receiving this coveted award by India's leading IT publication, Dataquest, for the past 17 years in recognition of its talent development initiatives across the world)*
 - ❖ NIIT won the 'Best Education Company to Work with' title at the Indian Education Awards 2011. *(Indian Education Awards are the most prestigious awards that recognize and felicitate Achievers and Innovators who contribute significantly towards the development of Education in India)*
 - ❖ NIIT featured in Aon Hewitt's Top 25 list of 'Best Employers in India-2011'
 - ❖ NIIT received 'Franchisor of the Year: IT' by Franchise Plus, India's leading business opportunity magazine. *(NIIT was awarded for its path-breaking work in developing and demonstrating the best business model in the field of Education: Information Technology)*
 - ❖ NIIT's association with Grandmaster Viswanathan Anand was recognized as the Top Brand Ambassador Engagement at the Indian PR and Corporate Communication Awards (IPRCCA) 2011, instituted by Exchange4Media
 - ❖ NIIT HiWEL won the prestigious MacArthur Digital Media and Learning Award. *(This was an effort by MacArthur Foundation and HASTAC to find and inspire the most novel uses of new media in support of learning, NIIT HiWEL was awarded for innovative use of internet and digital technology to transform learning and knowledge creation)*
 - ❖ NIIT won Microsoft's 'Learning Solutions Partner of the Year' for the third consecutive year. *(This award marked a Hat-Trick by NIIT for being the 'Best Learning Solutions Partner' in India)*
 - ❖ NIIT Vietnam bagged the ICT GOLD MEDAL for the 5th consecutive time and ICT TOP 5 for the year 2010
 - ❖ NIIT USA won ASTD 2010 Award for Excellence in Workplace Learning and Performance
 - ❖ Element K was ranked among TrainingIndustry.com's Top 20 IT Training Companies. *(The 'Top 20' list recognizes the leading IT training companies based on the breadth of IT training and delivery methods offered, as well as industry leadership and innovation)*
 - ❖ NIIT USA won the Brandon Hall Silver for excellence in E-Learning Awards
 - ❖ NIIT USA earned Gold for Excellence in Content for KFC Virtual World at Chief Learning Officer – Learning in Practice Awards, 2010
 - ❖ NIIT USA earned the Markie Sales Impact Award 2010 for Excellence in Marketing
 - ❖ NIIT USA was ranked among the Top 20 Companies in the Training Outsourcing Industry - 2010 and 2011 *(NIIT has featured in this ranking since 2008)*

NIIT at a Glance (Contd.)

- ❖ Element K won Silver in Brandon Hall for Excellence in Learning Technology
- ❖ NIIT USA was ranked amongst Top 10 Training & Learning Business Process Outsourcing Vendor in Black Book of Outsourcing
- ❖ NIIT USA won CLO Gold Excellence Award from Chief Learning Officer magazine
- ❖ NIIT Cognitive Arts won bronze Brandon Hall Learning Award
- ❖ NIIT was associated with the Govt. of Gujarat to set a new World Record of 20,480 Simultaneous Chess Players at Ahmedabad on December 24, 2010. This unique initiative by the Government of Gujarat, Gujarat State Chess Association and NIIT aimed to popularize the game of Chess in the State.



Image courtesy: Indian Express Archives

An overview of the GMDC ground where 20,480 Simultaneous Chess Players made their moves to set a new World Record at Ahmedabad on December 24, 2010

DIRECTORS' REPORT

Dear NIIT Shareowner,

Your Directors take pleasure in presenting the 28th Annual Report along with the audited statement of accounts for the financial year ended March 31, 2011.

Financial Highlights

The highlights of your Company's financial results for the financial year April 1, 2010 to March 31, 2011 are as follows:

(Rs. Mn.)

Particulars	NIIT Limited - Group (Consolidated)		NIIT Limited (Stand alone)	
	2010-11	2009-10	2010-11	2009-10
Net Sales (Income from operations)	12,483	11,993	6,480	6,252
Other Income	29	43	218	196
Total Income	12,512	12,036	6,698	6,448
Total Expenditure	11,243	10,782	5,704	5,442
Profit before depreciation and taxes	1,269	1,254	994	1,006
Depreciation and Amortisation	854	751	577	542
Exceptional Items (Net)	142	(15)	136	(15)
Net tax provision	88	108	56	137
Net profit before share of Associates' Profit & Minority Interest	469	380	497	312
Share of Associates' Profit and Minority Interest	453	322	-	-
Net Profit	922	702	497	312
Basic EPS (Rs.)	5.58	4.25	3.01	1.89
Diluted EPS (Rs.)	5.58	4.25	3.01	1.89

During the year, your Company's consolidated income from operations has increased to Rs. 12,483 million as against Rs. 11,993 million in the previous year, registering a growth of 4% over the previous year, while Net Profit (after Associates' Profit) is Rs. 922 million as against Rs. 702 million in the previous year, registering a growth of 31% over the previous year.

The income from operations for the year under review for the Company on a standalone basis increased to Rs. 6,480 million as compared to Rs. 6,252 million in the previous year, thereby registering a growth of approx. 4% on yearly basis and Net Profit increased to Rs 497 million from Rs. 312 million in the current year registering a growth of 59% over the previous year.

Business Operations

The financial year 2010-11 saw a progression in economic trends from cautious optimism at the beginning of the year leading into full scale recoveries and rapid growth in many emerging economies. In this environment, your Company started the year with the

theme of "Sharpening the Edge" with specific focus on improving the return on capital employed and quality of balance sheet while re-engineering the Company's businesses for higher growth.

During the financial year under review, the Individual Learning Solutions launched new initiatives to build a robust order book. These initiatives included new products to address changing preferences, focus on higher end segment with new offerings, integration of various offerings under 'One NIIT' and new delivery models.

In the Schools Learning Solutions, your Company focused on the non-government schools increasing the size of the sales force significantly, putting a new leadership team in place, revamping ICR content which was launched towards year end.

In the Corporate Learning Solutions, your Company achieved steadily rising sales, collection and profitability in the backdrop of a sluggish global economy. This was accomplished through aggressive sales activity and robust delivery performance across North America, Europe and India.

Future Plans

The positive macro economic trends of accelerating GDP growth, increased government spending and strong corporate hiring plans coupled with encouraging lead indicators lay the foundation for your Company's growth.

Your Company has specialized in delivering "Excellence at Scale" based on its core competencies of Pedagogy, Technology and Partnerships. The Company will focus its energy on Leveraging "One NIIT" for reach & customer choice, focus on IP & Annuity-based revenue for scale and profitability as well as addressing new opportunities with new business models at new price points.

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. 1.50 per equity share of Rs. 2 each.

Transfer to Reserves

In accordance with statutory provisions, your Company has transferred a sum of Rs. 49.74 million to the General Reserve.

Awards and Accreditation

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

- NIIT has been awarded 'Franchisor of the Year in Education: Information Technology' in 2010 by

DIRECTORS' REPORT (Contd.)

Franchise Plus Magazine;

- NIIT ranked amongst 'the top 25 Best Employers in India 2011' by Aon Hewitt;
- NIIT has been honoured as the 'Best Education Company to work with' by Franchise India;
- Element K (subsidiary of NIIT) wins the Brandon Hall Silver Excellence Award for blended learning;
- NIIT, USA (subsidiary of NIIT) accepted Honors for Learning and Talent Management Solution at Bersin Impact 2010 Conference;
- NIIT, USA (subsidiary of NIIT) ranks amongst Top 10 Training & Learning Business Process Outsourcing Vendor in – Black Book of Outsourcing;
- HIWEL (subsidiary of NIIT) wins the prestigious Mac Arthur Digital Media and Learning Award;
- 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 (subsidiary of NIIT) featured in Training magazine's Annual 'Top 125' List;
- NIIT, USA (subsidiary of NIIT) received the CLO Gold award for Virtual World Education, for the customized training solution put together for KFC in the USA;
- NIIT MindChampion Viswanathan Anand became the World Chess Champion for the 4th time. NIIT's association with World Chess Champion, Viswanathan Anand, including contractual extensions, is the longest running Brand Ambassador contract in the history of Indian sport;
- NIIT was conferred ICT Gold Medal-Vietnam for 5th year in a row;
- NIIT associated with Government of Gujarat in setting a New Guinness World Record of 20,480 chess players playing simultaneously at Ahmedabad on December 24, 2010.

Subsidiary Companies

During the year under review, Wuxi NIIT Information Technology Consulting Limited, an overseas step down subsidiary of your Company has incorporated a wholly-owned subsidiary by the name of 'Su Zhou NIIT Information Technology Consulting Limited' in Su Zhou, China. Subsequent to the end of financial year, NIIT Antilles NV, Netherlands Antilles, overseas wholly owned subsidiary company has incorporated a overseas step down subsidiary by the name of 'NIIT West Africa Limited' in Nigeria.

Your Company has disinvested its entire stake in non-operating wholly owned subsidiary company 'Neo Multimedia Limited' (formerly known as NIIT Multimedia Limited). During the year under review, PCEC NIIT

Institute of Information Technology, step down subsidiary of your company has been liquidated and therefore, ceased to be a subsidiary company.

As per the provisions of Section 212 of the Companies Act, 1956 ('the Act'), your Company is required to attach the Directors' Report, Balance Sheet, Profit and Loss Account and other information of the subsidiary companies to its Balance Sheet. However, the Ministry of Corporate Affairs vide its General Circular No. 2/2011 dated February 8, 2011, has granted a general exemption under Section 212(8) of the Act to all the companies from annexing the annual accounts and other statements of subsidiary companies with the Annual Report of the holding company subject to certain conditions. As the Company complies with all the specified conditions of the abovementioned Circular, it is not required to attach the audited accounts and other documents of the subsidiary companies to the Annual Report of your Company for the financial year 2010-11.

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.

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

DIRECTORS' REPORT (Contd.)

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

During the year under review, Ms. Madhabi Puri Buch was inducted as an additional Director on the Board of the Company. According to the provisions of Section 260 of the Act, she would hold office, as such, till the conclusion of ensuing Annual General Meeting of the Company. Ms. Madhabi Puri Buch is a graduate in Mathematics from St. Stephens College, Delhi University and an MBA from IIM-Ahmedabad.

The Company has received a notice in writing from the member under Section 257 of the Act proposing Ms. Madhabi Puri Buch appointment as Director of the Company. She has conveyed her willingness to be appointed as Director of the Company and is not disqualified for being appointed as a Director pursuant to the provisions of Section 274(1)(g) of the Act. Necessary resolution with regard to her appointment will be placed at the ensuing Annual General Meeting.

In accordance with the provisions of the Act, and Articles 64, 65 and 66 of the Articles of Association of your Company, Mr. P. Rajendran and Mr. Vijay K. Thadani, 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.

The Board recommends the above appointment/reappointments pursuant to applicable provisions of the Act. The resolutions seeking your approval on these items along with the terms and conditions are included in the Notice convening the Annual General Meeting together with a brief resume of the Directors being appointed/re-appointed.

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, 2011 and of the profit 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; and
- 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

Your Company believes that in addition to progressive thought, it is imperative to invest in research and development to ascertain future exposure and prepare for challenges. In its endeavor to obtain and deliver the best, your Company has entered into alliances / tie-ups with major global players in the I.T. education industry to harness and tap the latest and the best of technology in its field, upgrade itself in line with the latest technology in the world and deploy / absorb technology wherever feasible, relevant and appropriate.

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

DIRECTORS' REPORT (Contd.)

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, Bhutan, Norway, etc. and will also focus on new territories including 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) Total foreign exchange earned and used

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, 2011.

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 re-appointment 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 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 favorable 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.

During the financial year 2005-06, your Company had 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 156,060 Stock Options (Grant VII) of Rs. 2 each at market price to the eligible employees under ESOP 2005. As per the provisions of SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the particulars of the options granted, vested, exercised and allotted under the ESOP-2005 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. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board

Rajendra S. Pawar

Chairman &

Managing Director

DIN - 00042516

Place : New Delhi

Dated : May 10, 2011

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, 2011

A. Employed throughout the year and in receipt of remuneration not less than Rs. 60,00,000 for the year

Name	Age (Years)	Qualification(s)	Experience (Years)	Designation	Nature of Duties	Gross Remuneration (Rs.)	Date of Joining	Previous Employment and Designation
Amitabh Lahiri	53	B.E.	29	Executive Vice President - Global Delivery & Operations	Head - Global Delivery & Operations	6,772,661	6-Jul-07	Genpact, Consultant - Six Sigma Practice
Dr. Smarajit Dey	54	B.E., M.E., Ph.D.	32	President - Strategic Initiatives	IBU Head	6,586,745	1-Apr-07	NIIT Institute of Information Technology, Professor & Dean
L. Balasubramanian	57	B.Sc.	37	President - NIIT Skills Initiatives	IBU Head	6,866,905	30-Nov-88	DCM Data Products, Regional Systems Engineering Manager
Mohit Hira	48	BA	25	President - Individual Learning Marketing	Head - Individual Learning Marketing	6,833,292	4-Nov-08	Times Internet, Director
P. Rajendran	58	B.E.	37	Chief Operating Officer & Whole-time Director	COO	10,837,613	1-Sep-82	Keltron Limited, Resident Manager
Raghavan Govindan	54	B.Sc., MMS	31	President - Individual Learning Solutions	IBU Head	13,766,210	1-Jun-05	Ingram Micro India, Managing Director
Rajendra Singh Pawar	60	B. Tech.	39	Chairman & Managing Director	CMD	10,043,379	2-Dec-81	HCL Ltd, Planning Manager
Udai Singh	43	B.E., M.E.	22	Executive Vice President - SLT	Head - SLT	6,429,464	23-Mar-05	NIIT Online Learning Limited, Whole-time Director & COO
Vijay Kumar Thadani	60	B. Tech.	39	Chief Executive Officer & Whole-time Director	CEO	16,319,836	2-Dec-81	Keltron Limited, Branch Manager

B. Employed for part of the year and in receipt of remuneration not less than Rs. 5,00,000 per month

Name	Age (Years)	Qualification(s)	Experience (Years)	Designation	Nature of Duties	Gross Remuneration (Rs.)	Date of Joining	Previous Employment and Designation
Hemant Sethi*	48	B.E.	27	President-School Learning Solutions	IBU Head	2,455,730	14-Feb-11	Bharti Airtel Limited, Vice President - Enterprise Services
Placid Sam	50	B.E., MBA	24	Senior Vice President - EPL	Business Unit Head - EPL	4,300,050	16-Mar-09	Subhiksha India Limited, Chief Operating Officer
Sanjay Bahl	48	B.E.	27	President-Skill Building Solutions	IBU Head	996,112	10-Feb-11	Sistema Shyam Tele Services Limited, COO

* Mr. Sethi left the Company on June 30, 2010 and re-joined on February 14, 2011.

NOTES :

- The gross remuneration shown above comprises salary, allowances, incentives, monetary value of perquisites as per Income Tax Rules and Company's contribution to Provident Fund and Superannuation Fund.
- The gross remuneration of employees does not include provision for gratuity and provision for leave encashment.
- None of the above employees are related to any Director of the Company.
- None of the employees holds 2% or more of the paid-up equity share capital of the Company.
- The nature of Employment in all above cases is contractual and other terms of appointment are as per appointment letter.

Annexure - II

Information relating to NIIT ESOP-2005 under SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 (as on March 31, 2011)

(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** Grant VII – 156,060** *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
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DIRECTORS' REPORT (Contd.)

(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 *	235.15
	Grant II **	237.00
	Grant III **	912.15
	Grant IV **	88.70
	Grant V **	72.20
	Grant VI **	69.20
	Grant VII **	67.65
	# 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	-
	Grant II	-
	Grant III	456,581
	Grant IV	1,237,050
	Grant V	1,677,546
	Grant VI	135,770
	Grant VII	-
	Total	3,506,947
(d) Options exercised	No. of shares	
	Pre bonus & split	Post bonus & split
	Grant I	453,002
	Grant II	34,125
	Grant III	-
	Grant IV	-
	Grant V	-
	Grant VI	-
	Grant VII	-
	Total	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	453,002
	Grant II	34,125
	Grant III	-
	Grant IV	-
	Grant V	-
	Grant VI	-
	Grant VII	-
	Total	487,127
(f) Options lapsed (includes options not vested based on performance parameter)	No. of shares	
	Pre bonus & split	Post bonus & split
	Grant I	309,696
	Grant II	-
	Grant III	453,374
	Grant IV	201,000
	Grant V	850,923
	Grant VI	149,030
	Grant VII	69,000
	Total	2,033,023
(g) Variation of terms of options	Nil	
(h) Money realized by exercise of options	Rs. 91,521,258	

DIRECTORS' REPORT (Contd.)

(j) Total number of options in force	6,718,413 (post bonus and split)							
(i) 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 : 34 No. of options granted to such personnel; 238,450 (Pre Bonus and Split) 1,141,875 (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. 3.01							
(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. 20) forming part of the Balance Sheet and Profit and Loss Account for the financial year ended on March 31, 2011.							
(m) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock		Grant I*	Grant II*	Grant III*	Grant IV	Grant V	Grant VI	Grant VII
	Weighted average exercise price	24.00	31.60	121.62	88.70	72.20	69.20	67.65
	Weighted average fair value	13.15	9.63	37.23	32.09	32.71	32.71	31.57
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	Grant VII	
(i) risk-free interest rate	7%	7%	7.93%	9.24%	6.89%	6.50%	7.55%	
(ii) expected life	2.5 years	2.5 years	2.5 years	2.5 years	3.5 years	3.5 years	3.5 years	
(iii) expected volatility	14%	14%	45.47%	51.81%	66.48%	66.23%	63.20%	
(iv) expected dividends	Not considered	Not considered	2.79%	2.04%	1.76%	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	Rs.67.65	

Environment

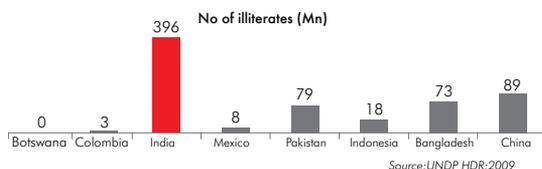
The financial year 2010-11 saw a progression in economic trends from cautious optimism at the beginning of the year leading into full scale recoveries and rapid growth in many emerging economies by the year end.

- Stronger Indian economy but with rising interest rates aimed at controlling inflation, and volatile capital flows
- Ended the year with strong hiring by employers across industries. Strongest hiring intentions since 2005 with Net Employment Outlook at 51 percent up 13 percentage points YoY (Source: Manpower Employment Outlook Survey)
- Fresher IT recruitments expected to cross 200,000 next fiscal year
- Banking Industry continued its hiring spree for operations and sales; uncertainty persisted in the Insurance sector due to regulatory changes
- Education and skill development remained a top agenda with the Government, with greater private sector participation
- Corporate sector business confidence improved. US markets showed recovery in terms of training spends; Outsourcing activity grew faster in Europe

Employment witnessed a strong up-cycle among rapidly developing economies such as India and China with hiring pressures mounting. However hardening energy prices, rising interest rates and sticky inflation indicated ongoing volatility and uncertainty in the future outlook. In this environment, the education and training sector remained a key determinant of economic growth and recovery, both for India and rest of the world and therefore a top priority for governments at policy levels.

It also became clear that for India to reap the benefits of its demographic dividend, the following challenges would need to be rapidly addressed:

- Low enrolments and high drop-out rates in school education
- Largest uneducated and untrained population



Percentage with Formal Vocational Training



Source: UNDP HDR:2009

In this environment, NIIT strengthened its position by building strong credentials as

- One of the largest providers of vocational and professional skills worldwide across various service sectors. Acknowledged market leader in India
- Leading player in the school education segment in India. Positioned to take strong advantage of the emerging environment
- One of the largest providers of corporate training in the world.

Given the above credentials, NIIT is uniquely positioned to take advantage of both the long term trend towards improvement of education and skill levels as well as increasing outsourcing in India and overseas.

Company Performance

NIIT started the year with the theme of “Sharpening the edge” with specific focus on improving the return on capital employed and quality of balance sheet while re-engineering the Company’s businesses for higher growth.

The Company’s performance for the year 2010-11 is reflected in the chart below:

Rs. Millions	FY'11	FY'10	Change
System wide Revenues	19,072	17,964	6%
Net Revenues	12,483	11,993	4%
EBITDA (earnings before interest, taxes depreciation and amortization)	1,593	1,569	2%
Depreciation and Amortization	854	751	14%
Profit before tax (after exceptional Items)	557	488	14%
Operational PAT	469	380	23%
Share of profits from associates / attributable to minority shareholders	453	322	41%
Profit after tax	922	702	31%
Basic EPS (Rs.)	5.6	4.3	31%

Previous year data not regrouped

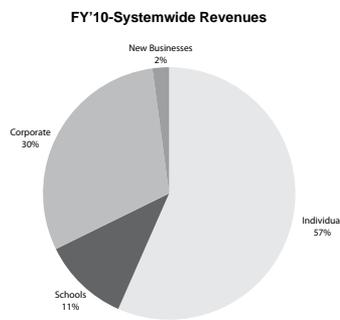
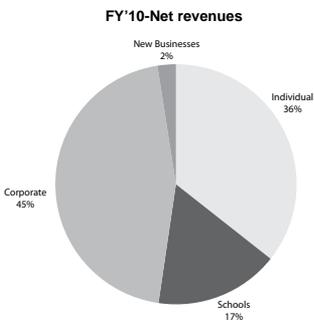
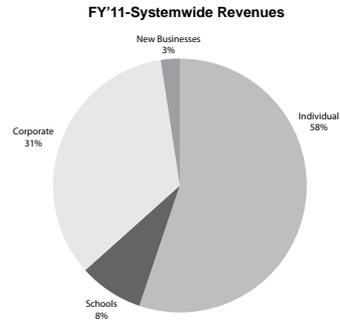
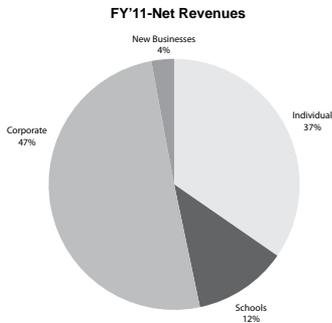
The Company saw an improvement in its net revenues and profitability during the year with:

- Net Revenues at Rs. 12,483 million
- EBITDA at Rs. 1,593 million and
- Net profit of Rs. 922 million

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Due to the re-engineering of businesses as well as initiatives in strengthening the balance sheet, there were one-time and exceptional entries which are explained in the analysis made subsequently in this document.

and training in business processes, and soft skills to address the increasing demand for skilled workers in the business & technology services industry.



During FY'11, NIIT offered the following learning solutions:

➤ **Individual**

- **IT Training:** the Company provided instructor led (supplemented by e-learning, satellite based and vlabs- the cloud based laboratories) IT training to individuals interested in pursuing a career in IT or upgrading their IT skills. These programmes, in many cases conducted through partnerships with technology companies, 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: the Company offered knowledge

- **Schools:** the Company catered to the requirements of Government and private schools for multimedia education across all subjects, IT education and teachers training.
- **Corporate:** the Company provided end to end solutions, from development to deployment of training curriculum to the Corporate sector. Product offerings included Learning Products both Online and through printed books, Managed Training Services and Custom projects.

Business Overview

Individual Learning Solutions

NIIT's offerings for Individuals include IT, BFSI, Management, BPO and English & Professional life skills for a variety of sectors. For this, NIIT leverages its global presence across India, China and other



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

developing countries for reaching out to the students as well its partnership with large technology companies in USA and Europe to provide the requisite solutions. During the year, the Company initiated the “One NIIT” approach for all ILS verticals; sharing capacity across its various brands viz IT, IFBI, Imperia and Uniqua to enhance reach and increase efficiency.



Given the economic slowdown in FY’10, the Individual business started the year with a lower order book. However during the year, the business launched new initiatives to build a robust order book as under:

- New products to address changing preferences
- New delivery model: embedding VSAT based delivery across centers and online portal to expand reach and increase efficiency
- NIIT Inside: Separate team with focus on College delivery
- Higher end segment: New products (ERP, business analytics etc)
- Launched ‘One NIIT’: Integrating IT, FMT and New Businesses product offerings
- Stronger placement push

The impact of all these initiatives was very positive with year-on-year enrolments growth of 6 percent and placements growth of 31 percent in IT Training.

The IT Training business provides technical and professional skills to ensure employability as well as technology upgrade skills for working professionals. Revenue growth of 10 percent was led by 99 Day Diploma, Infrastructure Management solutions and Edgineers curriculum, with a significant uptake in SAP enrolments during the second half of the financial year. The enrolments for career courses grew by 10 percent during the year.

➤ India

As part of the growth strategy, the Company focused on the following initiatives during FY’11:

1. Launched a full slate of new products and programs, many of which cater to changing preferences for shorter duration programs:



- ‘Advanced Online Advertising’ program, in association with Google, for the advertising and marketing professionals
- Salesforce.com – training for Salesforce.com CRM Management
- Zend Technologies – training to learn PHP and Zend Framework
- Tally Solutions – training programs to master Tally. ERP 9
- Cloud Computing – Entry Level Programs for Working Professionals on Microsoft – Azure Platform
- IGNOU - ‘Finishing School Program’ in IT and professional skills
- Android (Google) World – Awareness and Programming Courses
- Certified Oracle 10g courses on Database Administrator / Oracle Certified Professional / Oracle Certified Associate
- New Fun & Gaming/School Project programs under “Cool Programs”
- “Click India Click” - Social Media Awareness Programme
- Customized GNIIT Programs for Engineers

I AM THE NEW-AGE PROFESSIONAL. I HAVE WHAT IT TAKES.

COMPREHENSIVE I.T., COMMUNICATION AND SOFT SKILLS.

ANNOUNCING THE REVOLUTION IN IT TRAINING.

YOUR PROFESSIONAL EDGE: One year industry-relevant International technology certification • World-class industry-oriented curriculum designed with IT giants like Sun Microsystems, Microsoft, SAS, Cognizant, EMC and IBM • IT Technology Specializations: Software Engineering, Networking & Infrastructure Management and Business Systems & Information Management • Placement Partnerships with about 2000 companies • Certified Instructors • International U.S., U.K., U.S.A., IT/BI degree awarded by Kuvempu University, Karnataka

PROFESSIONAL SKILLS

THERE'S A PROFESSIONAL IN YOU

2. National IT Aptitude Test – The Company conducted the National IT Aptitude Test for the seventh consecutive year. The test was simultaneously conducted across 27 states in India.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

3. Initiated change in delivery model enabling VSAT based delivery across centers
4. Created a separate team with focus on 'In college delivery'



The closing order book was Rs. 1,106 million, of which nearly two-thirds is executable during FY'12.

➤ China & Other Emerging Economies

During FY'11, the Company continued to focus on select high potential geographies. To this end, the Company expanded its China operations by bringing 2 new Government-assisted NIIT centres live in Suzhou & Jiaxing. NIIT brought together technology leaders in the first-ever Technology Partner Conclave in Ghana. The conclave, held as a part of NIIT's 10th anniversary celebrations in Ghana, saw global IT leaders such as Microsoft & Oracle sharing this platform to educate youth in the latest technologies and industry trends. NIIT signed a MoU with leading Universities of Indonesia to enhance employability of 100,000 learners over next 5 years. The Company organized the 11th NIIT Nigeria IT Scholarship 2010 to reward meritorious students. These 100% Scholarships commemorate the 50th Year of Nigeria's Independence. In partnership with IGNOU, NIIT launched BSc (IT) in key international geographies.

