ANNUAL REPORT 2010-11

NIIT technologies

Simply the First Choice

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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
technologies

Corporate Information

Board of Directors

Rajendra S Pawar
Chairman & Managing Director

Subroto Bhattacharya
Director

Arvind Thakur
Chief Executive Officer
& Joint Managing Director

Surendra Singh
Director

Vijay K Thadani
Director

Amit Sharma
Director

Company Secretary
Onkarnath Banerjee

Group Chief Financial Officer
Ashok Arora

Auditors
Price Waterhouse

Financial Institutions/Bankers
Indian Overseas Bank
ICICI Bank Limited
Standard Chartered Bank Limited
Citibank NA
Wells Fargo Bank
Lloyds TSB Bank Plc
NatWest
ING

Registered Office
NIIT Technologies Ltd.
B-234 Okhla Phase - 1
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Email: investors@niit-tech.com
Tel : +91-11-41407000
Fax : +91-11-26817344

Corporate Office
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B-1/H-9, Colosseum, MCIE, Mathura Road
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Email: investors@niit-tech.com
Tel : +91-11-40570700
Fax : +91-11-40570933

Registrar & Share Transfer Agent
Alankit Assignments Ltd.
Unit - NIIT Technologies Ltd.
2E/21
Jhandewalan Extn.,
New Delhi - 110 055
Tel : +91-11-23541234, 42541234
Fax : +91-11-42541967

NIIT Technologies Website
Corporate Website : www.niit-tech.com

Corporate Profile

COMPANY OVERVIEW

NIIT Technologies is a leading IT solutions organisation, servicing customers in North America, Europe, Middle East, Asia and Australia. The Company offers services in Application Development and Maintenance, Managed Services, Cloud Computing and Business Process Outsourcing to organisations in the Financial Services, Insurance, Travel, Transportation and Logistics, Manufacturing, Healthcare and Government sectors.

The Company adheres to major global benchmarks and standards, having secured the ISO 9001:2000 certifications and the ISO: 27001 Information Security Management accreditation. NIIT Technologies also follows global standards of development. It has been assessed at Level 5 of SEI CMMi version 1.2. NIIT Technologies Business Process Outsourcing confirms to the highest quality standards such as COPC and Six Sigma. Its data centre operations are assessed at the international ISO 20000 IT management standards.

The Company's domain knowledge and new approaches to customer experience management with robust outsourcing capabilities, and a dual shore delivery model, have made NIIT Technologies a preferred IT partner for global majors in these chosen industries.

FOCUS ON SELECT INDUSTRY SEGMENTS

Banking and Financial Services: NIIT Technologies' range of offerings service the needs of Banking and Financial Services institutions across the world, for whom the Company specialises in solutions around Investment Management, Credit and Operational risk. For smaller banks like cooperative and rural banks it offers integrated core banking solutions.

Insurance: NIIT Technologies has built expertise in the areas of life insurance, pensions, annuity, non-life insurance, policy administration, claims management and reinsurance, working with top global insurance providers. Through its wholly owned subsidiary - NIIT Insurance Technologies Ltd. it has strengthened its presence in the commercial insurance space by providing customers unique value through its IP based solutions.

Travel, Transportation and Logistics (TTL): NIIT Technologies has garnered extensive experience working with some of the world's largest carriers, airports, travel distribution and surface transportation companies. This invaluable experience combined with domain knowledge, has helped the Company address business challenges, improve customer responsiveness, minimise operational costs and maximise efficiency through the effective use of Information Technology. It's wholly owned subsidiary – NIIT Airline Technologies Gmbh provides unique revenue accounting and operations management platforms for small and medium airlines.

Manufacturing & Distribution: NIIT Technologies has deep understanding of the manufacturing and distribution businesses and has helped clients across the world make sound decisions regarding the deployment of automated, transparent and integrated information management systems across their value chain. The Company's unique web-based e-Procurement platform, Procure-Easy, and mobile based mKonnect is a simple and user-friendly application, that supports the complete sourcing value chain involving requisitioning, demand aggregation, bid publishing, response evaluation and purchasing.

Government: The Company has vast experience in executing turnkey projects for various Government departments and focuses on solutions for Defence, Paramilitary organizations and the Power Sector. Besides providing turnkey IT solutions to the Government, the company also offers specialised solutions in Geographic Information Systems (GIS) to this segment.

Healthcare: NIIT Technologies acquired an electronic health records and referral management platform to engage in the lucrative healthcare segment in the US. The platform called "Preferr" (Patient Referral System)" enables seamless collaboration between all providers, namely physicians, hospitals, diagnostic facilities and laboratories. To further enhance its capabilities. The Company also launched a collaboration framework that connects the patient, the physician and the health system on a common technology platform.

SERVICE OFFERINGS

Application Development and Management: NIIT Technologies provides Application Development Services and Solutions to meet the diverse requirements of globally dispersed customers in custom software development, business intelligence, migration and modernisation. The Company helps customers manage their mission and time-critical applications by providing cost-effective application management services over a wide range of technologies. NIIT Technologies specialises in functional and regression testing, system testing and full lifecycle testing of complex software applications.

Package Implementation: The company specializes in ERP implementation around SAP. NIIT Technologies' subsidiary, NIIT GIS Limited also provides end-to-end GIS-based solutions around ESRI technology.

Managed Services: NIIT Technologies' simplifies IT operational and investments by delivering IT infrastructure and applications, as completely administered services. Its services help companies focus on their core business while entrusting their technology infrastructure to NIIT.

Platform-based Solutions: The Company has made investments into reworking its frameworks & products into Platform-based Solutions for the Travel and Insurance industries. NIIT Insurance Technologies has its Insurance Platform “Subscribe”, which has a sizable share in Lloyd’s insurance market. Likewise NIIT Airline Technologies owns a revenue accounting platform “Monalisa” which is deployed across over 30 airlines. Recently, the Company invested in an electronic health records and referral management platform “Preferr” to make a bid for the lucrative healthcare segment in the US.

Cloud Computing: NIIT Technologies has in partnership with Hitachi (Asia) Thailand introduced cloud services around Infrastructure-as-a-Service. Further it has entered into a partnership with many organizations and reengineered their solutions to offer Sotware-as-a-Service.

Business Process Outsourcing:

NIIT Technologies Business Process Outsourcing or Business Services are a natural extension of the Company’s IT service offerings. It offers outsourcing solutions that combines domain expertise, process excellence and technology to deliver world-class process outsourcing enabling effective and efficient management of back office, middle office and front office operations.

Geographic Information Systems (GIS): NIIT GIS has been providing end-to-end GIS-based solutions to customers worldwide. NIIT GIS’ offerings in this sphere range from software products, training, technical support, data conversion and application development to complete geo-spatial image processing and consulting solutions. NIIT GIS, which commenced operations in 1996, is a strategic alliance between ESRI Inc., USA and NIIT Technologies Ltd.

The year gone by

2010-11 at a glance

2010-11 at a glance

During 2010-11, your Company focused on building strong domain competencies in specific industry segments and made early investments in value adding non-linear growth engines. Going forward, these will enable the Company to be the "First Choice" for customers in existing and potential industry verticals. Over the last 12 months, NIIT Technologies launched numerous initiatives that established its thought leadership and domain strengths. Here's a look at the key highlights of the year:

A year of significant recognitions

Ranked No.1 among all IT Outsourcers in the Datamonitor Black Book of Outsourcing 2010 Travel Industry survey

The Datamonitor Black Book of Outsourcing survey is the world's largest investigation into customer satisfaction with IT Outsourcing. The survey was conducted by evaluating outsourcing vendors across 9 key performance indicators of operational excellence. This is the third consecutive year where NIIT Technologies has secured the No. 1 position in the survey. Securing the top position repeatedly amongst all IT outsourcers firmly establishes the superior value of the Company's service to the travel industry.

2010	
Ranking	Service Provider
1	NIIT Technologies

2009	
Ranking	Service Provider
1	NIIT Technologies
2	TCS
3	Interglobe IGT

2008	
Ranking	Service Provider
1	NIIT Technologies
2	Oracle
3	Acs

Soucce: Black Book of Outsourcing

NIIT Technologies ranks at No. 3 globally among all IT outsourcers

NIIT Technologies was ranked number 3 among all global IT outsourcers in the Datamonitor Black Book of Outsourcing 2010 survey. NIIT Technologies was ranked number 3 following an evaluation process of key decisive factors including demonstrated competencies and management capabilities. The evaluation process mirrored the opinions of top customers, about their outsourcing partners. The independent survey covering over 1,800 outsourcers globally was compiled from more than 6,500 buyer and user responses, across over 31,000servi ceexperi ences.

2010	
Ranking	Service Provider
1	Acxiorn
2	CIBER
3	NIIT Technologies
4	iGATE
5	Critigen
6	Microsoft
7	Ifosys
8	Logica
9	British Telecome
10	Oracle
11	Orange Business Servicses
12	Dell
13	Capgemini
14	HCL
15	AT&T
16	Accenture
17	Telstra
18	Telefonica
19	IBM
20	Siemens IT Solutions and Services

Soucce: Black Book of Outsourcing

Ranked among Top 3 globally in the 2010 ASTD BEST Awards

The American Society for Training and Development (ASTD) ranked NIIT Technologies at number 3 globally in its 2010 ASTD BEST Awards. BEST Awards recognise organisations that demonstrate enterprise-wide success through employee learning and development. Thirty-one of the world's best learning organisations gathered for a special reception in Washington DC, to receive the awards. For the 2010 BEST Awards, NIIT Technologies competed against 104 organisations in nine countries. These organisations submitted quantitative and qualitative information to ASTD about their learning and development practices and programmes. Applications were assessed in a blind review by members of the BEST Awards advisory committee, a select group of experts in the learning and development field.

OVUM states that NIIT Technologies' Managed Infrastructure provides business relevant solutions

A report by independent analysts at OVUM highlighted the ability of NIIT Technologies' unique Managed Infrastructure Services to meet the needs of customer organisations. The report described your Company as a global organisation of adequate size and maturity that can deal with the requirements of large enterprises, while also maintaining focus on small to medium sized enterprises. OVUM states that your Company is a focused provider that extends a highly mature delivery model to a wider range of customer types, therefore offering organisations significantly improved ROI. According to the report, your Company has incorporated ITIL-aligned practices across its Managed Infrastructure Services offerings, and possesses the unique ability to leverage ITIL-related training from an NIIT Group partner company.

Deep and enduring customer relationships

Achieved a milestone with SEI, celebrate 15 years of partnership

Your Company and its key customer, SEI, celebrated 15 long years of their partnership by getting together for an evening. Present on the occasion were the leadership teams of both the Companies emphasizing on the journey of this partnership and renewal of the relationship to offer cutting edge solutions.

Al West, Chairman & Founder of SEI Corporation and Rajendra Pawar, Chairman, NIIT Technologies exchanging the mementos

Flying-high with British Airways, celebrating 15 years of togetherness

NIIT Technologies celebrated its 15 years of partnership with long-time customer British Airways. Rajendra Pawar and Arvind Thakur along with leadership team from both British Airways and NIIT Technologies graced the occasion and attended an evening togetherness and appreciation for all the members who had been involved in and contributed to the success of the partnership.

Leadership teams of NIIT Technologies and British Airways exchanging mementos –(from left to right) Rajendra Pawar, Ravi Shankar Pandey, Mike Croucher, Pankaj Malik, Sarah Endersby, Sunil Surya and Arvind Thakur

NIIT Tech- SATS relationship Crosses 10 years

The SATS-NIIT Technologies relationship turned 10 years old. Your Company is globally marketing and deploying SATS' cargo ground handling offering, COSYS. With a range of successful deployments behind it, and growing faith in the strengths that each company has brought to the table, the SATS-NIIT combine formalised its partnership in March 2010. NIIT Technologies transformed from a development partner of SATS, a company supporting, maintaining and deploying COSYS, to a custodian of the IP, and its key implementer, supporter and marketer.

Together, they are creating a roadmap for the COSYS to ensure its improvement and ability to help cargo companies run their businesses efficiently. Going forward, SATS and NIIT Tech will leverage their strategic partnership by co-developing stronger IP solutions that will serve adjacent industries, through the same tried and tested approach.

Arvind Thakur, CEO, NIIT Technologies expressing the transformation with SATS relationship

Reinforced 8 years of partnership with Sabre

A celebration was hosted by NIIT Technologies with the theme of "Infin8 possibilities," to commemorate the crossing of the eight year milestone with Sabre Holdings.

Held in January 2011 in Texas, the celebrations spotlighted the eight momentous years of partnership with Sabre, which saw both companies come together, work together and achieve several goals together. Eight years ago, Sabre made NIIT Tech its "First choice," picking us for our cutting- edge domain and technology expertise and ability to develop and support the products Sabre needed. Since then, NIIT Technologies' domain specialists have been working 24x7 for Sabre, building and maintaining its core reservation system, OTA and Airline Products, and taking the relationship to new heights.

Senior Executives of NIIT Technologies and Sabre, Lalit Kumar Dhingra, Rajendra Pawar, Sam Gilliland (CEO, Sabre) and Arvind Thakur

NIIT Airline Technologies GmbH Hosts Annual Customer Event

NIIT Airline Technologies GmbH hosted a special event for customers to talk about the performance highlights of the year and the Company's plans for the future. Arvind Thakur made a presentation on the changing global landscape and announced the complete integration of the Softec GmbH brand into NIIT Technologies Ltd. The CEO talked about vision and direction of the Company, while informing attendees that it had been rechristened NIIT Airline Technologies GmbH.

Mamta Saxena, Managing Director, NIIT Airline Technologies GmbH, presenting the gifts and awards at the event

Speaker from NIIT Technologies, shared about the IT innovations shaping the airline industry and focused on the Frameworks that NIIT Technologies had developed for this vertical. Over 30 customers networked with each other and the NIIT leadership team at the event.

Improving global visibility and mindshare

NIIT Technologies hosts Insurance Leadership Forum 2010

NIIT Technologies hosted a meeting for the newly constituted Insurance Advisory Board during June 2010. Ex-CIOs shared their views on NIIT Technologies and provided key inputs on the short term agenda it needed to create for the insurance space. The main event was flagged off the very same evening by a rousing talk on inspiration leadership by John Golden, Founder-Golden Advantage. Rajendra Pawar took the spotlight soon after, and kept attendees engaged with his insights on the ICT industry as well as the history of NIIT Technologies and its road ahead.

Lalit Dhingra, President, NIIT Technologies delivering a presentation

Rajendra's keynote was followed by a presentation by Matt Josefowicz, Novarica's Director who talked about Insurance trends and the evolving role of the CIO in this segment. At the same time, he also highlighted the myths and truths associated with leading technologies.

NIIT Technologies rolls out Travel Leadership Forum 2010

NIIT Technologies hosted its Travel Leadership Forum in the scenic and extremely congenial environs of the Omni Resort, providing attendees with a unique and extremely rewarding experience. The conclave was kicked off during June 2010, drawing key clients and prospects. The Company had invited the world's best known travel blogger and the President of Travel Technology, Inc., Norm Rose to begin the sessions. Rose enraptured delegates with his interesting talk on the future of travel and insights on mobile computing and tablet devices. Arvind Thakur provided a keynote which was focused on the movement of world markets, the technology trends and business developments driving the travel sector and the steps NIIT Technologies was taking to meet the requirements of clients within this vertical.

Norm Rose, President, Travel Technology Inc. addressing the audience

CIO Conference draws key IT users in Pune

NIIT Technologies came together with the CIO Klub during July, 2010, to organise a Mobile Computing Meet in Pune. This was part of the Company's "CIO Meet Pan-India series" of conferences which the Company rolled

During a very interactive and insightful panel discussion out during the year.

NIIT Technologies decided to host the CIO conclave in Pune on account of the fact that the city has well-established manufacturing, glass, sugar and forging industries and well as a vibrant automotive sector. The evening featured a presentation by Arvind Mehrotra, Head – Strategic Initiatives and Executive Vice President that showcased the NIIT Technologies journey and business Strategy, the select verticals we focus on, client references, and the Company's India story.

NIIT GIS organises GeoVision Seminar Series

To spotlight the value of new technology trends shaping the Geographic Information Systems (GIS) market, NIIT GIS Limited, known by its brand name ESRI India, organised one-day seminars—the GeoVision Seminar Series—across 13 cities for an invited audience of senior officers and thought leaders. The aim was to evangelise the use of GIS tools and acquaint clients with the benefits of using this technology in their applications. The seminars also showcased the latest advancements in ESRI's ArcGIS ver 10 software and its seamless interconnectivity with ITT Visual Information Solutions' Image Analysis offerings. The seminar covered not only the larger Metros but also smaller towns like Nagpur, Bhopal, Dehradun, Lucknow, Ahmedabad, Chandigarh and Guwahati, as today GIS has reached every nook and corner of the country.

Stays in the spotlight at the NASSCOM India Leadership Forum (NILF) 2011

The NASSCOM India Leadership Forum 2011 rolled out in February, providing a platform for over 1,600 industry leaders, analysts and thought gurus to brainstorm on the "Drivers of the decade." The great bit of news is that we were the Platinum sponsors at the event, which meant high visibility and branding at India's most prestigious and largest IT-BPO industry conclave. Incidentally, we have been sponsoring the NASSCOM India Leadership Forum since our inception in 2004. The Company representatives at the event joined heads with other global leaders to decide on the growth catalysts for the sector in the next ten years.

Your Company's Chairman Rajendra Pawar, who is also the Chairman of NASSCOM (then Vice-Chairman), presented the closing remarks at the inauguration and hosted a few sessions. The Company's CEO Arvind Thakur anchored the Analysts Roundtable on the "Top ten trends to catch in 2011".

Mr Kapil Sibal, Minister for HRD, Telecom, Science and Technology, India along with Som Mittal, Harsh Manglik and Rajendra Pawar inaugurating the event

New Partnerships

Acquires IP assets for foray into Healthcare segment

Your Company acquired an electronic health records and referral management platform to initiate its foray into the lucrative Healthcare segment in the US. The platform called "Preferr" (Patient Referral System)" enables seamless collaboration between all providers namely physicians, hospitals, diagnostic facilities, and laboratories. "Preferr" improves continuity and quality of care for the patient and improves operational efficiencies for all practices. NIIT Healthcare Technologies also launched a pilot program that tests an all-new IT product called "MASH," so named as it enables healthcare providers to Manage, Analyze, Sustain and Harness information. These platforms together strengthen the Company's capabilities to establish its presence in the Healthcare arena.

NIIT Technologies and Hitachi (Asia) Thailand recently unveiled the next phase of their Cloud strategy. The two Companies had introduced the services during April 2010 and officially launched it in Thailand during June 2010. The senior executives from both the Companies elaborated the availability of cloud offerings, Caliver," a portmanteau of the words "Cloud," "Alive," and "Responsive." that the services would enable customers to reduce capital expenditure and access dynamically scalable, virtualised resources.

Shibamiya San (Hitachi Joho President), Karasawa San (HAS-TH President), and Arvind Mehrotra, EVP, NIIT Technologies during the press conference ceremony in Thailand

Directors' Report

Dear Shareholders,

The Board of Directors of the Company take pleasure in presenting the report on its business and for the financial year ended March 31, 2011.

Financial Results

The highlights of the financial results for the financial year 2010-11 are as follows –

(Figures in Rs.mn except for EPS)

Particulars	FY 2010-11	FY 2009-10
Consolidated Revenues	**12,323**	9,137
Standalone financials		
Income from operations	**7,293**	4,936
Other Income	**228**	113
Total Income	**7,521**	5,049
Profit before deprecation and taxes	**1,574**	1,253
Depreciation	**233**	245
Provision for tax & (deferred tax)	**108**	57
Profit After Tax	**1,233**	951
Earning Per Share (Basic) (In Rs.)	**20.91**	16.19

Review of operations

IT spending witnessed an upsurge with global sourcing growth outpacing IT spending worldwide. While this robust demand backdrop continued throughout 2010, there is a cautious optimism for sustained growth for 2011, with clients focusing on growth. A sustained growth of the global economy, especially markets where the Company operates in, should result in stronger demand for IT services and solutions.