Financials of ILS - IT Training

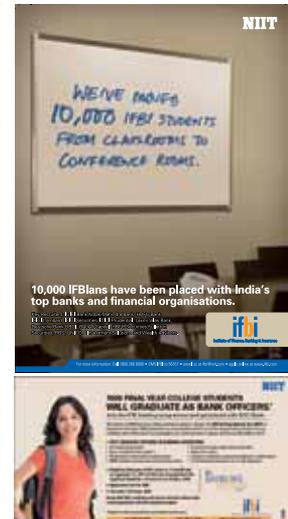
Rs. Millions	FY'11	FY'10	Change
System wide Revenues	11,153	10,163	10%
Net Revenues	4,681	4,275	10%
EBITDA	1,061	987	7%
OM%	23%	23%	(43) bps

The revenue growth was affected by lower order book at the beginning of the year while the margins for the year were adversely impacted due to expenses on implementing new delivery models (One NIIT etc.) but

have positioned ILS for higher growth and improvement in margins in the future.

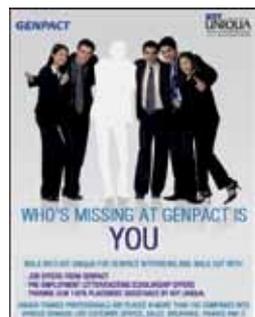
New Businesses

The Company further consolidated its leadership position in Financial Services training through the Institute of Finance, Banking and Insurance (IFBI), continuing to grow at a vigorous pace throughout the year. To capture the full extent of the rebound in the banking sector, IFBI further broad-based its partner list by adding 14 new institutions. IFBI also entered into a strategic alliance with International Certifications in Securities and Investments (CISI).



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 launched the first batch of the Executive MBA in collaboration with Indira Gandhi National Open University (IGNOU). Pioneering courses in Digital marketing in an alliance with Google, and in IFRS with KPMG were well received.

UNIQUA offers the industry's most comprehensive training curriculum for existing and prospective employees of business services and technology companies. During FY'11 Uniqua continued to reach out across India through the extended NIIT Centre network. Fresh Hire Training and Professional Skills Training as services were provided to Top BPO organizations through training contracts.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Financials of New Businesses

Rs. Millions	FY'11	FY'10	Change
System wide Revenues	602	379	59%
Net Revenues	485	296	64%
EBITDA	(108)	(152)	+ 44 million

During FY'11, the New businesses recorded an order intake of Rs. 529 million. At the end of the year, the Order book stood at Rs. 107 million with 100 percent executable over the next 12 months.

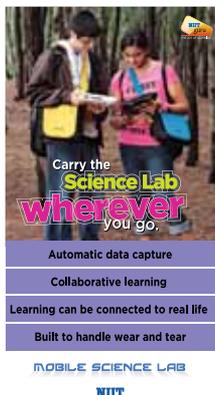
School Learning Solutions

The School Learning Solutions business provides solutions and services for IT training and for technology enabled learning & teaching for schools as well as teachers training and Hole in the Wall Learning Station solutions.

In Government schools, the Company adopted an extremely selective approach to Sarva Shiksha Abhiyan and ICT @school tenders floated by the State governments as it sought to balance growth and capital intensity in this business. Receivables were followed up aggressively, with traction being gained toward the end of the financial year.



For Non-government schools, the Company offers a comprehensive suite of technology enabled products and solutions under the NIIT nGuru solution. In addition to its legacy IT Wizard product, the nGuru suite provides a holistic education delivery solution to address key needs of Students, Teachers, School management and Parents, in line with NCERT's National Curriculum framework. The nGuru suite is comprised of 'Interactive Classrooms' for teachers, 'Math lab' and 'IT Wizard' for students, 'Quick School' an Education Resource Planning solution for school management.

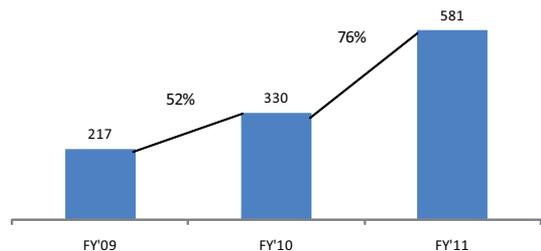


During the year, the Company focused its attention on Non-government schools, increasing the size of the sales force significantly, putting a new leadership team

in place, revamping ICR content which was launched towards the year end. This resulted in a healthier order book and steady growth in Non-Government revenues. In the year, the Company added 581 Non-government Schools. In addition, the Company entered into an alliance with Fourier Systems, a worldwide leader in science education to launch the Mobile Science Lab for schools - an innovative learning solution which integrates the Science Lab into the classroom. The Company launched NIIT MindChampions' Academy to popularize Chess in schools across India as a joint initiative by NIIT & World Chess Champion, Viswanathan Anand.



Non-GSA School additions



NIIT's Hole-in-the-Wall Education (HiWEL) initiated set up of over 100 Play Ground Learning Hole-in-the-Wall Education Ltd. Stations during the year. HiWEL has developed innovative and a cost effective approach in using technology to empower disadvantaged groups through the provision of free and unrestricted computer access to children and community members in open unsupervised settings. HiWEL was awarded HASTAC/MacArthur Digital Media Learning Award 2010 and Honorable Commendation of Wenhui Award for Educational Innovation 2010 by the National Commission of the People's Republic of China for UNESCO.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

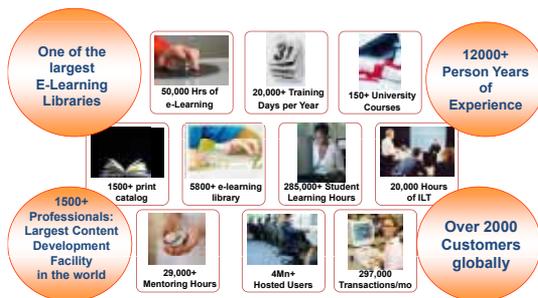
Financials for School Learning Solutions

Rs. Millions	FY'11	FY'10	Change
Net Revenues	1,481	2,000	-26%
EBITDA	169	296	-43%
OM%	11%	15%	(336) bps

During FY'11, the Company recorded an order intake of Rs. 2,567 million. At the end of the year, the Order book for this business stood at Rs. 4,402 million. Of this, 30 percent is executable during FY'12.

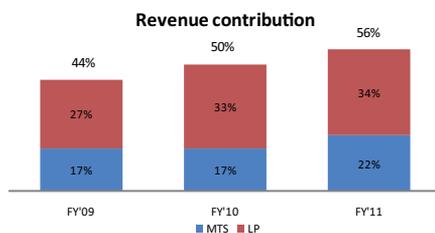
Corporate Learning Solutions

During FY'11, the Corporate Learning Solutions business achieved steadily rising sales, collections and profitability in the backdrop of a sluggish global economy. This was accomplished through aggressive sales activity and robust delivery performance across North America, Europe and India. During the year, the Company took the following steps:



Most comprehensive and global, training outsourcing capability

- Focus on higher margin IP based and large annuity based businesses
 - Learning Products (LP): Invested in sales force and product development
 - Managed Training Services (MTS): sharpened the value proposition of the offering; added 5 new large accounts in FY11 to the existing Philips engagement
- FY11 saw a significant improvement in business volume and profitability



- Share of LP and MTS increased from 52 percent of CLS revenues in Q1 FY11 to 58 percent in Q4 FY11
- Margin growth in FY11 restricted by exchange and by transition costs

Learning Products - Online	<ul style="list-style-type: none"> • 5800+ titles; 50,000+ topics • 4 Mn+ learners on Khub • SAAS model
Print & Publishing	<ul style="list-style-type: none"> • Largest print library • Over 8000 titles • Print on demand
Managed Training Services	<ul style="list-style-type: none"> • Recurring revenues, long term partnerships • Multi year, multi geography relationships • Opportunities in India growth sectors
Custom Projects	<ul style="list-style-type: none"> • 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'11	FY'10	Change
Net Revenues	5,835	5,422	8%
EBITDA	471	437	8%
OM%	8%	8%	1 bps

During the year, the business clocked an order intake of USD 138 million. The closing order book stood at USD 98 million. Of this, 59 percent is executable during FY'12. Annuity contracts in LP and MTS will provide accelerated revenue growth with improving margins in future.

Recognitions

- NIIT won 'Top IT Training Company Award 2010' for the 18th year in succession by Dataquest. NIIT has been receiving this coveted award successively for the past 17 years in recognition of its talent development initiatives across the world.
- NIIT received Franchisor of the Year: IT by Franchise Plus, India's leading business opportunity magazine. The company has received the coveted award for its path breaking work in developing and demonstrating the best business model in the field of Education: Information Technology.
- Element K won the Brandon Hall Silver Excellence Award for blended learning in the Best Results of a Learning Program category. The learning program developed by NIIT enabled Diageo employees to learn about information systems in an immersive, flexible and experience based environment.
- NIIT (USA) ranked amongst Top 10 Training & Learning Business Process Outsourcing Vendor in

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

– Black Book of Outsourcing. Black book identifies the best companies for outsourcing projects, which is key to helping companies maximize their training spend and achieve the strategic business impact they seek.

- NIIT HiWEL won the prestigious Mac Arthur Digital Media and Learning Award for innovative use of internet and digital technology to transform learning and knowledge creation.
- NIIT USA was named in the 2010 Top 20 IT Training Companies list by TrainingIndustry.com for IT solutions which enable organizations to reduce costs and deliver value by positively accelerating business drivers through effective learning and training programs
- NIIT USA won the CLO Gold Excellence Award from Chief Learning Officer (CLO) magazine. The awards felicitated NIIT for its accomplishments in the Excellence in Content category.
- NIIT won Microsoft's "Learning Solutions Partner of the Year" for the third consecutive year. This award marks a Hat-Trick by NIIT for being the "Best Learning Solutions Partner" in India, a unique feat, as there is no other Learning Partner to achieve this credential. NIIT has skilled and certified close to 100,000 students in the last 3 years on Microsoft Technologies.
- NIIT Vietnam bagged the ICT GOLD MEDAL, consecutively for the 5th time and ICT TOP 5 for the year 2010
- NIIT Cognitive Arts Won the Bronze Brandon Hall Learning Award
- NIIT won the 'Best Education Company to Work with' award at the Indian Education Awards 2011, organized by Franchise India.



Consolidated Financial review of the Company

The financial summary for FY'11 is as follows:

Rs. Millions	FY'11	FY'10	Change
Revenues	12,483	11,993	4%
Operating Expenses	10,890	10,425	4%
- Personnel Cost	3,348	3,016	11%
- Development, Production & Execution costs	4,795	4,804	0%
- Administration & Others (excl finance costs)	1,747	1,649	6%
- Marketing	1,000	955	5%
EBITDA	1,593	1,569	2%
OM%	13%	13%	(32) bps
Net Other Income (incl exceptional items)	(181)	(330)	
Depreciation & Amortization	854	751	14%
Profit before taxes	557	488	14%
Taxes	89	108	-18%
Share of Associate profits/ profits attributable to Minority shareholders	453	322	41%
Profit after tax attributable to equity holders	922	702	31%
Basic EPS (Rs.)	5.6	4.3	31%

Previous year data not regrouped

Revenues

The Company recorded a 4 percent increase in the revenues to Rs. 12,483 million. This growth was muted on account of the one-time pass through revenues recognized in FY'10 as well as the appreciation of the INR viz. the USD. On a like to like basis, without currency impact and the one-time pass through revenues, the revenue growth was 12 percent.

Net other income

The net other income in FY'11 reflects

- the net interest expenses for the Company,
- Dividend and capital gain income on mutual fund investments
- Foreign exchange gains / (losses)
- Miscellaneous income

The net interest & financial expense for FY'11 stood at Rs.337 million compared to Rs. 333 million for FY'10. During the year, the Company recorded a net foreign exchange loss of Rs. 12 million compared to Rs. 40 million booked in FY'10.

Exceptional Items

Exceptional items for FY'11 reflect

- A one-time income from the sale of stake in a subsidiary viz. Neo Multimedia Limited (erstwhile NIIT Multimedia Limited) of Rs. 214 million.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- Rs. 71.5 million of Corpus given to The NIIT University. This corpus has been given in accordance with the approvals received from the shareholders.

Expenses

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

- The salary reductions achieved in FY'10 were rolled back in salary in FY'11. This in addition to the impact of annual increments and 672 additional people joining NIIT during the year pushed the personnel costs up by 11 percent.
- Development, production and execution expenses for FY'11 were flat in comparison with FY'10.
- Marketing costs increased by 5 percent as the Company ramped up its marketing campaign to increase market share.
- Administration and other costs were well managed by volume reduction but still resulted in a 6 percent increase on account of inflation, increase in premise costs as well as higher business related travel.
- The increase in depreciation was primarily attributable to the capitalization of a number of capital work in progress projects which got completed during the year.

Detailed Analysis of Consolidated Balance Sheet as on March 31, 2011

Particulars	Rs. Million	
	March 31, 2011	March 31, 2010
Sources of Funds		
Share Capital	330	330
Minority Interest	30	21
Reserves and Surplus	5,235	4,713
Net Worth	5,595	5,064
Secured Loans	2,650	2,535
Unsecured Loans	1,009	1,510
Loan funds	3,658	4,046
Total	9,253	9,110

Application of Funds		Rs. Million		
Particulars	March 31, 2011		March 31, 2010	
	Fixed Assets			
Gross Block	8,771		8,137	
Depreciation	3,971		3,221	
Net Block		4,800		4,916
Capital Work in Progress		622		448
Investment		1,641		1,274
Net Current Assets		1,883		2,173
Deferred Tax Assets		307		298
Miscellaneous Expenditure		-		1
Total		9,253		9,110

Share Capital

During the year, there was no change in the share capital of the Company.

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'11, the Company raised Rs. 1,100 million of fresh debt in India (Rs. 500 million as a long term loan as well as Rs. 600 million as short term funds) as well as USD 15 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 and GBP 9.4 million of the foreign currency loans, unsecured debentures of Rs. 600 million as well as other unsecured debt of Rs. 506 million

NIIT's focus on releasing capital deployed in non operational assets and from low return businesses resulted in reduction of debt from Rs. 4,046 million as of March 31, 2010 to Rs. 3,658 million in March 2011. The outstanding included:

Secured Non Convertible debentures:	Rs. 1,000 million
Rupee Term Loan:	Rs. 500 million
Foreign currency loans:	Rs. 1,132 million
Working capital debt:	Rs. 18 million
Unsecured Short term debt	Rs. 600 million
Unsecured Working capital debt in India & Overseas:	Rs. 278 million
Deferred lease obligations and other loans:	Rs. 130 million

Fixed Assets

As of the beginning of the year, the Net block stood at Rs. 4,916 million. During the year, the Company invested Rs. 897 million in fixed assets including capi-

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

talization of the opening capital work in progress. The addition was for the following:

New initiatives & products:	Rs. 484 million
Capacity expansion & upgradation:	Rs. 94 million
Normal capital expenditure:	Rs. 319 million

In addition, the Capital work in progress stood at Rs. 622 million as of March'11. The Net block stood at Rs. 4,800 million on March 31, 2011.

Investments

At the year end, the investments stood at Rs. 1,641 million which included the holding value of:

NIIT Technologies Limited:	Rs. 1,531 million
Investments in debt schemes of mutual funds:	Rs. 110 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. 126 million to Rs. 153 million.

➤ Trade Receivables

The total receivables of the Company were at Rs. 3,898 million up from Rs. 3,403 million as on March 31, 2010, representing 114 days sales outstanding. Post the year end, the Company has received an amount of Rs. 247 million from a State Government against the outstanding trade receivables. Consequently, the days sales outstanding would reduce to 107 as compared to 104 days in March 2010. This increase is attributable to a higher level of invoicing in Element K as well as longer collection cycles in some corporate and government collections.

➤ Cash and Bank

The cash and bank balances as on March 31, 2011 stood at Rs. 526 million compared to Rs. 616 million as on March 31, 2010. Including mutual fund investments, the cash balance of the Company stood at Rs. 603 million as compared to Rs. 620 million as of March 31, 2010. During the year the Company:

- generated Rs. 1,315 million from operations,
- utilized Rs. 505 million for investment activities including net investment in mutual funds amounting to Rs. 105 million, and

- Utilized Rs. 917 million in financing activities of paying interest and dividend as well as repaying debt.

➤ Other Current Assets

Other current assets included interest receivable, unbilled revenues as well as receivables pertaining to the sale of stake in Neo Multimedia Limited. The balance as of March 31, 2011 stood at Rs. 1,174 million, as compared to Rs. 698 million in the previous year. Subsequent to the year end, substantial amount against the receivable pertaining to the stake sale has been realized.

➤ Loans and Advances

Loans and advances included advances to suppliers, deferred expenses, rent advances, security deposits given for premises as well as advance tax paid. During the year, the company received back the loans advanced to The NIIT Institute of Information Technology as well as NIIT Education Society totaling to Rs. 444 million. Consequently, at the year end, the total loans and advances stood at Rs. 1,353 million compared to Rs. 1,538 million as on March 31, 2010.

➤ Current Liabilities

Current liabilities increased from Rs. 3,785 million in FY'10 to Rs. 4,772 million in FY'11. This increase is primarily attributable to the increase in deferred revenues in Element K as well as advances from customers and sundry creditors. Current liabilities consists of sundry creditors including capital creditors, advances from customers, security deposits, deferred revenues and other liabilities.

➤ Provisions

The total provisions increased from Rs. 422 million to Rs. 449 million. The outstanding amount included Rs.288 million for the proposed dividend of Rs. 1.50 per equity share of Rs. 2 and the dividend distribution tax thereon; compensated absences provision of Rs. 152 million and gratuity provision of Rs. 9 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, 2011 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.

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.

Update on SEZ

During the year, the Company was granted approval for setting up a SEZ unit in IT/ITES SEZ of Gurgaon Infospace Ltd., Sector-21, Village Dundahera, Gurgaon ("SEZ") vide approval letter dated December 21, 2010. Based on the approval, the Company is in the process of setting up its unit in the SEZ which would be servicing new customers and new contracts from its existing global customer base.

While the necessary infrastructure for making the unit operational is being set up, the SEZ unit has started recruiting new employees for the unit since the beginning of the month of March. The employees who have joined the unit are going through the necessary trainings etc.

The SEZ unit of the Company is expected to be operational during the first quarter of financial year 2011-12.

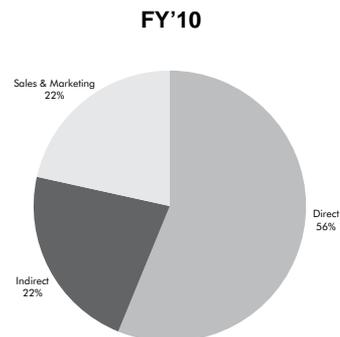
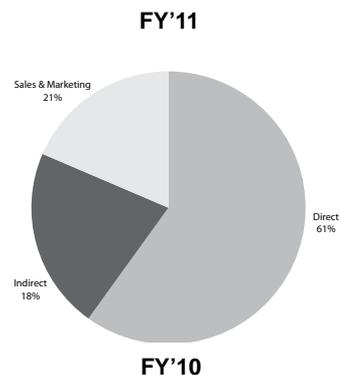
Human resources

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

During FY'11, the Company increased its headcount by 672. As of the year end, the headcount stood at 4,157 with 61 percent in direct roles, 22 percent in sales and marketing and the balance in indirect roles.



Future Outlook

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

- 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 encouraging with:
 - Enrolments growth

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- Growth in placements
 - Strong Order Book
 - Competitive wins
 - Profitability improvement
- NIIT has always specialized in delivering “quality at scale.” The Company's core competencies – acquired over 3 decades of existence, remain integral to its future:
- Pedagogy – Creating Learning materials
 - Technology – Distributed Education process management
 - Partnerships – Nurturing win-win partner relationships

NIIT's core growth strategies to address the future are:

- Leverage “One NIIT” for reach and customer choice
- Focus on IP and Annuity-based revenue for scale and profitability
- Addressing new opportunities with new business models at new price points

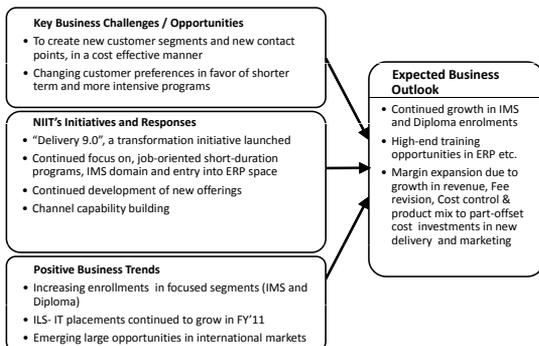
In addition to ongoing cash flow management and profitability improvement, three major transformations are underway to achieve the next level of growth:

- Technology led low-cost delivery
- Aggressive customer acquisition
- Empowered, energized & entrepreneurial NIITians

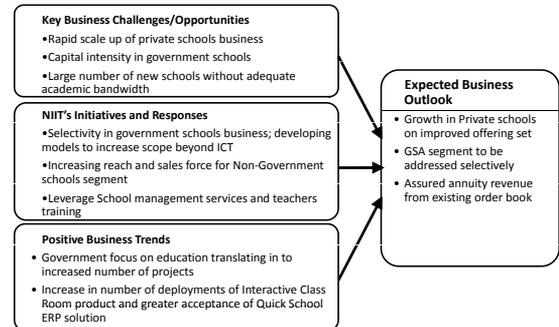
The Company is very well equipped to take a global leadership position in the emerging knowledge economy.

The Company's business specific strategy set includes:

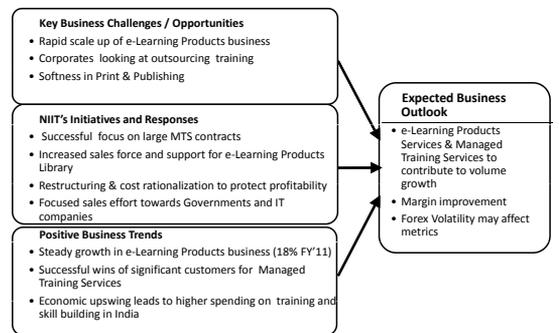
Individual Learning Solutions



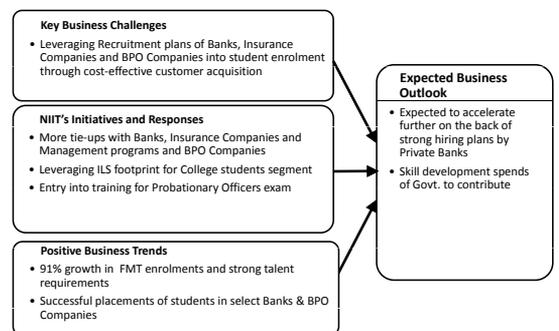
School Learning Solutions



Corporate Learning Solutions



New Businesses



Risk and Concerns

As a global enterprise, NIIT is exposed to a wide variety of risks across its different lines of businesses. The Company perceives risks as the danger of not achieving its financial, operative and strategic goals. NIIT has a comprehensive risk management structure in place, to enable it to recognize the risks early, so that appropriate mitigation plans can be put in place to counter the same. The risk management mechanism

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

is an integral part of the Company's core process and involves recording, monitoring and controlling of the internal functions of the enterprise and the associated business risks, via a comprehensive risk reporting system. Through the said mechanism, the Company aims to achieve an optimum balance between risk and reward, with the underlying objective of maximizing value for the shareholder. While the external environment in FY'11 remained challenging, the application of Enterprise Risks Management (ERM) has resulted in real, tangible benefits for the company.

The rapid changes in technology across the globe have necessitated a dynamic change in the Company's business and delivery models. As risk taking is an intrinsic part of business and any opportunities for growth carries with it inherent risks, it has been the constant endeavor of the Company to balance risk appetite in each of its lines of business to ensure that each of the businesses generate high risk adjusted returns. As prioritization of key risks is significant, NIIT has taken upfront initiatives to identify the risks, document them in consultation with the business groups and define the risk matrix framework.

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 each business activity, along with a mitigation strategy for the same. The mitigation strategy is simultaneously addressed by the respective business group for each of the identified risks while finalizing strategic and operational parameters of the business. The compliances & assurance of the risk mitigation strategies are addressed by the Internal Audit & Assurance Group.

The major and significant risks identified by the Company with mitigation strategies 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 its service offerings and geographic spread. The judicious mix of revenue from the different business lines, Individual, Schools and Corporates ensure that the Company is well positioned to manage slowdowns in a particular product portfolio or in a specific geography. The Company believes that with the ERM process in

place, it has a robust mechanism for risk management, and the strategies for risk management are reviewed by the Board of Directors at regular intervals.

Internal Control Systems and its adequacy

The Company has adopted world class practices for internal controls, 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 strengthen the ability of internal controls to function most optimally.

Disclaimer

Statements in this management discussion and analysis describing the Company's views about the industry, objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. 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.

CORPORATE GOVERNANCE REPORT

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 seven Directors of which four are Independent Directors, constituting more than half of the Board's total strength. 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
Ms. Madhabi Puri Buch (Additional Director)	Independent Director	00016299

Note:

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

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

Mr. Rajendra S. Pawar

Designation: Chairman and Managing Director

Profile: Mr. Pawar is the Chairman and co-founder of NIIT. A distinguished alumnus of the Indian Institute of Technology Delhi, he is known for promoting industry-academia alliances and has been working closely with the country's well-known educational institutions. An established thought leader in the industry, Mr. Pawar is the current Chairman of the industry body 'National

CORPORATE GOVERNANCE REPORT (Contd.)

Association of Software and Service Companies' (NASSCOM).

Set up in 1981, NIIT pioneered the computer education market in India, creating a completely new industry segment and taking it to consolidation and maturity. Mr. Pawar has played a leadership role in nurturing NIIT and building it into a leading Global Talent Development Corporation.

Acknowledging his contribution to the IT industry in India, Mr. Pawar has been awarded the country's prestigious civilian honour, Padma Bhushan by the President of India in 2011.

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 Human 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 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 (IIT), 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 helping shape new business and driving the strategic HR program in the Company.

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 further strengthen NIIT's software solutions and corporate solutions offerings.

Mr. Thadani has headed many Industry Associations and Societies. He is the current Chairman of CII Northern region. He has served as President of the Indian IT industry association, MAIT, chaired the Indian Government's Committee on National Information Infrastructure and has been a member of the Strategy Council of Global Alliance for ICT and Development of the United Nations Department of Economic and Social Affairs (UNDESA-GAID). He served as the Chairman of the IT Committee of the Confederation of Indian Industry (CII) in USA, and as the Chairman of CII National Committee on Education.

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

Roles and Responsibilities: As the Chief Executive Officer of the Company, Mr. Thadani provides strategic direction and oversight to the Chief Executives and Heads of the Company's global businesses namely Career Building solutions, Corporate Learning solutions, School Learning solutions and Skills Building solutions. His responsibilities include leading the Company's Strategic Alliance and Technology partnership initiatives and in addition to oversee the Finance, Investor Relations and Corporate Communications functions. He also serves as the Chairman, Board of Directors of NIIT USA Inc, Element K Corporation, Evolv Services Limited and NIIT Institute of Finance Banking and Insurance Training Limited.

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 IIT, Delhi.

Mr. Rajendran leads the People initiatives, Infrastructure development & 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 mode. 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. Under his leadership, the Company has received many awards in recognition of its innovative HR practices, including Aon Hewitt's 'Best Employers in India- 2011' and 'Best Education Company to Work with' at Indian Education Awards 2011.

Mr. Rajendran is actively associated with industry associations like CII and FICCI. He is member of the Chairman of the Task force on ICT & Skills development in CII Africa Council and Chairman of the CII National Committee on Higher Education.

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, Legal Services and provides oversight for the School Learning solutions business.

Mr. Subroto Bhattacharya

Designation: Independent Director

Profile: Mr. Subroto Bhattacharya is a Chartered Accountant and has over 34 years of experience and specializes in finance and management consultancy. He has been part of the core team in several reputed organisations. He was invited to the Company's Board as an Independent Director in 1998.

Roles and Responsibilities: Mr. Bhattacharya advises the Company 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,

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. Singh was invited to the Company's Board as an Independent Director in 2001.

Acknowledging his contribution in civil services, Mr. Singh has been awarded the country's prestigious civilian honour, Padma Bhushan by the President of India in 2011.

Roles and Responsibilities: Mr. Singh advises NIIT on internal controls, audit systems, compensation structure and investor relations. He chairs the Shareholders'/ Investors' Grievances Committee.

Mr. Sanjay Khosla

Designation: Independent Director

Profile: Mr. Sanjay Khosla is currently President, Kraft Developing Markets and responsible for the company's almost US \$14 billion business in over 60 countries covering Asia Pacific, Latin America, Central and Eastern Europe, Middle East and Africa. This includes management of the Cadbury business which was acquired by Kraft in 2010. Before joining Kraft Foods in January 2007, he was the Managing Director of Fonterra Brands, New Zealand's largest multinational company and one of the world's biggest dairy companies. 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 years 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 the Company's Board as an Independent Director in 2002.

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

Ms. Madhabi Puri Buch

Designation: Independent Director

Profile: Ms. Madhabi Puri Buch has been associated

CORPORATE GOVERNANCE REPORT (Contd.)

with the ICICI Group for over 15 years. She was the Managing Director and CEO of ICICI Securities Limited (ISEC) from February 2009 to April 2011. She spearheaded ISEC's initiatives in Equity Capital Markets, Advisory Services, Institutional Equities and Retail Equities including ICICIdirect.com. Within ICICI Bank, she had looked after various businesses including home loans, bonds and treasury solutions. She is the founder of a trust "Toofless Foundation" that undertakes a variety of initiative for funding grassroot NGOs.

Ms. Madhabi Puri Buch is a graduate in Mathematics from St. Stephens College, Delhi University and PGDM (MBA) from IIM, Ahmedabad.

Roles and Responsibilities: Ms. Madhabi Puri Buch advises the Company on financial and investment matters. She guides the corporate teams on finance related matters and helps in formulating beneficial investment strategies for the Company.

Board Meetings

The Board of Directors met 9 (Nine) times during the financial year 2010-2011 on the following dates:

Sr. No.	Date of Meetings	Sr. No.	Date of Meetings
1	May 7, 2010	6	November 3, 2010
2	June 17, 2010	7	January 21, 2011
3	July 21, 2010	8	February 28, 2011
4	August 13, 2010	9	March 25, 2011
5	October 22, 2010		

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 minutes of Board meetings of the subsidiary companies;
- 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 the Company, or substantial nonpayment for goods/services sold/rendered by the Company;
- 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;
- Review 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 nonpayment of dividend, delay in share transfer, etc.

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

CORPORATE GOVERNANCE REPORT (Contd.)

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

The required information as on March 31, 2011 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 held during the tenure of Director		Whether attended last AGM
				Held	Attended	
1	Mr. Rajendra S. Pawar	11	4 (1)	9	9	Yes
2	Mr. Vijay K. Thadani	7	4 (2)	9	7	Yes
3	Mr. P. Rajendran	8	3 (1)	9	9	Yes
4	Mr. Subroto Bhattacharya	3	4 (2)	9	8	Yes
5	Mr. Surendra Singh	5	7 (2)	9	8	Yes
6	Mr. Sanjay Khosla	-	-	9	1	No
7	Ms. Madhabi Puri Buch***	2	-	3	2	NA

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

** Board Committees for this purpose includes only Audit committee and Shareholders'/Investors' Grievance committee of public limited companies.

*** Ms. Madhabi Puri Buch had participated in the meeting through tele-conference, wherever she could not attend in person.

BOARD COMMITTEES

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

- I. Audit Committee
- II. Compensation/Remuneration Committee
- III. Shareholders'/Investors' Grievances Committee

I. 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 statement is correct, sufficient and credible;
- Management Discussion and Analysis of financial condition and results of operations;
- Recommending the appointment, re-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
 - Draft Auditors' Report including qualifications/ observations, if any.
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the Management, performance of 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;

CORPORATE GOVERNANCE REPORT (Contd.)

- 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 2010- 2011 are given below:

Name of Members	No. of Meetings held during the tenure of Member		Date of Meetings
	Held	Attended	
Mr. Subroto Bhattacharya	4	4	May 7, 2010
Mr. Surendra Singh	4	4	July 21, 2010
Mr. Vijay K Thadani*	3	3	October 21, 2010 January 20, 2011

* Consequent upon the resignation of Mr. Shardul S Shroff, Mr. Vijay K Thadani was appointed as Member of Audit Committee w.e.f. May 7, 2010.

II. Compensation / Remuneration Committee

The Compensation / Remuneration Committee of the Company is constituted to evaluate and recommend 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 act 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 of 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 2010-11 are given below:

Name of Members	No. of Meetings held during the tenure of Member		Date of Meetings
	Held	Attended	
Mr. Subroto Bhattacharya	2	2	May 7, 2010
Mr. Surendra Singh	2	2	October 22, 2010
Mr. Sanjay Khosla	2	1	

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 Managing Director and Whole-time Directors 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 2010-11, are given below:

CORPORATE GOVERNANCE REPORT (Contd.)

(Amount in Rs.)

Name of Directors	Mr. Rajendra S. Pawar	Mr. Vijay K. Thadani	Mr. P. Rajendran
Salary	4,038,000	6,720,000	4,680,000
Perquisites and allowances	4,231,515	6,599,399	4,104,443
Contribution to Provident Fund, Superannuation Fund or Annuity Fund	1,773,864	3,000,437	2,053,170
Total	10,043,379	16,319,836	10,837,613
Stock Options under ESOP-2005	Nil	Nil	Nil

Notes:

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

Remuneration to Non-Executive Directors

None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company, its Promoters, its Directors, its Senior Management, its subsidiary companies and associate companies, except the remuneration paid to Non-Executive Directors by way of commission (based upon the 'Policy for Remuneration of Non-Executive Directors' and within the limits approved by the shareholders) and sitting fees (for attending the meetings of the Board/Committees).

Details of Remuneration paid/payable to Non Executive Directors for the financial year 2010-2011 and other details are given below:

(Amount in Rs.)

Name of Directors	Mr. Subroto Bhattacharya	Mr. Surendra Singh	Mr. Sanjay Khosla	Ms. Madhabi Puri Buch	Mr. Shardul S. Shroff *
Commission	800,000	750,000	700,000	285,753	70,959
Sitting Fees	240,000	240,000	20,000	40,000	--
No. of shares held in the Company (in nos.)	-	56,250	56,250	-	NA

* Mr. Shardul S Shroff ceased to be Director of the Company w.e.f. May 7, 2010.

Details of outstanding Stock Options granted to Non Executive Directors under ESOP 2005 are given below:

Name	Grant Name (date of grant)	Mr. Sanjay Khosla	Mr. Subroto Bhattacharya	Mr. Surendra Singh	Ms. Madhabi Puri Buch*
No. of options granted during the year 2008-09**	Grant IV (28.07.2008)	37,500	37,500	37,500	NA
No. of options granted during the year 2009-10***	Grant V (26.10.2009)	69,000	69,000	69,000	NA
No. of options granted during the year 2010-11		NIL	NIL	NIL	NIL

* Ms. Madhabi Puri Buch was appointed as an Additional Director on November 3, 2010.

** All the options vested after completion of one year from the date of grant and the same can be exercised by the end of three years from the date of vesting.

*** One third of the options vests after completion of each year from the date of grant and the same can be exercised by the end of three years from the date of each vesting.

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. 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 appointment / re-appointment of Directors

The resumes of the Director who is proposed to be appointed as a Director of the Company and those 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 stock options in pursuit of these goals.

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.

III. 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:

CORPORATE GOVERNANCE REPORT (Contd.)

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 2010-2011 are given below:

Name of Members	No. of Meetings held during the tenure of the Member		Date of Meetings
	Held	Attended	
Mr. Surendra Singh	4	4	May 7, 2010 July 21, 2010 October 21, 2010 January 20, 2011
Mr. Vijay K. Thadani	4	4	
Mr. P. Rajendran	4	4	

During the financial year 2010-2011, 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, 2011, 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 Debenture Allotment Committee which approves the matters related to issue and allotment of Debentures and matters related thereto.
- d) The Borrowing Committee which approves the borrowing upto prescribed limit on behalf of the Company.

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/investorrelations. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct during the financial year 2010-2011. 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 are given as follows:

Financial Year	Date & Time	Location	Special Resolution(s)
2009-10	July 9, 2010 11.30 A.M.	Parkland Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110074	Payment of Commission to Non-Executive Directors of the Company
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

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 and presently no resolution has been proposed to be passed through postal ballot.

DISCLOSURES

a) Related Party Transactions

There is no Related Party Transaction that may have potential conflict with the interest of the Company at large. The Company's major Related Party Transactions are generally with its subsidiary and associate companies. The Related Party Transactions are entered into based on the considerations of various business exigencies and Company's long term strategy. All the transactions entered during the financial year 2010-11 with Related Parties were on arms' 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 No. 21 of Schedule 20 of the Annual 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 minimization procedures. The online risk management system is introduced through which all the designated officials submit quarterly reports which are 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 2010-11.

e) Remuneration of Non-Executive 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.

CORPORATE GOVERNANCE REPORT (Contd.)

- 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) **Whistleblower 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 professional pronouncement of ICAI and accounting standards as notified under Section 211(3C) of the Companies Act, 1956 and as per the Companies (Accounting Standard) Rules, 2006, in the preparation of financial statements of the Company and there has been no deviation from the aforesaid accounting standard/pronouncement.

E. Statutory Compliance

The Company has a system in place whereby all business heads/unit incharges 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 tradenames / service marks/ 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. In this reference, 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 national English and Hindi Newspapers and displayed on the website of the Company www.niit.com/investorrelations and official news releases, financial results, consolidated news releases, consolidated financial highlights, presentations etc. are also displayed at the Company's website.
- b. The Company had quarterly Investors teleconferences and press conferences on May 7, 2010, July 21, 2010, October 22, 2010 and January 21, 2011 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 10, 2010.
- 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.

CORPORATE GOVERNANCE REPORT (Contd.)

- e. During the financial year 2010-11 the Company published its financial results in the following newspapers:

Financial Results	Newspapers	Date of publication
Audited financial results for the quarter ended March 31, 2010	Financial Express – English Jansatta – Hindi	May 8, 2010
Unaudited financial results for the quarter ended June 30, 2010	Financial Express – English Jansatta – Hindi	July 22, 2010
Unaudited financial results for the quarter ended September 30, 2010	Financial Express – English Jansatta – Hindi	October 23, 2010
Unaudited financial results for the quarter ended December 31, 2010	Financial Express – English Jansatta – Hindi	January 22, 2011

GREEN INITIATIVE IN THE CORPORATE GOVERNANCE BY THE MINISTRY OF CORPORATE AFFAIRS

The Ministry of Corporate Affairs (“MCA”) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by companies and has issued circulars on April 21, 2011 and April 29, 2011 stating that the service of officials documents by a company to its members can be made through electronic mode.

Considering the move taken by the MCA as a welcome step for the society at large, the Company henceforth proposes to send various notices/documents like Notices of General Meetings, Audited Financial Statements, Auditor’s Report, Directors’ Report, Financial Results etc. in electronic form to the e-mail IDs made available to the Company by the depositories and/or Members.

All the officials’ documents including Annual Report of the Company, circulated to the Members of the Company through electronic mode, will be made available on the Company’s website i.e. www.niit.com. We request you to update your email IDs with your depository participants in case shares are held in electronic mode to ensure that the Annual Reports and other documents reach you at your preferred email IDs and where the shares are held in physical form, please get your email IDs updated in the records of the Company.

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 1, 2011

Time : 10:00 A.M.

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

Book Closure Dates: June 24, 2011 to July 1, 2011 (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, 2011	By 14 th August, 2011
Financial reporting for the second quarter ending September 30, 2011	By 14 th November, 2011
Financial reporting for the third quarter ending December 31, 2011	By 14 th February, 2012
Financial reporting for the year ending March 31, 2012	By 30 th May, 2012
Annual General Meeting for the year ending March 31, 2012	By 31 st August, 2012

d. Dividend

In view of our confidence in the future, the Board of Directors have recommended a dividend of Rs. 1.50 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 1, 2011, 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 June 23, 2011.

e. Register ECS Mandate and furnish correct bank account particulars with 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 Company and with the Depository Participant (DP) in case of shares held in demat form. This would

CORPORATE GOVERNANCE REPORT (Contd.)

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 (IEPF) 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 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 amount against sale proceeds of fractional shares, which was payable on account of demerger scheme. Such request for revalidation / issue of demand draft shall be send to the Company on or before October 12, 2011, after which any unclaimed / unpaid amount against sale proceeds of such fractional shares will be transferred by the Company to IEPF and no claim shall lie against the Company or IEPF after the said transfer.

g. Unclaimed shares

As mandated under the Clause 5A of the Listing Agreement, the Company is required to transfer the unclaimed shares in the Demat Suspense Account to be opened with a Depository Participant. In accordance with the process specified in said Clause 5A, the Company sent first reminder notice to all those shareholders whose shares are unclaimed.

h. 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 download it from the website of the Company at www.niit.com/investorrelations. In case of demat holdings the request may be submitted to the Depository Participant.

i. 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 the Bombay Stock Exchange Limited (BSE), Mumbai. The listing fees for the financial year 2011-12 have been paid to the Stock Exchanges.

The Debentures issued by the Company on private placement basis are listed at the NSE. The listing fees for the financial year 2011-12 have been paid to NSE.

j. Compliance Certificate of the Auditors

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

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

Annual General Meeting	Date when held	Book Closure (both days inclusive)
27 th AGM	Friday, July 9, 2010	Friday, July 2, 2010 to Friday, July 9, 2010
26 th AGM	Monday, July 27, 2009	Tuesday, July 21, 2009 to Monday, July 27, 2009
25 th AGM	Monday, July 28, 2008	Tuesday, July 22, 2008 to Monday, July 28, 2008

l. Stock Code

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

m. Stock Market Data

The monthly high and low share prices and market capitalization of Equity Shares of the Company traded on BSE and NSE from April 1, 2010 to March 31, 2011 and the comparison of share prices of the Company vis-à-vis the Sensex and Nifty Indices are given below:

CORPORATE GOVERNANCE REPORT (Contd.)

Share price movement during the year April 01, 2010 to March 31, 2011

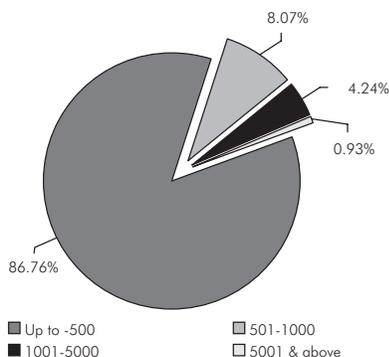
Month	Bombay Stock Exchange				National Stock Exchange			
	Sensex	High Price (Rs.)	Low Price (Rs.)	Market Cap* (Rs Mn)	Nifty	High Price (Rs.)	Low Price (Rs.)	Market Cap* (Rs Mn)
Apr-10	17559	73.70	57.70	11,482	5278	73.95	57.55	11,515
May-10	16945	71.30	58.00	10,162	5086	71.40	57.15	10,153
Jun-10	17701	68.00	59.05	10,715	5313	68.00	59.05	10,690
Jul-10	17868	72.80	63.20	11,020	5368	72.65	62.60	11,028
Aug-10	17971	69.90	65.05	11,004	5402	69.70	65.30	11,004
Sep-10	20069	74.95	66.10	11,028	6030	74.45	65.90	11,004
Oct-10	20032	71.75	64.70	10,830	6018	71.70	64.95	10,855
Nov-10	19521	66.75	51.20	8,915	5863	66.95	51.00	8,923
Dec-10	20509	61.45	50.55	9,047	6135	61.90	50.50	9,014
Jan-11	18328	59.95	52.70	8,940	5506	59.80	52.80	8,956
Feb-11	17823	55.00	42.70	8,131	5333	55.00	42.70	8,164
Mar-11	19445	60.40	46.35	9,600	5834	60.60	46.20	9,699

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

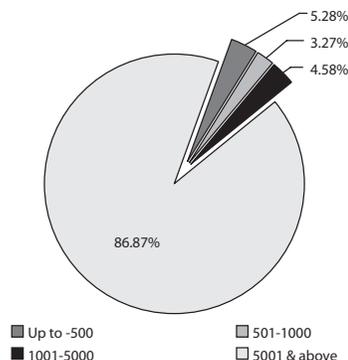
Shareholding Distribution as on March 31, 2011

Range (No. of Shares)	No. of Shareholders	% to Total Shareholders	Total No. of Shares	% to Total Shares
Up to -500	73,084	86.76	8,717,036	5.28
501-1000	6,801	8.07	5,402,630	3.27
1001-5000	3,570	4.24	7,552,032	4.58
5001 & above	779	0.93	143,423,899	86.87
TOTAL	84,234	100.00	165,095,597	100.00

No. of Shareholders



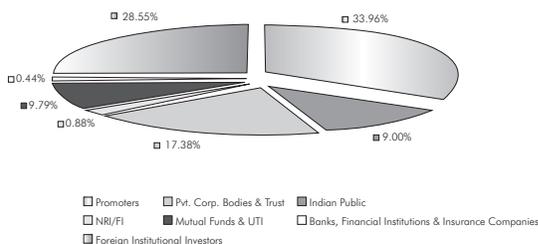
No. of Shares



Shareholding Pattern as on March 31, 2011

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	16,160,801	9.79
Banks, Financial Institutions & Insurance Companies	727,033	0.44
Foreign Institutional Investors	47,129,057	28.55
Private Corporate Bodies & Trust	14,863,052	9.00
Indian Public	28,688,234	17.38
NR/Foreign Individuals	1,454,512	0.88
Total Public Shareholding	109,022,689	66.04
Grand Total	165,095,597	100.00

Shareholding Pattern



CORPORATE GOVERNANCE REPORT (Contd.)

n. Details of requests/queries/complaints received and resolved during the financial year 2010-11:

Nature	Request / queries received	Complaints	Resolved	Unresolved
Change of address	26	-	26	-
Change of Bank details	40	-	40	-
Correction in dividend warrant	147	-	147	-
Non Receipt of Annual Report	-	3	3	-
Non receipt of Dividend	-	36	36	-
Non Receipt of share certificates lodged for transmission/ Bonus/ Split	-	2	2	-
Requests for Annual Report	8	-	8	-
Requests for Bonus/Split share certificates	13	-	13	-
Requests for shareholding details	3	-	3	-
Request for Duplicate shares	6	-	6	-
SEBI/Stock Exchange letters	-	3	3	-
Share certificates lodged for transfer	19	-	19	-
Others(non classified in above)	4	-	4	-
Total	266	44	310	-

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.

o. 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.

p. 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, 2011, 99.19 percent of the shares of the Company were held in a dematerialised form.

q. Consolidate multiple folios

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

r. Liquidity of Shares

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

s. 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 financial year under review, the Committee met 25 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.

t. 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.

u. Compliance Officer

Mr. Rajesh Arora, Company Secretary is the Compliance Officer of the Company.

v. Designated exclusive email-id :

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

CORPORATE GOVERNANCE REPORT (Contd.)

w. 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

x. Registered Office:

NIIT Limited,

B-234, Okhla Industrial Area, Phase – I,

New Delhi - 110 020, India

y. Address for Correspondence

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

The Compliance Officer

NIIT Limited

Investors Services,

B-234, Okhla Industrial Area, Phase – I, New Delhi - 110 020, India.

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 May10, 2011.

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 2010-11.

Place : New Delhi

Dated : May 10, 2011

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 2010-11:

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;

CORPORATE GOVERNANCE REPORT (Contd.)

- (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 2010-11 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 2010-11 and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi
Dated : May 10, 2011

Vijay K. Thadani
CEO and Whole-time Director

Jitender Mahajan
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, 2011, 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 certify 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

Place : New Delhi, India
Date : May 10, 2011

Usha Rajeev
Membership No. F-087191

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, 2011, 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 six 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. 4,181.80 lacs and Rs. 1,926 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. The Company had also granted loans aggregating Rs. 4,603 lacs to a Society as described in Note 23 of Schedule 20 of the financial statements which were repaid before the year end. Provisions of Section 297, 299 and 301 of the Companies Act, 1956 are not considered to be applicable to a Society.

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. 1,476 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.

AUDITORS' REPORT (Contd.)

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, 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. Also refer para (iii) (a) above.
- (b) In respect of transactions with subsidiaries for sale of goods and services and for purchase of goods and services aggregating to Rs. 8,042.58 lacs (excluding recoveries towards common services from subsidiaries Rs 170.08 lacs which are at cost) and Rs. 1,632.98 lacs respectively, and with others for sale of goods and services and for purchase of goods and services aggregating to Rs. 361.85 Lacs (excluding recoveries towards common services Rs 218.74 lacs which are at cost) and Rs. 384.24 Lacs respectively, the management has informed us that these 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, there are no other transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lacs in respect of any party during the year.
- (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 as at March 31, 2011 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount Disputed (Rs. Lacs)	Amount deposited under protest (Rs. Lacs)	Period to which the amount relates	Forum where the dispute is pending
Andhra Pradesh General Sales Tax Act, 1957	Works contract tax	918.36	-	2001 – March 2011	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
Income Tax Act, 1961	Income Tax Income Tax	721.00	721.00	2005-06	Commissioner of Income Tax (Appeals)
		855.25	400.00	2006-07	

- (x) The Company has no accumulated losses as at March 31, 2011 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

AUDITORS' REPORT (Contd.)

shares, debentures and other securities.

- (xiii) The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees aggregating to Rs. 24,420 lacs (USD 55 million), letter of credits aggregating to Rs. 2,442 lacs (USD 5.50 million) and securities aggregating to Rs. 300 lacs given by the Company for bank loans availed by its subsidiaries and an undertaking to support NIIT Institute of Information Technology ('NIIT University') to meet shortfall, if any, in repayment of loan taken by it from a bank, are not 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, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 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, 2011;
 - (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

Usha Rajeev
Partner

Membership No. F-087191

Place : New Delhi
Date : May 10, 2011

BALANCE SHEET as at March 31, 2011

	Schedule No./ (Note Reference)	As At March 31, 2011 (Rs.)	As At March 31, 2010 (Rs.)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	`1'	330,197,194	330,197,194
Reserves and Surplus	`2'	<u>3,832,875,641</u>	<u>3,609,790,465</u>
DEFERRED TAX LIABILITIES (Net)	`20(33)'	-	1,431,621
LOAN FUNDS			
Secured Loans	`3'	1,500,000,000	1,065,541,682
Unsecured Loans	`4'	<u>997,281,497</u>	<u>1,440,389,825</u>
		<u>6,660,354,332</u>	<u>6,447,350,787</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	`5'	4,273,531,802	3,897,354,942
Less: Depreciation		<u>2,598,435,126</u>	<u>2,076,893,196</u>
Net Block		1,675,096,676	1,820,461,746
Capital work-in-progress (including Capital Advances)	`20(30)'	348,941,648	79,436,218
INVESTMENTS	`6'	2,030,564,087	2,012,160,343
DEFERRED TAX ASSETS (Net)	`20(33)'	27,047,486	-
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	`7'	136,380,292	101,330,727
Sundry Debtors	`8'	2,642,652,526	2,169,738,886
Cash and Bank Balances	`9'	251,292,118	288,683,992
Other Current Assets	`10'	977,034,316	687,107,539
Loans and Advances	`11'	<u>1,030,348,077</u>	<u>1,212,297,512</u>
		<u>5,037,707,329</u>	<u>4,459,158,656</u>
Less : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	`12'	2,100,880,989	1,588,148,641
Provisions	`13'	<u>358,121,905</u>	<u>335,717,535</u>
		<u>2,459,002,894</u>	<u>1,923,866,176</u>
Net Current Assets		2,578,704,435	2,535,292,480
		<u>6,660,354,332</u>	<u>6,447,350,787</u>

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 and on behalf of the Board

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

Usha Rajeev

Partner
Membership No. F-087191

Ashok Arora

Group Chief Financial Officer

Jitender Mahajan

Chief Financial Officer

Rajesh Arora

Company Secretary

Place : New Delhi

Date : May 10, 2011

PROFIT AND LOSS ACCOUNT for the year ended March 31, 2011

	Schedule No./ (Note Reference)	Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
INCOME			
Revenue from Operations	` 20 [1(v), 10(a), 11 and 18]'	6,480,139,929	6,251,721,044
Other Income	` 14'	217,890,713	196,036,098
		<u>6,698,030,642</u>	<u>6,447,757,142</u>
EXPENDITURE			
Personnel	` 15'	1,426,722,094	1,174,176,184
Development, Production and Execution	` 16'	2,424,976,915	2,589,508,988
Administration and Others	` 17'	1,060,847,602	944,688,851
Marketing	` 18'	578,837,180	562,888,632
Interest and Finance Charges	` 19'	212,250,088	171,127,894
Depreciation and Amortisation	` 5'	577,038,229	541,792,739
		<u>6,280,672,108</u>	<u>5,984,183,288</u>
Profit before Tax and exceptional items		417,358,534	463,573,854
Exceptional Items			
- Profit on sale of Investments in Subsidiary	` 20(25)'	208,084,207	-
- Donations	` 20(26)'	(72,000,000)	(15,120,000)
Profit before Tax		553,442,741	448,453,854
Tax Expense/ (Credit)			
- Current	` 20(33)'	108,185,397	102,095,361
- Deferred charge/ (credit)		(28,479,107)	45,994,357
- MAT Credit Entitlement		(36,182,849)	-
Provision for tax relating to earlier years/ (credit)		12,521,036	(11,332,198)
Profit after Tax		497,398,264	311,696,334
Balance brought forward from Previous year		2,181,070,651	2,359,717,257
Balance available for appropriation		2,678,468,915	2,671,413,591
APPROPRIATION			
Dividend :			
- Proposed Dividend on Equity Shares		247,643,396	231,133,836
- Corporate Dividend Tax on above	` 20(31)'	26,669,692	25,975,979
Transferred to General Reserve		49,739,826	31,169,633
Transferred to/ (from) Debenture Redemption Reserve		(97,936,508)	202,063,492
Balance Carried to Balance Sheet		2,452,352,509	2,181,070,651
		<u>2,678,468,915</u>	<u>2,671,413,591</u>
Earnings per share(Face Value Rs. 2/- each) ` 20 [1(xiv), (35)]'			
- Basic		3.01	1.89
- Diluted		3.01	1.89

NOTES TO ACCOUNTS

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 and on behalf of the Board

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

Usha Rajeev

Partner
Membership No. F-087191

Ashok Arora

Group Chief Financial Officer

Jitender Mahajan

Chief Financial Officer

Rajesh Arora

Company Secretary

Place : New Delhi

Date : May 10, 2011

CASH FLOW STATEMENT for the year ended March 31, 2011

	Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax but after exceptional items	553,442,741	448,453,854
Add/ (Less):		
Depreciation and Amortisation	577,038,229	541,792,739
Provision for Doubtful Debts	69,101,239	53,850,405
Provision for Doubtful Advances	196,935	458,706
Provision for slow/ non-moving inventory	4,200,000	3,000,000
Inventory written off	3,051,068	1,264,705
Advances written off	-	3,003,807
Foreign Exchange Adjustments	(60,339,618)	74,079,137
Interest Expenses	267,346,595	258,122,288
Interest Income	(76,297,789)	(110,784,789)
Dividend Income	(84,408,208)	(78,289,000)
Loss on Disposal of Fixed Assets (Net)	3,534,712	7,602,658
Exceptional Item - Profit on sale of Investments in Subsidiary	(208,084,207)	-
Profit on sale of investments	-	(312,783)
Liabilities written back	(5,691,034)	(8,288,332)
Provision for Gratuity & Compensated Absences (Net)/ (Credit)	5,201,097	(38,339,558)
Employees Stock Option Expenses/ (Credit)	-	494,849,019
Operating Profit before Working Capital changes	1,048,291,760	707,074,958
Add/ (Less) : Increase/ Decrease in Operating Working Capital		
Trade Receivables	(531,860,917)	(457,405,299)
Inventories	(42,300,633)	(13,175,230)
Other Current Assets	(55,742,929)	(413,852,209)
Loans and Advances	(89,292,871)	(18,188,489)
Current Liabilities and Provisions	566,641,840	(152,555,510)
Direct Tax -(Paid)/ Refund received (including TDS)	(189,385,413)	(128,696,898)
Net cash from Operating Activities (A)	706,350,837	(1,031,318,125)
		(111,293,562)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including Capital work-in-progress and internal developments)	(737,623,836)	(386,259,418)
Proceeds from sale of Fixed Assets	10,423,830	2,518,478
Loan given to Subsidiaries	(411,014,700)	(37,910,000)
Loan given to Subsidiaries received back	350,840,000	347,640,000
Loan given to Others	(20,000,000)	(189,000,000)
Loan given to Others received back	463,800,000	185,000,000
Interest received	76,016,656	124,078,506
Dividend received	78,289,000	78,289,000
Purchase of Mutual Funds	(843,016,141)	(250,000,000)
Sale of Mutual Funds	738,276,605	250,197,783
Proceeds from Sale of Investments in Subsidiary/Associates	317,584,207	115,000
Investment in Equity Shares in Subsidiary Companies	(22,000,000)	(164,186,879)
(Increase)/ Decrease in Receivables on Sale on Investments	(233,902,715)	-
Net cash used in Investing Activities (B)	(232,327,094)	(39,517,530)

CASH FLOW STATEMENT for the year ended March 31, 2011 (Contd.)