Outlook

Based on our performance in 2010-11, NIIT Technologies is expecting to achieve faster momentum and all-round expansion in the current year. QoQ revenue growth, a strong bottom-line and greater traction in the markets where we play, will help us achieve our goal of being the First Choice for customers.

The outlook for 2011-12 is positive, with your Company reaping the benefits of recent initiatives and strategic business shifts. Our foray into fresh geographies, new service lines and hitherto unexplored, yet high potential verticals such as Healthcare will create for us additional revenue streams.

NIIT Technologies and Hitachi (Asia) Thailand unveiled the next phase of their Cloud strategy. Availability of their cloud offerings, "Caliver," a portmanteau of the words "Cloud," "Alive," and "Responsive.". The services would enable customers to reduce capital expenditure and access dynamically scalable, virtualised resources.

Your Company has embarked on a journey that is transforming its business model from a linear, IT service-centric one to a non-linear one. This we expect will help drive growth through value-added service offerings for customers such as platform-based solutions and innovative Intellectual Property (IP).

During the period of evaluation, your Company also made significant progress on its campus infrastructure, which is coming up in Greater Noida.

Employee Stock Option Scheme (ESOP)

During the year 2010-11, 463,211 equity shares of the Company of Rs. 10/- each, fully paid up, were allotted under the Employee Stock Option Plan 2005 of the Company on exercise of stock options.

Under ESOP 2005, the Compensation/Remuneration committee, in their meeting held on July 19, 2010, October 18, 2010 & January 18, 2011 has granted stock option to selected employees of the company/subsidiary companies. Details of options granted under ESOP 2005 are annexed to this Report, as annexure B, in accordance with SEBI (Employee Stock Option Scheme and employee Stock Option Purchase Scheme) Guidelines, 1999, and any modifications thereto.

Reserves

The Company has transferred an amount of Rs 123 Mn to General Reserve (Rs. 95 Mn last year).

Dividend

The Board has recommended a dividend of Rs.7.50 per equity share of Rs.10/- each (previous year Rs.7.00 per equity share) on the share capital, subject to approval of the shareholders at the ensuing Annual General Meeting.

Increase in Capital

During the year the Company issued 463,211 shares on the exercise of stock options under the Employee Stock Option Scheme of the Company (ESOP 2005). Due to this the outstanding issued, subscribed and paid up equity capital increased from Rs. 587,878,450 to Rs. 592,510,560 as at March 31, 2011.

Subsidiary Companies

As on March 31, 2011, the Company has subsidiaries in the United States of America, Japan, United Kingdom, Netherlands, Belgium, Germany, Switzerland, Austria, India, Singapore, Thailand, Australia, Canada and Dubai.

During the year, a step down subsidiary has been formed in USA in the name of NIIT Healthcare Technologies Inc.

During the year, name of Room Solutions Limited a step down subsidiary of the Company in United Kingdom has been changed to NIIT Insurance Technologies Limited.

Name of Softech GmbH, a wholly owned subsidiary of the Company in Germany has been changed to NIIT Airline Technologies GmbH.

During the year, Adecco NIIT Technologies Pvt. Limited, ("Adecco") a JV between the Company and Adecco Holding Europe B.V. was converted into a wholly owned subsidiary of the Company on account of acquisition of the remaining share capital of the JV Company. Thereafter, the name of Adecco was changed to NIIT Technologies Services Private Limited pursuant to terms of the JV Termination Agreement. Further, the status of the Adecco has also been changed from Private to Public, upon acquisition of shares held by Adecco Holding Europe B.V. (erstwhile Ajilon Holding Europe B.V).

As required under the Listing Agreement with the stock exchange(s) a consolidated financial statement of the Company and all its subsidiaries has been prepared and attached hereto.

The Ministry of Corporate Affairs vide its letter No. 47/139/2011-CL-III dated February 14, 2011 has advised the Company that it has granted a general exemption dated 08.02.2011 subject to fulfilment of conditions stipulated thereunder. Therefore the Company shall not be attaching the audited accounts of the subsidiaries to the annual accounts of your Company for the current year. The annual accounts of the subsidiary companies and related detailed information will be made available to any member of the Company or subsidiary company upon request and are also available for inspection by any member of the Company, during the business hours, at the registered office of the Company and that of the subsidiary company concerned. The annual accounts of the individual subsidiary companies shall also be made available on the website of the company.

Acquisition of Healthcare business

During the year the Company acquired an electronic health records and referral management platform to initiate a foray into the lucrative healthcare segment in the US. The platform called "Preferr" (Patient Referral System) enables seamless collaboration between all providers namely physicians, hospitals, diagnostic facilities, and laboratories.

Special Economic Zone

The Company has been granted approval for setting up a new SEZ Unit ("hereinafter referred to as SEZ Unit I") in its Special Economic Zone (SEZ) in Greater Noida for providing Information Technology (IT)/ Information Technology Enabled Services (ITES).

SEZ scheme provides for certain fiscal incentives in the form of exemption from central and state government duties & levies (customs, stamp duty, sales tax, service tax etc.) to the units setup in a SEZ for the purpose of exporting various products and services.

The Company is in the process of setting up the SEZ Unit I. SEZ Unit I would be servicing new contracts from existing customers or new customers of the Company.

The unit is expected to become operational in quarter ending June 2011.

Further, the Company has also been granted approval to set up another SEZ unit ("hereinafter referred to as SEZ unit II") in Greater Noida to consolidate the existing business of the Company. This unit is expected to be operational in financial year 2011-12.

Corporate Social Responsibility Policy

During the year, the Company adopted a CSR Policy with an objective of promoting learning and knowledge, improving the quality of higher education and learning, social trusts, energy conservation & anti-pollution measures, community welfare and community development activities etc.

Postal Ballot

During the year, the Company did not pass any resolution though postal ballot process prescribed under Section 192A of the Companies Act, 1956 read with Companies (Postal Ballot) Rules, 2003.

Corporate Governance and Management Discussion and Analysis Statement

The Company is in compliance of all mandatory requirements regarding corporate governance as stipulated under Clause 49 of the listing agreement with the stock exchange(s). For the fiscal year ending 2011, the compliance report is provided in the Corporate Governance section of the Annual Report. A certificate issued by the statutory auditors of the Company on compliance of the conditions of Corporate Governance stipulated in clause 49 of the listing agreement with the stock exchange(s) forms part of the Corporate Governance Report.

The report on Corporate Governance and Management Discussion and Analysis statement is provided in this Annual Report.

Directors

As per the provisions of the Companies Act, 1956 and Articles 67, 68 and 69 of the Articles of Association of the Company, Mr. Vijay K Thadani and Mr. Amit Sharma, Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

Directors' Responsibility Statement

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

a) 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;

b) That they have selected the accounting policies described in the notes to accounts, which have been consistently applied, except where otherwise stated and made judgements 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;

c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

d) That the Annual Accounts have been prepared on the historical cost convention, as a going concern basis and on accrual basis.

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

- Conservation of energy

The operations of the Company involve low energy consumption. However, adequate measures, wherever possible, have been taken to conserve energy. The Company is continuously evaluating new technologies and invests in them to make its infrastructure more energy efficient.

- Technology absorption

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

- Research & Development

During the year, the Company continued its research in software engineering. These efforts have resulted in innovative products in software engineering to support both maintenance and development projects. Expenditure on research and development is not significant in relation to the nature and size of operations of the Company.

- Export and Foreign Exchange Earnings and Outgo

The details of foreign exchange earnings and outgo are mentioned in Note Nos. 10 and 12 contained in the Notes to Accounts (Schedule No. 18) forming part of the Balance Sheet as at March 31, 2011 and Profit and Loss Account for the year ended on that date.

Public Deposits

The Company has not accepted any fixed deposits during the year hence no amount of principal or interest was outstanding on the date of the Balance Sheet.

Particular of Employees

The statement of employees pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is annexed as annexure A hereto and forms part of this report.

Auditors

M/s. Price Waterhouse, Chartered Accountants, the Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Auditors' Report

The Report of the Auditors' on the Annual Accounts of your Company forms part of the Annual Report and is self explanatory.

Export Initiatives

During the year 76% of the revenues were derived from exports. The Company has developed a substantial direct marketing network across the various countries in America, Europe, Asia Pacific and Middle East. These offices are equipped with sales and marketing team, who market the services to the international clients in the respective countries.

During the year the Company participated in various conferences, seminar and summits across the world to enhance the company's business growth and awareness of the services being offered to various prospective clients.

Awards and Achievements

During the year, the company bagged several recognitions at the Indian and global levels. Few of the most significant honours amongst all are mentioned herein below:

- NIIT Technologies Ranked No.1 globally among IT Outsourcers in Datamonitor's Black Book of Outsourcing 2010's Travel Industry survey.
- Ranked No. 3 globally among all IT outsourcers in Datamonitor's Black Book of Outsourcing 2010 survey.
- NIIT Technologies was ranked among top 3 globally by the American Society for Training and Development (ASTD) in the 2010 ASTD 'BEST' Awards.

- Ranked among the Top 10 Emerging ADM Vendors, in a Global Services Survey 2010.
- OVUM, an independent, UK-based analyst firm recognised NIIT Technologies as a global organisation of adequate size and maturity, that could deal with the requirements of large organisations with its unique Managed Infrastructure Services.
- Mr. Rajendra S. Pawar, Chairman and Mr. Surendra Singh, Director of the Company were conferred with the Padma Bhushan.
- Ms. Pratibha K. Advani, Chief Financial Officer, secured the "Leading Woman Chief Financial Officer" 2010 award, instituted by iGroup.

Human Resource initiatives

The Human Resource initiatives of the Company in the year continued to be aligned with the overall business strategy and individual career aspirations of staff members. The setting up of The NIIT Tech Academy For Future Leaders (NAFL), marked a significant milestone for our HR, boosting our efforts to build a robust leadership pipeline. The Academy will help us identify high potential leaders and groom them for leadership roles. Over 120 senior managers were trained and certified by NAFL during the year.

Your Company also focused on reskilling NIITians, setting them on the path of continuously learning with the introduction of Remote Training programmes. Our GoToTraining Centre enabled NIITians to get close to a class room experience, while training from their desktops across geographies.

"CARE," the NIITians Assistance Programme, was yet another offering, which improved the overall wellbeing of staff members, leading to better employee productivity. During the year, your Company implemented Individual Development Plans that resulted in better organisational capability indices. The Company's Global Sales School conducted programmes for the entire sales force, to build a sales culture within the Company. Processes and policies enabled greater involvement of NIITians in the execution of organisational strategy. There was a steep increase in the average days of training per staff member and staff coverage in learning initiatives. Recruitment processes too were strengthened. Overall, employee efficiency increased on account of job rotations, better career planning and a healthy work environment. Your Company's ranking among ASTD's Top 3 global companies in 2010, was recognition of the strides it had made and the success it had achieved in the area of employee learning and development.

Acknowledgement

The Directors take this opportunity to thank all investors, business partners, clients, technology partners, vendors, financial institutions/banks, regulatory and government authorities, media and Stock Exchanges, for their continued support during the year. Your Directors place on record their appreciation of the contribution made by NIITians at all levels for their commendable teamwork, dedicated and wholehearted efforts, without which your Company's consistent growth would not have been possible.

For and on behalf of the Board
Sd/-
Rajendra S Pawar
Chairman
DIN: 00042516

Place : New Delhi
Dated : May 06, 2011

ANNEXURE – A

Statement pursuant to Section 217(2A) of the Companies Act, 1956 for the financial year April 01, 2010 to 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	Qualification	Designation	Exper-ience	Nature of Duties	Date of Joining	Remuneration (In Rs.)	Previous Employement
Rajendra Singh Pawar	60	B. Tech.	Chairman & Managing Director	39	Chairman & Managing Director	12-Jun-04	1,10,72,333	NIIT Limited, Chairman & Managing Director
Arvind Thakur	56	B.Tech., PGDIE	Chief Executive Officer & Jt. Managing Director	33	Chief Executive Officer	12-Jun-04	3,00,11,126	NIIT Limited, Whole Time Director
Arvind Mehrotra	49	MBE	Executive Vice President	28	Responsible For APAC Business Operations And Strategic Initiatives	1-Apr-03	94,07,147	NIIT Limited, General Manager
Bhaskar Chavali	53	BE., ME	Executive Vice President	29	EVP - Custom Software Development And Maintenance (CSDM) Practice & Resource Head For Software Division.	1-Apr-03	78,51,439	NIIT Limited, Vice President
Rosita Rabindra	51	B.Sc.,MSW	Executive Vice President-Human Resources	29	Head - Human Resources Department.	1-Apr-03	83,20,544	NIIT Limited, Sr. Vice President-Human Resources
B. Employed for the part of the year and in receipt of remuneration not less than Rs. 5,00,000 per month								
Kul Taran Singh Anand*	53	M.Com., FCA	Chief Financial Officer	28	Chief Financial Officer	4-Apr-03	26,46,473	TCNS Ltd., Vice President (Finance & Manufacturing) & SBU Head
Pratibha K Advani	50	CA	Chief Financial Officer	26	Chief Financial Officer	16-Aug-10	51,54,961	Barclays Shared Services Private Limited (Chief Financial Officer)
Satish Kumar Syal*	61	BE.,M.Tech.	Executive Vice President - Managed Services	37	Head - Managed Services & CIO	1-Apr-03	55,42,203	NIIT Limited, Chief Information Officer
John Terry Fletcher*	49	Diploma In IT	Product Design Head	29	Product Design Head – New Product	1-Sep-09	19,31,860	Room Solutions Limited, UK

*Resigned/Superannuated during the year

NOTES :

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

Annexure B

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

(a) Options granted;	Grant I : 660,750 (August 2, 2005) Grant II : 70,600 (August 11, 2005) Grant III : 280,000 (June 20, 2007) Grant IV : 477,750 (July 28, 2008)* Grant V(Vest I) : 1,199,700 (October 19, 2009) Grant V(Vest II) : 1,199,700 (October 19, 2009) Grant VI(Vest I) : 37,000 (July 19, 2010) Grant VI(Vest II) : 37,000 (July 19, 2010) Grant VII(Vest I) : 43,000 (October 18, 2010) Grant VII(Vest II) : 43,000 (October 18, 2010) Grant VIII(Vest I) : 25,000 (January 18, 2011) Grant VIII(Vest II) : 25,000 (January 18, 2011) Total : 4,098,500 The options granted after Grant III are after issuance of bonus shares.
(b) the pricing formula;	At a price not less than the then existing face value of the share of the Company. Grant Price Market Price Discount Grant I : Rs. 115.00 Rs. 149.50 23% of Market Price Grant II : Rs. 150.85 Rs. 150.85 No Grant III : Rs. 523.50 Rs. 523.50 No Grant IV : Rs. 108.00 Rs. 107.40 No Grant V : Rs. 127.20 Rs. 127.20 No Grant VI : Rs. 182.15 Rs. 182.15 No Grant VII : Rs. 223.75 Rs. 223.75 No Grant VIII: Rs. 206.20 Rs. 206.20 No (Note: Prices for Grants after Grant III are post bonus issue)
(c) options vested;	As at March 31, 2011 Grant I : 597,400 Grant II : 16,000 Grant III: 100,105 Grant IV: 438,750 Grant V : 1,014,500 Total : 2,166,755
(d) options exercised;	As at March 31, 2011 Grant I : 516,575 Grant II : 16,000 Grant III: NIL Grant IV: 261,325 Grant V : 248,411 Total : 1,042,311
(e) the total number of shares arising as a result of exercise of option;	1,042,311
(f) options lapsed;	As at March 31, 2011 Grant I : 186,525 Grant II : 54,600 Grant III : 339,475 Grant IV : 54,000 Grant V(Vest I) : 202,500 Grant V(Vest II) : 252,950 Total : 1,090,050
(g) variation of terms of options;	None
(h) money realized by exercise of options;	Grant I : Rs. 56,952,050 Grant II : Rs. 2,413,600 Grant IV : Rs. 28,223,100 Grant V : Rs. 31,597,879.20 Total : Rs.119,186,629.20

(i) total number of options in force;	Grant I : NIL Grant II : NIL Grant III : 80,525* Grant IV : 162,425 Grant V (Vest I) : 748,789 Grant V (Vest II) : 946,750 Grant VI (vest I) : 37,000 Grant VI (Vest II) : 37,000 Grant VII (Vest I) : 43,000 Grant VII (Vest II) : 43,000 Grant VIII (Vest I) : 25,000 Grant VIII (Vest II) : 25,000 Total : 2,148,489 *Post bonus adjustment
(j) employee wise details of options granted to:-	
(i) senior managerial personnel during the year	A summary** of options granted to senior managerial* personnel are as under : No. of employees covered : 4 (Four) No. of options granted to such personnel : 79000 (Seventy Nine Thousand Only) *includes employees who are one level below the Board or CEO working in executive capacity. **only summary given due to sensitive nature of information, details of which can be obtained from the Registered Office by the members of the Company, upon request.
(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.	8 (Eight) No. of options granted : 126,000
(iii) identified employees who were granted option, 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. 20.91 (previous year: Rs. 16.19)
(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. 21 and 25 contained in the Notes to Accounts (Schedule No.18) forming part of the Balance Sheet as at March 31, 2011 and Profit and Loss Account for the year ended on that date.
(m) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	(see table below)
(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:	

	Weighted Avg. Exercise Price (Rs.)	Weighted Avg. Fair Value(Rs.)
Grant I*	115.00	59.20
Grant II*	150.85	41.18
Grant III*	523.50	168.11
Grant IV	108.00	43.78
Grant V (Vest I)	127.20	50.24
Grant V (Vest II)	127.20	56.16
Grant VI (Vest I)	182.15	70.90
Grant VI (Vest II)	182.15	79.88
Grant VII (Vest I)	223.75	73.28
Grant VII (Vest II)	223.75	93.31
Grant VIII (Vest I)	206.20	66.60
Grant VIII (Vest II)	206.20	86.71

(i) risk-free interest rate,	Grant I* 7% Grant II* 7% Grant III* 7.93% Grant IV 9.24% Grant V (Vest I) 6.83% Grant V (Vest II) 7.01% Grant VI (Vest I) 6.72% Grant VI (Vest II) 7.01% Grant VII (Vest I) 7.31% Grant VII (Vest II) 7.61% Grant VIII (Vest I) 8.11% Grant VIII (Vest II) 8.07%
(ii) expected life,	Grant I* 2.5 years Grant II* 2.5 years Grant III* 2.5 years Grant IV 2.5 years Grant V (Vest I) 2.5 years Grant V (Vest II) 3.5 years Grant VI (Vest I) 2.75 years Grant VI (Vest II) 3.75 years Grant VII (Vest I) 2.5 years Grant VII (Vest II) 3.5 years Grant VIII (Vest I) 2.5 years Grant VIII (Vest II) 3.5 years
(iii) expected volatility	Grant I* 10% Grant II* 10% Grant III* 51.13% Grant IV 65.62% Grant V (Vest I) 66.17% Grant V (Vest II) 64.78% Grant VI (Vest I) 62.07% Grant VI (Vest II) 62.04% Grant VII (Vest I) 51.67% Grant VII (Vest II) 58.87% Grant VIII (Vest I) 49.48% Grant VIII (Vest II) 58.73%
(iv) expected dividends, and	The shares to be issued under stock options shall rank pari-passu, including the right to receive dividend. Expected dividend payouts to be paid during the life of the option reduce the value of a call option by creating drop in market price of the stock. Adjustments for known dividend payouts over the life of the option are made to the formulae under Black Scholes method. However, in the present case, as the life of the option is greater than one year, there is considerable difficulty in estimating the amount and time of future dividend payouts with certainty. Hence, future dividend payouts have not been incorporated in the valuation analysis
(v) the price of the underlying share in market at the time of option grant	For Grant I the market price was Rs. 149.50 For Grant II the market price was Rs. 150.85 For Grant III the market price was Rs.523.50 For Grant IV the market price was Rs. 107.40 For Grant V the market price was Rs. 127.20 For Grant VI the market price was Rs. 182.15 For Grant VII the market price was Rs. 223.75 For Grant VIII the market price was Rs. 206.20

Note : For Grant I, Grant II and Grant III options vested, exercise and lapse includes pre and post bonus issue adjustment.