C. CASH FLOW FROM FINANCING ACTIVITIES

Issue of Shares (including Share Premium)	-	2,962,014
Issue of Non Convertible Debentures	-	600,000,000
Redemption of Non Convertible Debentures	(600,000,000)	-
Short term Loan from Banks		
-Raised during the year	600,000,000	200,000,000
-Repaid during the year	(100,000,000)	(700,000,000)
Short term Loan from Others		
-Raised during the year	-	500,000,000
-Repaid during the year	(500,000,000)	-
Vehicle Loan repaid during the year	(1,409,815)	(5,161,344)
Term Loan raised/ (repaid) during the year	500,000,000	(122,916,662)
Working Capital Loan in Foreign Currency	155,378,377	-
Repayment of Loans to Banks - Cash Credit	(64,131,867)	(72,252,881)
Interest paid on Fixed Loan (including finance charges on finance lease arrangement)	(269,360,939)	(256,426,282)
Dividend paid	(229,915,394)	(213,471,067)
Dividend Tax paid	(25,975,979)	(23,145,300)
Receipt of Other Loans/ Inter Corporate Deposits	115,500,000	98,000,000
Repayment of Other Loans	(91,500,000)	(91,600,000)
Net cash (used in)/ from Financing Activities (C)	(511,415,617)	(84,011,522)
Net (Decrease) in Cash & Cash Equivalents (A+B+C)	(37,391,874)	(110,611,927)
Cash and Cash Equivalents as at the beginning of the year	288,683,992	399,295,919
Cash and Cash Equivalents as at the end of the year	251,292,118	288,683,992
Cash and cash Equivalents comprise		
Cash, Cheques in hand	46,943,955	92,271,481
Balance with Scheduled Banks *	204,170,040	196,412,511
Balance in Current Account with Bank of Bhutan, Bhutan	35,083	-
Balance in Current Account with Druk Punjab National Bank, Bhutan	143,040	-
*[Include Rs. 43,437,756/- (Previous year Rs. 41,060,354/-) pledged as margin money]		
*[Include Rs. 7,171,993/- (Previous year Nil) pertaining to amount available for specific contract]		
Cash and Cash Equivalents as at the end of the year	251,292,118	288,683,992

- 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 and on behalf of the Board

For Price Waterhouse

Firm Registration No. : 301112E
Chartered Accountants

Rajendra S Pawar

Chairman and Managing Director
DIN - 00042516

Vijay K Thadani

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Usha Rajeev

Partner
Membership No. F-087191

Ashok Arora

Group Chief Financial Officer

Jitender Mahajan

Chief Financial Officer

Rajesh Arora

Company Secretary

Place : New Delhi

Date : May 10, 2011

SCHEDULES annexed to and forming part of the Balance Sheet as at March 31, 2011

Schedule No.	As At March 31, 2011 (Rs.)	As At March 31, 2010 (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 (Previous year 2,500,000 Redeemable Preference Shares of Rs.100/- each)	250,000,000	250,000,000
	<u>750,000,000</u>	<u>750,000,000</u>
Issued		
165,101,597 Equity Shares of Rs. 2/- each (Previous year - 165,101,597 Equity Shares of Rs. 2/- each)	330,203,194	330,203,194
	<u>330,203,194</u>	<u>330,203,194</u>
Subscribed		
165,095,597 Equity Shares of Rs. 2/- each (Previous year - 165,095,597 Equity Shares of Rs. 2/- each)	330,191,194	330,191,194
	<u>330,191,194</u>	<u>330,191,194</u>
Paid-up		
165,095,597 Equity Shares of Rs. 2/- each (Previous year - 165,095,597 Equity Shares of Rs. 2/- each)	330,191,194	330,191,194
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.		
	<u>330,197,194</u>	<u>330,197,194</u>

SCHEDULES annexed to and forming part of the Balance Sheet as at March 31, 2011 (Contd.)

Schedule No.		As At March 31, 2011 (Rs.)	As At March 31, 2010 (Rs.)
2. RESERVES AND SURPLUS			
Share Premium (Refer Note 16 on Schedule 20)			
As per Last Balance Sheet	517,696,964	514,383,038	
Add: Additions during the year on account of exercise of ESOP's	- 517,696,964	<u>3,313,926</u>	517,696,964
General Reserve			
As per Last Balance Sheet	656,895,866	625,726,233	
Add : Transfer from Profit and Loss Account	<u>49,739,826</u>	<u>31,169,633</u>	656,895,866
Debenture Redemption Reserve			
As per Last Balance Sheet	254,126,984	52,063,492	
Add: Transfer from/ (to) Profit and Loss Account	<u>(97,936,508)</u>	<u>202,063,492</u>	254,126,984
Profit and Loss Account			
	<u>2,452,352,509</u>		<u>2,181,070,651</u>
	<u>3,832,875,641</u>		<u>3,609,790,465</u>
3. SECURED LOANS			
[Refer Note 6 on Schedule 20]			
Loans from Banks			
-Rupee Term Loans *	500,000,000	-	
-Cash Credit	-	64,131,867	
-Vehicle Loans *	-	<u>1,409,815</u>	65,541,682
*[Amount due within one year Rs. 125,000,000/- (Previous year Rs. 1,409,815/-)]			
Non Convertible Debentures (Refer Notes below)	<u>1,000,000,000</u>		<u>1,000,000,000</u>
	<u>1,500,000,000</u>		<u>1,065,541,682</u>

Notes:

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

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

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

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

SCHEDULES annexed to and forming part of the Balance Sheet as at March 31, 2011 (Contd.)

Schedule No.	As At March 31, 2011 (Rs.)	As At March 31, 2010 (Rs.)
4. UNSECURED LOANS		
[Refer Notes 1 (x) and 36(b) on Schedule 20]		
Long Term Loans from Subsidiaries [Amount due within one year Nil (Previous year Nil)]	32,100,000	123,600,000
Short Term Inter Corporate Deposits from Subsidiaries	115,500,000	-
Deferred Lease Obligation [Amount due within one year Rs.19,966,749/- (Previous year Rs.19,195,999/-)]	94,303,120	116,789,825
Short Term Loans		
- From Banks	600,000,000	100,000,000
- From Others	-	500,000,000
Working Capital Loan in Foreign Currency	155,378,377	-
Short Term Non Convertible Debentures (Refer Note below)	-	600,000,000
	<u>997,281,497</u>	<u>1,440,389,825</u>

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

SCHEDULES annexed to and forming part of the Balance Sheet as at March 31, 2011 (Contd.)
5. FIXED ASSETS
[Refer Notes 1 (i), (ii), (iii), (x), (xi), 4, 6, 12, 30 and 36 on Schedule 20]

Description of Assets	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK	
	Cost As on 01.04.2010	Additions during the year	Total as on 31.03.2011	As on 01.04.2010	For the year Sales/ Adj. during the year	Total as on 31.03.2011	As on 31.03.2011	As on 31.03.2010
Tangible								
Land-Freehold	20,507,577	-	20,507,577	-	-	-	20,507,577	20,507,577
Buildings	209,318,886	-	209,318,886	27,120,077	3,412,798	30,532,875	178,786,011	182,198,809
Plant & Machinery								
-Owned	1,796,191,837	241,184,278	2,003,707,051	912,627,314	284,924,015	1,167,704,361	836,002,690	883,564,523
-Leased	7,777,522	-	7,110,598	6,796,513	232,632	6,452,869	657,729	981,009
Lease Hold Improvements	332,804,307	43,408,189	363,369,282	211,147,021	51,295,197	250,783,415	112,585,867	121,657,286
Furniture & Fixtures								
-Owned	176,045,856	10,995,679	181,068,825	96,106,199	23,188,647	113,730,460	67,338,365	79,939,657
-Leased	9,317,642	-	5,403,130	8,247,504	414,524	4,764,630	638,500	1,070,138
Vehicles	34,076,937	13,210,324	39,698,344	14,548,902	3,239,269	13,849,202	25,849,142	19,528,035
Sub Total (a)	2,586,040,564	308,798,470	2,830,183,693	1,276,593,530	366,707,082	1,587,817,812	1,242,365,881	1,309,447,034
Intangible (Educational Content/ Products)								
Software								
- Acquired	869,726,094	24,395,458	894,108,052	634,219,848	101,738,012	735,944,361	158,163,691	235,506,246
- Internally generated	301,010,714	112,437,773	413,448,487	150,587,970	82,010,269	232,598,239	180,850,248	150,422,744
- Leased	124,436,000	-	119,650,000	61,136,569	24,323,234	30,459,803	89,190,197	118,299,431
Patents	16,141,570	-	16,141,570	9,355,279	2,259,632	11,614,911	4,526,659	6,786,291
Sub Total (b)	1,311,314,378	136,833,231	1,443,348,109	800,299,666	210,331,147	1,010,617,314	432,730,795	511,014,712
Total (a+b)	3,897,354,942	445,631,701	4,273,531,802	2,076,893,196	577,038,229	2,598,435,126	1,675,096,676	1,820,461,746
Previous year	3,408,363,345	595,726,313	3,897,354,942	1,631,714,037	541,792,739	2,076,893,196	1,820,461,746	79,436,218
					Capital Work-in Progress		348,941,648	
					(Including Capital Advances)			

Notes :

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

(ii) Out of the total land as above, 25 acres of land amounting to Rs. 6,521,625/- at Tehsil Behror, District Alwar is allotted 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, 2011 (Contd.)

Schedule No.		As At March 31, 2011 (Rs.)	As At March 31, 2010 (Rs.)
6. INVESTMENTS			
[Refer Notes 1 (iii), 20, 21, 22, 24, 25 and 29 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	<u>(398,415,709)</u>	<u>(398,415,709)</u>	685,150,550
500,000 (Previous year 500,000) Equity Shares of 1 US \$ or Rp. 2,297 each fully paid-up in PT NIIT Indonesia, Indonesia	17,560,000	17,560,000	
Less: Provision for diminution in the value of investment	<u>(17,560,000)</u>	<u>(17,560,000)</u>	-
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	<u>(773,531,096)</u>	<u>(773,531,096)</u>	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	<u>(3,949,175)</u>	<u>(3,949,175)</u>	-
1,000,000 (Previous year 1,000,000) Equity Shares of Rs 10/- each fully paid-up in Hole-in-the-Wall Education Limited		10,500,000	10,500,000
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
Nil (Previous year 10,250,000) Equity Shares of Rs. 10/- each fully paid-up in Neo Multimedia Limited (Formerly NIIT Multimedia Limited)		-	102,500,000
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 8,050,000) Equity Shares of Rs. 10/- each fully paid-up in NIIT Institute of Finance Banking and Insurance Training Limited		80,500,000	80,500,000
863,471 (Previous year 863,471) Equity Shares of Rs. 10/- each fully paid-up in Evolv Services Limited		46,187,061	46,187,061
13,500,000 (Previous year 9,000,000) Equity Shares of Rs. 10/- each fully paid-up and Nil (Previous year Rs. 30,000,000/-) towards Share Application money in NIIT Institute of Process Excellence Limited		135,000,000	120,000,000
- 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
B. LONG TERM, OTHERS [UNQUOTED]			
In Other Companies			
240 Equity Shares of Rs.10/- each fully paid-up in Hinduja HCL Singtel Communication Private Limited	2,400	2,400	
Less: Provision for diminution in the value of Investment	<u>(2,400)</u>	<u>(2,400)</u>	-
C. SHORT TERM, NON TRADE [UNQUOTED]			
In Mutual Funds		105,903,744	-
		<u>2,030,564,087</u>	<u>2,012,160,343</u>

SCHEDULES annexed to and forming part of the Balance Sheet as at March 31, 2011 (Contd.)

Schedule No.	As At March 31, 2011 (Rs.)	As At March 31, 2010 (Rs.)
7. INVENTORIES (Finished Goods) [Refer Notes 1(iv) and 18 on Schedule 20]		
Education and Training Material *	134,926,581	99,575,690
Software	1,453,711	1,755,037
	<u>136,380,292</u>	<u>101,330,727</u>
Note:		
* Net of provision for non-moving inventories of Rs. 6,500,000/- (Previous year Rs. 5,300,000/-) and inclusive of Inventory in electronic form.		
8. SUNDRY DEBTORS (Unsecured) [Refer Note 34 on Schedule 20]		
Outstanding for over six months		
- Considered Good	1,393,246,330	812,852,268
- Considered Doubtful	114,460,790	172,227,620
Other Debts - Considered Good	1,249,406,196	1,356,886,618
	<u>2,757,113,316</u>	<u>2,341,966,506</u>
Less : Provision for Doubtful Debts	114,460,790	172,227,620
	<u>2,642,652,526</u>	<u>2,169,738,886</u>
9. CASH AND BANK BALANCES		
Cash and Cheques in Hand	46,943,955	92,271,481
Balances with Scheduled Banks in :		
- Current Accounts*	153,769,879	149,625,365
- Dividend Account	6,179,475	4,961,032
- Fixed Deposit Accounts	43,437,756	41,060,354
[Include Rs. 43,437,756/- (Previous year Rs. 41,060,354/-) pledged as margin money]		
- Exchange Earners' Foreign Currency Account	782,930	765,760
Balances with other Banks in :		
- Current Account with Bank of Bhutan, Bhutan	35,083	-
[Maximum Balance during the year Rs. 2,704,173/- (Previous year Nil)]		
- Current Account with Druk Punjab National Bank, Bhutan	143,040	-
[Maximum Balance during the year Rs. 10,406,617/- (Previous year Nil)]		
*[Include Rs. 7,171,993/- (Previous year Nil) pertaining to amount available for specific contract]		
	<u>251,292,118</u>	<u>288,683,992</u>
10. OTHER CURRENT ASSETS (Unsecured, considered good) [Refer Note 1(v) and 25 on Schedule 20]		
Interest Receivable	1,300,970	1,019,837
Unbilled Revenue (Net)	741,830,631	686,087,702
Receivable on Sale of Investments	233,902,715	-
	<u>977,034,316</u>	<u>687,107,539</u>

SCHEDULES annexed to and forming part of the Balance Sheet as at March 31, 2011 (Contd.)

Schedule No.		As At March 31, 2011 (Rs.)		As At March 31, 2010 (Rs.)
11. LOANS AND ADVANCES				
(Unsecured, considered good except where otherwise stated)				
[Refer Notes 1(xii), 23, 28 and 33 on Schedule 20]				
	Loans to Subsidiaries	192,600,000		129,662,200
	Loan to NIIT Education Society	-		3,500,000
	Loan to NIIT Institute of Information Technology	-		440,300,000
	Recoverable from Subsidiaries	118,505,914		120,903,464
	Advances recoverable in cash or in kind or for value to be received *			
	- Considered good	225,432,043	130,780,204	
	- Considered doubtful	1,017,975	5,949,495	
		<u>226,450,018</u>	<u>136,729,699</u>	
	Less : Provision for Doubtful Advances	1,017,975	225,432,043	5,949,495
				<u>130,780,204</u>
	* Includes amount due from Directors or Other Officers Nil (Previous year Nil) Maximum amount due from Directors or Other Officers during the year Rs. 1,414,518/- (Previous year Rs. 961,952/-).			
	Security Deposits			
	- Considered good	332,952,355	331,155,708	
	- Considered doubtful	5,047,157	5,047,157	
		<u>337,999,512</u>	<u>336,202,865</u>	
	Less : Provision for Doubtful Deposits	5,047,157	332,952,355	5,047,157
				<u>331,155,708</u>
	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)
				<u>716,814</u>
	Advance payment of Income Tax	822,246,934	632,861,521	
	Less: Provision for Current Tax	(698,288,832)	123,958,102	(577,582,399)
				<u>55,279,122</u>
	MAT Credit entitlements	36,182,849		-
		<u>1,030,348,077</u>		<u>1,212,297,512</u>

SCHEDULES annexed to and forming part of the Balance Sheet as at March 31, 2011 (Contd.)

Schedule No.	As At March 31, 2011 (Rs.)	As At March 31, 2010 (Rs.)
12. CURRENT LIABILITIES		
[Refer Notes 1(ix), 10 and 37 on Schedule 20]		
Sundry Creditors		
- Due to Micro Enterprises and Small Enterprises	1,460,716	1,007,635
- Due to Others	1,173,360,625	1,030,061,206
Amount Payable to Subsidiaries	43,336,073	20,520,204
Advances from Customers	722,510,563	405,717,880
Security Deposits	1,906,215	1,910,215
Interest accrued but not due on loans	14,036,422	16,050,766
Unpaid Dividend *	6,179,474	4,961,032
Unclaimed fractional share payment	232,530	234,658
Deferred Revenue	45,671,785	35,491,005
Other Liabilities	92,186,586	72,194,040
* There are no amounts due for payment to the Investor Protection Fund under section 205 C of the Companies Act, 1956 as at the year end.		
	2,100,880,989	1,588,148,641
13. PROVISIONS		
[Refer Notes 1(vi), 17 and 31 on Schedule 20]		
Provision for Compensated Absences	82,376,000	77,501,140
Provision for Gratuity	1,432,817	1,106,580
Proposed Dividend on Equity Shares	247,643,396	231,133,836
Corporate Dividend Tax	26,669,692	25,975,979
	358,121,905	335,717,535

SCHEDULES annexed to and forming part of the Profit and Loss Account for the year ended March 31, 2011

Schedule No.	Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
14. OTHER INCOME		
[Refer Notes 1 (v), (viii), (ix), 10(b), 20, 22, and 31 on Schedule 20]		
Profit on sale of Short term Investments -others	-	197,783
Profit on sale of long term - trade investments	-	115,000
Provisions/ Other Liabilities written back	5,691,034	8,288,332
Recoveries from Overseas Subsidiaries for expenses	93,560,237	85,574,116
Dividend Income from Other Investments	1,164,208	-
Dividend Income from Subsidiary	83,244,000	78,289,000
Miscellaneous	34,231,234	23,571,867
	217,890,713	196,036,098
15. PERSONNEL		
[Refer Notes 1(vi), (vii), 5, 8, 16, 17, 19 and 30 on Schedule 20]		
Salaries and Benefits	1,373,059,650	1,138,918,577
[Includes contribution towards Provident and Other Funds Rs. 69,163,929/- (Previous year Rs. 50,494,861/-)]		
Employees Stock Option (write back)	-	(85,025)
Welfare and Other Expenses	53,662,444	35,342,632
	1,426,722,094	1,174,176,184
16. DEVELOPMENT, PRODUCTION AND EXECUTION		
[Refer Notes 8, 9, 12, 13, 18, 30 and 36(a) on Schedule 20]		
Courseware and Manuals	847,540,852	671,085,198
[Includes inventory write off/ provision for Rs. 6,251,068/- (Previous year Rs. 4,264,705/-)]		
Bought out Packages/ Products	159,616,022	763,964,380
Course Execution Charges	697,187,821	753,821,529
Professional Charges	575,773,492	309,983,798
Equipment Hiring	40,594,499	30,692,727
Consumables	5,891,855	4,667,562
Freight and Cartage	65,581,391	54,014,917
Others	32,790,983	1,278,877
	2,424,976,915	2,589,508,988

SCHEDULES annexed to and forming part of the Profit and Loss Account for the year ended March 31, 2011 (Contd.)

Schedule No.	Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
17. ADMINISTRATION AND OTHERS		
[Refer Notes 1 (viii), (ix), 5, 8, 10, 13, 15, 27, 30, 34(a) and 36(a) on Schedule 20]		
Rent	324,450,678	281,440,969
Rates and Taxes	4,311,922	2,917,946
Electricity and Water	95,587,790	88,915,879
Communication	69,871,331	73,507,313
Legal and Professional	106,992,361	76,503,480
Traveling and Conveyance	209,339,355	173,690,391
Insurance Premium	10,739,689	8,413,073
Repairs and Maintenance:		
- Plant and Machinery	19,181,397	14,403,738
- Buildings	3,088,765	2,512,415
- Others	48,647,735	39,303,348
Provision for Doubtful Debts	69,101,239	53,850,405
Provision for Doubtful Advances	196,935	458,706
Advances written off	-	3,003,807
Loss on Exchange Fluctuations (Net)	12,154,498	42,770,998
Expenses on Equipment Hiring	11,729,941	12,097,807
Security and Administration services	39,047,424	33,984,891
Loss on sale/ disposal of Fixed Assets (Net)	3,534,712	7,602,658
Sundry Expenses	32,871,830	29,311,027
	1,060,847,602	944,688,851
18. MARKETING		
[Refer Note 5 on Schedule 20]		
Advertisement and Publicity	541,982,722	531,823,160
Discount	2,947,192	60,210
Others	33,907,266	31,005,262
	578,837,180	562,888,632
19. INTEREST AND FINANCE CHARGES		
[Refer Notes 1 (x), (xi), 7, 11 and 36(b) on Schedule 20]		
Bank, Discounting and Other Financial Charges	21,201,282	23,790,395
Interest Expenses:		
- Fixed Loans	98,862,790	65,214,796
- Non Convertible Debentures	127,894,929	150,805,069
- Others	40,588,876	42,102,423
Less: Interest Earnings (Gross) :		
- Deposits	(2,882,825)	(2,927,002)
- Loans	(73,414,378)	(100,559,510)
- Others	(586)	(7,298,277)
	212,250,088	171,127,894

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011

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 amortization 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 & 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
All other assets (including vehicles)	Rates prescribed under Schedule XIV to the Companies Act, 1956

Fixed Assets purchased for utilization 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.

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)**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 utilization 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 losses/ gains are charged/ credited to the Profit and Loss Account in the year in which such losses/ gains arise.

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.

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)**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-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.

viii) Foreign Currency Transactions

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

Foreign currency assets/ liabilities covered by forward contracts are stated at the forward contract rate and difference between the forward rate and the exchange rate at the inception of the forward contract are recognised to the Profit and Loss Account over the life of the contract, except to the extent on which accounting policy on derivative instruments and hedge accounting as detailed in (ix) below and further explained in note 10 below.

ix) Derivative Instruments and Hedge Accounting

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

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

Hedge accounting is discontinued when the hedging instrument expires, sold, terminated, or 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 capitalized 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. 21,075,362/- (Previous year Rs. 125,486,322/-).
- ii. Letter of Credit issued by bankers on behalf of the Company outstanding at the end of accounting year Rs. 24,172,309/- (Previous year Nil).

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

- iii. Corporate Guarantee Rs. 621,600,000/- [USD 14 million (net of payment of USD 29.50 million)] given to ICICI Bank, Bahrain on behalf of NIIT (USA) Inc., USA (Previous year Rs. 944,470,800/- [USD 21 million (net of payment of USD 22.5 million)]).
 - iv. Corporate Guarantee Nil (Previous year Rs. 682,552,000/- [GBP 10 million (loan outstanding GBP 9.40 million)]) given to ICICI Bank UK PLC, UK on behalf of NIIT (USA) Inc., USA.
 - v. Corporate Guarantee Rs. 732,600,000/- [USD 16.50 million (loan outstanding USD 15 million)] (Previous year Nil) given to ICICI Bank UK PLC, UK on behalf of NIIT (USA) Inc., USA.
 - vi. Stand by Letter of Credit of Rs. 244,200,000/- [USD 5.50 million] (Previous year Rs. 247,361,400/- [USD 5.50 million]) from BNP Paribas in favor of Bank of West, USA on behalf of Element K Corporation, USA.
 - vii. Security given to Indian Overseas Bank against Working Capital limits on behalf of Evolv Services Limited Rs. 10,000,000/- (Previous year Rs. 10,000,000/-) [Amount outstanding at year end Rs. 9,772,649/- (Previous year Rs. 9,472,172/-)], NIIT Institute of Finance Banking and Insurance Training Limited Rs. 10,000,000/- (Previous year Rs. 10,000,000/-) [Amount Outstanding at year end Nil (Previous year Nil)] and Hole-in-the-Wall Education Limited of Rs. 10,000,000/- (Previous year Rs. 7,000,000/-) [Amount Outstanding at year end Rs. 8,007,721/- (Previous year Rs. 6,443,889/-)].
 - viii. Claims against the Company not acknowledged as debts Rs. 14,200,000/- (Previous year Rs. 13,200,000/-)
 - ix. Andhra Pradesh works contract tax Rs. 91,836,398/- (Previous year Rs. 80,137,287/-). Management does not foresee any financial implication based on the advice of the legal consultant.
 - x. 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.
 - xi. Income Tax demand for Rs. 1,576 Lacs (Previous year Rs. 721 Lacs). Management does not foresee any financial implication based on the advice of the legal consultant.
 - xii. Service Tax liability on rental of immovable properties amounting to Rs. 12,068,234/- (Previous year Nil).
3. During the previous financial year, the Company had 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, which has directed the Income Tax department to produce all records related to assessment for perusal of the Tribunal. Against the order of the Tribunal, the Income Tax Department has preferred writ petition in the High Court. The matter is under adjudication in the High Court. 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. 281,987,505/- (Previous year Rs. 15,804,313/-).
5. Certain common resources are shared by the Company and NIIT Technologies Limited (NTL). This resulted in the Company recovering Rs. 10,706,565/- (Previous year Rs. 3,856,927/-) from NTL and NTL recovering Rs. 9,393,306/- (Previous year Rs. 9,598,975/-) 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 Nil (Previous year Rs. 64,131,867/-) and Rs. 17,780,370/- (Previous year Rs. 15,916,061/-) respectively as at year end.

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

- 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 2010-11 for these debentures.
 - iii). Rupee Term Loan is secured by exclusive charge by hypothecation of specific movable fixed assets and receivables/ deferred recoverable relating to specific school projects.
 - iv). Vehicle loans from banks are secured by way of hypothecation of the vehicles financed.
7. Interest received is gross of tax deducted at source of Rs. 8,359,983/- (Previous year Rs. 13,902,514/-).
8. Expenses during the year are net of recoveries towards common services from domestic subsidiaries amounting to Rs. 14,989,137/- (Previous year Rs. 14,635,499/-).
9. The Course Execution Charges include payments to licensees, business partners, channel partners and other agencies for execution of education and training business.

10. DERIVATIVE INSTRUMENTS

- a. The following table summarises the movement in designated forward covers during Current year:

Particulars	Designated Forward Covers (USD Mn) FY 2010-11	Designated Forward Covers (USD Mn) FY 2009-10
Opening Balance as at beginning of the year	-	10.50
Additions during the Current year	-	-
Matured during the year	-	10.50
Closing Balance as at end of the year	-	-

During the Current year, loss of Nil (Previous year Rs. 88.82 Lacs) has been debited to Revenue account on maturity of the designated forward covers.

- b. Mark to Market gain/ (loss) on undesignated forward covers amounting to Nil [Previous year Rs. 3.35 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, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
Export of services & products	825,236,725	474,805,435
Interest (Net of Taxes)	13,546,070	25,189,578
Recovery of expenses from Overseas Subsidiaries	93,560,237	85,574,116

12. CIF VALUE OF IMPORTS

Particulars	Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
Bought out packages/ products	424,436,171	226,755,748
Capital goods	12,277,918	13,031,888

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

13. EXPENDITURE IN FOREIGN CURRENCY (Net of taxes)

Particulars	Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
Production, development and execution	144,429,943	110,120,441
Travel	34,423,033	25,820,649
Professional fee	11,204,514	2,682,005
Others	11,219,593	12,695,887

14. DIVIDEND REMITTED IN FOREIGN CURRENCY

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Number of Non-residents to whom dividend is paid (Nos.)	3	3
Number of Shares held by Non-residents (Nos.)	131,556	78,750
Amount remitted (Rs.)	184,178	102,375
Year to which the dividend related (Financial year)	2009-10	2008-09

15. PAYMENT TO AUDITORS

Particulars	Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
Statutory Audit fee	4,860,000	4,860,000
Tax Audit fee	470,000	470,000
Others	3,255,000	2,285,000
Reimbursement of expenses (including Service Tax)	1,003,912	1,298,722

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, 2011 (Contd.)

The summary of options granted is as follows:

Particulars	Grant I		Grant II		Grant III		Grant IV		Grant V			Grant VI			Grant VII*			
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	
	02-Aug-05	02-Aug-05	11-Aug-05	11-Aug-05	05-Jun-07	05-Jun-07	28-Jul-08	28-Jul-08	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	
	02-Aug-06	02-Aug-06	11-Aug-06	11-Aug-06	05-Jun-08	05-Jun-08	28-Jul-09	28-Jul-09	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	
Live options at the beginning of the year (Nos.)	-	92,430	-	34,125	489,177	447,879	1,274,530	1,815,228	-	1,815,228	-	1,815,229	-	1,65,950	-	1,65,950	-	-
Granted during the year (Nos.)	-	-	-	-	-	-	-	1,865,803	-	1,865,803	-	1,865,804	-	1,81,240	-	1,81,240	-	52,020
Forfeited/ lapsed till vesting period (Nos.)	-	-	-	-	-	-	37,500	50,575	254,008	50,575	254,008	50,575	30,180	15,290	36,490	15,290	36,490	23,000
Options Vested (Nos)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forfeited/ lapsed post vesting (Nos)	-	13,844	-	-	30,051	8,702	1,37,250	18,750	53,500	-	-	-	-	-	-	-	-	-
Options exercised (Nos)	-	78,486	-	34,125	-	-	-	-	1,677,546	-	-	-	-	-	-	-	-	-
Outstanding/ exercisable at the end of the year (Nos)	-	-	-	-	409,126	439,177	1,081,050	1,218,300	1,624,046	1,815,228	1,561,221	1,815,229	135,770	1,29,460	1,65,950	1,29,460	1,65,950	29,020
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	72.20	69.20	69.20	69.20	69.20	69.20	67.65
Remaining Contractual Life (Days)	-	-	-	-	66	431	849	484	939	1,304	1,669	2,035	1,028	1,393	1,758	1,759	2,124	1,666
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	36.64	30.47	30.47	32.91	34.74	34.74	28.35
Intrinsic Value of the options granted (Rs.)	7.35	7.35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

*During the year, the Compensation/ Remuneration Committee at its meeting held on October 22, 2010 has approved Grant VII of 1,56,060 options (post bonus and split) out of the options under ESOP Plan 2005, to Senior Managerial Personnel of the Company. Options under this grant 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, 2011 (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			Grant VII		
									Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3
Market price considered	31.35		31.60		121.62		88.70		72.20	72.20	72.20	69.20	69.20	69.20	67.65	67.65	67.65
Exercise price	24.00		31.60		121.62		88.70		72.20	72.20	72.20	69.20	69.20	69.20	67.65	67.65	67.65
Dividend yield	Not considered		Not considered		2.79%		2.04%		1.76%	1.76%	1.76%	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%	65.49%	63.40%	60.71%
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	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%	7.36%	7.56%	7.73%

Other information regarding employee share based payment is as below:

Particulars	Grant I		Grant II		Grant III		Grant IV		Grant V			Grant VI			Grant VII							
									Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3					
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2010-11	2010-11	2010-11				
Additional expense had the Company recorded the ESOP Expense based on fair value of the options*							10,574,007	23,930,879	20,575,115	21,780,368	11,178,074	15,301,173	7,852,836	1,004,876	334,011	666,921	180,379	469,337	126,940	362,897	204,810	146,567

*Net of amount attributable to the employees of the subsidiaries Rs. 19,667,061/- (Previous year Rs. 11,722,216/-).

For impact on Basic and Dilutive EPS, had fair value of the option been used for determining ESOP expense, refer Note 35 below.

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

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 under "Salaries and Benefits" in Schedule 15:

	Year ended March 31, 2011 (Rs. Lacs)	Year ended March 31, 2010 (Rs. Lacs)
• Employers' Contribution to Provident Fund Trust	276.77	233.91
• Employers' Contribution to Superannuation Fund	110.63	87.76
• Employers' Contribution to Employees Pension Scheme	157.25	135.43

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, 2011 (Rs. Lacs)	Year ended March 31, 2010 (Rs. Lacs)
• Employers' Contribution to Provident Fund Trust	18.47	12.62
• Employers' Contribution to Superannuation Fund	20.07	13.75
• Employers' Contribution to Employees Pension Scheme	0.06	0.06

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, 2011. 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, 2011	As at March 31, 2010
i) Change in Present value of obligation:		
Present value of obligation as at the beginning of the year	775.01	1,110.94
Past Service cost	-	(315.00)
Current service cost*	151.90	140.64
Interest cost	61.80	88.65
Benefits paid	(4.85)	(5.74)
Actuarial (gain)/ loss on obligations	(160.10)	(244.48)
Present value of obligation as at the end of the year	823.76	775.01

* Current service cost is gross of recoveries/ (net of credits) from/ to Associates & Subsidiaries [Current year: Rs. 1.44 Lacs, Previous year: Rs. (15.96) Lacs]

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

Particulars	As at March 31, 2011	As at March 31, 2010
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, 2011	As at March 31, 2010
i) Change in Present value of obligation:		
Present value of obligation as at the beginning of the year	757.82	724.44
Interest cost	56.82	54.87
Current service cost	94.61	98.59
Benefits paid	(95.02)	(76.89)
Actuarial (gain)/ loss on obligations	70.21	(43.19)
Present value of obligation as at the end of the year	884.44	757.82

Particulars	As at March 31, 2011	As at March 31, 2010
ii) Change in Plan Assets:		
Fair value of Plan Assets as at the beginning of the year	746.76	665.91
Expected return on Plan Assets	72.78	63.22
Contributions*	150.16	97.34
Benefits paid	(95.02)	(76.89)
Actuarial (loss)/ gain on Plan Assets	(4.57)	(2.82)
Fair value of Plan Assets as at the end of the year	870.11	746.76
* Contributions include Recoveries from Associates and Subsidiaries.		
* Actuary's estimates of contributions for Financial Year 2011-12 is Rs. 150 Lacs.		

Particulars	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
iii) Amount of Asset/ (obligation) recognised in the Balance Sheet:					
Fair value of Plan Assets as at the end of the year	870.11	746.76	665.91	595.93	488.38
Present value of obligation as at the end of the year	884.44	757.82	724.44	643.56	457.79
Asset/ (obligation) Recognised in Balance Sheet	(14.33)	(11.06)	(58.53)	(47.63)	30.59

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

(Amount in Rs. Lacs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
iv) Net Gratuity Cost recognised in Profit and Loss Account:		
Current service cost	94.61	98.59
Interest cost	56.82	54.87
Expected return on Plan Assets	(72.78)	(63.22)
Net Actuarial (gain)/ loss recognised during the year	74.78	(40.37)
Expense recognised in Profit and Loss Account*	153.43	49.87
Actual return on plan assets	68.22	60.40
*Gross of Recoveries from Associates & Subsidiaries (Current year: Rs. 6.44 Lacs, Previous year: Rs. 2.03 Lacs), also includes Rs. 29.68 Lacs (Previous year Rs. 9.11 Lacs) towards contribution for Key Managerial Personnel.		
*The above Cost is included under "Salaries and Benefits" in Schedule 15		

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%	9.40%

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 Nil (Previous year 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, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
Opening stock	1,755,037	3,369,474
Purchases	159,314,697	762,349,943
Sales	177,784,390	815,243,184
Closing stock	1,453,711	1,755,037

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

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, 2011		Year ended March 31, 2010	
	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)
Opening stock				
- Courseware	1,019,432	99,575,690	989,083	89,050,728
Purchase/ printed				
- Courseware	7,216,718	872,630,445	10,909,435	673,146,932
- Technical Information & Reference Material (Produced/Duplicated)	-	10,261,298	-	8,463,228
Stock written off/ Provision for obsolescence				
- Courseware	-	9,551,068	-	4,264,705
Sales				
- Courseware *	7,130,060	2,879,086,854	10,879,086	2,267,411,796
- Technical Information & Reference Material	-	233,056,424	-	192,468,728
Closing Stock				
- Courseware**	1,106,090	134,926,581	1,019,432	99,575,690

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

**Includes Inventory in electronic form.

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. 3,190,212,261/- (Previous year Rs. 2,976,597,336/-).

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

19. MANAGERIAL REMUNERATION

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

Particulars	Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
Profit before taxation as per Profit and Loss Account	553,442,741	448,453,854
Less: Profit on sale of undertakings/ investments	(208,084,207)	(115,000)
Add: Bad debts written off net of provision for doubtful debts and advances	(62,698,350)	(98,426,996)
Add: Depreciation included in books of accounts	577,038,229	541,792,739
Less: Depreciation calculated as per provision of section 350	(492,052,819)	(456,470,934)
Add: Loss on sale of Fixed Assets included in books of accounts	3,534,712	-
Less: Loss on sale of Fixed Assets under section 350	(10,917,515)	-
Net Profit under Section 349 of the Companies Act, 1956	360,262,791	435,233,663
Add: Directors Remuneration (Including Non Executive Directors remuneration)	40,347,541	33,207,208
Net Profit under Section 198 of the Companies Act, 1956	400,610,332	468,440,871
Maximum remuneration allowable under section 198 of the Companies Act, 1956, restricted to 11% of Net Profit.	44,067,137	51,528,496
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.	4,006,103	4,684,409

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, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
Salary, perquisites and allowances	30,373,358	21,172,910
Contribution to provident fund and other funds	6,827,471	3,554,298
Performance Linked Bonus	-	6,000,000
Total	37,200,829	30,727,208

b. Non Executive Directors' Remuneration

Particulars	Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
Commission to Non Executive Directors	2,606,712	2,000,000
Sitting Fees	540,000	480,000
Total	3,146,712	2,480,000

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

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.)
ICICI Prudential Institutional Liquid Plan	-	-	1,503,993	150,000,000	1,449,725	145,004,965	54,268	5,428,103	5,428,103
ICICI Prudential Flexible Income Plan	-	-	473,342	50,004,965	473,342	50,048,861	-	-	-
Templeton India -Treasury Management Account	-	-	39,977	40,000,000	39,977	40,003,427	-	-	-
Templeton India Ultra Short Bond Fund Institutional	-	-	3,999,363	40,003,427	3,999,363	40,038,021	-	-	-
HDFC Liquid Fund Premium Plan	-	-	142,470,440	248,000,000	142,453,318	248,073,067	17,122	209,906	209,906
HDFC CMF-Treasury Advanatge	-	-	7,482,167	75,007,749	7,482,167	75,057,363	-	-	-
Birla Sun Life Cash Plus	-	-	23,984,893	240,000,000	13,977,833	140,050,901	10,007,060	100,265,735	100,265,735
TOTAL	-	-	179,954,175	843,016,141	169,875,725	738,276,605	10,078,450	105,903,744	105,903,744
Previous year	-	-	16,652,575	250,000,000	16,652,575	250,197,783	-	-	-

Profit from sale of units Nil (Previous year Rs. 197,783/-) and Dividend Income of Rs. 1,164,208/- (Previous year Nil) 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. Scantech Evaluation Services Limited
3. Hole-in-the-Wall Education Limited
4. NEO Multimedia Limited (Formerly known as NIIT Multimedia Limited) (upto March 30, 2011)
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 Malaysia Sdn. Bhd, Malaysia
11. NIIT GC Limited (formerly NIIT TVE Limited), Mauritius
12. NIIT China (Shanghai) Limited, Shanghai
13. NIIT Wuxi Service Outsourcing Training School
14. Chongqing NIIT Education Consulting Limited, China
15. Wuxi NIIT Information Technology Consulting Limited
16. Changzhou NIIT Information Technology Consulting Limited
17. Su Zhou NIIT Information Technology Consulting Limited (w.e.f. April 28, 2010)

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

18. PCEC NIIT Institute of Information Technology, Shanghai (Liquidated in April, 2010)
19. NIIT (USA) Inc., USA
20. NIIT Ventures Inc., USA
21. Element K Corporation, USA
22. Element K India Private Limited, India
23. Element K (UK) Limited, United Kingdom
24. Element K Inc., Canada
25. 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

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

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

Nature of Transactions	Subsidiaries	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel	Parties in which Key Managerial Personnel of the Company are interested	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Purchase of Goods (Note 2)	30,814,197 (17,565,131)	- (-)	- (-)	- (-)	33,000 (-)	30,847,197 (17,565,131)
Sale of Goods (Note 3)	1,735,050 (-)	1,889,760 (-)	- (-)	- (-)	2,866,485 (2,459,290)	6,491,295 (2,459,290)
Purchase of Fixed Assets (Note 4)	22,754,650 (5,460,000)	554,754 (-)	- (-)	- (-)	- (-)	23,309,404 (5,460,000)
Sale of Fixed Assets (Note 5)	- (-)	61,932 (-)	- (-)	- (-)	4,189,783 (-)	4,251,715 (-)
Rendering of Services (Note 6)	682,970,154 (467,266,769)	26,289,528 (5,457,650)	- (-)	- (-)	20,000 (-)	709,279,682 (472,724,419)
Receiving of Services (Note 7)	105,655,788 (34,133,773)	28,011,347 (8,128,918)	- (-)	- (-)	- (-)	133,667,135 (42,262,691)
Recovery of expenses from (Note 8)	17,008,332 (18,944,387)	12,519,248 (5,359,937)	- (-)	- (-)	9,354,380 (3,526,458)	38,881,960 (27,830,782)
Recovery of expenses by (Note 9)	4,073,525 (3,886,116)	9,393,306 (9,598,975)	- (-)	- (-)	- (-)	13,466,831 (13,485,091)
Finance:						
- Investments made (Note 10)	22,000,000 (162,686,879)	- (-)	- (-)	- (-)	- (-)	22,000,000 (162,686,879)
- Loans Given (Note 11)	284,885,000 (37,910,000)	- (-)	- (-)	- (-)	20,000,000 (189,000,000)	304,885,000 (226,910,000)
- Loans Given Received Back (Note 12)	215,887,500 (347,640,000)	- (-)	- (-)	- (-)	463,800,000 (185,000,000)	679,687,500 (532,640,000)
- Loans/ Inter Corporate Deposits Taken (Note 13)	115,500,000 (98,000,000)	- (-)	- (-)	- (-)	- (-)	115,500,000 (98,000,000)
- Repayment of Loan/ Inter Corporate Deposits taken (Note 14)	91,500,000 (91,600,000)	- (-)	- (-)	- (-)	- (-)	91,500,000 (91,600,000)
- Interest Income (Note 15)	23,727,014 (37,322,084)	- (-)	- (-)	- (-)	49,687,364 (63,237,426)	73,414,378 (100,559,510)
- Interest expenditure (Note 16)	11,687,585 (12,769,803)	- (-)	- (-)	- (-)	- (-)	11,687,585 (12,769,803)
Remuneration (Note 17)	- (-)	- (-)	37,200,829 (30,727,208)	- (-)	- (-)	37,200,829 (30,727,208)
Other Expenses (Note 18)	- (-)	- (-)	- (-)	1,152,000 (1,056,000)	71,932,000 (15,432,000)	73,084,000 (16,488,000)
Other Income (Note 19)	119,552,536 (105,499,667)	- (-)	- (-)	- (-)	867,820 (-)	120,420,356 (105,499,667)
Dividend Income (Note 20)	83,244,000 (78,289,000)	- (-)	- (-)	- (-)	- (-)	83,244,000 (78,289,000)
Guarantees and Collaterals (Note 21 & 22)	754,210,350 (811,989,000)	- (-)	- (-)	- (-)	- (-)	754,210,350 (811,989,000)

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

Notes:

1. Previous year figures are given in parenthesis.
2. Includes Purchase of Goods from:
 - NIIT (USA) Inc. Rs. 194.94 Lacs (Previous year Rs. 158.10 Lacs)
 - Evolv Services Limited Rs. 53.96 Lacs (Previous year Nil)
 - Hole-in-the-Wall Education Limited Rs. 36.00 Lacs (Previous year Nil)
3. Includes Sale of Goods to:
 - NIIT Institute of Information Technology Rs. 28.66 Lacs (Previous year Rs. 24.59 Lacs)
 - NIIT Institute of Finance Banking and Insurance Training Limited Rs. 15.38 Lacs (Previous year Nil)
 - NIIT Technologies Limited Rs. 18.90 Lacs (Previous year Nil)
4. Includes Purchase of Fixed Assets from:
 - NIIT (USA) Inc. Rs. 216.39 Lacs (Previous year Nil)
 - Evolv Services Limited Rs. 6.40 Lacs (Previous year Rs. 54.60 Lacs)
 - NIIT Technologies Limited Rs. 5.55 Lacs (Previous year Nil)
5. Includes Sale of Fixed Assets to:
 - NIIT Technologies Limited Rs. 0.62 Lacs (Previous year Nil)
 - NIIT Institute of Information Technology Rs. 41.90 Lacs (Previous year Nil)
6. Includes Rendering of Services to:
 - NIIT (USA) Inc. Rs. 4,469.35 Lacs (Previous year Rs. 3,305.32 Lacs)
 - NIIT Antilles NV, Netherlands Antilles Rs.1,866.37 Lacs (Previous year Rs.944.94 Lacs)
 - NIIT Limited, UK Rs. 386.06 Lacs (Previous year Rs. 329.35 Lacs)
 - NIIT Technologies Limited Rs. 262.90 Lacs (Previous year Rs. 54.47 Lacs)
 - Evolv Services Limited Rs. 4.92 Lacs (Previous year Rs. 8.60 Lacs)
 - NIIT Institute of Finance Banking and Insurance Training Limited Rs. 102.13 Lacs (Previous year Rs. 79.00 Lacs)
7. Includes Receiving of Services from:
 - NIIT (USA) Inc. Rs. 246.20 Lacs (Previous year Rs. 150.23 Lacs)
 - NIIT GIS Limited Rs. 3.73 Lacs (Previous year Rs. 5.94 Lacs)
 - NIIT Smart Serve Limited Rs. 205.53 Lacs (Previous year Rs. 75.35 Lacs)
 - Evolv Services Limited Rs. 137.31 Lacs (Previous year Rs.133.30 Lacs)
 - NIIT Institute of Finance Banking and Insurance Training Limited Rs. 104.85 Lacs (Previous year Rs. 57.81 Lacs)
 - NIIT Limited, UK Rs. 488.95 Lacs (Previous year Nil)
8. Includes Recovery of Expenses from:
 - Hole-in-the-Wall Education Limited Rs. 23.68 Lacs (Previous year Rs. 17.70 Lacs)
 - NIIT (USA) Inc. Rs. 10.78 Lacs (Previous year Rs. 37.09 Lacs)
 - NIIT Institute of Finance Banking and Insurance Training Limited Rs. 116.21 Lacs (Previous year Rs. 103.27 Lacs)
 - NIIT Technologies Limited Rs. 107.07 Lacs (Previous year Rs. 38.57 Lacs)
 - NIIT GIS Limited Rs. 18.08 Lacs (Previous year Rs. 11.49 Lacs)
 - NIIT Institute of Information Technology Rs. 93.54 Lacs (Previous year Rs. 35.26 Lacs)
 - NIIT Institute of Process Excellence Limited Rs. 6.00 Lacs (Previous year Rs. 23.74 Lacs)
 - NIIT Limited, UK Nil (Previous year Rs. 2.09 Lacs)

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

9. Includes Recovery of Expenses by:
 - NIIT Technologies Limited Rs. 93.93 Lacs (Previous year Rs. 95.99 Lacs)
 - NIIT (USA) Inc. Rs. 30.25 Lacs (Previous year Rs. 38.86)
10. Represents Investments made in:
 - NEO Multimedia Limited Rs. 70.00 Lacs (Previous year Rs. 290.00 Lacs)
 - NIIT Institute of Finance Banking and Insurance Training Limited Nil (Previous year Rs. 405.00 Lacs)
 - Evolv Services Limited Nil (Previous year Rs.181.87 Lacs)
 - NIIT Institute of Process Excellence Limited Rs. 150.00 Lacs (Previous year Rs. 750.00 Lacs)
11. Loans Given relates to:
 - NIIT Institute of Finance Banking and Insurance Training Limited Nil (Previous year Rs. 125.00 Lacs)
 - NEO Multimedia Limited Rs. 32.00 Lacs (Previous year Nil)
 - NIIT (USA) Inc. Rs. 2,511.85 Lacs (Previous year Rs. 241.10 Lacs)
 - NIIT Institute of Information Technology Rs. 200.00 Lacs (Previous year Rs. 1,890.00 Lacs)
 - Evolv Services Limited Rs. 155.00 Lacs (Previous year Rs. 13.00 Lacs)
12. Loans Given Received Back relates to:
 - NIIT (USA) Inc. Rs. 2,158.88 Lacs (Previous year Rs. 3,361.40 Lacs)
 - NIIT Education Society Rs. 35.00 Lacs (Previous year Nil)
 - NIIT Institute of Information Technology Rs. 4,603.00 Lacs (Previous year Rs. 1,850.00 Lacs)
 - Evolv Services Limited Nil (Previous year Rs. 115.00 Lacs)
13. Loans/ Inter Corporate Deposits Taken from:
 - Scantech Evaluation Services Limited Rs. 1,155.00 Lacs (Previous year Rs. 980.00 Lacs)
14. Repayment of Loans/ Inter Corporate Deposits taken:
 - Scantech Evaluation Services Limited Rs. 915.00 Lacs (Previous year Rs. 916.00 Lacs)
15. Interest Income from:
 - NIIT (USA) Inc. Rs. 158.84 Lacs (Previous year Rs. 300.25 Lacs)
 - Hole-in-the-Wall Education Limited Rs. 43.44 Lacs (Previous year Rs. 43.44 Lacs)
 - NEO Multimedia Limited Rs. 1.26 Lacs (Previous year Nil)
 - NIIT Education Society Rs. 0.55 Lacs (Previous year Rs. 2.80 Lacs)
 - Evolv Services Limited Rs. 1.23 Lacs (Previous year Rs. 10.93 Lacs)
 - NIIT Institute of Information Technology Rs. 496.32 Lacs (Previous year Rs 629.57 Lacs)
 - NIIT Institute of Finance Banking and Insurance Training Limited Rs. 30.60 Lacs (Previous year Rs. 18.60 Lacs)
16. Interest Expenditure includes:
 - Scantech Evaluation Services Limited Rs. 116.88 Lacs (Previous year Rs. 127.70 Lacs)
17. Includes transactions for the year with:
 - Rajendra S Pawar Rs. 100.43 Lacs (Previous year Rs. 90.06 Lacs)
 - Vijay K Thadani Rs. 163.20 Lacs (Previous year Rs. 90.37 Lacs)
 - P Rajendran Rs. 108.38 Lacs (Previous year Rs. 126.85 Lacs)
18. Other Expenses includes:
 - Renuka Thadani Rs. 7.20 Lacs (Previous year Rs. 6.24 Lacs)
 - Veena Oberoi Rs. 4.32 Lacs (Previous year Rs. 4.32 Lacs)
 - Pace Industries Private Limited Rs. 4.32 Lacs (Previous year Rs. 4.32 Lacs)
 - Donation to NIIT Institute of Information Technology Rs. 715.00 Lacs (Previous year Rs. 150.00 Lacs)

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

19. Other Income includes:
- NIIT (USA) Inc. Rs. 67.77 Lacs (Previous year Rs. 67.96 Lacs)
 - NIIT Antilles NV, Netherlands Antilles Rs. 856.13 Lacs (Previous year Rs. 774.26 Lacs)
 - NIIT Institute of Finance Banking and Insurance Training Limited Rs. 170.37 Lacs (Previous year Rs. 133.32 Lacs)
 - NIIT Institute of Information Technology Rs. 8.68 Lacs (Previous year Nil)
 - NIIT Institute of Process Excellence Limited Rs.78.88 Lacs (Previous year Rs. 42.19 Lacs)
 - NIIT Limited, UK Rs. 9.46 Lacs (Previous year Rs. 10.11 Lacs)
 - Hole-in-the-Wall Education Limited Rs. 10.14 Lacs (Previous year Rs.8.33 Lacs)
20. Dividend Income includes:
- Scantech Evaluation Services Limited Rs. 832.44 Lacs (Previous year Rs. 782.89 Lacs)
21. Guarantees and Collaterals:
- Element K Corporation, USA Nil (Previous year Rs. 1,124.37 Lacs)
 - NIIT Institute of Finance Banking and Insurance Training Limited Nil (Previous year Rs. 100.00 Lacs)
 - Hole-in-the-Wall Education Limited Rs. 30.00 Lacs (Previous year Rs. 70.00 Lacs)
 - NIIT (USA) Inc. Rs. 7,512.10 Lacs (Previous year Rs. 6,825.52 Lacs)
22. Commitment to support NIIT Institute of Information Technology to meet the shortfall if any in their project.

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

Particulars	As at March 31, 2011			As at March 31, 2010		
	Recoverable	Payables	Guarantees & Collaterals Outstanding	Recoverable	Payables	Guarantees & Collaterals Outstanding
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Subsidiaries	694,579,784	191,110,625	2,716,200,000	524,889,252	144,350,976	2,913,317,200
Associates	19,890,880	5,368,731	-	3,575,552	2,461,529	-
Key Managerial Personnel	-	-	-	-	6,000,000	-
Relatives of Key Managerial Personnel	-	-	-	-	-	-
Parties in which Key Managerial Personnel of the Company are interested	12,004,874	1,768,742	-	444,175,620	2,194,883	-

22. During the Previous year, the Company had 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 was recognised as the investment was fully provided for in the earlier years.
23. During the year the Company has paid additional loan of Rs. 200 lacs to NIIT Institute of Information Technology. Subsequent to the Bank withdrawing the subordination requirements on the loan, NIIT Institute of Information Technology has repaid total outstanding loan amounting to Rs. 4,603 Lacs during the year and there is no loan outstanding as on March 31, 2011.