Management Discussion and Analysis

Macro-economic overview

Over the past year under review, the global economy has managed to sustain the trend of economic recovery that began during the previous calendar year, with larger economies such as the US and Western Europe showing visible signs of a rebound. The US economy has been delivering positive growth late 2009 onwards, although certain indicators such as the unemployment rate have not yet normalised. This, however, could correct if the US economy is able to accelerate its growth rate in the current year and some economists do expect that to happen. The Eurozone's performance has been mixed as some of its larger economies such as Germany outperformed others even as some countries struggled with sovereign debt crises, negatively impacting the region's growth outlook. The Asia-Pacific region has been a clear front-runner in the recovery, with India and China fueling much of the expansion in the economy. However, the global macro environment remains vulnerable in view of the economic consequences of events such as the turmoil within the Middle East region and the tsunami in Japan. The Middle East crisis tends to have a direct impact on oil prices, which in turn result in inflationary pressures, increased deficit for oil-importing nations (such as India), and a weakening of the dollar.

The Indian IT industry's outlook

The robustness witnessed in the global economy during the year under review and expectations of its sustenance going forward are reflected in both improved performance by the Indian IT industry during FY2011 as well as optimism over the outlook for FY2012 and beyond.

During FY2011, NASSCOM estimates that the Indian IT and related services industry expanded by 19% to US$ 88 billion, with IT software & services (excluding hardware) contributing about US$76 billion to that.

The overall outlook for the Indian IT industry remains positive, with NASSCOM estimating the growth in IT software & services exports in FY2012 to be in the 16%-18% range.

Inflationary trends in the domestic market, removal of tax incentives under the STPI scheme and possible volatility in currency exchange would be the major challenges to address for the industry.

Company overview

NIIT Technologies Ltd (NTL) is a global IT solutions organisation, serving customers in North America, Europe, Asia, Middle East and Australia. It offers Technology and Business Services to organisations in selected industry segments. By virtue of this specialization it has been acknowledged by independent surveys as the best in class. It follows the highest standards of operations which includes ISO 9001:2000 certification, assessment at Level 5 of SEI-CMMi version 1.2, ISO 27001 information security management certification. Its data centre operations are assessed at the international ISO 20000 IT management standards.

Strategy

NIIT Technologies has a clearly defined strategy that leverages its existing strengths and creates a robust platform for growth. Post its de merger with NIIT Ltd in 2004, NIIT Technologies began creating a business model driven by the strategic intent to "Focus and Differentiate", that encompasses becoming the first choice for customers in select industry verticals where it has an established track record or intellectual assets and differentiating itself through superior customer-centricity and domain specialisation. The Company's effective execution of this strategy over the years is reflected in both its overall operating performance as well as the increasing contribution from its global focus verticals of Banking, Financial Services and Insurance (BFSI), Travel Transportation & Logistics (TTL), and Manufacturing/ Distribution. During the year it expanded its business in the domestic market though large turnkey engagements with the government and specialised GIS solutions.

Business Transformation

A key element of the Company's growth strategy has been to transform itself from a generic services provider to a specialised domain-focused player with an increasing component of non-linear revenues. The first phase of this transformational journey was completed when NIIT Technologies re-focused its efforts and energies on the aforementioned industry verticals, aiming to be the best in those domains and scale to big enough and be relevant to its clients. Independent surveys and investigations indicate that NIIT Technologies is increasingly being recognized as among the best in its chosen domains. The Company's next phase of transformation involves making the business non-linear by evolving new service offerings (managed services, platform based solutions, cloud services) that provide higher value to its global clientele. Collectively NIIT Technologies derives 27% of its global revenues from these services.

Managed Services:

The Company's foray into the new and high opportunity business segment of Remote Infrastructure Management, makes it among the early movers among comparable peers. The Company has integrated this offering with its Application Management and Business Process Management to provide a compelling & unique value proposition of integrated services to its customers.

IP / Platform based Solutions:

The Company has also made investments into reworking its frameworks & products (both owned & in partnership) into Platform-based Solutions. NIIT Insurance Technologies (erstwhile Rooms solutions Limited) which is NIIT Technologies wholly owned subsidiary has its Insurance Platform "Subscribe", which has a sizable share in Lloyds insurance market. Likewise, its German subsidiary NIIT Airline Technologies Limited (erstwhile Softec gmbh) owns a revenue accounting platform "Monalisa" which is deployed across over 30 airlines. It has entered into a partnership with SATS to offer a cargo ground handling platform "Cosys" that has been implemented in many airports across the world.

Cloud Services:

Cloud computing is an emerging megatrend. It is a standardized IT capability delivered via the Internet in a pay-per-use and self-service manner. Cloud computing primarily evolved with the growing acceptance of Software as a Service (SaaS), with the industry looking to replicate the success of offering "as-a-service" solutions to not just platforms / applications (PaaS) but also infrastructure (IaaS). NIIT Technologies is an early entrant in the cloud computing arena, having forged a partnership with Hitachi Information systems of Japan to jointly offer cloud services in June 2010. Through this partnership, NIIT Technologies and Hitachi Information Systems will provide unmatched value based on the strengths of both companies. Hitachi systems with its reliable and scalable infrastructure would own the "Cloud", while NIIT Technologies will harness its competencies and world class process capability in Remote Infrastructure and Managed Services will operate the Cloud.

Geographic Information System (GIS)

Geographic Information System which integrates data for capturing, managing, analyzing, and displaying all forms of geographically referenced information is being increasingly used to bring in increased efficiencies in government programs and large organizations requiring special data. NIIT Technologies has a specialized JV with ESRI Inc whose technology it offers as solutions to customers including Government and quasi-governmental organisations.

People & Infrastructure

As of March 31, 2011, the global staff strength of NIIT Technologies stood at 5,806 compared to 4,476 in 2010. At the year end the Company had an offshore development capacity of over 483,223 square feet. The construction work for the campus in Greater Noida is complete and should be operational during the first quarter of financial year 2011-12.

Consolidated Financial Highlights

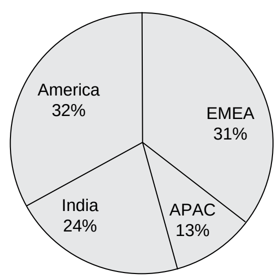
The consolidated financials takes into account the financials of NIIT Technologies Limited and its subsidiaries, including subsequent level companies after eliminating inter-company transactions. NIIT Technologies posted a consolidated income of Rs 12,323 million for the financial year ending March 31, 2011, delivering an industry-leading revenue growth of 35% for the full year.

Segmental Revenue

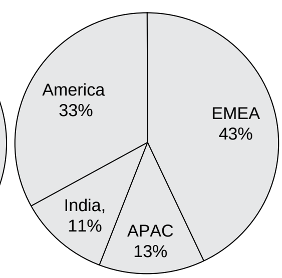
NIIT Technologies Ltd derives its revenues primarily from exports that contribute 76% to the Company's overall revenues, while domestic markets account for the remainder 24%.

Geography Mix

NIIT Technologies has a balanced mix of revenues coming across globe, thus diversifying and de-risking its revenue exposure. For FY2011, EMEA (Europe, Middle East and Africa) accounted for around 31% of revenues, versus 43% in previous year. The lower share was on account of more challenging conditions in Europe and adverse fluctuations in pound sterling and Euro, as well as expansion of the overall revenues with strong growth in other geographies notably in India. India accounted for 24% of revenues, which was higher than the 11% contribution in FY2010. The increase in revenue contribution from India was driven by higher growth in business from the government sector. The Americas accounted for 32% of revenues, as compared to 33% in the previous year. As in the previous year, the APAC region contributed 13% to revenues in FY2011.



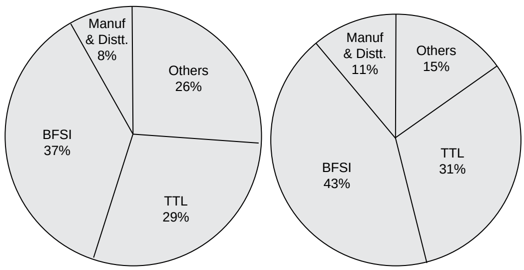
FY 2010-11



FY 2009-10

Verticals Mix

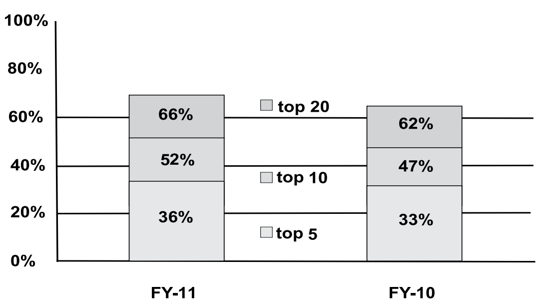
Three focus verticals contributed 74 percent of revenues in FY2011, compared to 85 percent in FY2010. The TTL (Travel Transportation and Logistics) vertical contributed 29 percent to revenues, while the BFSI vertical contributed 37 percent in FY2011. Contribution from the Retail and Manufacturing vertical was lower in FY2011 at 8 percent compared to 11 percent in FY10 as that vertical witnesses a more gradual recovery during the year. Other businesses including government contributed 26 percent of revenues in FY2011, a significant increase in share from last year as the Company implemented key programmes such as the BSF's Intranet Prahari project.



FY 2010-11 **FY 2009-10**

Client profile

NIIT Technologies has, over the years, forged long-lasting and mutually rewarding relationships with global clients with an impressive set of marquee clients, demonstrating its ability to deliver on customer expectations and engage with them as a partner in their efforts to become more competitive and productive. Even as it added new clients every quarter, the Company was also able to receive repeat business from many of its existing clients. As a result, its top five clients contributed 36 percent to FY2011 revenues, compared to 33 percent of revenues in the previous year. Its top 10 clients accounted for 52 percent of FY2011 revenues compared to versus 47 percent in FY2010.



Strong order intake and expanded 12-month backlog

During the year under review, the Company added 14 new clients and expanded its order intake as well as 12-month order backlog. The total order intake during FY2011 was US$ 266 million, resulting in an order book of US$ 169 million (as on 31 March 2011) executable over the next 12 months. A year ago, on 31 March 2010, the order book executable over the next 12 months was US$ 147 million putting it in a better position to deliver growth in the new financial year.

Audited Consolidated Profitability

Rs Million

	FY 2011	FY 2010
Revenue	**12,323**	9,137
Expenses	**9,919**	7,249
Operating Profit	**2,404**	1,888
Operating Profit margin	**20%**	21%
PBT	**2,177**	1,421
PAT	**1,822**	1,264

PAT grew by 44% over the previous year. An expense analysis of the Company shows that personnel constituted the highest element of cost at 49 percent (55 percent in FY 09-10) of revenues, development and bought-out materials constituted 17 percent, selling, marketing General and administration at 15 percent. Depreciation and amortization accounted for 3 percent, leaving a PBT margin of 18 percent for the year versus 16 percent margins in previous year.

Audited Consolidated Balance Sheet **Rs Million**

Particulars as on	March 31, 2011		March 31, 2010	
Sources of Funds				
Share Capital	593		588	
Reserves and Surplus	6,885		5,210	
Net Worth		**7,478**		**5,798**
Minority Interest		**43**		**28**
Loan funds		**110**		**217**
Total		**7,631**		**6,043**
Application of Funds				
Fixed Assets				
Gross Block	4,372		4,559	
Depreciation	2,479		2,706	
Net Block		**1,893**		**1,853**
Capital Work in Progress		1,437		1,288
Investment		**443**		**465**
Deferred Tax Asset		143		107
Net Current Assets		3,715		2,330
Total		**7,631**		**6,043**

Share Capital

The paid up share capital of the Company stands at Rs 593 million constituting 59,251,056 equity shares of Rs 10/- each

Minority Interest

The minority shareholding includes the interest of third parties in one of the Company's subsidiaries, NIIT GIS Limited (as minority shareholders), provision for which has been made based on the profits of the respective subsidiary.

Loan Funds

The loans funds primarily secured loan stood at Rs110 million in FY11 versus Rs 217 million.

Fixed Assets

During the year, capital investment of Rs. 447 million were made for project - related capital assets and capacity increases. Capital Work in Progress (CWIP) is at Rs. 1437 million largely for the new SEZ campus development at Greater Noida.

Investments

Investments of Rs 443 million reflect investments made in short term liquid mutual funds.

Net Current Assets

The elements of net current assets are as follows:

Current Assets, Loans and Advances

- **Trade Receivables:** Debtor days stand at 85, on a total sundry debtor's position of Rs. 2871 million.
- **Cash and Bank:** Cash and Bank balance as on March 31, 2011 is Rs.1194 million
- **Other Current Assets:** This primarily includes unbilled revenues & Interest Receivable stand at Rs. 830 million.
- **Loans and Advances:** This includes advances, pre-paid expenses, security deposits made by the company in the normal course of business and advance taxes deposited. These stood at Rs. 1,321 million.

Current Liabilities and Provisions:

This represents sundry creditors, including capital creditors, advances from customers, unearned revenues, security deposits, provisions for leave encashment, gratuity, dividend and other liabilities. Current liabilities and Provisions stand at Rs. 2,508 million.

Related Party Transactions

Related Party transactions are defined as transactions of the company with the Promoters, Directors or the Management, their subsidiaries or other related parties who may have a potential conflict with the interests of the company at large. All transactions covered under related party transactions were regularly ratified and/or approved by the Board, the guiding principles being arm's length, fairness and transparency. The details of related party transactions are given in the Notes to Accounts section.

NIIT TECHNOLOGIES LTD: STANDALONE

Rs. Million

	FY 2011	FY 2010
Revenue	**7,293**	4,936
PBT	**1,341**	1,008
PAT	**1,232**	951

Revenue from Operations

The revenues from operations for the year stood at Rs. 7,293 versus 4,936 million in FY10.

Other Income

The other income earned by the Company includes Capital Gains and Dividend Income on the mutual fund investments, Recoveries made from subsidiaries for common services and asset usage charges recovered from the Group Company. The company reported Rs. 228 million of Other Income in FY11 versus Rs 113 in FY10.

Revenue Recognition Policy

The significant Accounting policies and practices followed by NIIT Technologies Limited are disclosed in Note 10, 11 & 12 of Schedule "17" (Notes to Accounts) for the year.

Rs. Million

Impact of Foreign Currency	FY 2011	FY 2010
Earning in Foreign currency	**5242**	4465
Revenue Expenditure in Foreign Currency	**1898**	1536
Net Revenue Earning in Foreign Currency	**3344**	2929
Capital Expenditure in Foreign Currency	**123**	21
Net Foreign Currency Earnings	**3221**	2908

EXPENDITURE

Personnel

The personnel cost was Rs 3,351 million, 46 percent of the revenue line, 52 percentage as compared with last year's.

Development, Production and Execution

This cost constituted 24 percent of revenues. It includes the cost of products purchased for resale.

Other Expenditure

Other expenditure including administration, marketing spend, travel and communication costs were lower at 12 percent as compared with 17 percent of last year. This was as result of stringent cost management during year at backdrop of challenging business environment.

Depreciation

The Company's depreciation charge was Rs 233 million, which is 3 percent of the revenues.

Profit after Tax

PAT for company was at Rs 1,232 million in FY11 versus Rs 950 million in previous year.

Dividend

The Board of Directors of the Company has recommended a dividend of Rs. 7.50 per Equity Share of Rs.10/- each, higher than the dividend of Rs 7.00 per Equity Share declared in the Previous year.

BALANCE SHEET

Capital Structure

The share capital of the Company stands at Rs 593 million versus Rs 588 million in FY10.

Fixed Assets

During the year, the Company added Rs. 242 million to its gross block of assets for project related capital expenditure and capacity increases.

Investments

Rs Million

	FY2011	FY 2010
Investment in subsidiaries & JV	**1,146**	1,146
Mutual funds	**220**	465
Total	**1,366**	1,611

Current Assets, Loans and Advances Cash and Bank

Rs Million

	FY2011	FY 2010
Fixed Deposits	**30**	281
Cash in hand & balances with Banks	**191**	23
Total	**221**	304

Other Current Assets

This includes Unbilled Revenue of Rs. 209 million, Interest Receivable of Rs 1million and Dividend Receivable of Rs 121 million.

Loans and Advances

The loans and advances stand at Rs. 1,023 million at the end of the year. The outstanding amount represents loan to subsidiaries, Pre-paid Expenses and other constituents in the normal course of business. These also include advances to suppliers, advance tax (net of provision), rent advances and security deposits given for premises.

Capital structure

The share capital of the company stands at Rs 593 million.

Reserves

The reserves and surplus of the company are as follows:

Rs Million

	FY2011	FY 2010
Capital redemption reserve	**17**	17
Share premium	**60**	10
General Reserves	**1,236**	1,113
Hedging Reserve	**17**	(248)
Profit and Loss Account	**3,882**	3,270
Total	**5,212**	4,162

Loan Funds

The Company had secured Loans amounting to Rs 37 million versus Rs 9 million in FY10

Opportunities

Challenging macroeconomic environment also throws in pockets of opportunities. Although the global slowdown and recessionary conditions would have adverse impact on most of the global corporations; but could have larger impact on organisation in the Banking and Financial Services space (BFS) which constitute 37 percent of NTL's revenues in 2011. Also the nature of the Industry like Airline in Travel Transportation poses more difficulties during recessionary conditions. However, Major Global corporations which are crawling back to normalcy post recessionary phase are still in the cost cutting mode, which is why they have been demanding to deliver "More for Less" in the IT services space. NIIT Technologies understanding the factors is playing a dynamic role in supporting clients as their technology partner, knowing what their challenges are, the paths they choose, the strategies and tactics they will deploy to strengthen themselves.

NTL has a dominant positioning in the verticals it represents. Like in the Travel vertical, NTL has been being ranked at No 1 amongst global IT vendors by the Data Monitor black book of outsourcing; consecutively for year 2008,2009 and 2010. Also it has been ranked at No 3 in Insurance vertical in year 2009.

The sub-prime crisis, inflationary environment fuelled by high oil & commodity prices & volatile exchange rate scenarios are all part of the business environment. In such an environment, the key to growth is likely to be innovative service offerings, and a deep understanding of customer needs. The external growth factors include the growing impact of technology-led innovation, leading the increasing demand for global sourcing and the gradually evolving socio-political attitudes.

The Value proposition of the Indian ITES industry is largely supported by its abundant talent that is expected to support diverse operations, cost advantage, emphasis on quality, information security and rapid growth in key business infrastructure.

Risks and Risk Mitigation

The ITES Industry thrives under a dynamically changing and highly competitive business environment. The Company too faces several business risks, of which some prominent ones are discussed hereunder alongside the risk mitigation approach followed by the Company:

Concentration risks: The Company has taken significant steps to ensure that it does not become too dependent on few clients or any particular geography. EMEA and the United States contributed 32 percent and 32 percent revenues respectively, during the year 2010-11, with the balance contribution coming from the Asian region.

However, considerable efforts are being made to generate business from new geographies and clients. The Company is also increasing its focus on all regions and has signed a Strategic Partnership with Hitachi Information.

M&A execution risks: The Company has chosen organic and inorganic route to grow exponentially in the future years. During the course, the Company may be exposed to risks such as, increase in cost on account of staffing/advisory fees, due diligence lapses and practical challenges in integration.

The Company follows a strategic approach in pursuance of its M & A activities and many of the risks are mitigated by restricting the choice of target companies by applying certain rigorous selection criteria as also by proper resourcing of the integration efforts. The Company also uses team of experts in carrying out the due diligence thereby reducing the risk of lapses.

Investment portfolio related risks: In order to deal with surplus cash, The Company, as a policy, does not prefer to invest in high risk assets such as equities and low liquidity assets like real estate. The primary area of risk for the Company's market exposures are related to the interest rate risk on its investment securities. To mitigate interest rate risk, all surplus funds are invested in appropriate avenues upon a review by the investment committee. All investment decisions are driven by certain guiding principles like, safety of investments, liquidity and returns.

Employee-related risks

Attrition: Human Resource functions and initiatives of the Company are driven by a strong set of values and policies. The Company has maintained a competitive, healthy and harmonious work environment at all levels. The Company has taken new initiatives to strengthen its recruitment processes, values and vision programmes, leadership and performance management programmes to retain the best talent.

Constraints in availability of skilled resources: The Company offers competitive salary constantly benchmarked to the market, world class infrastructure, excellent work culture, high class training and career development and long term growth prospect, to remain an employer of choice. The Company's development centers are in cities which have good availability of skilled manpower.

Competition-related risk: Indian IT services market remains a very competitive space. The Company is facing competition from large Indian IT vendors and global vendors who are increasing their India presence by setting up offshore delivery centres.

The Company follows global standards of development, including an ISO 9001:2000 certification, assessment at Level 5 of SEI-CMMi frameworks and BS 7799 information security management certification.

The Company/Subsidiaries are managed by locally recruited professionals and talents across all geographies. They have established strong interaction with various analyst firms worldwide through participation in IT conferences and industry specific events attended by CIO's and executives of major corporations. Sales & marketing and delivery infrastructure of the Company is world class. This helps the Company to maintain its competitive edge over other players.

Exchange rate risk: 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 recognized 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 recognized 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 recognized 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 recognized in shareholder's fund is transferred to profit and loss account in the same period.

The functional currencies for the Company and its subsidiaries' operations are the respective currencies of the countries in which they operate. Substantial portion of the Company's revenues is derived from foreign exchange; any fluctuation in this could have an impact on the Company's performance. The Company actively books foreign exchange forward covers/derivative options to hedge against foreign currency fluctuations related to its bills receivables and anticipated realisations from projected revenues.

Geo-political risks: The ability of Indian ITES services companies to secure offshore projects from client organisations abroad is often subject to threat perceptions as regards the Indian subcontinent. Current civil situations in neighbouring countries of India may have negative implications for the operations of the Company. To mitigate these risks and to ensure continued delivery of services to clients irrespective of any geo-political disturbances, the Company has been taking appropriate measures in respect of disaster recovery and business continuity in different locations.

Liquidity Risk: Company has strong processes and account management systems for collection of Receivables, its DSO's as of 31st March 2011 stand at 85 days. Also company shares long term relationships with its clients and generates around 92 percent repeat business. It also monitors projects on regular basis and tracks issues relating to cost escalations. Company has sturdy process for contract evaluation procedure and multiple vetting systems. Company get small business from Government and semi government departments, though the receivable days tend to be higher than company average, management takes adequate measures to restrict these within acceptable levels.

Obsolescence Risk: NIIT Technologies Ltd operates in a highly dynamic IT services industry, which exposes itself to change in technologies, software, products, method of services delivery, systems, processes, standards etc.

The Company operated in multiple aspect of technology like Developing Application, maintaining new and old applications, software application support, IT Infrastructure management, ERP implementations, offering managed services, Remote Infra management, data center management, product sale, platform based services, BPO services etc. Hence NIIT Technologies keep a tab on the disruptive models in global software products and services which impacts its business competitiveness. Further Company operates under highest global standards of development.

Internal Control Systems and their adequacy: The Company has an adequate system for internal control covering all financial and operating functions commensurating with company's size and business. These ensure that its assets and interests are carefully protected. The Systems and processes are continually reviewed for its effectiveness and augmented by documented policies and procedures.

A strong internal audit programme under the leadership of its dedicated Internal Audit team that ensures adequate processes, systems and internal controls are implemented strictly. The Company has implemented one of the leading ERP solutions in its global operations in order to integrate various facets of business operations which has enabled the Company to control, monitor and review its worldwide operations online and has strengthened the ability of internal controls to function effectively. The Audit Committee, which is a sub-committee of your Board of Directors, reviews adherence to internal control systems, internal audit reports and implementation of suggestions. This Committee reviews all quarterly and yearly financial results of the Company and conveys to the Board its recommendation for consideration of such results and their approval.

Additional Disclosures:

The Company in the context of this report means NIIT Technologies Limited and/or its subsidiaries.

Certain statements made in this report relating to the Company's objectives, projections, outlook, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such estimates or projections etc., whether expressed or implied. Several factors including but not limited to climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities, etc., over which the Company does not have any direct control, could make significant difference to the Company's operations.

NIIT technologies

Report on Corporate Governance

OVERVIEW

"Corporate governance is about working ethically and finding a balance between economic and social goals. It includes the ability to function profitably while obeying laws, rules and regulations. NIIT Technologies Ltd.'s, (the "Company") philosophy on Corporate Governance envisages striving towards the highest level of transparency, accountability and equity in all facets of its operations, its interactions with all stakeholders including shareholders, employees, clients and Government.

Effective corporate governance requires a clear understanding of the respective roles of the Board and the Senior Management, and their relationships with others in the corporate structure. The relationship of the Board and the Management with stakeholders should be characterized by candor; their relationship with employees should be characterized by fairness; their relationship with the communities in which they operate should be characterized by good citizenship; and their relationship with the government should be characterized by a commitment to compliance. We believe that sound corporate governance is critical to enhance and retain stakeholders' trust. Accordingly, we always seek to ensure that we attain our performance rules with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures always seek to attain best practices in international corporate governance.

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law.
- Corporate governance standards should not go beyond the law.
- Be transparent and maintain a high degree of disclosure levels.
- When in doubt, disclose.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Comply with the laws in all the countries in which we operate.
- Have a simple and transparent corporate structure driven solely by business needs.
- Management is the trustee of the shareholders' capital and not the owner.

The Board of Directors is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest Standards of the Corporate Governance.

Board Of Directors

The Company is managed and controlled through a professional Board of Directors ("Board") comprising of a combination of mandate executive and non-executive independent directors. The composition of the Board of the Company is in conformity with the provisions of clause 49 of the Listing Agreement with the stock exchange(s). The present strength of the Board is six (6) members out of which three (3) members are non-executive independent directors, which constitutes 50 percent of the total strength of the Board. The Board consists of eminent persons with considerable professional expertise and experience. The independent directors do not have any other material pecuniary relationship (other than receiving remuneration and stock options) or transactions with the Company, its promoters, its management or its subsidiaries, which may affect the independence or judgment of the Directors.

Composition of Board

The composition of Board alongwith the number of Directorship and Chairmanship/Membership of committees held by them, is given here-under:

Name of Director & DIN	Present Designation	Category	No. of Directorships held in all public companies#	No. of Committees memberships/ Chairmanships held in all public companies@	
				Memberships	Chairmanships
Mr. Rajendra S Pawar (DIN 00042516)	Chairman & Managing Director	Promoter & Executive	12	1	3
Mr. Arvind Thakur (DIN 00042534)	CEO & Joint Managing Director	Executive	5	1	2
Mr. Vijay K Thadani (DIN 00042527)	Director	Promoter & Non-executive	8	2	3
Mr. Subroto Bhattacharya (DIN 00009524)	Director	Non-executive, Independent	4	2	2
Mr. Surendra Singh (DIN 00003337)	Director	Non-executive, Independent	6	3	4
Mr. Amit Sharma (DIN 00050254)	Director	Non-executive, Independent	2	-	-

\# including NIIT Technologies Limited and excluding private, foreign and section 25 Companies.
@ Board committee for this purpose includes Audit Committee and Shareholders'/ Investors' grievance committee

Board meetings and Director's attendance

During the year April 1, 2010 to March 31, 2011 the Board met seven times.

Attendance of each director at the Board meetings and the last annual general meeting is as follows :

Name of Director	Board Meeting							AGM
	May 05, 2010	June 02, 2010	July 20, 2010	Sept 30, 2010	October 18, 2010	January 18, 2011	March 24, 2011	July 09, 2010
Mr. Rajendra S Pawar	Y	Y	Y	N	Y	Y	Y	Y
Mr. Arvind Thakur	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Vijay K Thadani	Y	Y	Y	N	Y	Y	Y	Y
Mr. Subroto Bhattacharya	Y	Y	Y	Y	Y	N	Y	Y
Mr. Surendra Singh	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Amit Sharma	Y	Y	N	Y	Y	Y	Y	Y

Y : Attended N : Leave of absence granted

THE BOARD COMMITTEES

In accordance with the requirement of the listing agreement with the stock exchange(s), the following committees were in operation.

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

Audit Committee

The Audit Committee is responsible for the effective supervision of the financial reporting processes to ensure proper disclosure of financial statements, their credibility, and compliance with the Accounting Standards, Stock Exchanges and other legal requirements, reviewing with internal and external audit and internal control systems, assessing their adequacy ensuring compliance with internal controls; reviewing findings of internal audit, reviewing the Company's financial and risk management policies and ensuring follow up action on significant findings, and reviewing quarterly, half yearly and yearly annual accounts.

The Audit Committee comprises of three Non-Executive Independent Directors. Mr. Subroto Bhattacharya is the Chairman of the Committee, and the other members are Mr. Surendra Singh and Mr. Amit Sharma. The constitution of the Committee meets the requirements of Section 292A of the Companies Act, 1956 as well as the Listing Agreement.

Mr. Onkarnath Banerjee, Company Secretary & Compliance Officer of the Company acts as the Secretary to this Committee.

Meetings and Attendance during the year 2010-11

The particulars of meetings attended by the members of the Audit Committee and the dates of meetings held during the year 2010-11 are given below:

Name of Members	Audit Committee				
	May 05, 2010	July 19, 2010	October 18, 2010	January 17, 2011	March 24, 2011
Mr. Subroto Bhattacharya	Y	Y	Y	Y	Y
Mr. Surendra Singh	Y	Y	Y	Y	Y
Mr. Amit Sharma	Y	Y	Y	Y	Y

Y : Attended

Compensation/Remuneration Committee

The Compensation/Remuneration Committee determines, on behalf of the Board and shareholders, as per agreed term of reference, the Company's policy on specific remuneration packages for executive directors including pension rights and compensation payment. The broad functions of Remuneration Committee are to evaluate remuneration and benefits for the Executive Directors and to frame policies and systems for the Stock Options Plan, as approved by the shareholders.

The Compensation / Remuneration Committee has the powers to determine and recommend to the Board the amount of remuneration, including performance/ achievement bonus and perquisites, payable to the Executive/ Managing Directors. The Company ensures that the remuneration by way of salary and other allowances and monetary value of perquisites is within the overall limit as specified under the Companies Act, 1956. The Role of the Committee includes to oversee the Company's nomination process for key leadership positions, specifically at the Board level.

The composition of Compensation / Remuneration Committee comprises of three non - executive independent directors. The committee is headed by Mr. Amit Sharma, while Mr. Subroto Bhattacharya and Mr. Surendra Singh are other members of the committee.

Meetings held and attendance during the year:

The particulars of the meeting attended by the member of the Compensation/Remuneration Committee and the date of the meetings held during the year are given below:

Name of Director	May 05, 2010	July 19, 2010	October 18, 2010	January 18, 2011
Mr. Amit Sharma	Y	Y	Y	Y
Mr. Subroto Bhattacharya	Y	Y	Y	N
Mr. Surendra Singh	Y	Y	Y	Y

Y: Attended N: Leave of absence granted

Details of Remuneration paid to Directors during the year April 1, 2010 to March 31, 2011

A. Executive Directors

(Amount in Rs.)

Name of Director	Mr. Rajendra S Pawar	Mr. Arvind Thakur
Salary and Allowances	3,783,333	8,273,333
Part – A Perquisites	-	11,049,696
Part – B Contribution to Provident Fund, Superannuation Fund or Annuity Fund	1,135,488	1,383,204
Performance- linked Bonus (paid during the year pertaining to the year 2009 - 10)	6,364,000	9,091,000
Total	**11,282,821**	**29,797,233**

Service Contracts: The current term of Mr. Rajendra S Pawar and Mr. Arvind Thakur will expire on May 31, 2013.

Notice period: 6 months, unless otherwise agreed by the Board

Severance Fees: No severance fees, unless otherwise agreed by the Board

Performance criteria: As determined by the Compensation Committee and the Board.

B. Non-Executive Directors

The remuneration paid to non executive Directors by way of Commission is in accordance with the resolution passed by the shareholders of the Company on July 27, 2009. The non executive Directors are paid sitting fee for attending Board & Committee meetings. The Independent Directors do not have any pecuniary relationship or transactions with the company, its promoters, directors, senior management or subsidiaries other than the remuneration received in capacity of Director.

The details of commission and sitting fees paid are as under:

(Amount in Rs.)

Particulars	Mr. Vijay K Thadani	Mr. Subroto Bhattacharya	Mr. Surendra Singh	Mr. Amit Sharma
Commission	7,00,000	7,50,000	8,50,000	8,00,000
Sitting Fees	1,20,000	2,20,000	2,40,000	2,20,000

Details of Stock options granted to Non Executive Directors under ESOP 2005

Name	Mr. Vijay K Thadani	Mr. Subroto Bhattacharya	Mr. Surendra Singh	Mr. Amit Sharma
No. of options granted	NIL	43,200	43,200	43,200
Entitlement due to bonus issue	NIL	NIL	NIL	5,850
No. of options exercised during the year 2006-07	NIL	11,700	11,700	NIL
No. of options exercised during the year 2007-08	NIL	NIL	NIL	NIL
No of options exercised during the year 2008-09	NIL	NIL	NIL	17,550 (including bonus shares)
No of options exercised during the year 2009-10	NIL	NIL	NIL	NIL
No of options exercised during the year 2010-11	NIL	21,000	15,800	NIL
Date of allotment of shares	NIL	Nov 02, 2010 Nov 16, 2010	Nov 16, 2010	NIL
Outstanding Options as on March 31, 2011	NIL	10,500	15,700	31,500

Details of equity shareholding of Non-Executive Directors as on March 31, 2011

Name	Number of shares held
Mr. Vijay K Thadani	1,10,274
Mr. Subroto Bhattacharya	21,000
Mr. Surendra Singh	19,750
Mr. Amit Sharma	21,205

Shareholders'/Investors' Grievances Committee

The Shareholders'/Investors' Grievances Committee has delegated work related to share transfer, issue of duplicate shares, Dematerialisation/Rematerialisation of shares and other related work to Share Transfer Committee which reports to Shareholders'/Investors' Grievances Committee.

The Shareholders'/Investors' Grievances Committee is headed by an Independent Director Mr. Amit Sharma and consists of Mr. Vijay K Thadani and Mr. Arvind Thakur as members.

Mr. Onkarnath Banerjee, Company Secretary & Compliance Officer of the Company acts as the Secretary to this Committee.

Meetings & Attendance during the year

The particulars of the meeting attended by the members of the Shareholders'/Investors' Grievances Committee and the date of the meetings held during the year are given below:

Name of Member	Shareholders'/Investors' Grievances Committee			
	May 05, 2010	July 19, 2010	October 18, 2010	January 18, 2011
Mr. Amit Sharma	Y	Y	Y	Y
Mr. Vijay K Thadani	Y	Y	Y	Y
Mr. Arvind Thakur	Y	Y	Y	Y

Y : Attended

During the year April 1, 2010 to March 31, 2011 the Company received a total of 287 queries/complaints from various Investors'/Shareholders' relating to Change of address/Non-receipt of Dividend, Bonus Shares, Annual Report/Change of Bank account details/Transfer of Shares/Dematerialization of shares, etc. The same were attended to the satisfaction of the Investors. At the year ending March 31, 2011 no complaint was pending for redressal and no shares were pending for transfer/ dematerialization.

Details of queries/complaints in numbers received and resolved during the year April 1, 2010 to March 31, 2011

Nature of query/complaint	Received	Resolved	Unresolved
Change of address	21	21	-
Change of bank details	33	33	-
Change of name	4	4	-
Correction in d/w & issue dd	141	141	-
Dividend not received	56	56	-
Non receipt of annual report/notice	1	1	-
Non receipt of share certificates	4	4	-
Request for annual report	4	4	-
Request for bonus shares	4	4	-
Request for cost of acquisition	1	1	-
Request for duplicate share certificates	1	1	-
Request for share holding details	2	2	-
Sebi/stock exchange	1	1	-
Share certificates lodged for transfer	14	14	-
Total	**287**	**287**	**-**

There was no complaint pending at the beginning/end of the year.

Other Committees

The Board has also constituted the following committees :-

1. Operations Committee
2. ESOP Allotment Committee
3. Share Transfer Committee

GENERAL MEETINGS

a. Particulars of the last three Annual General Meetings/Postal Ballot

Year	Location	Date	Day	Time	Special Business
2010	Parkland Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110 074	July 09	Friday	09:30 A.M.	1. Re-appointment of Mr. Rajendra S Pawar u/s 269 of the Companies Act, 1956 as Chairman & Managing Director of the Company. 2. Approval of minimum remuneration payable to Mr. Rajendra S Pawar, Chairman & Managing Director 3. Re-appointment of Mr. Arvind Thakur u/s 269 of the Companies Act, 1956 as Chief Executive Officer & Jt. Managing Director of the Company. 4. Approval of minimum remuneration payable to Mr. Arvind Thakur, Chief Executive Officer & Jt. Managing Director
2009	FICCI Auditorium Tansen Marg, New Delhi-110 001	July 27	Monday	10.00 A.M.	Payment of Commission to the Non-Executive Directors of the Company
2008	FICCI Auditorium Tansen Marg, New Delhi-110 001	July 28	Monday	10:00 A.M.	Delisting of Equity Shares of the Company from Ahmedabad, Calcutta, Delhi and Madras Stock Exchanges

DISCLOSURES

a. Related Party Transactions

There are no materially significant related party transactions of the Company which have a potential conflict with the interests of the Company at large. The related party transactions (as per Accounting Standard 18) of the Company in the ordinary course of business during the year April 1, 2010 to March 31, 2011 are reported under Note 11 of Schedule 20 of the Financial Statements. The same, as per the provisions of Clause 49 of the Listing Agreement, were placed before the Audit Committee of the Company. For further details, please refer to Notes, forming part of the Balance Sheet of the Company.

b. Accounting Treatment in preparation of financial statements

The company has followed the professional pronouncement of ICAI and accounting standards as per the Companies (Accounting Standard) Rules, 2006 in preparation of financial statements of the company and there has been no deviation from the aforesaid accounting standard/pronouncement.

c. Risk Management

The Company has laid down procedures to inform the Board Members about the Risk assessment and minimization procedures. All the designated officials submit quarterly reports, through online risk management system, which is reviewed periodically to ensure effective risk identification and management.

d. Proceeds from the public issue/right issue/ preferential issues etc.

There was no public issue/right issue/preferential issues etc. during the period under review.

e. Code of Conduct

The Company has a well defined policy framework, which lays down procedures to be followed by the employees for ethical professional conduct. The code of conduct has been laid down for all the Board Members and Senior Management of the Company. The Board members and Senior Management personnel have affirmed compliance with the Company's code of conduct for the year 2010-11. This code has been displayed on the Company's website.

f. Management discussion and Analysis

A detailed report on Management's discussion and analysis is provided separately as a part of this Annual Report.

g. Disclosure regarding appointment/re-appointment of Directors

All the directors except the directors in executive capacity, are liable to retire by rotation and if, eligible, may offer themselves for reappointment. Accordingly, Mr. Vijay K Thadani and Mr. Amit Sharma, Directors are liable to retire by rotation at the ensuing annual general meeting and being eligible have offered themselves for reappointment.

Brief profile of the directors seeking re-appointment and other relevant information in respect thereof are provided in the notice to the Annual General Meeting.

h. 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 the Depository Participant. The Company has sent first reminder notice to the shareholders in this regard.