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

24. 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. 150 Lacs in NIIT Institute of Process Excellence Limited,
 - (ii) Rs. 70 Lacs in NEO Multimedia Limited (Formerly known as NIIT Multimedia Limited)
25. During the year, the Company has disposed off its complete holding of 10,950,000 fully paid up Equity Shares of Rs. 10/- each in its wholly owned subsidiary NEO Multimedia Limited (Formerly known as NIIT Multimedia Limited) for a consideration of Rs. 317,584,207/- (Net of Expenses). The amount of Rs. 208,084,207/- has been recognised as Profit on Sale of Investment which has resulted in an increase in profit before tax during the year. After this disposal NEO Multimedia Limited ceases to be a subsidiary of the Company.
26. During the year the company has contributed an amount of Rs. 720 Lacs towards donations including Rs. 715 Lacs (Previous year Rs. 150 Lacs) in the corpus of NIIT Institute of Information Technology, a society registered under the Societies Registration Act, 1860 which is within the overall limits approved by the shareholders. This amount has been as shown as an exceptional item in the Profit and Loss Account.
27. During the Financial year, the Company has been granted approval for setting up unit in Special Economic Zone ('SEZ'). The Company has subsequently started the process of setting up its unit in SEZ, few employees have been recruited in the SEZ unit who are undergoing training. As at end of the financial year, no production or development activities have started in SEZ unit. Production, development and revenue generating activities are expected to start in the first quarter of Financial year 2011-12.
28. 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, 2011 (Rs.)	As at March 31, 2010 (Rs.)	2010-11 (Rs.)	2009-10 (Rs.)
NEO Multimedia Limited (Formerly known as NIIT Multimedia Limited)	-	-	3,200,000	-
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	26,000,000	26,000,000	26,000,000
Evolv Services Limited	15,500,000	-	15,500,000	11,500,000
NIIT (USA) Inc., USA	99,900,000	67,462,200	322,280,000	407,289,400
NIIT Education Society	-	3,500,000	3,500,000	3,500,000
NIIT Institute of Information Technology	-	440,300,000	460,300,000	615,300,000
NIIT Institute of Process Excellence Limited	15,000,000	-	15,000,000	-
Total	192,600,000	573,462,200	881,980,000	1,099,789,400

29. 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 Services Limited at an exercise price of Rs. 50.55 per share aggregating to Rs. 18,186,879/-. During the Previous year, Company had exercised these warrants to acquire equal number of shares in the share capital of Evolv, this had resulted

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

into a further increase in proportion of shareholding to 61.15%. The promoters of Evolv have an option to sell ("Put Option") their remaining shareholding to NIIT Limited 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"), 83% of the remaining shares of the Sellers' shareholding at a call option price determined by price valuer as on the date of exercise of the call option.

30. 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 its 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, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
Salary and Other employee benefits	154,003,739	94,104,260
Direct Production Overheads	116,635,954	11,506,893
Rent	11,541,044	5,000,827
Electricity and Water	1,946,176	4,756,434
Other Expenses	6,962,510	3,779,648
Total	291,089,423	119,148,062

31. The Company's wholly owned domestic subsidiary Scantech Evaluation Services Limited has declared dividend amounting to Rs. 832.44 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 to be paid by the subsidiary company amounting to Rs. 135.04 lacs (Previous year Rs. 133.05 lacs).

32. 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	52,333 (57,769)	91,102 (83,712)	4,430 (5,957)
America	6,538 (4,406)	- (-)	- (-)
Europe	1,295 (334)	- (-)	- (-)
Asia Pacific	4,635 (8)	92 (-)	26 (-)
Total	64,801 (62,517)	91,194 (83,712)	4,456 (5,957)

Previous year figures are given in parenthesis.

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

33. TAXATION:

- Upon finalisation of Income Tax Return of Assessment year 2010-11 an amount of Rs. 31.54 Lacs (Net) has been charged during the year.
- During the year the Company has provided for an amount of Rs. 15 Lacs pertaining to Tax Payable as per Norwegian Tax Laws and a similar amount has been reduced from the Tax Expense as the same shall be claimed as a relief under section 90 of the Indian Income Tax Act, 1961.
- 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 01.04.2010	Charged/ (Credited) to Profit and Loss Account	Closing As on 31.03.2011
Deferred Tax Liabilities:			
Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	977	(432)	545
Total (A)	977	(432)	545
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	(622)	222	(400)
- Provision for Inventory	(18)	(3)	(21)
- Provision for Compensated Absences, Bonus, Gratuity and other timing differences	(272)	(4)	(276)
- Deferred Income on sale and lease back transaction	(51)	12	(39)
- Provision for Employee Reimbursements on claim basis	-	(79)	(79)
Total (B)	(963)	148	(815)
Net Deferred Tax Liabilities/ (Assets) (A+B)	14	(284)	(270)
Previous year	(624)	638	14

- Deferred Tax Assets and Liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- Deferred Tax Asset on Long term capital loss has not been considered in absence of virtual certainty of availability of Long term capital gains.

34. a) Movement of Provision for Doubtful Debts

Particulars	Year ended March 31, 2011 (Rs. Lacs)	Year ended March 31, 2010 (Rs. Lacs)
Opening Provision	1,722.27	2,683.76
Add: Additional Provision created	691.01	538.50
Less: Bad Debts written off	1,268.68	1,499.99
Closing Provision	1,144.60	1,722.27

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

- b) Certain overdue debtors balances aggregating to Rs. 6,768.29 Lacs (Previous year Rs.1,509.10 Lacs) relating to government customers are not provided for based on confirmations/ acknowledgment for services rendered, with the Company. Subsequent to the year end the Company has received an amount of Rs. 2,473.53 Lacs out of the above balance. The management is taking appropriate action for recovery of the amounts and is confident of recovery of the same.

35. EARNINGS PER SHARE

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Profit attributable to Equity Shareholders (Rs.) - (A)	497,398,264	311,696,334
Weighted average number of Equity Shares outstanding during the year (Nos.)- (B)	165,095,597	165,057,116
Nominal Value of Equity Shares (Rs.)	2/-	2/-
Basic Earnings per Share (Rs.) (A/B)	3.01	1.89
Add : Effect of Potential Dilutive Shares (being employee stock options-Refer Note 16 above) (Nos.)	-	-
Weighted average Shares outstanding considered for determining Diluted Earnings per share (Nos.) - (C)	165,095,597	165,057,116
Profit after considering increased earnings of Dilutive Shares (Rs.) (D)	497,398,264	311,696,334
Diluted Earnings per Share (Rs.) (D/C)	3.01	1.89
EARNINGS PER SHARE {had fair value method been employed for accounting of employee stock options (Refer Note 16 above)}		
Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Profit attributable to Equity Shareholders (Rs.) -(E)	433,530,436	260,874,972
Profit attributable to Equity Shareholders for diluted (Rs.) -(F)	433,530,436	260,874,972
Basic Earnings per share (Rs.) (E/B)	2.63	1.58
Diluted Earnings per share (Rs.) (F/C)	2.63	1.58

36. LEASES

a) Operating Leases

- i. The minimum non-cancelable lease payment outstanding at the Balance Sheet date in respect of Premises:

Particulars	Minimum lease payments (Rs.)
Not later than 1 year	81,977,808 (-)
Later than 1 year but not later than 5 years	316,657,164 (-)

Previous year figures are given in parenthesis.

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

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

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

Particulars	Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
In respect of Premises*	314,528,247	276,279,592
In respect of Equipments**	41,368,209	31,884,126
In respect of Vehicles	11,220,381	7,404,177

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

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

iv. Details of Fixed Assets provided on Operating Lease:

(Amount in Rs.)

Description of Assets	As at March 31, 2011			As at March 31, 2010		
	Gross Value	Accumulated Depreciation	Net Book Value	Gross Value	Accumulated Depreciation	Net Book Value
Buildings	32,240,250	8,917,976	23,322,274	32,240,250	8,392,320	23,847,930

The Aggregate Depreciation charged on the above assets during the year is Rs. 525,656/- (Previous year Rs. 525,656/-)

b) Finance Leases

- Assets acquired under finance lease comprise of Plant & Machinery, Furniture & Fixtures and Software. There are no exceptional/ restrictive covenants in the lease agreements.
- The minimum lease payment outstanding and their present value at the Balance Sheet date in respect of assets that have been capitalized are as follows:

Particulars	Minimum lease payments (Rs.)	Present value of lease payments (Rs.)
Not later than 1 year	30,254,221 (32,066,932)	19,966,749 (19,195,999)
Later than 1 year but not later than 5 years	89,579,432 (122,859,383)	74,336,371 (97,593,826)

Particulars	Amount (Rs.)
Minimum Lease Payments	119,833,653 (154,926,315)
Less : Finance Charges	25,530,533 (38,136,490)
Present Value of Lease Payments	94,303,120 (116,789,825)

Previous year figures are given in parenthesis.

SCHEDULE '20': Notes to Accounts for the year ended March 31, 2011 (Contd.)

37. Parties covered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2011 have been identified on the basis of information available with the Company. Disclosures as per Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as follows:

(Amount in Rs. Lacs)

Particulars	2010-11	2009-10
a) the principal amount and the interest due thereon remaining unpaid to any supplier		
i) Principal amount	13.84	9.58
ii) Interest thereon	0.06	0.16
b) the amount of payment made to the supplier beyond the appointed day and the interest thereon, during an accounting year		
i) Principal amount	103.68	18.36
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	0.71	0.33
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

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

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

For and on behalf of the Board

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

Usha Rajeev

Partner
Membership No. F-087191

Ashok Arora

Group Chief Financial Officer

Jitender Mahajan

Chief Financial Officer

Rajesh Arora

Company Secretary

Place : New Delhi

Date : May 10, 2011

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, 2011, 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 sixteen subsidiaries included in the consolidated financial statements, which constitute total assets of Rs 14,049 lacs and net assets of Rs 9,603 lacs as at March 31, 2011, total revenue of Rs. 12,844 lacs, net profit of Rs 1,954 lacs and net cash (outflow) amounting to Rs. (113) lacs for the year then ended. 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.
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 auditor(s) on separate financial statements and on the other financial information of the component 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, 2011;
 - (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

Usha Rajeev
Partner

Membership Number F-87191

Place : New Delhi
Date : May 10, 2011

CONSOLIDATED BALANCE SHEET as at March 31, 2011

	Schedule No./ (Note Reference)	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	` 1'	330,197,194	330,197,194
Reserves and Surplus	` 2'	5,168,693,990	4,630,573,382
Currency Translation Reserve	` 2A'	66,414,584	82,110,198
MINORITY INTEREST	` 3'	29,680,722	21,816,195
LOAN FUNDS			
Secured Loans	` 4'	2,649,980,370	2,535,256,460
Unsecured Loans	` 5'	1,008,514,115	1,510,444,714
		9,253,480,975	9,110,398,143
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	` 6'	8,771,474,562	8,137,575,250
Less: Depreciation		3,971,018,035	3,221,423,594
Net Block		4,800,456,527	4,916,151,656
Capital work-in-progress (including Capital Advances)		621,850,485	447,850,221
INVESTMENTS	` 7'	1,641,071,202	1,274,416,109
DEFERRED TAX ASSETS (Net)	` 23[(1(xiv) & 28)']	306,823,984	297,520,463
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	` 8'	153,329,236	125,934,835
Sundry Debtors	` 9'	3,897,598,965	3,402,680,873
Cash and Bank Balances	` 10'	525,819,992	615,936,286
Other Current Assets	` 11'	1,174,492,473	697,787,052
Loans & Advances	` 12'	1,352,830,345	1,538,037,171
		7,104,071,011	6,380,376,217
Less : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	` 13'	4,771,762,656	3,785,097,923
Provisions	` 14'	449,029,578	421,743,933
		5,220,792,234	4,206,841,856
Net Current Assets		1,883,278,777	2,173,534,361
MISCELLANEOUS EXPENDITURE	` 15'	-	925,333
(To the extent not written off or adjusted)			
		9,253,480,975	9,110,398,143

NOTES TO ACCOUNTS

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 and on behalf of the Board

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

Usha Rajeev

Partner
Membership No. F-087191

Ashok Arora

Group Chief Financial Officer

Jitender Mahajan

Chief Financial Officer

Rajesh Arora

Company Secretary

Place : New Delhi

Date : May 10, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended March 31, 2011

	Schedule No./ (Note Reference)	Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
INCOME			
Revenue from Operations	`16'	12,482,783,537	11,993,488,013
Other Income	`17'	29,579,453	43,089,587
		12,512,362,990	12,036,577,600
EXPENDITURE			
Personnel	`18'	3,348,231,848	3,016,965,264
Development, Production and Execution	`19'	4,794,545,778	4,804,300,727
Administration and Others	`20'	1,763,859,298	1,672,865,349
Selling and Marketing	`21'	999,751,570	955,072,262
Interest and Finance Charges	`22'	336,731,312	332,698,372
Depreciation and Amortisation	`6'	854,324,904	751,125,534
		12,097,444,710	11,533,027,508
Profit before Tax, Exceptional Items and share of Associate's profit		414,918,280	503,550,092
Exceptional Items			
- Profit on sale of Subsidiary	`23(22)'	214,226,943	-
- Donations	`23(23)'	(72,000,000)	(15,120,000)
Profit before Tax and Share of Associate's profit		557,145,223	488,430,092
Tax Expense			
- Current	`23[(xiv) & 28]'	124,644,742	130,506,529
- Deferred charge/ (credit)		(12,453,521)	(10,918,114)
- MAT Credit Entitlement		(36,182,849)	-
- Provision for Tax relating to earlier years/ (credit)		12,521,036	(11,323,013)
Profit after Tax before share of Associate's profit		468,615,815	380,164,690
Share of Associate's net profit	`7'	445,710,860	304,537,474
Profit after Tax after share of Associate's profit		914,326,675	684,702,164
Add : Net Loss attributable to Minority	`3'	7,468,813	17,602,159
Profit attributable To Equity Shareholders		921,795,488	702,304,323
Balance brought forward from Previous year		3,084,228,197	2,895,709,041
Balance available For appropriation		4,006,023,685	3,598,013,364
APPROPRIATION			
Proposed Dividend on Equity Shares		247,643,396	231,133,836
Corporate Dividend Tax for Current Year	`23(17)'	40,173,950	39,281,195
Transferred to General Reserve		60,542,030	41,306,644
Transferred to/ (from) Debenture Redemption Reserve		(97,936,508)	202,063,492
Share in Corporate Dividend Tax of Associate's	`23[10(2)(c)]'	99,446,906	-
		349,869,774	513,785,167
Balance Carried to Balance Sheet		3,656,153,911	3,084,228,197
		4,006,023,685	3,598,013,364
Earnings per Share (Face Value Rs. 2/- Each)			
- Basic	`23[(1)(xviii) & 30]'	5.58	4.25
- Diluted		5.58	4.25

NOTES TO ACCOUNTS

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 and on behalf of the Board

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

Usha Rajeev

Partner
Membership No. F-087191

Ashok Arora

Group Chief Financial Officer

Jitender Mahajan

Chief Financial Officer

Rajesh Arora

Company Secretary

Place : New Delhi

Date : May 10, 2011

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2011

	Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax and share of Associate's profit but after exceptional items	557,145,223	488,430,092
Adjustments for:		
Depreciation and Amortisation	854,324,904	751,125,534
Interest Expenses	297,389,193	308,430,624
Interest Income	(54,053,742)	(75,522,627)
(Profit)/ Loss on Fixed Assets sold	4,101,057	11,028,508
(Profit)/ Loss from Investments	(1,288,967)	1,570,773
Miscellaneous Expenditure written off	90,802	90,802
Provision for Doubtful Debts	157,689,092	177,414,467
Provision for Doubtful Advances	196,935	458,706
Provision for slow/ non-moving Inventory	5,110,558	5,433,553
Inventory Scrapped	3,051,068	-
Government Grants	(1,374,080)	(3,032,876)
Advances written off	-	3,003,807
Liabilities/ Provisions no longer required written back	(7,939,920)	(24,336,587)
Provision for Gratuity & Compensated Absences	9,883,330	(42,804,789)
Foreign Exchange Adjustments	(62,759,355)	106,755,193
Profit on sale of Subsidiary	(214,226,943)	-
Employees Stock Option Expenses	50,967	7,210,776
Operating profit before working capital changes	1,547,390,122	1,715,255,956
Add/(Less): (Increase)/Decrease in operating working capital:		
Trade Receivables	(621,807,085)	(707,830,924)
Loans and Advances & Other Current Assets	(381,402,521)	(334,252,620)
Inventories	(35,556,027)	(34,673,993)
Current Liabilities and Provisions	1,027,283,392	(303,328,214)
Cash generated from operations	1,535,907,881	335,170,205
Taxes paid (including TDS)	(220,889,312)	(129,728,916)
Net cash from Operating activities (A)	1,315,018,569	205,441,289
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including Capital Work-in-progress)	(1,110,777,177)	(646,728,143)
Proceeds from sale of Fixed Assets	27,239,617	9,672,095
Proceeds from sale of Mutual Funds	738,776,605	250,697,783
Purchase of Mutual Funds	(843,016,141)	(250,000,000)
Purchase of Minority Shares in Subsidiary	-	(1,500,000)
Proceeds from Sale of Subsidiaries	83,633,808	-
Dividend received	101,454,360	94,207,620
Loans given to NIIT Institute of Information Technology	(20,000,000)	(189,000,000)
Loans given to NIIT Institute of Information Technology received back	460,300,000	185,000,000
Loans given to NIIT Education Society received back	3,500,000	-
Interest Received	53,769,831	88,212,823
Net cash used for Investing activities (B)	(505,119,097)	(459,437,822)

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2011 (Contd.)

	Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Receipt from issue of Shares in Subsidiaries from Minority Shareholders	15,333,340	26,792,992
Proceeds from fresh issue of Share Capital (including Share Premium)	-	2,962,014
Proceeds from Long Term Borrowings	1,166,000,000	-
Long Term Borrowings repaid during the year	(327,709,000)	(581,963,142)
Working Capital/ Short Term Borrowings (Net)	(543,239,155)	490,586,550
Proceeds/ (Payments) relating to Cash Credits (Net)	(62,267,558)	(64,831,820)
Vehicle Loans repaid during the year	(1,409,815)	(5,627,547)
Issue of Non Convertible Debentures	-	600,000,000
Redemption of Non Convertible Debentures	(600,000,000)	-
Interest Paid (including financing charges on finance lease arrangements)	(294,483,122)	(312,193,343)
Dividend Paid	(229,915,394)	(213,471,067)
Dividend Tax Paid	(39,281,195)	(36,450,516)
Net cash from/ (used in) Financing activities (C)	<u>(916,971,899)</u>	<u>(94,195,879)</u>
Net Increase/(Decrease) in Cash & Cash equivalents (A+B+C)	(107,072,427)	(348,192,412)
Adjustment on account of Foreign Exchange Fluctuations	16,956,133	216,733,761
Cash and Cash Equivalents as at the beginning of the year (Note 1)	<u>615,936,286</u>	<u>747,394,937</u>
Cash and Cash Equivalents as at the end of the year (Note 1)	<u>525,819,992</u>	<u>615,936,286</u>

Notes:

- Cash and Cash Equivalents as on**

	March 31, 2011 (Rs.)	March 31, 2010 (Rs.)
Cash, Cheques & Drafts (in hand) and Remittances in transit	76,715,449	109,897,770
Balances with banks *	449,104,543	506,038,516
*[Includes Rs. 44,004,941/- (Previous year Rs. 42,273,725/-) pledged as margin money]		
*[Include Rs.7,171,993/- (Previous year Nil) pertaining to amount available for specific contract]		
	<u>525,819,992</u>	<u>615,936,286</u>
 - 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.
 - The schedules from 1 - 23 form an integral part of the Cash Flow Statement.
 - 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 and on behalf of the Board

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

Usha Rajeev

Partner
Membership No. F-087191

Ashok Arora

Group Chief Financial Officer

Jitender Mahajan

Chief Financial Officer

Rajesh Arora

Company Secretary

Place : New Delhi

Date : May 10, 2011

SCHEDULES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2011

Schedule No.	As At March 31, 2011 (Rs.)	As At March 31, 2010 (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 (Previous year 2,500,000 Redeemable Preference Shares of Rs. 100/- each)	250,000,000	250,000,000
	<u>750,000,000</u>	<u>750,000,000</u>
Issued		
165,101,597 Equity Shares of Rs. 2/- each (Previous year 165,101,597 Equity Shares of Rs. 2/- each)	330,203,194	330,203,194
	<u>330,203,194</u>	<u>330,203,194</u>
Subscribed		
165,095,597 Equity Shares of Rs. 2/- each (Previous year 165,095,597 Equity Shares of Rs. 2/- each)	330,191,194	330,191,194
	<u>330,191,194</u>	<u>330,191,194</u>
Paid-up		
165,095,597 Equity Shares of Rs. 2/- each (Previous year 165,095,597 Equity Shares of Rs. 2/- each)	330,191,194	330,191,194
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.		
	<u>330,197,194</u>	<u>330,197,194</u>
2 RESERVES AND SURPLUS		
[Refer Notes 1(xi), 6, 8, 10(2)(c) and 21 on Schedule 23]		
Share Premium		
As per Last Balance Sheet	535,696,964	532,383,038
Add: Additions during the year on account of exercise of ESOP's	-	3,313,926
Add: Share in Share Premium of Associates	<u>11,440,153</u>	<u>547,137,117</u>
		-
		535,696,964
Capital Reserve		
As per Last Balance Sheet	55,999,900	55,999,900
Add: Share in Capital Reserve of Associates	<u>2,600,323</u>	<u>58,600,223</u>
		-
		55,999,900
General Reserve (Note 1 below)		
As per Last Balance Sheet	694,556,377	653,249,733
Less: General Reserve of Associates	(9,077,024)	-
Add : Transferred from Profit and Loss Account	<u>60,542,030</u>	<u>746,021,383</u>
		41,306,644
		694,556,377

SCHEDULES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2011 (Contd.)

Schedule No.		As At March 31, 2011 (Rs.)	As At March 31, 2010 (Rs.)
	Debenture Redemption Reserve		
	As per Last Balance Sheet	254,126,984	52,063,492
	Add: Transfer from/ (to) Profit and Loss Account	<u>(97,936,508)</u>	<u>202,063,492</u>
		156,190,476	254,126,984
	Government Grant		
	Opening Balance	5,964,960	8,997,836
	Less: Income recognised during the year	<u>(1,374,080)</u>	<u>(3,032,876)</u>
	Profit and Loss Account	3,656,153,911	3,084,228,197
	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 there of.		
		<u>5,168,693,990</u>	<u>4,630,573,382</u>
2A	CURRENCY TRANSLATION RESERVE		
	[Refer Note 1(x) on Schedule 23]		
	As per Last Balance Sheet	82,110,198	280,583,954
	Add: Currency Translation Reserve of Associates	11,353,544	-
	Increase/ (Decrease) during the year on translation of balances	<u>(27,049,158)</u>	<u>(198,473,756)</u>
		<u>66,414,584</u>	<u>82,110,198</u>
3	MINORITY INTEREST		
	[Refer Notes 1(i), 10(1) and 19 on Schedule 23]		
	As per Last Balance Sheet	21,816,195	6,119,550
	Add : Increase in Minority Share Capital	15,333,340	26,792,992
	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 [Minority Share of loss of the Subsidiary Companies in excess of their interest of Rs. 2,090,336/- (Previous year Rs. 10,094,145/-) has been absorbed by the Majority Shareholders]	<u>(7,468,813)</u>	<u>(17,602,159)</u>
		<u>29,680,722</u>	<u>21,816,195</u>

SCHEDULES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2011 (Contd.)

Schedule No.		As At March 31, 2011 (Rs.)	As At March 31, 2010 (Rs.)
4	SECURED LOANS		
	[Refer Notes 2 and 5 on Schedule 23]		
	Loans from Banks		
	- Rupee Term Loans	500,000,000	-
	- Other Term Loans	1,132,200,000	787,059,000
	- Short Term Loans	-	666,739,717
	- Cash Credit	17,780,370	80,047,928
	- Vehicle Loans	-	1,409,815
		<u>1,649,980,370</u>	<u>1,535,256,460</u>
	[Loans due within one year Rs. 435,800,000/- (Previous year Rs. 982,973,132)]		
	Non - Convertible Debentures (Refer notes below)	1,000,000,000	1,000,000,000
		<u>2,649,980,370</u>	<u>2,535,256,460</u>

Notes:

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

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

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

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

5 UNSECURED LOANS

[Refer Notes 1(xii), 5(vii) and 31(b) on Schedule 23]

Working Capital Loan	278,630,808	155,130,246
Short Term Loan from Banks	600,000,000	100,000,000
Short Term Non Convertible Debentures (Refer Note below)	-	600,000,000
Short Term Loan from Others	-	506,850,000
Deferred Lease Obligations	129,883,307	148,464,468
[Due within one year Rs. 31,041,707/- (Previous year Rs. 32,387,557/-)]		
	<u>1,008,514,115</u>	<u>1,510,444,714</u>

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

SCHEDULES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2011 (Contd.)

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 01.04.2010	Dividend Received	Share of Profit/ (Loss) in Associates	Share/ (Adjustment) in Post Acquisition Reserves	As at 31.03.2011
In Associates					
NIIT Technologies Limited					
- Capital Reserve	(415,866,458)	-	-	-	(415,866,458)
- Net Assets Value	1,685,370,461	(101,454,360)	445,710,860	(83,129,910)	1,946,497,051
Sub Total (A)	1,269,504,003	(101,454,360)	445,710,860	(83,129,910)	1,530,630,593

B Non Trade, Short Term Investments

Particulars	As at 01.04.2010	Purchases	Sales	As at 31.03.2011
In Mutual Funds, Debts and Money Market Securities [Fair market value as on 31st March, 2011 Rs. 111,883,031/- (Previous year Rs. 6,127,650/-)]	4,912,106	843,016,141	(737,487,638)	110,440,609
Sub Total (B)	4,912,106	843,016,141	(737,487,638)	110,440,609
Total (A + B)	1,274,416,109			1,641,071,202

As At
March 31, 2011
(Rs.)

As At
March 31, 2010
(Rs.)

8 INVENTORIES

[Refer Note 1(vi) on Schedule 23]

Raw Material		5,262,395		5,458,263
Finished Goods				
a) Education and Training Material*				
- Traded	138,941,823		104,135,866	
- Manufactured	6,504,335	145,446,158	9,723,886	113,859,752
b) Software		2,620,683		6,616,820
		<u>153,329,236</u>		<u>125,934,835</u>

Note :

* Net of provision for non-moving inventories of Rs. 7,927,904/- (Previous year Rs. 7,590,162/-) and inclusive of Inventory in electronic form.

SCHEDULES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2011 (Contd.)

Schedule No.	As At March 31, 2011 (Rs.)	As At March 31, 2010 (Rs.)
9 SUNDRY DEBTORS		
[Unsecured]		
[Refer Note 29 on Schedule 23]		
Outstanding over six months :		
- Considered Good	1,737,133,880	1,090,639,342
- Considered Doubtful	704,906,805	737,623,991
Other debts :		
- Considered Good	2,160,465,085	2,312,041,531
- Considered Doubtful	826,639	-
	<u>4,603,332,409</u>	<u>4,140,304,864</u>
Less : Provision for Doubtful Debts	705,733,444	737,623,991
	<u>3,897,598,965</u>	<u>3,402,680,873</u>
10 CASH AND BANK BALANCES		
Cash and Cheques in Hand	76,715,449	109,897,770
Balances with Banks in :		
- Current Accounts *	398,030,544	458,018,826
- Dividend Accounts	6,179,475	4,961,032
- Fixed Deposit Accounts	44,006,004	42,292,898
[Includes Rs. 44,004,941/- (Previous year Rs. 42,273,725/-) pledged as margin money]		
Exchange Earners' Foreign Currency Account	888,520	765,760
*[Include Rs.7,171,993/- (Previous year Nil) pertaining to amount available for specific contract]		
	<u>525,819,992</u>	<u>615,936,286</u>
11 OTHER CURRENT ASSETS		
(Unsecured, considered good)		
[Refer Notes 1(vii) and 22 on Schedule 23]		
Interest Receivable	1,354,882	1,070,971
Unbilled Revenue (Net)	939,234,876	696,716,081
Other Receivables	233,902,715	-
	<u>1,174,492,473</u>	<u>697,787,052</u>

SCHEDULES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2011 (Contd.)