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 Stock Exchange(s). For detailed compliance of each requirement of Clause 49 (mandatory) of Listing Agreement please refer to "Annexure A"-Clause 49-Compliance Status relevant to the financial year 2010-11.

b. Non-mandatory Requirements

The Company has complied with the following non-mandatory requirements.

i. Compensation/Remuneration Committee: The Company has a functioning Compensation/ Remuneration Committee. Please see the para on Compensation/Remuneration Committee for details.

ii. Whistle Blower Policy: The Company does not have a separate whistle blower policy. However, the code of conduct of the Company reflects the mechanism by which the employees may report to the Management their concerns about unethical behaviors, actual or suspected frauds or violation of the Company's code of conduct or ethics policy.

c. Code for prevention of Insider -Trading Practices

In compliance with the SEBI regulation on prevention of insider trading, the Company has laid down a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of NIIT Technologies Limited and cautioning them of the consequences of violations. During the year the Code has been amended incorporating the amendment laid down in the SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2008.

d. Statutory Compliance, Penalties and Strictures

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

e. Compliance Officer

Mr. Onkarnath Banerjee, Company Secretary is the Compliance Officer. The Compliance officer can be contacted for any investor related matter of the Company. His contact no. is +91-11-40570700, Fax no. is +91-11-40570933 and e-mail ID is investors@ niit-tech.com.

MEANS OF COMMUNICATION

a. The quarterly/half yearly/annual results are published in the leading English and Hindi Newspapers (the details of the publications are given hereunder) and also displayed on the web site of the Company – www.niit-tech.com where official news releases, financial results, consolidated financial highlights, quarterly shareholding pattern and presentations are also displayed.

b. The Company had Quarterly / Annual Earnings Calls on May 05, 2010, July 20, 2010, October 18, 2010, January 18, 2011 and Press Conferences in the months of May 2010, July 2010, October 2010 and January 2011 for the investors of the Company immediately after the declaration of Quarterly/Annual results.

c. The Management Perspective, Business Review and Financial Highlights are part of the Annual Report.

d. All material information about the Company is promptly sent through facsimile to the stock exchanges where the shares of the Company are listed.

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

Financial Results	Newspapers	Date of publication
Unaudited financial results for the quarter ended March 31, 2010	Financial Express - English Jansatta - Hindi	May 06, 2010
Unaudited financial results for the quarter ended June 30, 2010	Financial Express - English Jansatta - Hindi	July 21, 2010
Unaudited financial results for the quarter ended September 30, 2010	Financial Express - English Jansatta - Hindi	October 19, 2010
Unaudited financial results for the quarter ended December 31, 2010	Financial Express - English Jansatta - Hindi	January 19, 2011

SHAREHOLDERS' INFORMATION

a. Annual General Meeting

Date: Friday, July 1, 2011

Time: 09.00 A.M.

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

Book Closure Date : 24/06/2011 to 01/07/2011 (both days inclusive)

b. Financial Calendar (tentative and subject to change):

Financial reporting for the first quarter ending 30th June, 2011	By 3rd week of July
Financial reporting for the second quarter ending 30th September, 2011	By 3rd week of October
Financial reporting for the third quarter ending 31st December, 2011	By 3rd week of January
Financial reporting for the year ending 31st March, 2012	By the last week of May
Annual General Meeting for the year ending 31st March, 2012	By the last week of July

c. Dividend

The Board of Directors have recommended a dividend of Rs. 7.50 per Equity Share of Rs.10/- each, subject to approval of the shareholders' at the ensuing Annual General Meeting. The dividend, if declared, shall be paid to the shareholders within 30 days from the date of AGM 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 01st July, 2011. 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 23rd June, 2011.

No unpaid/unclaimed dividend was pending for transfer to the Investor Education and Protection Fund of the Central Government, pursuant to Section 205A of the Companies Act, 1956.

d. 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 as revised vide Notification No. GSR 836(E) dated 24th October 2000, issued by the Department of Company Affairs, to the Registered Office of the Company/Registrar of the Company in case shareholding is in physical forms. In case of demat holdings the request is to be submitted to the concerned Depository Participant.

e. Listing of Shares

The Equity shares of the Company are currently listed at the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. Listing fees for the period April 1, 2011 to March 31, 2012 have been paid to both the Stock Exchanges.

f. Stock Code

Trading symbol on the National Stock Exchange	NIITTECH	
Trading symbol on the Bombay Stock Exchange	Physical	NIITTECH
	Electronic	532541
ISIN at NSDL/CDSL	INE 591G01017	

g. Compliance certificate of the Auditors

The Company has annexed to this report, a certificate obtained from the statutory auditors regarding compliance of conditions of corporate governance as stipulated in clause 49 of the listing agreement.

h. 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:

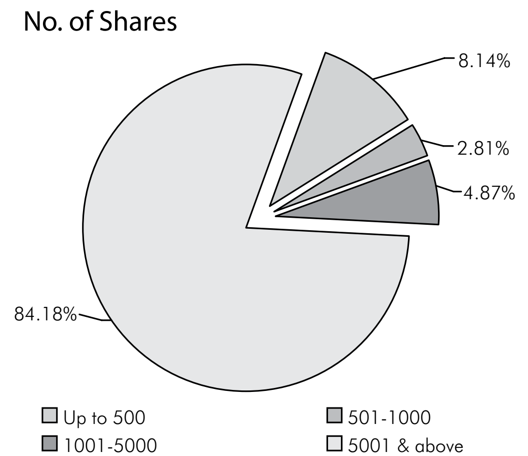
Share price movement during the year April 01, 2010 to March 31, 2011

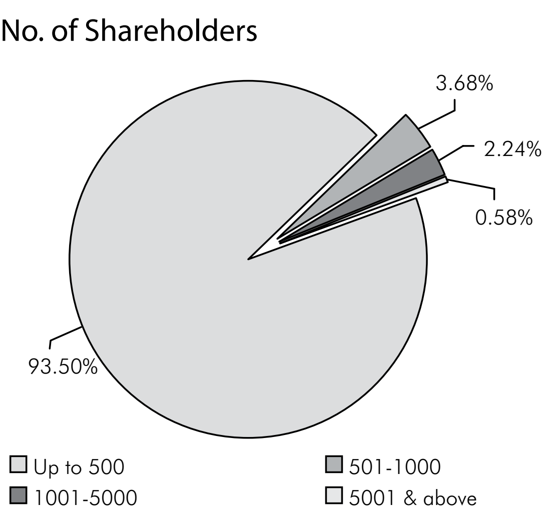
	Bombay Stock Exchange				National Stock Exchange			
Month	Sensex	High Price (Rs.)	Low Price (Rs.)	Market Cap* Rs Mn	Nifty	High Price (Rs.)	Low Price (Rs.)	Market Cap* Rs Mn
Apr-10	17558.71	190.45	169.10	10968	5278.00	190.50	161.10	11000
May-10	16944.63	201.50	177.00	10543	5086.30	201.80	177.50	10548
Jun-10	17700.90	184.00	164.00	10055	5312.50	183.90	163.60	10061
Jul-10	17868.29	199.70	167.80	10582	5367.60	200.00	163.70	10603
Aug-10	17971.12	189.25	176.60	10644	5402.40	189.35	177.10	10662
Sep-10	20069.12	208.40	167.00	11951	6029.95	208.65	179.10	11942
Oct-10	20032.34	234.90	201.10	12863	6017.70	234.50	200.10	12922
Nov-10	19521.25	226.00	179.55	12258	5862.70	246.80	180.00	12362
Dec-10	20509.09	219.40	179.00	11735	6134.50	219.40	182.50	11711
Jan-11	18327.76	217.00	177.20	11733	5505.90	217.95	177.25	11753
Feb-11	17823.40	202.50	171.00	11729	5333.25	219.70	170.10	11762
Mar-11	19445.22	200.00	170.00	10941	5833.75	202.70	171.50	10932

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

Shareholding Distribution as on March 31, 2011

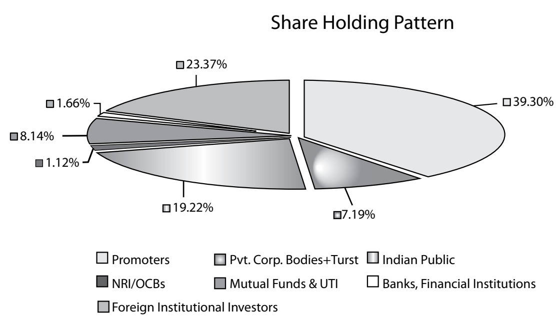
Range	No. of Shareholders	% to Total Shareholders	No. of Shares	% to Total Shares
Up to -500	58879	93.50	4,823,530	8.14
501-1000	2317	3.68	1,664,536	2.81
1001-5000	1412	2.24	2,887,467	4.87
5001 & above	363	0.58	49,875,523	84.18
TOTAL	**62971**	**100.00**	**59,251,056**	**100.00**





Shareholding Pattern as on March 31, 2011

Category	No. of shares	% of Holding
Promoters Shareholding		
- Indian Promoters*	23,283,480	39.30
- Foreign Promoters	-	-
Total Promoters Shareholding	23,283,480	39.30
"Scantech (100% subsidiary of NIIT Limited) has created pledge of 14,493,390 equity shares, held in the company, in the favour of ICICI Bank Limited, Behrain"		
Public Shareholding		
Institutional Investors		
Mutual Funds and UTI	4,821,898	8.14
Banks, Financial Institutions Insurance Companies (Central / State Govt. Institutions/Non Government Institutions)	984,300	1.66
Foreign Institutional Investors	13,848,039	23.37
Others		
Private Corporate Bodies/Trust	4,259,995	7.19
Indian Public	11,387,283	19.22
NRI/OCBs/Foreign Individuals	666,061	1.12
Total Public Shareholding		
Grand Total	**59,251,056**	**100**



i. Dematerialisation of Shares

The Shares of the Company are compulsorily traded in dematerialised form by all categories of investors. The Company has arrangements with both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), to establish electronic connectivity of the shares for scrip less trading. As on March 31, 2011, 99.27 percent shares of the Company were held in dematerialised form.

j. Liquidity of shares

The Shares of the Company are traded electronically on the Bombay Stock Exchange and National Stock Exchange. The Company's shares are included in indices of BSE-500,and Small- cap index.

k. Share Transfer System

The Company has appointed a common Registrar for physical share transfer and dematerialisation of shares. The shares lodged for physical transfer/ transmission/ transposition are registered within a period of 15 days if the documents are complete in all respects. For this purpose, the Share Transfer Committee (a sub-committee of Shareholders'/Investors' Grievance Committee of the Board) meets as often as required. During the review period, the Committee met 28 times. Adequate care is taken to ensure that no transfers are pending for more than a fortnight. Physical Shares requested for dematerialisation were confirmed mostly within a fortnight.

l. Registrar for Dematerialisation (Electronic Mode) of shares & Physical Transfer of shares

The Company has appointed a Registrar for dematerialisation and transfer of shares whose details are given below:–

Alankit Assignments Limited
Unit: NIIT Technologies Limited
2E/21, Jhandewalan Extension,
New Delhi – 110 055.
Phone Nos. : 011-42541234, 23541234
Fax Nos. : 011-42541967,
E-mail : rta@alankit.com

m. Registered Office

NIIT Technologies Limited
NIIT House, B-234, Okhla Phase - I
New Delhi - 110 020.

n. Address for correspondence

The shareholders may address their communication/ suggestions/ grievances /queries to

The Compliance Officer
NIIT Technologies Limited
NIIT House, Investor Services
B-234, Okhla Phase - I
New Delhi - 110 020.
Tel Nos. : 91 11 41407000
Fax : 91 11 26817344
e-mail : investors@niit-tech.com

o. Subsidiaries

The addresses of the subsidiaries are given elsewhere in this Annual Report.

CERTIFICATE RELATING TO COMPLIANCE WITH THE PROVISIONS OF CLAUSE 49 OF THE LISTING AGREEMENT(S) IN RELATION TO THE CODE OF CONDUCT FOR DIRECTORS/SENIOR MANAGEMENT

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.

Sd/-
Arvind Thakur
Chief Executive Officer &
Jt. Managing Director
DIN: 00042534

Dated : May 06, 2011
Place : New Delhi

CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To,
The Board of Directors
NIIT Technologies Limited
B-234, Okhla Phase 1,
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;
   (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:-
   a. significant changes, if any, in internal control over financial reporting during this year.
   b. 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
   c. 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.

Sd/-	Sd/-
Arvind Thakur	Pratibha K Advani
Chief Executive Officer &	Chief
Jt. Managing Director	Financial Officer
DIN: 00042534	

Place: New Delhi
Dated: May 06, 2011

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of NIIT Technologies Limited,

We have examined the compliance of conditions of Corporate Governance by NIIT Technologies 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 confirm that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements in all material aspects.

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

For and on behalf of Price Waterhouse
Firm Reg. No. FRN 301112E
Chartered Accountants

Sd/-
Usha Rajeev
Partner
Membership No:F-087191

Place: New Delhi
Dated: May 06, 2011

Annexure A
Clause 49-Compliance Status relevant to the Financial Year 2010-11

Board of Directors

Clause 49 (IA) **Composition of Board**

Standard

The Board of the Company should have optimum combination of executive and non-executive directors. However, not less than 50 per cent of the board of directors should comprise Non-executive directors.
If the Chairman of the Board is an executive director, at least half of the board should comprise of Independent directors.
Provided that where the non-executive Chairman is a promoter of the Company or is related to any promoter or person occupying management positions at the Board level below the Board, at least one half of the Board of the Company shall consist of independent directors.
Provided that where the non-executive chairman is a promoter of the company or is related to any promoter or person occupying management positions at the Board level or at one level blow the Board, at least one-half of the Board of the Company shall consists of independent directors.

Our practice

- The total strength of the Board of the Company is 6 Directors.
- Composition:
  Executive director : 2 (33.33%)
  Non executive directors : 4 (66.67%)
  Independent directors : 3 (50%)
- The Chairman is Executive Director and is a promoter of the Company.

Directors, prior to their appointment on the Board as well as annually affirm their independence by way of a certificate to the Board. They are also required to disclose any transaction, which may impact their independent status.

Clause 49 (IB) **Non-executive directors' compensation and disclosures**

Standard

All fees/compensation paid to Non-executive directors shall be fixed by the Board of directors and shall require previous approval of shareholders in general meeting.

Our Practice

- The commission being paid to Non-executive directors has been approved by the Board of directors, which is within the overall limit approved the shareholders of the Company. The Non-executive directors are also paid sitting fees in relation to the meetings of the Board or its committees attended by them.

Clause 49 (IC) **Other provisions as to Board and Committees**

Standard

There shall be at least four board meetings in a year with maximum time gap of not more than four months between any two meetings. Information given in Annexure-1A of clause 49 should be made available to the Board. The Board shall also review compliance report of all laws applicable to the company.
A director shall not be a member in more than 10 committees or act as a chairman of more than five committees across all companies in which he is a director. The directors should annually inform the company about the committees positions held by them in other companies.

Our practice

- During the year under review, the Board of the Company met 6 Times and the maximum time gap was less than 90 days between two consecutive Board meetings.
- The information regularly placed before the Board inter-alia includes the information given under Annexure-1A, wherever applicable.

- A compliance Report, with respect to applicable laws, signed by the Compliance officer is placed before the Board on quarterly basis.
- None of the directors of the Company is member of more than 10 committees or Chairman of more than five committees. An assurance in this regard is given by the directors by way of certification to the Board.
- Company receives an annual certification by director about the committee position he occupies in other companies. The directors are also expected to notify changes when they take place.

Clause 49(ID) **Code of conduct**

Standard

The Board shall lay down a Code of Conduct for all Board members and senior management of the Company and the same shall be posted on the website of the Company. All Board members and senior management personnel shall affirm compliance with the code on an annual basis. The Annual Report of the company shall contain a declaration to this effect signed by the CEO.

Our practice

- The Board has adopted a code of conduct for Directors and Senior Management personnel and this Code is available on the official website of the Company www.niit-tech.com
- All Directors and Senior Management personnel affirm compliance with the code of conduct of the Company on annual basis.
- A declaration in this regard duly signed by Chief Executive Officer is published elsewhere in this Annual Report.

Audit Committee

Clause 49(II A) **Qualified and Independent Audit Committee**

Standard

The Company shall have an audit committee comprising not less than three members. All members of the committee shall be financially literate and two third members shall be Independent directors.

The Chairman of committee shall be an Independent director and should be present in AGM of the Company. At least one member of the committee shall have accounting or related financial management expertise.

The committee may invite such executive, as it considers appropriate (particularly head of finance) to be present in meeting. The Company Secretary should act as secretary to the committee.

Our Practice

- Company has qualified and independent audit committee, which comprises of 3 members. All members of audit committee are Non-executive and Independent.
- All members of Audit Committee are financial literate and a majority of them have accounting/financial management expertise.
- A brief background of members of Audit Committee:
  - — Mr. Subroto Bhattacharya is a Chartered Accountant. He spent his early career with DCM Limited where he rose to the position of Director on its Board. In the late eighties, he joined the HCL Group and subsequently joined the Board of the flagship Company HCL Limited. He is a Director on the Board of HCL Technologies Ltd., NIIT Ltd. & NIIT Technologies Ltd. Mr. Bhattacharya has an experience of more than 45 years with specialization in Finance and Management.
  - — Mr. Surendra Singh, a retired IAS Officer, has held very senior positions in the Central and State Governments. Starting his Public Service in 1959, Mr. Singh has held positions like Cabinet Secretary to the Prime Minister of India, responsible for all the economic work in the PM's Office, Cabinet Secretary to the Government of India, Secretary to the Council of Ministers and Secretary, Ministry of Industry. He was an Executive Director on the Board of the World Bank, representing India, Bangladesh, Sri Lanka and Bhutan. He was also a Director on the Board of the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). He is a Director on the board of NIIT Ltd., CMC Ltd., Jubiliant Life Science Ltd., and GHCL Ltd. Mr Surandra singh waf confrred with the Padama Bhusan.
  - — Mr. Amit Sharma is the Executive Vice President and also President, (Asia) of American Tower Company responsible for building a successful Tower leasing business in Asia. Prior to this he led country teams in India and Southeast Asia for Motorola, as Country President, India and as Head of Strategy, Asia-Pacific. He also served on Motorola's Asia Pacific Board and was a member of its senior leadership team. Prior to joining Motorola, he has been associated with companies like GE Capital, McKinsey & Company and Unilever. He is also an executive member of Industry Associations like AmCham Board of Governors.
    Mr. Sharma was educated at the Indian Institute of Technology (IIT), Kharagpur. He is also an M.Sc. in Computers & Information Sciences from the MOORE School, University of Pennsylvania & MBA in International Business from Wharton School of Business.
- Mr. Subroto Bhattacharya, is the Chairman of the Audit Committee.
- Management personnel are invited to the meeting/discussion, whenever required by Audit Committee.
- The Company Secretary of the Company Mr. Onkarnath Banerjee, acts as a secretary to the Audit Committee.

Clause 49 (II B) **Meeting of Audit Committee**

Standard

There should be at least four meetings of audit committee in a year and not more then four months shall elapse between two meetings. Two members or one third of the members of the committee whichever is greater shall constitute quorum for the meeting, but there should be minimum of two independent members present.

Our practice

- During the year under review, the Audit Committee met Five times and maximum gap between two Audit Committee meetings was less than 90 days between two consecutive Audit Committee meetings.
- Requirement as to quorum had been complied with at every Audit Committee meeting

Clause 49 (II C) **Powers of Audit Committee**

Standard

The Audit committee shall have powers, which should include investigation of any matter within its terms of reference, to seek information from employees, obtain outside legal/professional advice and to secure the attendance of outsider, if necessary, in audit committee meeting.

Our practice

The powers of audit committee are in accordance with Clause 49 and have been duly approved by the Board of the Company.

Clause 49 (II D) **Role of Audit Committee**

Standard

A comprehensive list of role of audit committee is provided under Clause 49 which inter-alia includes oversight and review of Company's financial reporting process, recommendation of appointment/re-appointment of statutory auditor and fees to be paid to them, review of quarterly and annual financial statements, performance of auditor, adequacy of internal control, functioning of whistle blower mechanism (in case the same is existing), etc.

Our practice

The role of the Audit committee is in accordance with Clause 49 and has been duly approved by the Board of the Company.

Clause 49 (II E) Review of information by Audit Committee

Standard

The audit committee shall mandatorily review management discussion and analysis of financial condition and result of operation, significant related parties transactions, management letters/ letters of internal control weakness issued by the statutory auditors, internal audit reports relating to internal control weakness and appointment, removal and terms of remuneration of the Chief Internal Auditor.

Our practice

The audit committee reviews all information as stipulated under Clause 49.

Clause 49 (III) Subsidiary Companies

Standard

This sub clause requires representation of Company's director on the Board of its material non-listed Indian Subsidiary. It also prescribes for the review of financial statements of unlisted subsidiary by the audit committee.
The minutes of the board meeting and a statement of all significant transaction and arrangements entered into by the unlisted subsidiary company is also required to be placed at the Board meeting of the listed holding company.

Our practice

- The Company has three Indian non-listed Subsidiary Companies, NIIT GIS Limited, NIIT SmartServe Limited and NIIT Technologies Services Limited; and all are non-material non-listed India subsidiary Companies. Mr. Amit Sharma, an Independent Non-Executive Director on the Board of the Company is also a director on the Board of NIIT GIS Limited. Mr. Surendra Singh, an Independent Non-Executive Director on the Board of the Company has been appointed as a director on the Board of NIIT SmartServe Limited.
- Financial Statements of Subsidiaries are reviewed by the Audit Committee.
- Minutes of Subsidiaries are placed before the Board of the Company on regular basis.
- A statement of all significant transactions, if any, of the subsidiaries are also placed before the Board.

Disclosures

Clause 49 (IV A) Basis of related party transactions

Standard

Summary of transaction with related parties in ordinary course of business, material individual transactions with related parties which are not in the normal course of business and material individual transactions with related parties or others, which are not on an arm's length basis shall be placed before the audit committee on periodical basis.

Our practice

The related party transactions are placed before the Audit Committee on periodic basis.

Clause 49 (IV B) Disclosure of Accounting Treatment

Standard

If in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with proper management's justification.

Our practice

In preparation of financial statements for the year under review, treatment as prescribed in Accounting Standards have been followed, which has also been disclosed in the notes to accounts.

Clause 49 (IV C) Board Disclosures-Risk Management

Standard

The Company shall lay down procedures to inform Board members about the risk assessment and minimization procedures. These procedures shall be periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

Our practice

The Company has framed a risk management procedure, which contains the procedure as to assessment of risks and their minimization. All designated officials submit quarterly reports, through an online Risk Management System, which is reviewed periodically to ensure effective risk identification and management. The Board reviews such risk management and minimization procedures on periodic basis.

Clause 49 (IV D) Proceeds from public issue, rights issue, preferential issue etc.

Standard

When money is raised through an issue, it shall be disclosed to the Audit Committee, the uses/ applications of funds by major category (capital expenditure, sales and marketing, working capital, etc.), on a quarterly basis as a part of their quarterly declaration of financial results.

Our practice

The Company has not made any public issue, right issue, preferential issue etc. during the year under review.

Clause 49 (IV E) Remuneration of Directors

Standard

All pecuniary relationships or transactions of the non-executive directors' vis-à-vis the Company shall be disclosed in the Annual Report. Annual Report should also contain all details of remuneration of directors including stock option, notice period, severance fees, etc.
Criteria for making payment to non-executive directors and number of shares and other convertible instruments held by them should be disclosed in Annual Report. Non-executive directors are required to disclose their shareholding in the listed company in which they are proposed to be appointed as directors, prior to their appointment.

Our practice

- All pecuniary relationships or transactions of the Non-executive directors vis-à-vis the Company, if any, have been disclosed in this Corporate Governance report.
- Details of remuneration and other terms of directors have been disclosed in the Corporate governance report.
- The shareholding of Non-Executive Directors being re-appointed at the ensuing Annual General Meeting is disclosed in the Notice convening the Annual General Meeting and the shareholding of all the Non-Executive Directors is disclosed in the corporate governance report.

Clause 49 (IV F) Management

Standard

A Management discussion and analysis report should form part of Annual Report of the Company.
Senior management of the Company shall make disclosure to the board relating to all material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the company at large.

Our practice

- A separate report on 'Management's Discussion and analysis' forms part of this Annual Report.
- During the year under review, there was no incident involving any conflict of interests between the senior management and the company.

Clause 49 (IV G) **Shareholders**

Standard

In case of the appointment of a new director or re-appointment of a director the shareholders must be provided with brief details of the appointee.
Quarterly results and presentations made by the company to analysts shall be put on company's web-site.
A Shareholders' / Investors' Grievance Committee should be formed under chairmanship of a Non-executive director.
To expedite the process, power of share transfer may be delegated and the delegated authority shall attend to share transfer formalities at least once in a fortnight.

Our practice

- A brief profile of directors being appointed/re-appointed has been provided in the notice convening the Annual General Meeting.
- Quarterly results are uploaded on website of the Company within 24 hours of approval by the Board. Presentation to analysts, if any, is uploaded on the website of the Company.
- Company has formed a committee named 'Shareholders'/Investors' Grievance Committee' under the chairmanship of Mr. Amit Sharma, a Non-executive & Independent director.
- The work of share transfer has been delegated to Registrar & Share Transfer Agent of the Company under the supervision of Share Transfer Committee which is a sub committee of Shareholders'/ Investors' Grievance Committee of the Board.

Clause 49 (V) **CEO/CFO Certification**

Standard

The CEO, i.e. the Managing Director and the CFO i.e. the Whole-time Finance Director or any other person heading the finance function discharging that function shall inter-alia certify to the Board accuracy of financial statement and adequacy of internal controls for financial reporting purpose.

Our practice

- Chief Executive Officer and Chief financial officer certify compliance of requirements of this clause to the Board.
- The certificate is also published in this Annual report.

Clause 49 (VI) **Report on Corporate Governance**

Standard

There shall be a separate section on Corporate governance in the Annual reports of Company.
The company shall submit a quarterly compliance report to the stock exchange within 15 days from the close of each quarter.

Our practice

- The Corporate governance report published in Annual Report fulfills requirements of this clause.
- Quarterly Compliance Certificate duly signed by Compliance Officer as to the compliance of Clause 49 requirements is sent to the all Stock Exchanges where shares of the Company are listed.

Clause 49 (VII) **Compliance**

Standard

The Company shall obtain a certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance as stipulated in this clause and annex the certificate with the directors' report.
The disclosures of the compliance with mandatory requirements and adoption (and compliance) / non-adoption of the non-mandatory requirements shall be made in the section on corporate governance of the Annual Report.

Our practice

- A certificate obtained from the Statutory Auditors regarding the compliance of the conditions of Corporate Governance is published in this Annual Report.
- Compliance with all mandatory requirements and certain non-mandatory requirements of clause 49 has been highlighted elsewhere in the report on Corporate Governance.

AUDITORS' REPORT

To the members of NIIT Technologies Limited

1. We have audited the attached Balance Sheet of NIIT Technologies Limited, as at 31 March 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 of by the Company during the year.

   (ii) (a) According to the information and explanation given to us, the Company procures inventories specifically for the purpose of executing certain contracts and no inventory is held at any point of time during the year. Accordingly clauses (ii)(a) and (ii)(b) of Paragraph 4 of the Order are not applicable to the Company.

   (b) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory.

   (iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. The Company has granted a loan to a Society aggregating Rs 250,000,000 as described in Notes 15 and 16 of Schedule 17. Provisions of Section 297, 299 and 301 of the Companies Act, 1956 are not considered to be applicable to a Society.

   (b) The Company has not taken any loan from any party covered under register maintained under Section 301 of the Act.

   (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 rendering of services and for purchase of goods and services aggregating to Rs. 55,081 lacs (excluding recoveries towards common services from domestic subsidiaries Rs 23,181,667 which are at cost, also refer Note 7 of Schedule 17) and Rs.169 lacs respectively, and with others for rendering of services and for purchase of goods and services aggregating to Rs. 138 lacs and Rs.309 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

AUDITORS' REPORT (Contd.)

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 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, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as at March 31, 2011 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount due (Rs. Lacs)	Amount deposited under protest (Rs. Lacs)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income-tax Interest	263.16 110.17	200	AY 2006-07	CIT (Appeals)
Income-tax Act, 1961	Income-tax Interest	444.59 135.06	-	AY 2007-08	CIT (Appeals)

(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 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 given by the Company aggregating to Rs. 8,334 lacs to banks for two wholly owned subsidiaries 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) There are no outstanding debentures as at the year end. Accordingly clause (xix) of Paragraph 4 of the Order is not applicable to the Company.

(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

AUDITORS' REPORT (Contd.)

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 31 March 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 31 March 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 and on behalf of
Price Waterhouse
Firm Registration Number – FRN 301112E
Chartered Accountants

Usha Rajeev
Partner
Membership No. F-087191

Place : New Delhi
Date : May 6th, 2011

Balance Sheet as at 31st March 2011

	Schedule / (Note Reference)		As At 31st March 2011 (Rs.)		As At 31st March 2010 (Rs.)
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	592,510,560		587,878,450	
Share Application Money		190,800		216,000	
Reserves and Surplus	2	5,212,567,865	5,805,269,225	4,161,974,631	4,750,069,081
LOAN FUNDS					
Secured Loans	3		36,714,316		9,074,908
			5,841,983,541		**4,759,143,989**
APPLICATION OF FUNDS					
FIXED ASSETS	4				
Gross Block		2,182,476,273		2,424,824,808	
Less: Depreciation & Amortisation		1,293,387,287		1,516,010,698	
Net Block			889,088,986		908,814,110
Capital work-in-progress (including Capital Advances)			1,437,222,679		1,286,430,615
INVESTMENTS	5		1,365,788,678		1,610,923,940
DEFERRED TAX ASSETS (NET)	17(20b)		127,057,698		70,049,122
CURRENT ASSETS, LOANS AND ADVANCES					
Sundry Debtors	6	1,946,404,137		1,012,284,545	
Cash and Bank Balances	7	221,037,045		303,942,346	
Other Current Assets	8	356,283,878		80,434,209	
Loans and Advances	9	1,023,274,431		834,436,630	
		3,546,999,491		2,231,097,730	
Less : CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	10	786,951,907		711,885,059	
Provisions	11	737,222,084		636,286,469	
		1,524,173,991		1,348,171,528	
Net Current Assets / (Liabilities)			2,022,825,500		882,926,202
			5,841,983,541		**4,759,143,989**

NOTES TO ACCOUNTS **17**

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

For **Price Waterhouse**
Firm Registration No.FRN301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

Usha Rajeev
Partner
Membership No. F-087191

Ashok Arora
Group Chief Financial Officer

Pratibha K Advani
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Legal Counsel

Place : New Delhi
Date : May 6th, 2011

Profit and Loss Account for the year ended March 31, 2011

	Schedule / (Note Reference)	Year ended 31st March 2011 (Rs.)	Year ended 31st March 2010 (Rs.)
INCOME			
Revenue from Operations	17 {1(v),14,19 and 26}	7,292,809,648	4,935,787,486
Other Income	12	228,149,104	112,588,108
		7,520,958,752	**5,048,375,594**
EXPENDITURE			
Personnel	13	3,350,580,863	2,545,931,443
Development and Bought out	14	1,731,798,502	418,823,543
Administration, Finance and Others	15	831,108,407	801,598,127
Marketing	16	33,756,578	28,557,969
Depreciation and Amortisation	4	232,713,340	245,546,460
		6,179,957,690	**4,040,457,542**
Profit Before Tax		**1,341,001,062**	**1,007,918,052**
Tax Expense	17 {1(x) and 20}		
- Current		287,788,040	224,019,848
- MAT Credit		(109,757,547)	(126,886,404)
- Deferred Charge/(Benefit)		(69,557,840)	(40,088,705)
Profit After Tax		**1,232,528,409**	**950,873,313**
Balance brought forward from previous year		3,270,444,239	2,888,770,320
Balance available for appropriation		**4,502,972,648**	**3,839,643,633**
APPROPRIATION			
Dividend:-			
Dividend Paid (Related to Previous Year)		595,700	182,976
Corporate Dividend Tax on above		-	39,458
Proposed on Equity Shares		444,382,920	411,514,915
Corporate Dividend Tax on Proposed Dividend	17 (8)	52,463,456	62,374,714
Transferred to General Reserve		123,252,841	95,087,331
Balance Carried to Balance Sheet		3,882,277,731	3,270,444,239
		4,502,972,648	**3,839,643,633**
Basic Earnings per share	17(21)	20.91	16.19
Diluted Earnings per share	17(21)	20.64	16.14

NOTES TO ACCOUNTS 17

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

For **Price Waterhouse**
Firm Registration No. FRN301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

Usha Rajeev
Partner
Membership No. F-087191

Ashok Arora
Group Chief Financial Officer

Pratibha K Advani
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Legal Counsel

Place : New Delhi
Date : May 6th, 2011

Cash Flow Statement for the year ended 31st March 2011

		Year ended 31st March 2011 (Rs.)		Year ended 31st March 2010 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax		1,341,001,062		1,007,918,052
Add / (Less) :				
Depreciation	232,713,340		245,546,460	
Exchange (Gain)/Loss including on derivatives	(27,798,733)		(68,009,489)	
Provision for Gratuity & Compensated Expenses	28,374,680		11,445,443	
Provision for Doubtful Debts	4,662,089		2,022,555	
Provision for Doubtful Advances	4,363,235		18,413,018	
Interest Expenses	2,160,657		671,016	
Interest Income	(38,778,714)		(27,140,822)	
Dividend Income	(120,983,596)		(44,496,885)	
Loss/(Gain) on disposal/ write off of fixed assets	59,428		10,048,191	
Profit on Sale of Investment	(34,833,733)	49,938,653	(13,150,335)	135,349,152
Operating Profit before Working Capital Changes		1,390,939,715		1,143,267,204
Add / (Less) : (Increase) / Decrease in Working Capital				
Trade Receivables	(910,152,833)		(58,290,307)	
Other Current Assets	(179,214,334)		(7,029,443)	
Loans and Advances	(54,073,120)		(35,621,484)	
Current Liabilities and Provisions	387,723,878	(755,716,409)	20,436,706	(80,504,528)
Direct Tax paid (including Tax Deducted at Source)		(317,158,409)		(214,171,795)
Net cash from / (used in) Operating Activities	**(A)**	**318,064,897**		**848,590,881**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets (includes Capital WIP)		(382,600,978)		(471,073,461)
Proceeds from Sale of Fixed Assets		5,437,759		7,931,000
Investment in Subsidiaries		(61)		(59,559,500)
Short term Investments with Mutual Funds				
- Value of Units Purchased	(2,127,590,442)		(1,765,502,804)	
- Value of Units Sold	2,407,559,498	279,969,056	1,313,517,816	(451,984,988)
Dividend Income		44,496,885		305,378,026
Loans to Subsidiaries				
-Received back		-		19,885,819
Loans to NIITian Welfare Trust				200,000,000
Loan to NIIT Institute of information Technologies		-		(250,000,000)
Interest received on loan to Subsidiaries		-		17,576,020
Interest received on fixed deposit & Loan to NIITian Welfare Trust		44,077,552		15,027,076
Net cash from / (used in) Investing Activities	**(B)**	**(8,619,787)**		**(666,820,008)**

Cash Flow Statement for the year ended 31st March 2011 (Contd.)

			Year ended 31st March 2011 (Rs.)		Year ended 31st March 2010 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from Issue of Share Capital (incl. Share Premium & Share Application)			54,771,079		6,361,955
Term Loans					
-Received		35,002,777		6,347,683	
-Repaid		(7,363,369)	27,639,408	(5,927,718)	419,965
Interest paid on Fixed Loan			(2,160,657)		(671,016)
Dividend paid (including Dividend Tax)			(472,600,241)		(392,158,464)
Net cash from / (used in) Financing Activities	**(C)**		**(392,350,411)**		**(386,047,560)**
Cash and Cash Equivalents at the beginning of the year (refer schedule 7)			**303,942,346**		**508,219,033**
Cash and Cash Equivalents at the end of the year (refer schedule 7)			**221,037,045**		**303,942,346**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(A+B+C)**		**(82,905,301)**		**(204,276,687)**

Notes:

1 The above cash Flow has been prepared as per the indirect method set out in AS-3 notified under Section 211 (3C) of the Companies Act, 1956.
2 The enclosed schedules 1 to 17 form an integral part of the Cash Flow Statement.
3 Cash and cash equivalents include fixed deposits held as margin money Rs.29,500,000 (Previous Year Rs.10,496,712)
4 Figures in paranthesis indicate cash outgo.
5 Previous year figures have been regrouped/reclassified to conform to current year's classification.

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

For **Price Waterhouse**
Firm Registration No. FRN301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

Usha Rajeev
Partner
Membership No. F-087191

Ashok Arora
Group Chief Financial Officer

Pratibha K Advani
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Legal Counsel

Place : New Delhi
Date : May 6th, 2011

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

Schedule No.		As At 31st March 2011 (Rs.)		As At 31st March 2010 (Rs.)
1. SHARE CAPITAL				
Authorised				
75,000,000 Equity Shares (Previous Year 75,000,000 equity shares) of Rs. 10/- each		750,000,000		750,000,000
		750,000,000		**750,000,000**
Issued, subscribed and Paid-up				
59,251,056 Equity Shares (Previous Year 58,787,845 shares) of Rs. 10/- each		592,510,560		587,878,450
		592,510,560		**587,878,450**
2. RESERVES AND SURPLUS				
Capital Redemption Reserve				
As per Last Balance Sheet		16,570,603		16,570,603
Share Premium				
As per Last Balance Sheet	10,201,746		4,330,916	
Add: Addition during the year	50,164,169	60,365,915	5,870,830	10,201,746
General Reserve				
As per Last Bala nce Sheet	1,112,909,742		1,016,437,236	
Add: Employee Stock Option Lapsed Post Vesting	-		1,385,175	
Add : Balance Transferred from Profit and Loss Account	123,252,841	1,236,162,583	95,087,331	1,112,909,742
Hedging Reserve (Debit)		17,191,033		(248,151,699)
{Net of Deferred Tax Liability of Rs. 82.56 Lacs (Previous Year Deferred Tax Asset Rs 38.45 Lacs)}				
[Refer Notes 1(viii) and 26 on Schedule 17]				
Profit and Loss Account		3,882,277,731		3,270,444,239
		5,212,567,865		**4,161,974,631**
3. SECURED LOANS				
[Refer Notes 1 (ix) and 5 on Schedule 17]				
Loans from Bank				
-Vehicle Loan		36,714,316		9,074,908
		36,714,316		**9,074,908**

Note : Amount due within one year Rs.9,221,003/- (Previous year Rs.3.436,668/-).