Schedule No.		As At March 31, 2011 (Rs.)	As At March 31, 2010 (Rs.)
12	LOANS & ADVANCES		
	(Unsecured, considered good except where otherwise stated)		
	[Refer Notes 1(xiv), (xvi), 11 and 18 on Schedule 23]		
	Loan to NIIT Education Society	-	3,500,000
	Loan to NIIT Institute of Information Technology	-	440,300,000
	Advances recoverable in cash or in kind or for value to be received		
	- Considered Good	757,704,269	622,489,176
	- Considered Doubtful	<u>2,424,951</u>	<u>6,513,715</u>
		760,129,220	629,002,891
	Less : Provision for Doubtful Advances	<u>2,424,951</u>	<u>6,513,715</u>
		757,704,269	622,489,176
	Security Deposits		
	-Considered Good	369,741,780	366,270,082
	-Considered Doubtful	<u>5,047,157</u>	<u>5,047,157</u>
		374,788,937	371,317,239
	Less : Provision for Doubtful Security Deposits	<u>5,047,157</u>	<u>5,047,157</u>
		369,741,780	366,270,082
	Advance payment of Fringe Benefit Tax	92,767,711	96,919,894
	Less: Provision for Fringe Benefit Tax	<u>(91,655,398)</u>	<u>(94,957,919)</u>
		1,112,313	1,961,975
	Advance Tax	942,015,105	724,632,632
	Less : Provision for Tax	<u>(755,537,155)</u>	<u>(622,866,694)</u>
		186,477,950	101,765,938
	MAT Credit entitlement		
	- Opening Balance	1,750,000	1,750,000
	- Reversal of MAT credit	(138,816)	-
	- Created during the Year	<u>36,182,849</u>	<u>-</u>
		37,794,033	1,750,000
		<u>1,352,830,345</u>	<u>1,538,037,171</u>

SCHEDULES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2011 (Contd.)

Schedule No.	As At March 31, 2011 (Rs.)	As At March 31, 2010 (Rs.)
13 CURRENT LIABILITIES		
[Refer Note 1(vii) on Schedule 23]		
Sundry Creditors	2,343,721,709	2,106,527,522
Advances from Customers	767,586,230	429,436,026
Security Deposits	3,356,215	3,285,215
Interest accrued but not due on Loans	23,587,327	20,681,256
Deferred Revenue	1,440,056,828	1,091,127,622
Unclaimed Dividend *	6,179,474	4,961,032
Unclaimed Fractional Share Payment	232,530	234,658
Other Liabilities	187,042,343	128,844,592
	<u>4,771,762,656</u>	<u>3,785,097,923</u>
14 PROVISIONS		
[Refer Notes 1(viii), (xvii), 9 and 17 on Schedule 23]		
Proposed Dividend on Equity Shares	247,643,396	231,133,836
Tax on Proposed Dividend	40,173,950	39,281,195
Provision for Gratuity	8,735,249	8,085,700
Provision for Compensated Absences	152,476,983	143,243,202
	<u>449,029,578</u>	<u>421,743,933</u>
15 MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
[Refer Note 1(xv) on Schedule 23]		
PRELIMINARY EXPENSES		
Opening Balance	925,333	1,016,135
Less: Written off on sale of Subsidiary	(834,531)	-
Less: Written off during the year	<u>(90,802)</u>	<u>(90,802)</u>
	<u>-</u>	<u>925,333</u>

SCHEDULES annexed to and forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2011

Schedule No.	Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
16 REVENUE FROM OPERATIONS		
[Refer Note 1 (vii) on Schedule 23]		
Courseware Revenue	5,427,322,888	4,722,200,378
Services Revenue	5,471,335,014	5,223,701,751
Subscription Revenue	1,504,530,332	1,344,704,429
Hardware & Accessories Revenue	79,595,303	702,881,455
	<u>12,482,783,537</u>	<u>11,993,488,013</u>
17 OTHER INCOME		
[Refer Notes 1 (vii), (x) and 21 on Schedule 23]		
Profit on sale of		
- Short Term Investments (Net)	124,759	309,889
Dividend Income from Other Investments	1,164,208	-
Provision/ Other Liabilities written back	7,939,920	24,336,587
Miscellaneous	20,350,566	18,443,111
	<u>29,579,453</u>	<u>43,089,587</u>
18 PERSONNEL		
[Refer Notes 1 (viii), (ix), 8, 9 and 26 on Schedule 23]		
Salaries and Benefits	3,155,133,051	2,871,417,558
Contribution to Retirement Benefit Funds	113,061,162	89,799,388
Employees Stock Option Expenses	50,967	7,210,776
Welfare and Other expenses	79,986,668	48,537,542
	<u>3,348,231,848</u>	<u>3,016,965,264</u>
19 DEVELOPMENT, PRODUCTION AND EXECUTION		
[Refer Notes 1 (xvi) and 26 on Schedule 23]		
Material Consumed		
Opening Inventory		
- Raw Material	5,458,263	9,495,823
- Finished Goods	9,723,886	5,236,334
	<u>15,182,149</u>	<u>14,732,157</u>
Add: Purchase of Raw Material	112,904,296	116,822,678
Less: Closing Inventory		
- Raw Material	5,262,395	5,458,263
- Finished Goods	6,504,335	9,723,886
	<u>11,766,730</u>	<u>15,182,149</u>
Courseware and Manuals	955,714,916	844,980,428
Bought out Packages/ Products	251,996,977	911,964,514
Course Execution Charges	759,913,632	803,440,168
Professional Charges	1,111,941,048	650,672,651
Equipment Hiring	149,242,571	123,887,656
Royalties	1,303,973,228	1,227,866,425
Freight and Cartage	137,454,319	117,639,584
Others	7,989,372	7,476,615
	<u>4,794,545,778</u>	<u>4,804,300,727</u>

SCHEDULES annexed to and forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2011 (Contd.)

Schedule No.		Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
20	ADMINISTRATION AND OTHERS		
	[Refer Notes 1 (x), (xi), (xii), (xv), 6, 7, 26, 29 and 31(a) on Schedule 23]		
	Rent (Net of recoveries)	444,681,309	407,260,188
	Rates and Taxes	15,363,818	19,543,647
	Electricity and Water	123,635,696	113,548,858
	Communication	117,916,242	125,730,565
	Legal and Professional	187,056,609	155,701,146
	Traveling and Conveyance	372,126,768	311,807,942
	Bad Debts and Provision for Doubtful Debts	157,689,092	177,414,467
	Provision for Doubtful Advances	196,935	458,706
	Advances Written off	-	3,003,807
	Insurance Premium	26,114,389	26,234,837
	Repairs and Maintenance		
	- Plant and Machinery	93,951,861	88,278,358
	- Buildings	13,466,190	13,563,993
	- Others	56,601,255	45,484,274
	Loss on Exchange Fluctuation (Net)	12,586,806	39,714,338
	Loss on Sale of Fixed Assets (Net)	4,101,057	11,028,508
	Security and Administration Services	46,363,977	42,380,624
	Miscellaneous Expenditure written off	90,802	90,802
	Sundry Expenses	91,916,492	91,620,289
		1,763,859,298	1,672,865,349
21	SELLING & MARKETING		
	[Refer Note 1 (xvi) on Schedule 23]		
	Advertisement and Publicity	692,815,086	665,100,639
	Sales Commission	229,703,692	214,624,956
	Discount	2,987,071	60,210
	Others	74,245,721	75,286,457
		999,751,570	955,072,262
22	INTEREST AND FINANCE CHARGES		
	[Refer Notes 1 (xii), (xiii) and 31 (b) on Schedule 23]		
	Bank, Discounting and Other Financial Charges	50,110,940	55,746,805
	Interest Expense:		
	- Fixed Loans	169,494,264	157,625,555
	- Non Convertible Debentures	127,894,929	150,805,069
	- Others	43,284,921	44,043,570
		340,674,114	352,474,194
	Less : Interest Received (Gross) :		
	- Deposits	(3,355,843)	(4,575,389)
	- Loans	(50,697,313)	(63,610,811)
	- Others	(586)	(7,336,427)
		(54,053,742)	(75,522,627)
		286,620,372	276,951,567
		336,731,312	332,698,372

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011

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 and relevant. The significant accounting policies adopted by the Group are detailed below:

i. Basis of consolidation

The consolidated financial statements include accounts of NIIT Limited ("the Company"), 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	7-8 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

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

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 on FIFO method in case of Raw Material and Manufactured Finished Goods and using weighted average method in case of other inventory. This also 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 Group undertakes fixed price projects for supply/ installation/ maintenance of technology equipment & infrastructure setup, 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.

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.

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

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. Group'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 within 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 losses/ gains are charged/ credited to the Profit and Loss Account in the year in which such losses/ gains arise.

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 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 Group's contribution towards Employee Pension Scheme is charged to Profit and Loss Account.

Overseas Plans

In respect of the subsidiaries incorporated outside India, where applicable, the subsidiaries make defined

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

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 options 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 is 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 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

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

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, or exercised, or no longer qualifies for hedge accounting. The cumulative gain or loss on the hedging instrument recognised in Shareholder's 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. Prepaid Expenses

Prepaid royalties, sales commissions and referral fees are amortized over the average terms of the license or subscription, matching 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.

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)**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. 51,969,644/- (Previous year Rs. 149,318,732/-).
 - ii. Letter of Credit issued by bank on behalf of the Company outstanding at the end of accounting year Rs. 24,172,309/- (Previous year Nil).
 - iii. Corporate Guarantee Rs. 155,400,000 /- [USD 3.5 Million (Net of Loan outstanding USD 10.50 Million and payment made USD 29.5 million)] given to ICICI Bank on behalf of NIIT (USA) Inc. USA (Previous year Rs. 157,411,800/-) [USD 3.5 Million (Net of Loan outstanding USD 17.50 Million and payment made USD 22.5 million)]. (Refer Note 5(ii)(A)(b) below).
 - iv. Corporate Guarantee Nil (Previous year Rs. 40,953,120/- [GBP 0.60 Million (Net of loan outstanding GBP 9.40 million)] given to ICICI Bank, UK PLC, UK on behalf of NIIT (USA) Inc. USA.
 - v. Corporate Guarantee Rs. 66,600,000/- [USD 1.50 million (Net of loan outstanding USD 15 million)] (Previous year Nil) given to ICICI Bank UK PLC, UK on behalf of NIIT (USA) Inc. USA (Refer Note 5(ii)(B) (b) below).
 - vi. Guarantees issued to bankers outstanding at the end of accounting year Rs. 203,855,755/- (Previous year Rs. 196,247,979/-) relating to associate companies.
 - vii. Corporate Guarantees outstanding at the end of accounting year Rs. 347,208,232/- (Previous year Rs. 127,469,266/-) relating to associate companies.
 - viii. Claims against the Group not acknowledged as debts (including associate companies) Rs. 16,208,541/- (Previous year Rs. 63,342,670/-).
 - ix. Andhra Pradesh works contract tax amounting to Rs. 91,836,398/- (Previous year Rs. 80,137,287/-). Management does not foresee any financial implication based on the advice of the legal consultant.
 - x. 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.
 - xi. The transfer pricing analysis in relation to transactions of Element K Corporation, USA with foreign subsidiaries subsequent to March 31, 2010 is under process. The management does not foresee any financial implication on these statements of accounts upon completion of such analysis.
 - xii. Income Tax demand for Rs. 1,576 Lacs (Previous year Rs. 721 Lacs). Management does not foresee any financial implication based on the advice of the legal consultant.
 - xiii. Service Tax liability on rental of immovable properties amounting to Rs. 120.68 Lacs
 - xiv. Income tax demand of associate companies of Rs. 415.93 Lacs (Previous year Rs. 142.31 Lacs).
 - xv. Central Excise demand of associate companies of Rs. 589.89 Lacs (Previous year Nil).
3. During the previous financial year, the Company had 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, which has directed the Income Tax department to produce all records related to assessment for perusal of the Tribunal. Against the order of the Tribunal, the Income Tax Department has preferred writ petition in the High Court. The matter is under adjudication in the High Court. Based on legal opinion, the Company is confident that appeals so filed shall be decided in its favour.

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

4. Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided (including associate companies) for Rs. 357,776,570/- (Previous year Rs. 96,147,055/-).
5. **DETAILS OF SECURITY GIVEN AGAINST LOANS**
- i. Rupee Term Loan is secured by exclusive charge by hypothecation of movable specific fixed assets and receivables/ deferred recoverable relating to specific school projects.
 - ii. (A) Other Term Loan of Rs. 466,200,000/- [USD 10,500,000] in NIIT (USA) Inc., USA from ICICI Bank Limited 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 Company [Refer Note 2(iii)].
 - c) A Pledge of 14,493,390 Equity Shares of NIIT Technologies Limited held by Scantech Evaluation Services Limited in favour of ICICI Bank Limited, Bahrain, executed vide share pledge agreement dated October 27, 2009. The pledge has been "confirmed" by the depository subsequent to the year end.
 - (B) Other Term Loan of Rs. 666,000,000/- [USD 15,000,000] in NIIT (USA) Inc., USA from ICICI Bank UK PLC, UK is secured by
 - a) A Charge over the NIIT (USA) Inc., USA present and future assets including intellectual property ranking at par with already encumbered assets and those assets that are subject to a charge/ security interest under the Facility Agreement dated July 28, 2006 with ICICI Bank Limited and its affiliates
 - b) A corporate guarantee up to an amount of USD 16.50 Mn extended by NIIT Limited for all the obligations of NIIT (USA) Inc, USA under this facility agreement [Refer Note 2(v)].
 - iii. NIIT (USA) Inc. USA, had availed a loan of Rs. 666,739,717/- [GBP 9,400,000] from ICICI Bank UK PLC, UK during Previous year 2009-10. The loan was 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 the Company. The loan was fully repaid in September 2010.
 - iv. Working Capital Limits are secured by hypothecation of stocks and book debts of the Company. The Group has utilised the cash credit (fund-based) limits to the extent of Rs. 17,780,370/- (Previous year 80,047,928/-) as at year end.
 - v. Vehicle loans from banks are secured by way of hypothecation of the vehicles financed.
 - vi. 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 asset cover sufficient to discharge the principle amount at all times during the Financial year 2010-11 for these debentures.
 - vii. Element K Corporation has utilized its line of credit from the Bank of the West for Rs. 123,252,402/- [USD 2,775,955] (Previous year Rs. 155,130,246/- [USD 3,449,270]) 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.

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

6. DERIVATIVE INSTRUMENTS

a) The following table summarizes the movement in designated forward covers during the current year:

Particulars	Designated Forward Covers (USD Mn) Year ended March 31, 2011	Designated Forward Covers (USD Mn) Year ended March 31, 2010
Opening Balance as at beginning of the year	-	10.50
Additions during the Current year	-	-
Matured during the year	-	10.50
Closing Balance as at end of the year	-	-

During the Current year, loss of Rs Nil (Previous year Rs. 88.82 Lacs) has been debited to Revenue account on maturity of the designated forward covers.

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

7. PAYMENT TO AUDITORS

a) Payment to the Parent Company auditors:

Particulars	Year ended March 31, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
Audit fee	9,600,000	9,600,000
Tax Audit fees	700,000	700,000
Others	3,841,850	2,955,255
Reimbursement of expenses (including Service Tax)	2,590,738	3,259,800

b) Payment to other auditors amounting to Rs. 4,950,715/- (Previous year Rs. 5,143,319/-).

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 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, 2011 (Contd.)

The summary of options granted is as follows:

Particulars	Grant I		Grant II		Grant III		Grant IV		Grant V						Grant VI			Grant VII*				
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3		
Date of Grant	02-Aug-05	11-Aug-05	11-Aug-05	05-Jun-07	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2010-11	2010-11	2010-11		
Date of Vesting	02-Aug-06	11-Aug-06	11-Aug-06	05-Jun-08	28-Jul-09	28-Jul-09	28-Jul-09	28-Jul-09	26-Oct-10	26-Oct-11	26-Oct-12	26-Oct-11	26-Oct-12	26-Oct-12	23-Jan-11	23-Jan-12	23-Jan-13	22-Oct-11	22-Oct-12	22-Oct-13		
Live options at the beginning of the year (Nos.)	92,430	-	34,125	439,177	1,218,300	1,274,550	1,815,228	-	1,815,228	-	1,815,229	-	1,815,229	-	1,65,950	-	1,65,950	-	-	-	-	
Granted during the year (Nos.)	-	-	-	-	-	-	-	-	1,865,803	-	1,865,804	-	1,865,804	-	181,240	-	181,240	-	52,020	52,020	52,020	
Forfeited/ lapsed till vesting period (Nos.)	-	-	-	-	-	-	37,500	137,682	50,575	254,008	50,575	254,008	50,575	30,180	15,290	36,490	15,290	23,000	23,000	23,000	23,000	
Options Vested (Nos.)	-	-	-	-	-	-	1,237,050	1,677,546	-	-	-	-	1,35,770	-	-	-	-	-	-	-	-	
Forfeited/ lapsed post vesting (Nos.)	13,944	-	-	30,051	8,702	137,250	18,750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Options exercised (Nos.)	78,486	-	34,125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Outstanding/ exercisable at the end of the year (Nos.)	-	-	-	409,126	439,177	1,081,050	1,218,300	1,624,046	1,815,228	1,561,220	1,815,228	1,561,221	1,815,229	1,35,770	165,950	129,460	165,950	29,020	29,020	29,020	29,020	
Exercise Price (Rs.)	24.00	31.60	31.60	121.62	88.70	88.70	88.70	72.20	72.20	72.20	72.20	72.20	72.20	69.20	69.20	69.20	69.20	67.65	67.65	67.65	67.65	
Remaining Contractual Life (Days)	-	-	-	66	431	484	849	939	1,304	1,669	1,670	2,085	1,028	1,393	1,393	1,758	2,124	1,300	1,666	2,031	2,031	
Fair value of the options based on Black and Scholes Model (Rs.)	13.15	9.63	9.63	37.23	32.09	32.09	32.09	32.00	34.77	34.77	36.64	36.64	30.47	30.47	32.91	32.91	34.74	28.35	32.00	32.00	32.00	34.35
Intrinsic Value of the options granted (Rs.)	7.35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

*During the year, the Compensation/ Remuneration Committee at its meeting held on October 22, 2010 has approved Grant VII of 156,060 options (post bonus and spill) out of the options under ESCOP Plan 2005, to Senior Managerial Personnel of the Company. Options under this grant shall be vested in 3 equal installments over three years period from the date of grant.

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

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, 2011			Year ending March 31, 2010		
	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	2,384,524	2,112,039	1,843,880	2,487,500	1,107,305	-
Additional Expense/ (Income) had the Company recorded the ESOP expense based on the fair value of the options	(512,189)	5,094,572	6,896,111	(1,731,088)	637,380	-
Closing value of liability for cash settled options	2,749,248	3,090,240	1,843,880	2,344,986	1,043,865	-
Expense arising from increase in intrinsic value of liability for cash settled options during the year	614,627	2,048,756	1,843,880	2,487,500	1,107,305	-

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

(Amount in Rs.)

Particulars	Grant I					
	2010-11			2009-10		
	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	-	3,592	32,374	7,185	48,563	32,374

For impact on Basic and Diluted EPS, had fair value of the options been used for determining ESOP expense, refer Note 30 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 Contribution to Retirement Benefit Funds in the Profit and Loss Account:

(Amount in Rs. Lacs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
• Employers' Contribution to Provident Fund	393.06	326.86
• Employers' Contribution to Superannuation Fund	116.64	92.08
• Employers' Contribution to Employees Pension Scheme	354.72	324.56
• Contribution to 401 (K) plans	94.77	98.39
Total	959.19	841.89

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, 2011. Therefore, no provision for the year has been recommended by the actuary.

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

2. Compensated Absences

(Amount in Rs. Lacs)

	Particulars	As at	As at
		March 31, 2011	March 31, 2010
i)	Change in Present value of obligation		
	Present value of obligation as at the beginning of the year	1,432.43	1,812.76
	Interest cost	86.93	125.47
	Past service cost*	-	(333.60)
	Current service cost **	365.98	256.59
	Benefits paid	(108.61)	(85.67)
	Actuarial (gain)/ loss on obligations	(251.97)	(343.12)
	Present value of obligation as at the end of the year	1,524.76	1,432.43

* Past accumulation of compensated absences was reduced from 90 days to 60 days on account of change in Group's leave policy in the Previous year.

** Current service cost is gross of recoveries/ (Net of Credits) from/ (to) entities other than subsidiaries Rs. (0.25) Lacs [Previous year Rs. (8.84) Lacs]

ii) Principal actuarial assumptions used in accounting for Compensated Absences:

Particulars	Current year	Previous year
<u>For entities in USA:</u>		
Discount Rate (per annum)	2.50%	2.80%
Future Salary Increase	3.00%	3.00%
<u>For entities in Malaysia:</u>		
Discount Rate (per annum)	4.70%	4.70%
Future Salary Increase		
- For First 5 Years	10.00%	10.00%
- Thereafter	7.00%	7.00%
<u>For entities in China:</u>		
Discount Rate (per annum)	3.90%	3.80%
Future Salary Increase		
- For First 5 Years	10.00%	10.00%
- Thereafter	7.00%	7.00%
<u>For NIIT Antilles NV:</u>		
Discount Rate (per annum)	3.00%	3.50%
Future Salary Increase		
- For First 5 Years	10.00%	10.00%
- Thereafter	7.00%	7.00%
<u>For South Africa branch of NIIT Antilles NV:</u>		
Discount Rate (per annum)	9.40%	9.30%
Future Salary Increase		
- For First 5 Years	10.00%	10.00%
- Thereafter	7.00%	7.00%
<u>For Evolv Services Limited:</u>		
Discount Rate (per annum)	8.00%	8.00%
Future Salary Increase	5.50%	5.50%
<u>For Other Entities:</u>		
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.

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

3. Gratuity Funds

In accordance with Accounting Standard 15 "Employee Benefits" as notified under section 211(3C) of the Companies Act, 1956, an actuarial valuation was carried out in respect of Gratuity.

i. Funded

(Amount in Rs. Lacs)

Particulars	As at March 31, 2011	As at March 31, 2010
i. Change in present value of obligation :		
Present value of obligation as at beginning of the year	785.97	748.18
Interest cost	59.08	56.78
Current service cost	102.43	105.52
Benefits paid	(95.02)	(76.89)
Actuarial (gain)/ loss on obligations	64.19	(47.62)
Present value of obligation as at the year end	916.65	785.97

Particulars	As at March 31, 2011	As at March 31, 2010
ii. Change in plan assets:		
Fair value of plan assets as at beginning of the year	771.13	685.39
Expected return on Plan Assets	75.33	65.18
Contributions*	155.53	100.35
Benefits paid	(95.02)	(76.89)
Actuarial gain/ (loss) on obligations	(4.75)	(2.90)
Fair value of plan assets as at the year end	902.22	771.13

* Actuary's estimates of contributions for Financial Year 2011-12 Rs. 155.19 Lacs

Particulars	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
iii. Amount of the (asset)/ obligation recognised in the Balance Sheet:					
Fair value of plan assets as at the year end	902.22	771.13	685.39	605.53	495.63
Present value of obligation as at the year end	916.65	785.97	748.18	652.27	461.39
(Assets)/Obligation recognised in Balance Sheet*	14.43	14.84	62.79	46.74	(34.24)

* Net of Assets recognised in Balance Sheet Rs. 7.60 Lacs (Previous year Rs. 4.09 Lacs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
iv. Net Gratuity cost recognised in Contribution to Retirement Benefit Funds in Profit and Loss Account:		
Current service cost	102.43	105.52
Interest cost	59.08	56.78
Expected return on Plan Assets	(75.33)	(65.18)
Net Actuarial (gain)/ loss recognised during the year	68.93	(44.72)
Expense recognised in Profit and Loss Account *	155.11	52.40
Actual return on plan assets	70.59	62.28
*Includes recovery from entities other than subsidiaries amounting to Rs. 3.02 Lacs (Previous year Rs. 0.96 Lacs)		

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

v.	Assumptions used in accounting for gratuity plan:	Current year	Previous year
	Discount Rate (per annum)	8.00%	8.00%
	Future Salary Increase	5.00%	5.00%
	Expected rate of return on plan assets	9.40%	9.40%

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, 2011	As at March 31, 2010
i.	Change in Present value of obligation :		
	Present value of obligation as at beginning of the year	61.93	62.80
	Interest cost	4.33	4.85
	Current service cost	14.83	13.69
	Benefits paid	(15.91)	(5.46)
	Actuarial (gain)/ loss on obligations	0.16	(13.95)
	Present value obligation as at the year end	65.34	61.93

	Particulars	Year ended March 31, 2011	Year ended March 31, 2010
ii.	Net Gratuity cost recognised in Contribution to Retirement Benefit Funds in Profit and Loss Account:		
	Current service cost	14.85	13.69
	Interest cost	4.33	4.85
	Net Actuarial (gain)/ loss recognised during the year	0.15	(13.88)
	Expense recognised in Profit and Loss Account	19.33	4.66

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 recognised for funded and non-funded schemes in Profit and Loss Account amounts to Rs. 171.42 Lacs (Previous year Rs. 56.10 Lacs). Gratuity liability recognised for funded and non-funded schemes as at year end amounts to Rs. 87.35 Lacs (Previous year Rs. 80.86 Lacs).

- C) The Group had 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 during the Previous year.

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

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:

S. No	Name of the Subsidiary	Percentage of ownership interest	Country of incorporation
1	Hole-in-the- Wall Education Limited	99.99	India
2	NIIT Institute of Finance Banking and Insurance Training Limited	80.23	India
3	Scantech Evaluation Services Limited	100	India
4	NEO Multimedia Limited (Formerly known as NIIT Multimedia Limited) (Till 30.03.2011)	100	India
5	NIIT Online Learning Limited	90	India
6	Evolv Services Limited (Refer note 16 below)	61.15	India
7	NIIT Institute of Process Excellence Limited	75	India
8	NIIT (USA) Inc.	100	United States
9	NIIT Antilles NV	100	Netherlands Antilles
10	NIIT Malaysia Sdn. Bhd.	100	Malaysia
11	NIIT GC Limited	100	Mauritius
12	NIIT China (Shanghai) Limited	100	China
13	NIIT Wuxi Service Outsourcing Training School	60	China
14	Wuxi NIIT Information Technology Consulting Limited	60	China
15	Changzhou NIIT Information Technology Consulting Limited	60	China
16	Chongqing NIIT Education Consulting Limited	60	China
17	Chongqing Shapingba NIIT Software Service Outsourcing Education School	60	China
18	Su Zhou NIIT Information Technology Consulting Ltd	60	China
19	PCEC NIIT Institute of Information Technology (Liquidated in April 2010)	100	China
20	PT NIIT Indonesia (Under Liquidation)	100	Indonesia
21	NIIT Limited, UK	100	UK
22	NIIT Ventures Inc. USA	100	United States
23	Element K Corporation, USA	100	United States
24	Element K India Private Limited, India	100	India
25	Element K (UK) Limited, UK	100	United Kingdom
26	Element K Canada Inc., Canada	100	Canada

- (b) During the year Suzhou NIIT Information Technology Consulting Limited was set up through Wuxi NIIT Information Technology Consulting Limited by investing Rs. 3,435,200/- (CNY 500,000). Wuxi NIIT Information Technology Consulting Limited is having full control over it.
- (c) During the Previous 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, accordingly, loss of Rs. 467,351/- was recognised in the Consolidated Financial Statement in the year ended March 31, 2010. During the year, the Company has received letter for legal and tax de-registration.