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

4. FIXED ASSETS

[Refer Note 1 (i), (ii),(iii), (vii) & (ix) on Schedule 17]

Amount in Rupees

Description of Assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2010	Additions during the Year	Sales / Adj. during the Year	Total as on 31.03.2011	As at 01.04.2010	For the Year	Sales / Adj. during the Year	Total as on 31.03.2011	As at 31.03.2011	As at 31.03.2010
Tangible										
Land - Freehold	167,165	-	-	167,165	-	-	-	-	167,165	167,165
Land - Lease Hold	300,912,075	-	-	300,912,075	9,734,889	3,463,576	-	13,198,465	287,713,610	291,177,186
Buildings	120,418,946	51,298,911	-	171,717,857	4,427,569	2,755,016	-	7,182,585	164,535,272	115,991,377
Plant & Machinery										
Computers & Peripherals	494,056,685	40,696,710	19,498,462	515,254,933	355,885,713	85,007,874	18,534,065	422,359,522	92,895,411	138,170,972
Others	176,812,085	13,880,147	3,806,487	186,885,745	35,091,269	10,214,318	1,409,117	43,896,470	142,989,275	141,720,816
Furniture & Fixtures	97,519,146	4,791,984	-	102,311,130	40,030,031	8,772,168	-	48,802,199	53,508,931	57,489,115
Lease Hold Improvements	189,793,658	1,370,110	-	191,163,768	140,680,864	43,287,526	-	183,968,390	7,195,378	49,112,794
Vehicles	31,194,296	41,880,139	3,284,390	69,790,045	9,268,610	4,799,501	1,193,976	12,874,135	56,915,910	21,925,686
Sub Total (a)	**1,410,874,056**	**153,918,001**	**26,589,339**	**1,538,202,718**	**595,118,945**	**158,299,979**	**21,137,158**	**732,281,766**	**805,920,952**	**815,755,111**
Intangible										
Software - Acquired	1,013,927,600	64,567,402	434,244,599	644,250,403	920,874,178	74,412,262	434,199,593	561,086,847	83,163,556	93,053,422
Patents	23,152	-	-	23,152	17,575	1,099	-	18,674	4,478	5,577
Sub Total (b)	**1,013,950,752**	**64,567,402**	**434,244,599**	**644,273,555**	**920,891,753**	**74,413,361**	**434,199,593**	**561,105,521**	**83,168,034**	**93,058,999**
Total (a+b)	**2,424,824,808**	**218,485,403**	**460,833,938**	**2,182,476,273**	**1,516,010,698**	**232,713,340**	**455,336,751**	**1,293,387,287**	**889,088,986**	**908,814,110**
Previous Year	**2,487,532,236**	**155,599,621**	**218,307,049**	**2,424,824,808**	**1,470,792,096**	**245,546,460**	**200,327,858**	**1,516,010,698**		
Capital Work-in Progress (Including Capital Advances)									**1,437,222,679**	**1,286,430,615**
									2,326,311,665	**2,195,244,725**

Note : Current year Depreciation includes amount of a Rs. 21,613,137/- towards re-estimation of resdual value.

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

Schedule No.		As At 31st March 2011 (Rs.)		As At 31st March 2010 (Rs.)
5. **INVESTMENTS**				
[Refer Notes 1 (iv) ,18 and 22 on Schedule 17]				
A. **LONG TERM, TRADE [UNQUOTED]**				
In Subsidiary Companies:				
2,837,887(Previous Year 2,837,887) Equity Shares having no par value in NIIT Technologies Inc. USA		155,790,698		155,790,698
2,989,375 (Previous Year 2,989,375) Equity Shares of 1 Singapore $ each fully paid-up in NIIT Technologies Pacific Pte Ltd., Singapore		77,518,750		77,518,750
3,276,427 (Previous Year 3,276,427) Equity Shares of 1 UK Pound each fully paid-up in NIIT Technologies Ltd.,UK		204,426,821		204,426,821
890,000 (Previous Year 890,000) equity Shares of Rs 10/- each fully paid-up in NIIT GIS Ltd		8,900,000		8,900,000
537,900 (Previous Year 537,900) Equity Shares of Euro 1 each fully paid-up in in NIIT Technologies GmbH, Germany		184,762,155		184,762,155
50,000,000 (Previous Year 50,000,000) Equity Shares of Rs 10/- each fully paid-up in NIIT SmartServe Limited	500,000,000		500,000,000	
Less: Provision for Diminution	250,000,000	250,000,000	250,000,000	250,000,000
1,000,000 (Previous Year 1,000,000) Equity Shares of Euro 1 each fully paid-up in NIIT Airline Technology GmbH Germany		223,813,064		223,813,064
10 (Previous Year 10)Equity Shares of USD 5,000 each fully paid-up in NIIT Technologies Limited, Canada		1,969,500		1,969,500
1000 (Previous Year 1000) Equity Shares of 1000 AED each fully paid in NIIT Technologies FZ LLC Dubai		13,607,629		13,607,629
5,000,000 (Previous Year 2,500,000) equity shares of Rs. 10 each in NIIT Technologies Services Ltd (formerly known as Adecco NIIT Technologies Private Limited)*		25,000,061		25,000,000
(Also refer note 18 on Schedule 17)				
B. **SHORT TERM, NON TRADE [UNQUOTED]**				
[Refer Note 22 on Schedule 17]				
In Mutual Funds		220,000,000		465,135,323
		1,365,788,678		**1,610,923,940**

Note:
*(During the Year the Company purchased the remaining 2,500,000 equity shares of NIIT Technologies Services Ltd and converted it into a Wholly Owned Subsidary Company.)

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

Schedule No.		As At 31st March 2011 (Rs.)		As At 31st March 2010 (Rs.)
6. SUNDRY DEBTORS				
(Unsecured)				
Outstanding for Over Six Months				
- Considered Good	757,307,199		36,266,780	
- Considered Doubtful	45,787,039		41,124,950	
Other Debts - Considered Good	1,189,096,938		976,017,765	
	1,992,191,176		1,053,409,495	
Less : Provision for Doubtful Debts	45,787,039	1,946,404,137	41,124,950	1,012,284,545
		1,946,404,137		**1,012,284,545**
7. CASH AND BANK BALANCES				
Cash and Cheques in Hand		2,843,793		1,844,071
Bank Balances with Scheduled Banks :				
- Current Accounts		157,436,075		8,970,527
- Dividend Account		10,219,807		8,334,719
- Fixed Deposit Accounts		29,500,000		281,045,665
[Includes Rs.29,500,000 (Previous Year Rs. 10,496,712/-) pledged as margin money]				
with Other Banks				
- in Current Account *		21,037,370		3,747,364
		221,037,045		**303,942,346**

*Consists of balance with Wachovia Bank, Atlanta USA.. Maximum Balance outstanding during the year Rs. 210.37 Lacs (previous year Rs. 1202.62 Lacs) in Wachovia Bank.

8. OTHER CURRENT ASSETS		
(Unsecured, considered good)		
(Refer Note 8 of Schedule 17)		
Unbilled Revenue	208,613,290	29,398,956
Interest Receivable	1,239,530	6,538,368
Dividend Receivable	120,983,596	44,496,885
Derivative Instruments Fair Value Assets	25,447,462	-
	356,283,878	**80,434,209**

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

Schedule No.		As At 31st March 2011 (Rs.)		As At 31st March 2010 (Rs.)
9. LOANS AND ADVANCES				
(Unsecured, considered good except where otherwise stated)				
[Refer Notes 1 (iii), (xi), 16 and 20 on Schedule 17]				
Loan to NIIT Institute of Information Technology		250,000,000		250,000,000
Advances Recoverable in Cash or in Kind or for Value to be Received				
-Considered Good	211,762,034		177,427,935	
-Considered Doubtful	27,694,037		23,330,802	
	239,456,071		200,758,737	
Less : Provision for Doubtful Advances	27,694,037	211,762,034	23,330,802	177,427,935
Security Deposits				
-Considered Good	119,527,057		104,151,271	
-Considered Doubtful	1,459,716		1,459,716	
	120,986,773		105,610,987	
Less : Provision for Doubtful Security Deposits	1,459,716	119,527,057	1,459,716	104,151,271
Advance Income Tax	778,357,574		509,519,051	
Less: Provision for Income Tax	673,986,571	104,371,003	434,518,417	75,000,634
Advance Fringe Benefits Tax	49,383,996		49,383,996	
Less: Provision for Fringe Benefits Tax	49,120,061	263,935	49,120,061	263,935
MAT Credit		337,350,402		227,592,855
		1,023,274,431		**834,436,630**
10. CURRENT LIABILITIES				
[Refer Note 4 on Schedule 17]				
Sundry Creditors				
-Outstanding Due to Micro Enterprises and Small Enterprises		-		-
-Outstanding Due to Creditors Other than Micro Enterprises and Small Enterprises		535,090,938		393,062,906
Advances from Customers		145,430,614		1,656,604
Unclaimed Dividend *		10,219,807		8,334,719
Other Liabilities		96,210,548		57,394,192
Derivative Instruments Fair Value Liability		-		251,436,638
* There are no amounts due for payment to the Investor Protection Fund under Section 205C of The Companies Act, 1956 as at the year end.				
		786,951,907		**711,885,059**
11. PROVISIONS				
[Refer Note 1 (vi), (xi), 8 and 17 on Schedule 17]				
Provision for Compensated Absences		190,771,520		162,396,840
Proposed Dividend on Equity Shares		444,382,921		411,514,915
Corporate Dividend Distribution Tax		52,463,455		62,374,714
Provision for Contract Warranties		49,604,188		-
		737,222,084		**636,286,469**

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

Schedule No.		Year ended 31st March 2011 (Rs.)		Year ended 31st March 2010 (Rs.)
12. OTHER INCOME				
[Refer Notes 1(v), 6, 8, 9 and 22on schedule 17]				
Profit on Sale of Investments		34,833,733		13,150,335
Recovery from Subsidiaries for Common Corporate Expenses		23,771,118		21,567,008
Interest Received on :				
- Loans	30,000,000		11,209,690	
-Bank Deposits	8,778,714		15,931,132	
	38,778,714		27,140,822	
Less: Interest Paid on Fixed Loans	2,160,657	36,618,057	671,016	26,469,806
Miscellaneous		11,942,600		6,904,074
Dividend Income		120,983,596		44,496,885
		228,149,104		**112,588,108**
13. PERSONNEL				
[Refer Notes 1(vi) ,17, 23, and 25 on schedule 17]				
Salaries and Benefits		3,183,652,265		2,468,926,975
Contribution to Retirement Benefit Funds		88,250,904		49,357,358
Welfare and Other Expenses		78,677,694		27,647,110
		3,350,580,863		**2,545,931,443**
14. DEVELOPMENT AND BOUGHT OUT				
[Refer Notes 14 (a) and (b) on schedule 17]				
Bought Out Items		1,216,756,026		28,971,522
Professional Charges		460,212,328		347,057,858
Equipment Hiring		4,837,262		1,615,477
Consumables		32,472,028		29,678,874
Others		17,520,858		11,499,812
		1,731,798,502		**418,823,543**

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

Schedule No.		Year ended 31st March 2011 (Rs.)	Year ended 31st March 2010 (Rs.)
15.	**ADMINISTRATION, FINANCE AND OTHERS**		
	[Refer Note1 (vii), (viii), (xii), 7, 13, 24 and 26 on Schedule 17]		
	Rent	153,587,533	152,684,444
	Rates and Taxes	1,148,567	2,720,359
	Electricity and Water	60,162,713	45,836,449
	Communication	50,822,705	44,283,089
	Legal and Professional	74,538,260	57,628,190
	Travelling and Conveyance	270,487,668	195,899,985
	Bank, Discounting and Other Financial Charges	8,162,894	3,678,083
	Loss/(Gain) on Exchange Fluctuations (Net)* *Includes fair value loss/(Gain) on non-designated derivative instruments of Rs.20,289,194/-(Previous Year 88,452,284/-)	26,246,425	173,649,570
	Insurance Premium	14,453,748	13,845,559
	Repairs and Maintenance		
	- Plant and Machinery	30,805,941	26,776,334
	- Buildings	934,483	261,204
	- Others	43,991,815	39,265,863
	Bad Debt and Provision for Doubtful Debt	4,662,089	2,022,555
	Loss/(Profit) on Sales of Assets	59,428	10,048,191
	Miscellaneous Expenses	41,044,138	32,998,252
	Donation	50,000,000	-
		831,108,407	**801,598,127**
16.	**MARKETING**		
	Advertisement and Publicity	8,908,108	8,510,050
	Others	24,848,470	20,047,919
		33,756,578	**28,557,969**

Schedule '17': Notes to Accounts for the year ended 31st March 2011

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on an accrual basis and 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) and the relevant provisions of the Companies Act, 1956. The significant accounting policies adopted by the Company are detailed below:

i) Fixed Assets, Intangible Assets and Capital Work-in-Progress

Fixed assets are stated at cost, less accumulated depreciation. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use at the Balance Sheet date. Intangible assets are recorded at the consideration paid for acquisition.

ii) Depreciation and Amortization

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: -

Leasehold Land	Over the period of lease.
Leasehold Improvements	3 years or lease period whichever is lower
Computers, Related Accessories and Software	2-5 years

All other assets comprising of Building, Plant & Machinery, Furniture and Fixtures, Vehicles and Patents are depreciated/ amortized on straight-line method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

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

iii) 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.

iv) Investments

Long-term investments are valued at their acquisition cost. Any decline in the value of the investment, other than a temporary decline, is recognized and provided for in the Profit and Loss Account. Short-term investments are carried at cost or their market values whichever is lower.

v) Revenue Recognition

Software Services

The Company derives a substantial part of its revenue from time and material contracts where the revenue is recognized on a man month basis. Also, the Company derives revenues from fixed price contracts where revenue is recognized based on proportionate completion method and foreseeable losses on the completion of contract if any, are provided for.

Revenues from the sale of equipment are recognized upon delivery, which is, when the title passes to the customer.

Revenue from other services is recognized as the related services are performed.

Dividend

Dividend income is recognized when the right to receive dividend is established.

Interest

Interest on Loans and Fixed Deposits are booked on time proportion basis taking into account the amounts invested and Rate of Interest.

vi) Employee Benefits

a) **Retirement Benefit Plans:**

- **Provident Fund**

TThe Company makes contribution to the "NIIT Technologies Limited Employees' Provident Fund Trust". The above Trust has been notified on 20th March 2009, by Ministry of Labour and Employment, Government of India as an exempt trust. The Trust 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 investment of the Trust and interest rate notified every year by the Government. The Company's obligation towards any shortfall is actuarially determined and provided for.

Schedule '17': Notes to Accounts for the year ended 31st March 2011 (Contd.)

The Company's contribution towards Provident Fund is charged to Profit and Loss Account.

- **Superannuation**

  The Company makes defined contribution to a Trust established for this purpose by the Company. The Company has no further obligation beyond it's monthly contributions.

  The Company's contribution towards Superannuation Fund is charged to Profit and Loss Account.

- **Gratuity**

  Gratuity is a post employment defined benefit plan. The liability recognized in the Balance Sheet in respect of Gratuity is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. Actuarial gains and losses are charged or credited to the Profit and Loss Account in the year in which such gains or losses arise.

- **Overseas Employees**

  In respect of employees of the overseas branch, the Company makes defined contribution on a monthly basis towards the retirement benefit plan which is charged to the Profit and Loss Account.

b) **Compensated absences**

The Liability in respect of compensated absences is provided both for encashable leave and those expected to be availed based on actuarial valuation, which considers undiscounted value of the benefits expected to be paid/availed during the next one year and appropriate discounted value for the benefits expected to be paid/availed after one year.

c) **Employee Stock Option Plan**

The stock options granted under "NIIT Technologies Employees Stock Option Plan 2005" is 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 recognized 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 balance in employee stock option outstanding account net of any un-amortized deferred employee compensation is shown separately as part of shareholders' funds.

vii) Foreign Currency Transactions

Transactions in foreign currency are accounted for at standard rates determined periodically, which approximate the actual rates, and all monetary assets and liabilities in foreign currency are restated at the year-end. Gain/ Loss arising out of fluctuations on realization/ payment or restatement, is charged / credited to the Profit and Loss Account.

The operations of the Company's overseas branch in USA is considered integral in nature and the balances / and transactions of the branches are translated using the aforesaid principle.

viii) Hedge Accounting

In accordance with its Risk management policies and procedures, the Company uses derivative instruments such as foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecasted transactions. The derivatives that qualify for hedge accounting and designated as cash flow hedges are initially measured at fair value and are re-measured 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 recognized directly in shareholders' funds under hedging reserve to the extent considered highly effective. Gain or loss on derivative instruments that either do not qualify for hedge accounting or are not designated as cash flow hedges or designated as cash flow hedges to the extent considered ineffective are recognized in the Profit and Loss Account.

Hedge accounting is discontinued when the hedging instrument expires, sold, terminated or exercised or o longer qualifies for hedge accounting. The cumulative gain or loss on the hedging instrument recognized 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 in Profit and Loss Account. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholder's fund is transferred to Profit and Loss Account in the same period.

Schedule '17': Notes to Accounts for the year ended 31st March 2011 (Contd.)

ix) Borrowing Cost

Borrowing costs are expensed in the year 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 capitalized.

x) Taxation

Tax expense comprising of both current tax (including Fringe Benefit Tax) and deferred tax from operations in India and overseas branches, is included in determining the net results for the year. Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. As a matter of prudence deferred tax assets are recognized and carried forward only to the extent, there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Current tax for operations in India and overseas branches is determined based on the provisions of respective tax regulations.

Minimum Alternative Tax (MAT) credit asset is recognized in the Balance Sheet where it is likely that it will be adjusted against the discharge of the tax liability in future under the Income Tax Act, 1961.

xi) 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.

xii) Leases

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of the related lease agreement.

xiii) Earning Per Share

The earnings considered in ascertaining the Company's Earning 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: -

a) Guarantees issued by bankers outstanding at the end of accounting year Rs. 84,186,387/- (Previous Year Rs. 37,717,022/-).

b) Guarantees to banks against lines of credit sanctioned to wholly owned overseas subsidiaries Rs.833,424,569/- (Previous Year Rs. 795,815,380/-). Amount outstanding against this guarantee is Rs. 71,092,970/- (Previous Year Rs. 204,223,338/-).

c) Guarantees on behalf of wholly owned overseas subsidiaries Rs. 1,419,493,578/- (Previous Year Rs. 516,907,350/-).

d) Claims against the Company not acknowledged as debts Rs. 6,230,000/- (Previous Year Rs. 6,230,000/-).

e) Income Tax demand of Rs. 95,297,958/- (Previous Year Rs. 37,332,318/-). Against this, the Company has deposited a sum of Rs. 20,000,000/- under protest. (Previous Year Rs. 20,000,000).

3. Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for Rs. 309,849,136/- (Previous Year Rs. 286,310,956/-).

4. Micro and Small scale business entities :

There are no micro and small scale enterprises, to which the Company owes dues, as at 31st March 2011. This information as required to be disclosed under the Micro, Small and Medium enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

5. a) Working capital limits of Rs. 12,500 Lacs (Previous Year Rs. 10,000 Lacs) are secured by a first charge on the book debts of the Company and by a second charge on movable assets of the Company. The Company has not utilized the fund based limit as at the year-end (Previous Year Rs. Nil).

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

6. Interest received are gross of tax deducted at source of Rs. 3,959,067/- (Previous Year Rs. 4,288,919/-).

7. Expenses during the year are net of recoveries towards common services at cost from domestic subsidiaries amounting to Rs. 23,181,667/- (Previous Year Rs. 20,809,846/-).

Schedule '17': Notes to Accounts for the year ended 31st March 2011 (Contd.)

8. The Company's domestic subsidiary NIIT GIS Limited has declared dividend of which Rs.120,983,596/- (Previous Year Rs. 44,496,885/-) is receivable by the Company in respect of which dividend distribution tax would be paid by the subsidiary. In terms of provisions of sub-section 1A of section 115 O of the Income Tax Act, 1961 dividend distribution tax is payable by the Company on the amount being excess of dividend proposed by the Company over the dividend receivable by the Company from its subsidiary.

9. The profit on sale of investments includes Rs. 7,881,452/- (Previous Year Rs. Nil) on sale of units of mutual funds held as investment for a period of more than 12 months.