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

2. (a) The details of associate companies (companies over which the 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
NIIT Technologies Limited and its subsidiaries	Software	24.46%	97,498,200	March 31, 2011

- (b) During the Previous year, the Company disposed off its holding in Aesthetic Technologies Private Limited for a consideration of Rs. 115,000/- and a loss of Rs. 1,880,662/- was charged to Profit and Loss Account in the year ended March 31, 2010.
- (c) During the year an amount of Rs. 83,129,910/- (net) of the Company's share in associate's Reserves and Surplus in respect of earlier years has been adjusted to respective Reserves and Surplus of the Company with the corresponding adjustment to the carrying value of investments.
11. Loans and Advances include un-amortised balance of Rs. 32,935,698/- (Previous year Rs. 34,825,967/-) pertaining to ancillary costs incurred in connection with the loans taken by a subsidiary, NIIT (USA) Inc., USA.
12. The net worth of Hole-in-the-wall Education Limited ("HIWEL") eroded fully in the year ended on March 31, 2007. The Company entered into fresh contracts and MOUs for project implementations during the current financial year, but the majority of contracts remain executable in the future. On the basis of business projections available with HIWEL along with letter of support from NIIT Limited, the accounts have been prepared on a going concern basis keeping in view of contracts and plans which would enable HIWEL to generate sufficient funds to carry out its operations. In view of this, the financial position of HIWEL is expected to improve in the ensuing financial year.
13. The Net worth of NIIT Institute of Finance Banking and Insurance Training Limited ("NIFBIT") stood eroded as at beginning of the year. NIFBIT reported a net loss before tax of Rs. 12,260,944/- for the year ended March 31, 2011. At the same time it witnessed an increase in student registrations and consequently increase in revenue from operations along with improvement in cash flows during the year. Based on its financial performance, the net worth position of NIFBIT is expected to improve. In view of the above and taking into consideration the letter of support from NIIT Limited, the financial statements have been prepared on a going concern basis.
14. The net worth of NIIT Institute of Process Excellence Limited ("NIPE") has substantially eroded as at March 31, 2011. Based on business plan of NIPE, the financial position is expected to improve in the ensuing financial year.
15. Pursuant to the sale of main business of NIIT Online Learning Limited ("NOLL") to the 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.
16. 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 Services Limited at an exercise price of Rs. 50.55 per share aggregating to Rs. 18,186,879/-. During the Previous year, Company had exercised these warrants to acquire equal number of shares in the share capital of Evolv. This had resulted into a further increase in proportion of shareholding to 61.15%. The promoters of Evolv have an option to sell ("Put Option") their remaining shareholding to NIIT Limited 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

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

- Option"), 83% of the remaining shares of the Sellers' shareholding at a call option price determined by price valuer as on the date of exercise of the call option.
17. The Company's wholly owned domestic subsidiary 'Scantech Evaluation Services Limited' has declared dividend amounting to Rs. 832.44 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. 401.74 Lacs is inclusive of the dividend distribution tax paid by the subsidiary company amounting to Rs. 135.04 lacs (Previous year Rs. 133.05 lacs).
 18. During the year the Company has paid additional loan of Rs. 200 lacs to NIIT Institute of Information Technology. Subsequent to the Bank withdrawing the subordination requirements on the loan, NIIT Institute of Information Technology has repaid total outstanding loan amounting to Rs. 4,603 Lacs during the year and there is no loan outstanding as on March 31, 2011.
 19. During the year, the Company has further invested a sum of Rs. 150 Lacs (Previous year Rs. 750 Lacs) in its subsidiary Company, NIIT Institute of Process Excellence Limited ('NIPE'). NIPE was incorporated on April 2, 2008 vide board resolution dated March 17, 2008. The Company holds 75% of the paid up capital with the balance being held by Genpact India Holdings. Out of the Previous year investment, shares for an amount of Rs. 300 Lacs remained pending for allotment to the Company. These shares were allotted to the Company during current year.
 20. The holding Companies, namely NIIT (USA) Inc. USA and NIIT Ventures Inc. USA are supporting Element K Corporation, USA, by extending the repayment of the principal amount of the loans that existed at the beginning of the year. Element K Corporation, USA, has made a net repayment of Rs. 66,600,000 [USD 1,500,000] in respect of these loans during the current financial year. Element K Corporation, USA, is expected to further improve the liquidity and financial position due to its plans to diversify businesses across geographies; new products launched as well as under development. Further, NIIT Limited has issued a letter of support to NIIT (USA) Inc., USA and NIIT Ventures Inc., USA.
 21. During the financial year 2008-09, 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. The grant money was invested for the intended purpose, hence the proportionate amount of Rs. 1,374,080/- (Previous year 3,032,876/-) has been credited to other income.
 22. During the year, the Company has disposed off its entire holding of 10,950,000 fully paid up Equity Shares of Rs. 10/- each in its wholly owned subsidiary NEO Multimedia Limited (Formerly known as NIIT Multimedia Limited) for a net consideration (net of expenses) of Rs. 317,584,207/- on March 30, 2011. The amount of Rs. 214,226,943/- has been recognised as Profit on Sale of Investment. Accordingly, NEO Multimedia Limited ceases to be a subsidiary of the Company and profit on disposal has been determined as below:

Particulars	Amounts (Rs.)
Cash & Bank	47,684
Fixed Assets	91,432,645
Capital Advances	15,937,367
Miscellaneous Expenses	834,531
Total Assets	108,252,227
Current Liabilities	4,894,963
Total Liabilities	4,894,963
Net Assets	103,357,264
Consideration (net of expenses)	317,584,207
Net profit	214,226,943

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

23. During the year the company has contributed an amount of Rs. 720 Lacs towards donations including Rs. 715 Lacs (Previous year Rs. 150 Lacs) in the corpus of The NIIT Institute of Information Technology, a society registered under the Societies Registration Act, 1860 which is within the overall limits approved by the shareholders. This amount has been shown as an exceptional item in the Profit and Loss Account.
24. During the financial year, the Company has been granted approval for setting up unit in Special Economic Zone ('SEZ'). The Company has subsequently started the process of setting up its unit in SEZ, few employees have been recruited in the SEZ unit who are undergoing training. As at end of the financial year, no production or development activities have started in SEZ unit. Production, development and revenue generating activities are expected to start in the first quarter of Financial Year 2011-12.

25. 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 Insurance Technologies Limited, UK
9. NIIT Smart Serve Limited, India

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

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

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

Nature of Transactions	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel	Parties in which Key Managerial Personnel of the Group are interested	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Purchase of goods (Note 1)	- (-)	- (-)	- (-)	33,000 (-)	33,000 (-)
Sale of Goods (Note 2)	1,889,760 (-)	- (-)	- (-)	2,866,485 (2,459,290)	4,756,245 (2,459,290)
Rendering of services to (Note 3)	35,344,710 (11,238,360)	- (-)	- (-)	99,157 (5,054,906)	35,443,867 (16,293,266)
Receiving of services from (Note 4)	90,967,770 (43,366,111)	- (-)	- (-)	- (-)	90,967,770 (43,366,111)
Purchase of fixed assets (Note 5)	554,754 (-)	- (-)	- (-)	- (-)	554,754 (-)
Sale of Fixed Assets (Note 6)	61,932 (-)	- (-)	- (-)	4,189,783 (-)	4,251,715 (-)
Recovery of expenses from (Note 7)	34,500,147 (39,362,267)	- (-)	- (-)	9,354,380 (3,526,458)	43,854,527 (42,888,725)
Recovery of expenses by (Note 8)	13,682,678 (15,900,726)	- (-)	- (-)	- (-)	13,682,678 (15,900,726)
Loans Given (Note 9)	- (-)	- (-)	- (-)	20,000,000 (189,000,000)	20,000,000 (189,000,000)
Loans Given Received Back (Note 10)	- (-)	- (-)	- (-)	463,800,000 (185,000,000)	463,800,000 (185,000,000)
Interest Income (Note 11)	- (-)	- (-)	- (-)	49,687,364 (63,237,426)	49,687,364 (63,237,426)
Dividend Income (Note 12)	101,454,360 (94,207,620)	- (-)	- (-)	- (-)	101,454,360 (94,207,620)
Remuneration (Note 13)	- (-)	37,200,829 (30,727,208)	- (-)	- (-)	37,200,829 (30,727,208)
Other expenses (Note 14)	- (-)	- (-)	1,152,000 (1,056,000)	71,932,000 (15,432,000)	73,084,000 (16,488,000)
Other Income (Note 15)	- (-)	- (-)	- (-)	867,820 (-)	867,820 (-)
Loan Received (Note 16)	161,218,847 (-)	- (-)	- (-)	- (-)	161,218,847 (-)
Loan Received paid back (Note 17)	161,218,847 (-)	- (-)	- (-)	- (-)	161,218,847 (-)
Interest Expense (Note 18)	1,256,843 (-)	- (-)	- (-)	- (-)	1,256,843 (-)

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)**Notes:**

Previous year figures are given in parenthesis.

1. Includes Purchase of Goods From:
 - NIIT Institute of Information Technology Rs. 0.33 Lacs (Previous year Nil)
2. Includes Sale of Goods to:
 - NIIT Institute of Information Technology Rs. 28.66 Lacs (Previous year Rs. 24.59 Lacs)
 - NIIT Technologies Limited Rs. 18.90 Lacs (Previous year Nil)
3. Includes Rendering of Services to:
 - NIIT Technologies Limited Rs. 271.74 Lacs (Previous year Rs. 78.12 Lacs)
 - NIIT Technologies Pte Limited, Singapore Rs. 28.04 Lacs (Previous year Rs. 34.16 Lacs)
 - NIIT Institute of Information Technology Rs. 0.99 Lacs (Previous year Rs. 50.55 Lacs)
 - NIIT Smart Serve Limited, India Rs. 0.16 Lacs (Previous year Nil)
 - NIIT Technologies Limited, UK Rs. 53.51 Lacs (Previous year Nil)
4. Includes Receiving of Services from:
 - NIIT Smart Serve Limited, UK Rs. 523.11 Lacs (Previous year Rs. 225.45 Lacs)
 - NIIT Smart Serve Limited, India Rs. 205.53 Lacs (Previous year Rs. 75.35 Lacs)
 - NIIT Technologies Pty Limited Rs. 61.78 Lacs (Previous year Rs. 80.86 Lacs)
 - NIIT Technologies Pte Limited, Singapore Rs. 38.70 Lacs (Previous year Rs. 46.07 Lacs)
 - NIIT GIS Limited Rs. 3.73 Lacs (Previous year Rs. 5.94 Lacs)
 - NIIT Technologies Inc., USA Rs. 5.97 Lacs (Previous year Nil)
 - NIIT Technologies Limited Rs. 70.85 Lacs (Previous year Nil)
5. Includes Purchase of Fixed Assets from:
 - NIIT Technologies Limited Rs. 5.55 Lacs (Previous year Nil)
6. Includes Sale of Fixed Assets to:
 - NIIT Institute of Information Technology Rs. 41.90 Lacs (Previous year Nil)
 - NIIT Technologies Limited Rs. 0.62 Lacs (Previous year Nil)
7. Includes Recovery of Expenses from:
 - NIIT Technologies Limited Rs. 108.30 Lacs (Previous year Rs. 283.51 Lacs)
 - NIIT GIS Limited Rs. 18.08 Lacs (Previous year Rs. 11.49 Lacs)
 - NIIT Institute of Information Technology Rs. 93.54 Lacs (Previous year Rs. 35.26 Lacs)
 - NIIT Technologies Inc., USA Rs. 211.27 Lacs (Previous year Rs. 94.92 Lacs)
 - NIIT Smart Serve Limited, India Rs. 7.35 Lacs (Previous year Rs. 3.54 Lacs)
8. Includes Recovery of Expenses by:
 - NIIT Technologies Limited Rs. 93.93 Lacs (Previous year Rs. 96.06 Lacs)
 - NIIT Technologies Limited, UK Rs. 38.37 Lacs (Previous year Nil)
 - NIIT Technologies Inc., USA Rs. 4.52 Lacs (Previous year Rs. 8.61 Lacs)
 - NIIT Technologies Pty Limited Nil (Previous year Rs. 1.20 Lacs)
 - NIIT Technologies Pte Limited, Singapore Nil (Previous year Rs. 53.12 Lacs)
9. Loan Given relates to:
 - NIIT Institute of Information Technology Rs. 200 Lacs (Previous year Rs. 1,890 Lacs)
10. Loans Given Received Back relates to:
 - NIIT Education Society Rs. 35 Lacs (Previous year Nil)
 - NIIT Institute of Information Technology Rs. 4,603 Lacs (Previous year Rs. 1,850 Lacs)
11. Interest Income from:
 - NIIT Education Society Rs. 0.55 Lacs (Previous year Rs. 2.80 Lacs)
 - NIIT Institute of Information Technology Rs. 496.32 Lacs (Previous year Rs. 629.57 Lacs)
12. Includes Dividend Income from:
 - NIIT Technologies Limited, India Rs. 1,014.54 Lacs (Previous year Rs. 942.08 Lacs)

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

13. Remuneration Paid to :
- Rajendra S Pawar Rs. 100.43 Lacs (Previous year Rs. 90.06 Lacs)
 - Vijay K Thadani Rs. 163.20 Lacs (Previous year Rs. 90.37 Lacs)
 - P Rajendran Rs. 108.38 Lacs (Previous year Rs. 126.85 Lacs)
14. Other Expenses includes:
- Renuka Thadani Rs. 7.20 Lacs (Previous year Rs. 6.24 Lacs)
 - Veena Oberoi Rs. 4.32 Lacs (Previous year Rs. 4.32 Lacs)
 - Pace Industries Private Limited Rs. 4.32 Lacs (Previous year Rs. 4.32 Lacs)
 - Donations to NIIT Institute of Information Technology Rs. 715 Lacs (Previous year Rs. 150 Lacs)
15. Other Income includes:
- NIIT Institute of Information Technology Rs. 8.68 Lacs (Previous year Nil)
16. Includes Loans Received from:
- NIIT Insurance Technologies Limited, UK Rs. 701.63 Lacs (Previous year Nil)
 - NIIT Technologies Inc., USA Rs. 910.56 Lacs (Previous year Nil)
17. Includes Loans Received repaid to:
- NIIT Technologies Inc., USA Rs. 910.56 Lacs (Previous year Nil)
 - NIIT Insurance Technologies Limited, UK 701.63 Lacs (Previous year Nil)
18. Includes Interest Paid to:
- NIIT Technologies Inc. , USA Rs. 7.11 Lacs (Previous year Nil)
 - NIIT Insurance Technologies Limited, UK Rs. 5.46 Lacs (Previous year Nil)
19. Commitment to support NIIT Institute of Information Technology to meet the shortfall if any in their project.

c) Balance as on March 31, 2011

Nature of Transactions	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel	Parties in which Key Managerial Personnel of the Group are interested	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Receivable	24,628,113 (8,667,337)	- (-)	- (-)	12,712,484 (444,266,262)	3 7,340,597 (452,933,599)
Payable	21,517,072 (6,992,932)	- (6,000,000)	- (-)	1,768,742 (2,194,883)	23,285,814 (15,187,815)

26. 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 its 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, 2011 (Rs.)	Year ended March 31, 2010 (Rs.)
Salary and Other employee benefits	363,101,468	292,629,448
Professional Charges	74,661,734	51,165,699
Rent	26,097,168	19,670,305
Electricity and Water	1,946,176	4,810,385
Direct Production Overheads	97,228,921	12,740,906
Other Expenses	19,376,120	17,110,360
Total	582,411,587	398,127,103

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

27. 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	60,976 (60,502)	82,177 (75,029)	5,063 (6,292)
America	54,512 (51,255)	57,910 (54,157)	3,906 (3,056)
Europe	2,967 (2,377)	1,656 (1,364)	2 (-)
Rest of the world	6,373 (5,801)	3,000 (2,622)	52 (146)
Total	124,828 (119,935)	144,743 (133,172)	9,023 (9,494)

Previous year figures are given in parenthesis.

28. TAXATION

- i. Upon finalization of Income Tax Return of the Company for Assessment year 2010-11 an amount of Rs. 31.54 Lacs (net) has been charged during the year.
- ii. During the year the Company has provided for an amount of Rs. 15 Lacs pertaining to Tax Payable as per Norwegian Tax Laws and a similar amount has been reduced from the Tax Expense as the same shall be claimed as a relief under section 90 of the Indian Income Tax Act, 1961.

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

- 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 01.04.2010	Charged/ (Credited) to Profit and Loss Account	Balance as at 31.03.2011
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.	977	(432)	545
Total (A)	977	(432)	545
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	(622)	222	(400)
- Provision for Inventory	(18)	(3)	(21)
- Provision for Compensated Absences, Bonus and Gratuity and other timing differences	(272)	(4)	(276)
- Deferred Income on sale and lease back transaction	(51)	12	(39)
- Provision for Employee Reimbursements on claim basis	-	(79)	(79)
b) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation which originate during the tax holiday period but which reverses after the tax holiday period.	(20)	3	(17)
Total (B)	(983)	151	(832)
Net Deferred Tax Liabilities/ (Assets) (A+B)	(6)	(281)	(287)
Previous year	(677)	671	(6)

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

GEOGRAPHY : USA

(Amount in Rs. Lacs)

Particulars	Balance as at 01.04.2010	Charged/ (Credited) to Profit and Loss Account	Currency Translation Adjustment	Balance as at 31.03.2011
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.	79	57	(2)	134
b) Impact of expenses prepaid in financial statements but allowed as deduction in current year	1,179	167	(19)	1327
Total (A)	1,258	224	(21)	1,461
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	(104)	(7)	1	(110)
- Provision for Compensated Absences, Bonus and Gratuity and other timing differences	(241)	(276)	10	(507)
- Difference in carrying amount of Goodwill	(127)	-	1	(126)
- Deferred Revenue	(1,273)	129	14	(1,130)
b) Carry forward unabsorbed losses/ depreciation	(2,347)	(70)	32	(2,385)
Total (B)	(4,092)	(224)	58	(4,258)
Net Deferred Tax Liabilities/ (Assets) (A+B)	(2,834)	-	37	(2,797)
Previous year	(2,695)	(478)	339	(2,834)

Note: Company is confident of recoverability of carrying value of deferred tax asset created on carried forward losses as the future taxable profits, based on orders in hand and anticipated revenue based on Previous years revenue trends, are sufficient to realize the deferred tax asset as at the year end.

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

GEOGRAPHY : CHINA & OTHERS

(Amount in Rs. Lacs)

Particulars	Balance as at 01.04.2010	Charged/ (Credited) to Profit and Loss Account	Currency Translation Adjustment	Balance as at 31.03.2011
Deferred Tax Liabilities:				
a) Others	50	147	-	197
Total (A)	50	147	-	197
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	(52)	(37)	(2)	(91)
- Provision for Compensated Absences, Bonus and Gratuity and other timing differences	(114)	37	(3)	(81)
- Deferred Revenue	(19)	10	(1)	(9)
Total (B)	(185)	10	(6)	(181)
Net Deferred Tax Liabilities/(Assets) (A+B)	(135)	157	(6)	16
Previous year	(67)	(125)	57	(135)

- 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.

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

(Amount in Rs. Lacs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Opening Provision	7,376	8,478
Add: Additional Provisions created	1,577	1,774
(Less): Bad Debts written off	(1,839)	(2,209)
Add/ (Less) : Currency Translation Adjustments	(57)	(667)
Closing Provision	7,057	7,376

- b) Certain overdue debtor balances aggregating to Rs. 6,768.29 Lacs (Previous year Rs. 1,509.10 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.

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

30. EARNINGS PER SHARE

Particulars	Yeare nded March 31, 2011	Yeare nded March 31, 2010
Profit attributable to Equity Shareholders (Rs.) -(A)	921,795,488	702,304,323
Weighted average number of Equity Shares outstanding during the year (Nos.) – (B)	165,095,597	165,057,116
Add : Effect of Potential Dilutive Shares (being Stock options) (Nos.)	-	-
Weighted average shares outstanding considered for determining Diluted Earnings per Share (Nos.) - (C)	165,095,597	165,057,116
Nominal Value of Equity Shares (Rs.)	2/-	2/-
Basic Earnings per Share (Rs.) (A/B)	5.58	4.25
Diluted Earnings per Share (Rs.) (A/C)	5.58	4.25
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)	826,746,138	640,766,330
Basic Earnings per Share (Rs.) (D/B)	5.01	3.88
Diluted Earnings per Share (Rs.) (D/C)	5.01	3.88

31. LEASES

a) Operating Leases

Total of future Minimum Lease Payments under non-cancelable leases outstanding at the Balance Sheet date:

Particulars	Amount (Rs.)	
	As at March 31,2011	As at March 31,2010
Not later than 1 year	209,745,032	121,925,718
Later than 1 year but not later than 5 years	694,052,243	325,180,473
Later than 5 years	95,394,998	151,847,068

Aggregate payments during the year under operating leases in respect of equipments, vehicles and premises for office and employees accommodation amounting to Rs. 543,286,488/- (Previous year Rs. 510,278,176/-).

Total of future minimum sublease receipts (in respect of premises) expected to be received under non-cancelable subleases at the closing of the Balance Sheet amount to Rs. 25,380,461/- (Previous year Rs. 34,270,158/-). Sub lease receipts recognised in the statement of Profit and Loss for the year amounted to Rs. 5,908,793/- (Previous year Rs. 8,639,222/-). The sublease has been netted off against the respective lease rental expenses in the Profit and Loss Account.

b) Finance Leases

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

SCHEDULE '23': Notes to Consolidated Accounts for the year ended March 31, 2011 (Contd.)

- 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	43,058,115 (47,521,398)	31,041,707 (32,387,557)
Later than 1 year but not later than 5 years	115,794,302 (143,664,950)	98,841,600 (116,076,911)

Particulars	Amount (Rs.)
Minimum Lease Payments as above	158,852,417 (191,186,348)
Less : Finance Charge	28,969,110 (42,721,880)
Present Value of Lease Payments	129,883,307 (148,464,468)

Previous year figures are given in parenthesis.

32. Previous year figures have been regrouped/ reclassified to conform to current year classifications.

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

For and on behalf of the Board

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

Usha Rajeev

Partner
Membership No. F-087191

Ashok Arora

Group Chief Financial Officer

Jitender Mahajan

Chief Financial Officer

Rajesh Arora

Company Secretary

Place : New Delhi

Date : May 10, 2011

Financial Summary of Subsidiary Companies as at March 31, 2011

(Pursuant to General Circular No. 2/2011 dated February 8, 2011 issued by Ministry of Corporate Affairs)

(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	1,244,539	5,683,827	51,290	3,838,865 (Refer note 5 below)	-	(130,908)	-	(130,908)	-
Hole-in-the-Wall Education Limited	INR	86,000,070	(116,944,229)	39,001,585	69,945,744	-	27,716,910	9,116,330	-	9,116,330	-
Stonick Evolution Services Limited	INR	99,100,000	50,885,950	246,883,299	96,927,349	98,198,200 (Refer note 6 below)	-	111,529,575	3,509,232	108,020,343	82,244,000
NIIT Institute of France Banking and Insurance Training Limited	INR	100,333,340	(170,146,394)	79,906,638	1,497,949,690	-	293,630,166	(12,260,944)	-	(12,260,944)	-
NIIT USA Inc., USA	USD	1,136,130,696	(49,785,549)	2,402,437,285	1,726,094,138	-	1,351,013,338	47,704,385	5,451,084	42,253,301	-
NIIT Ventures Inc., USA	USD	4,461	(172,463,184)	1,638,570,266	1,531,028,791	-	-	(22,294,891)	-	(22,294,891)	-
Element K India Private Limited	INR	320,120	105,240,695	129,510,590	23,949,775	-	148,870,731	14,383,070	3,425,000	11,138,070	-
Element K Corporation, USA	USD	466,151	(1,75,473,847)	1,995,764,916	3,170,772,712	-	3,619,902,895	128,623,383	6,564,686	122,088,877	-
Element K (UK) Limited	GBP	77,771	(11,386,858)	49,038,688	60,347,725	-	61,689,197	(5,020,273)	-	(5,020,273)	-
Element K Canada Inc.	CAD	388	(34,768,403)	54,051,281	88,819,296	-	244,741,882	10,649,761	-	10,649,761	-
PT NIIT Indonesia, Indonesia	IDR	7,560,000	16,663,318	896,482	-	-	-	-	-	-	-
NIIT Facilities NV, Netherlands-Amstels	USD	1,644,127,480	(1,000,309,415)	918,361,499	274,543,434	-	546,847,431	25,650,930	2,159,046	23,491,884	-
NIIT Malaysia Sdn Bhd, Malaysia	MYR	71,098,787	(17,578,368)	67,135,391	13,614,972	-	5,815,539	1,101,142	-	1,101,142	-
NIIT GC Limited, Mauritius	USD	97,181,720	(80,921,844)	59,765,603	43,935,727	-	1,103,200	(2,081,365)	-	(2,081,365)	-
NIIT China (Shanghai) Limited, Shanghai	CNY	10,250,891	62,259,567	180,487,793	108,177,335	-	223,310,698	3,417,959	(651,126)	4,069,085	-
NIIT Yous Service Outsourcing Training School	CNY	2,702,016	40,818,012	73,887,589	30,387,581	-	117,493,839	31,605,956	8,801,411	22,804,545	-
NIIT Limited, UK	GBP	12,649,466	9,235,833	199,367,017	177,461,718	-	230,145,865	8,063,756	3,008,484	4,865,272	-
Evoa Services Limited	INR	14,607,733	(2,772,156)	63,781,324	51,945,747	-	97,988,718	(9,764,440)	-	(9,764,440)	-
NIIT Institute of Process Excellence Limited	INR	180,000,000	(1,72,763,240)	54,940,139	47,903,379	-	87,947,709	(63,363,240)	-	(63,363,240)	-
Chengping NIIT Education Consulting Limited	CNY	3,681,180	6,326,731	36,156,650	26,148,739	-	39,480,998	7,618,581	1,394,124	6,224,457	-
Wan NIIT Information Technology Consulting Limited	CNY	5,732,480	(312,814)	6,908,197	1,488,331	-	-	(70,115)	-	(70,115)	-
Chengping NIIT Information Technology Consulting Limited	CNY	3,434,150	(1,407,483)	3,646,770	1,620,103	-	9,007,886	(73,991)	(74,647)	(699,344)	-
Su Zhou NIIT Information Technology Consulting Limited	CNY	3,435,200	(3,373,687)	5,177,644	5,116,131	-	3,215,538	(34,474)	(38,474)	(3,272,912)	-

Local currency of the respective entity in which financials are made.

Notes:

- 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.
- Includes Employees Stock Option Outstanding and share application money.
- Reserves include Currency Translation Reserve.
- Total asset includes miscellaneous expenditure to the extent not written off.
- Amount represents Investment in Mutual Funds.
- Amount represents Investment in NIIT Technologies Limited Rs. 974.98 Lacs and Rs. 7 Lacs in Mutual Funds.
- Turnover does not include Other Income.

Indian rupee equivalents of the foreign currencies mentioned in the above table as on March 31, 2011 is as follows:

- 1 INR = 0.0051 INR
- 1 CNY = 6.7848 INR
- 1 BHD = 117.578 INR
- 1 CAD = 45.6995 INR
- 1 USD = 44.4000 INR
- 1 MYR = 14.677 INR

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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 10.00 A.M.,
 at Parkland Exotica, Khasra No.123, Chattarpur Mandir Road, Satbari, New Delhi 110 074, on Friday, the
 1st day of July, 2011.

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 10:00 A.M., at Parkland Exotica, Khasra No.123, Chattarpur Mandir Road, Satbari, New Delhi 110 074, on Friday, the 1st day of July, 2011

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 09.00 A.M.*

NO GIFTS / GIFT COUPONS WILL BE DISTRIBUTED AT THE MEETING

GLOBAL OPERATIONS



Africa

- Botswana
- Ghana
- Libya
- Liberia
- Nigeria
- Senegal
- South Africa
- Sudan
- Zimbabwe
- Egypt

Americas

- Canada
- Cuba
- El Salvador

- Honduras
- Jamaica
- Mexico
- Nicaragua
- Peru
- USA

Asia

- Afghanistan
- Bangladesh
- Bhutan
- Brunei
- Cambodia
- China
- India
- Indonesia

- Iran
- Laos
- Malaysia
- Maldives
- Nepal
- Oman
- Qatar
- Sri Lanka
- Thailand
- Vietnam

Europe

- Kazakhstan
- UK
- Norway

AMERICAS

United States of America

Principal Office:

NIIT (USA) Inc.

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Element K Corporation

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Cognitive Arts

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