10. EARNINGS IN FOREIGN CURRENCY

	2010-11 (Rs.)	2009-10 (Rs.)
IT and Related Services	5,225,780,708	4,448,227,289
Interest	-	725,306
Other income – Recovery of Shared Services from overseas subsidiaries	16,334,664	15,741,912

11. CIF VALUE OF IMPORTS

	2010-11 (Rs.)	2009-10 (Rs.)
Capital goods	123,059,944	20,951,149

12. EXPENDITURE IN FOREIGN CURRENCY

	20010-11 (Rs.)	2009-10 (Rs.)
Development and Bought out	826,459	-
Travel	119,546,570	96,773,174
Professional fees	1,384,933	3,051,342
Branch office Expenses	1,747,318,620	1,426,346,408
Others	29,237,290	10,035,598

13. PAYMENT TO AUDITORS (Excluding Service Tax)

	2010-11 (Rs.)	2009-10 (Rs.)
Statutory Audit fees	3,800,000	3,800,000
Certification and Other Services	3,500,000	2,430,000
Tax audit fees	300,000	300,000
Reimbursement of expenses	495,028	406,501

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

a) The Company is engaged, inter-alia, in the production and development of computer software. The production and sale of such software cannot be expressed in generic unit. Hence, it is not possible to give quantitative details as required under paragraph 3 and 4C of Part II of Schedule VI of the Companies Act, 1956.

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

	2010-11 Rs.	2009-10 Rs.
Opening Stock	-	-
Purchases	1,215,052,603	28,971,522
Sales	1,348,353,233	40,463,191
Closing stock	-	-

Schedule '17': Notes to Accounts for the year ended 31st March 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 disclosed or furnished.

c) Revenue includes income from software development and related services of Rs 5,892,663,083/- (Previous Year Rs. 4,895,324,295/-).

15. RELATED PARTY TRANSACTIONS AS PER ACCOUNTING STANDARD 18:

A. Related party relationship where control exists:

Subsidiaries

1. NIIT GIS Ltd, India
2. NIIT SmartServe Ltd, India
3. NIIT Technologies Services Ltd, India (Erstwhile Adecco NIIT Technologies Limited) (Subsidiary with effect from 1st April 2010)
4. NIIT Technologies Ltd, United Kingdom
5. NIIT Technologies BV, Netherlands (Held by NIIT Tech, UK)
6. NIIT Technologies NV, Belgium (Held by NIIT Tech BV, Netherlands)
7. NIIT Technologies Pte Limited, Singapore
8. NIIT Technologies Ltd, Thailand (Held by NIIT Tech, Singapore)
9. NIIT Technologies Pty Ltd, Australia (Held by NIIT Tech, Singapore)
10. NIIT Technologies K.K., Japan (Held by NIIT Tech, USA)
11. NIIT Technologies GmbH, Germany
12. NIIT Technologies AG, Switzerland (Held by NIIT Tech GmbH, Germany)
13. NIIT Technologies AG, Austria (Held by NIIT Tech, Switzerland)
14. NIIT Technologies Inc, USA
15. NIIT Insurance Technologies Limited, United Kingdom (Erstwhile ROOM Solutions Limited) (Held by NIIT Tech, UK)
16. NIIT Airline Technologies GmbH, Germany (Erstwhile Softech GmbH)
17. NIIT Technologies FZ LLC, Dubai
18. NIIT Technologies Limited, Canada
19. NIIT Healthcare Technologies Inc., USA (Held by NIIT Tech Inc, USA) wef 9th December 2010

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

a) **Parties of whom the Company is an associate and its subsidiaries:**
- NIIT Limited, India (Through its subsidiary, Scantech Evaluation Services Ltd, India)
- NIIT USA Inc., USA
- Evolve Services Limited, India

b) **Key Managerial Personnel**
- Rajendra S Pawar
- Vijay K Thadani
- Arvind Thakur

c) **Parties in which the Key Managerial Personnel of the Company are interested:**
- Naya Bazar Novelties Pvt. Ltd., India
- NIIT Institute of Information Technology, India

Schedule '17': Notes to Accounts for the year ended 31st March 2011 (Contd.)

C. Details of transactions with related parties (described above) carried out on an arms length basis:-

Nature of Transactions	Subsidiaries (Rs.)	Party of whom the Company is an associate (Rs.)	Key Managerial Personnel (Rs.)	Parties in which Key Managerial Personnel of the Company are interested (Rs.)	Joint Venture (Rs.)	Total (Rs.)
Purchase of Fixed Assets (Note 2)	2,303,480 (112,540)	- -	- -	- -	- -	2,303,480 (112,540)
Sale of Fixed Assets (Note 3)	- -	- (554,754)	- -	- -	- -	- (554,754)
Rendering of Services (Note 4)	5,484,280,875 (4,997,097,182)	9,344,949 (8,385,289)	- -	- -	- (3,154,285)	5,493,625,824 (5,008,636,756)
Receiving of Services (Note 5)	14,614,555 (13,793,470)	30,913,882 (4,249,563)	- -	- -	- -	45,528,437 (18,043,033)
Recovery of Expenses by the Company (Including those from Overseas Subsidiaries) (Note 6)	94,950,776 (72,501,566)	5,478,163 (350,000)	- -	- (192,000)	- (3,584,299)	100,428,939 (76,627,865)
Recovery of Expenses from the Company (Note 7)	63,128,911 (138,988,359)	25,792,383 (27,195,136)	- -	- -	- -	88,921,294 (166,183,495)
Donation given (Note 8)	- -	- -	- -	50,000,000	- -	50,000,000 -
Sale of Goods (Note 9)	532485 -	- -	- -	-	- -	532,485 -
Finance:						
Investments made (Note 10)	61 (59,559,500)	- -	- -	- -	- -	61 (59,559,500)
Loans Given (Note 11)	- -	- -	- -	- (250,000,000)	- -	- (250,000,000)
Loans Given Received back (Note12)	- (21,850,802)	- -	- -	- -	- -	- (21,850,802)
Interest received (Note 13)	- (725,306)	- -	- -	30,000,000 (82,192)	- -	30,000,000 (807,498)
Remuneration / Commission Sitting Fees (Note 14)	- -	- -	50,105,054 (27,088,895)	- -	- -	50,105,054 (27,088,895)
Other Income (Note 15)	23,771,118 (21,158,085)	4,500,000 -	- -	- -	(408,970)	28,271,118 (21,567,055)
Other Expenses (Note 16)#	- -	17,182 -	- -	655,657 (440,005)	- -	672,839 (440,005)
Dividend paid to Scantech Evaluation Services Ltd	- -	108,701,100 (101,454,360)	- -	- -	- -	108,701,100 (101,454,360)
Dividend receivable from NIIT GIS Limited	120,983,596 (44,496,885)	- -	- -	- -	- -	120,983,596 (44,496,885)

Schedule '17': Notes to Accounts for the year ended 31st March 2011 (Contd.)

Notes:

1. Figures in parenthesis represent previous year's figure.
2. Transactions in purchase of Fixed Assets for the year with;
   NIIT Technologies Services Ltd.Rs.23.03 Lacs (Previous year Rs.Nil)
   NIIT GIS Ltd Nil (Previous year 1.13Lacs)
3. Includes transactions in Sale of Fixed Assets for the year with;
   NIIT Limited Rs Nil (Previous year Rs.5.55Lacs)
4. Includes transactions in Rendering of Services for the year mainly with;
   * NIIT Technologies Inc USA Rs. 34,945.79Lacs (Previous year Rs. 30,807.78Lacs)
   * NIIT Technologies Ltd, UK Rs 8,096.06Lacs (Previous year Rs. 9,225.72Lacs)
   NIIT Limited Rs 93.45 Lacs (Previous year Rs. 83.85Lacs)
   * includes revenue from revision in rates based on an independent transfer pricing study.
5. Includes transactions in Receiving of Services for the year mainly with;
   NIIT (Thailand) Ltd Rs Nil (Previous year Rs.10.03 Lacs)
   NIIT SmartServe Limited Rs.Nil (Previous year Rs 15.75Lacs)
   NIIT Limited Rs 298.84Lacs (Previous year Rs.39.75Lacs)
   NIIT Technologies Pte Ltd. Singapore Rs. 107.12Lacs (Previous year Rs. Nil)
   NIIT GIS Ltd Rs 39.03Lacs (Previous year Rs. 112.14Lacs)
6. Includes transactions in recovery of expenses by the Company for the year mainly with;
   NIIT GIS Ltd Rs 233.09Lacs (Previous year 161.09Lacs)
   NIIT SmartServe Limited Rs.18.37Lacs (Previous year Rs 10.28Lacs)
   NIIT Technologies Ltd, UK Rs.131.43Lacs (Previous year Rs138.62Lacs)
   NIIT Limited Rs 52.37Lacs (Previous year Rs. 3.50Lacs)
   NIIT Technologies Inc USA Rs.229.58Lacs (Previous year Rs. 230.89Lacs)
7. Includes transactions in recovery of expenses from the Company for the year mainly with;
   NIIT SmartServe Limited Rs 196.07Lacs (Previous year Rs. 98.16Lacs)
   NIIT Limited Rs 108.65Lacs (Previous year Rs. 52.07Lacs)
   NIIT USA Inc Rs 149.28Lacs (Previous year Rs.219.88Lacs)
   NIIT Technologies Inc Rs.412.45Lacs (Previous year Rs. 1278.67Lacs)
8. Includes transactions in donation made for the year mainly with;
   NIIT Institute of Information Technology Rs 500.00Lacs (Previous year Rs. Nil)
9. Includes transactions in sale of goods made for the year mainly with;
   NIIT Technologies Services Ltd.Rs.5.32 Lacs (Previous year Rs.Nil)
10. Includes transactions in Investments made for the year mainly with;
    NIIT Airline Technologies GmbH Rs Nil (Previous year Rs.595.60Lacs)
    NIIT Technologies Services Ltd.Rs.61/- (Previous year Rs.Nil)
11. Transactions in Loans Given for the year with;
    NIIT Institute of Information Technology Rs Nil(Previous year Rs. 2500.00Lacs)
12. Transactions in loans given received back for the year with;
    NIIT Airline Technologies GmbH Rs Nil (Previous year 218.51Lacs)
13. Transactions in interest received for in the year with;
    NIIT Airline Technologies GmbH Rs.Nil (Previous year Rs.7.25Lacs)
    NIIT Institute of Information Technology Rs 300.00 Lacs (Previous year Rs. 0.82Lacs)
14. Remuneration of:
    Mr. R S Pawar – Rs.150.59Lacs (Previous year Rs.94.57Lacs)
    Mr. Arvind Thakur – Rs.342..26Lacs (Previous year Rs.170.11Lacs)
    Mr. Vijay K Thadani – Rs.8.20Lacs (Previous year Rs.6.20Lacs)
15. Includes transactions in other income for the year mainly with;
    NIIT GIS Limited Rs 48.53Lacs (Previous year Rs.33.88Lacs)
    NIIT SmartServe Ltd Rs 25.83Lacs (Previous year Rs.20.29Lacs)
    NIIT Technologies Ltd, UK Rs 36.46Lacs (Previous year Rs.47.54Lacs)
    NIIT Technologies Inc USA Rs.39.43Lacs (Previous year Rs.29.34Lacs)
    NIIT Limited Rs. 45.00 Lacs (Previous year Rs. Nil)
16. Includes transactions in other expenses for the year mainly with;
    Naya Bazaar Novelties P Ltd Rs.6.88Lacs (Previous year Rs.4.40Lacs)
    #Total of Rs. 6.88 Lacs includes reversal for expense of earlier year, Rs 0.32 Lacs
    Naya Bazaar Novelties P Ltd Rs.4.40Lacs (Previous year Rs.2.75Lacs)

Schedule '17': Notes to Accounts for the year ended 31st March 2011 (Contd.)

D. Details of balances with related parties:

	Receivables As at 31.03.2011 (Rs.)	Payables As at 31.03.2011 (Rs.)	Receivables As at 31.03.2010 (Rs.)	Payables As at 31.03.2010 (Rs.)
Subsidiaries	1,203,089,017	9,885,724	932,867,199	18,719,661
Associates	3,941,640	21,777,677	3,095,999	5,002,840
Parties in which Key Managerial Personnel are interested	39,764	10,763	250,160,782	10,762
Key Managerial Personnel	-	83,807	-	15,955,000
Joint Venture	-	-	295,235	-

16. During 2009-10, the Company had granted unsecured loan of Rs.2,500 Lacs to NIIT Institute of Information Technology, a society registered under Society Registration Act, 1860 (referred to as Borrower). The Borrower has set up a University named as "NIIT University" (NU) as a private University at Neemrana, District Alwar, Rajasthan in accordance with the Guidelines for the Establishment of Private University by a separate Act issued by Government of Rajasthan. This loan repayment term has been extended for a period of 6 months with the same terms and conditions.

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.

Employer's Contribution	March 31, 2011 (Rs.)	March 31, 2010 (Rs.)
Employers Contribution to Provident Fund Trust	50,768,640	40,766,573
Employers Contribution to Superannuation Fund	7,800,343	7,687,294
Employers Contribution to Overseas Plan	19,504,262	-

b) Disclosure in respect of defined benefit plans in accordance with Accounting Standard 15 (Revised) "Employee Benefits"

- **Provident Fund:**

(a) In respect of Company's obligation towards guaranteed returns on Provident Fund Contributions made to the "NIIT Technologies Limited Employees Provident Fund Trust" established by the Company, the Company's obligation has been actuarially determined. As per actuary's report the interest earnings and cumulative surplus of Trust are less than the statutory requirement and accordingly the additional liability of employer on account of interest shortfall are provided for in the books.

(b) The Company made defined contribution to Regional Provident Fund Commissioner (RPFC) from 1st October 2005 till 29th February 2009 in respect of Provident Fund. The Company has transferred these contributions along with the interest from RPFC to NIIT Technologies Limited Employees' Provident Fund Trust. The Company does not have any further obligation in this respect.

Schedule '17': Notes to Accounts for the year ended 31st March 2011 (Contd.)

- **Compensated Absences**

Amount (Rs.)

i) Change in present value of obligation	2010-11	2009-10
Present value of obligation as at the beginning of the period	162,396,840	149,829,705
Interest cost	13,095,106	11,517,846
Current service cost	93,509,312	88,188,887
Benefits paid	(811,700)	(318,000)
Actuarial (gain)/loss on obligation	(77,418,038)	(86,821,598)
Present value of obligation as at the end of period	190,771,520	162,396,840

ii) Principal Actuarial Assumptions used in accounting for Compensated Absences	2010-11	2009-10
For NTL India (Excluding US Branch)		
Discount Rate	8.10%	8.10%
Future Salary Increase	0-4 Years 8% 5-9 Years 6% 10 and above 5%	0-4 Years 8% 5-9 Years 6% 10 and above 5%
For USA Branch		
Discount Rate	8.10%	8.10%
Future Salary Increase	1st Year 0% Afterwards 4%	1st Year 0% Afterwards 4%

- **Gratuity:**

Disclosures as per actuarial report of independent actuary:

i. Amount of obligation as at the year end is determined as under:

Amount (Rs.)

Description	2010-11	2009-10
Present value of obligation as at the beginning of the year	82,052,240	76,661,844
Interest cost	6,366,780	6,022,410
Current service cost	12,842,280	11,881,000
Benefits paid	(6,899,970)	(2,763,810)
Actuarial (gain)/loss on obligations	(492,330)	(9,749,204)
Present value of obligation as at the end of the year	93,869,000	82,052,240

ii. Change in Plan Assets:

Amount (Rs.)

Description	2010-11	2009-10
Plan assets at beginning at fair value	92,988,702	75,540,152
Expected return on plan assets	8,416,640	7,462,160
Contributions	-	13,027,510
Benefits paid	(6,899,970)	(2,763,810)
Actuarial gain/(loss) on plan assets	88,740	(277,310)
Plan assets at year end at fair value	94,594,112	92,988,702

Schedule '17': Notes to Accounts for the year ended 31st March 2011 (Contd.)

iii. Amount of the obligation recognized in the Balance Sheet:

Amount (Rs.)

Description	2010-11	2009-10
Present value of the defined benefit obligation at the end of the year	93,869,000	82,052,240
Fair value of plan assets at the end of the year	94,594,112	92,988,700
Liability/ (Assets) recognized in the Balance sheet	(725,112)	(10,936,460)

iv. Amount of Gratuity expense recognised in the Profit and Loss Account:

Amount (Rs.)

Description	2010-11	2009-10
Current service cost	12,842,280	11,881,000
Interest cost	6,366,780	6,022,410
Expected return on plan assets	(8,416,640)	(7,462,160)
Actuarial (gain)/ loss recognized during the year	(581,070)	(9,472,050)
Total	10,211,350	969,200

v. Investment details of plan assets:

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

vi. Principal actuarial assumptions at the Balance Sheet date:

	2010-11	2009-10
Discounting Rate	8.10%	8.10%
Expected Rate of return on plan assets	9.40%	9.40%

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

18. The Company and Joint Venture partner Adecco Holding Europe BV, Netherlands had signed an agreement on April 26th, 2010 replacing the erstwhile joint venture agreement which provided for amongst others, the transfer of entire shareholding held by joint venture partner to the Company. During the year, the Company has acquired 2,500,000 shares held by Joint Venture partner in the Joint Venture Company for a nominal value and thereby making it a wholly owned subsidiary of the Company.

19. The dominant source of risk and returns of the enterprise is considered to be the business in which it operates viz – software solutions. Being a single business segment Company, no primary segment information is being provided. The secondary segment information as per Accounting Standard 17 "Segment Reporting" in relation to the geographies is as follows:

(Rs. Lacs)

Particulars	Revenue by location of customers		Carrying amount of segment assets by location of the assets		Additions to fixed assets	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
India	20,670	5,010	73,662	61,073	2,185	1,556
America *	32,345	25,206	-	-	-	-
Europe *	15,159	15,632	-	-	-	-
Asia Pacific (including Australia) *	4,754	3,510	-	-	-	-
Total	**72,928**	**49,358**	**73,662**	**61,073**	**2,185**	**1,556**

*Net of Hedging loss of Rs. 2,818 Lacs (includes America Rs. 2,768 lacs, Europe Rs.42 lacs & Australia Rs.8 lacs) (Previous Year Rs. 5,602 Lacs) related to derivative instruments matured during the year.

Schedule '17': Notes to Accounts for the year ended 31st March 2011 (Contd.)

20. Income Tax

a) **Current Income Tax**

(i) The Company pays taxes on income under the Indian Income Tax Regulations and under the US tax regulations in respect of its India & US operations respectively.

(ii) As regard Indian Income Tax, the Company avails deduction under the provisions of Section 10B of the Income Tax Act, 1961 available to export oriented unit registered with Software Technology Parks of India. The current tax charge for the year includes charge in respect of Indian Income Tax of Rs 2,249 Lacs after adjusting relief in relation to income taxes payable in United States to the extent of Rs.203 Lacs. It further includes Rs. 10 lacs relating to Financial Year 2008-09 and Rs. 30 Lacs relating to Financial Year 2009-10 recognized in filing of tax return. The current tax under Indian Income tax relates to Minimum Alternate Tax (MAT) as per the provisions of Section 115JB, part of which amounting to Rs. 1,047 Lacs (Previous Year Rs. 1,269 Lacs), is expected to be recovered in future years and the same has been recognized as MAT credit entitlement in these accounts.

(iii) The current tax charge includes tax payable under the US income tax regulation of Rs. 589 Lacs (Previous Year Rs. 477 Lacs).

b) **Deferred Tax**

Break up of deferred tax assets/ liabilities and reconciliation of current accounting period deferred tax credit is as follows:

(Rs. Lacs)

Deferred Tax Assets/Liabilities	**As at 01.04.2010**	**Charged/ (Credited) during the year**	**As at 31.03.2011**
Deferred Tax Liabilities			
(a) Tax impact of expenses not charged in the financial statements but claimed as deduction under Income-tax Act	81	(5)	76
Total (A)	**81**	**(5)**	**76**
Deferred Tax Assets			
(a) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	(3)	(134)	131
(b) Provision for doubtful debts and Advances	140	(13)	153
(c) Provision for Compensated Absences, Bonus and Gratuity	526	(247)	773
(d) Other Expenses	80	(292)	372
Total (B)	**743**	**(686)**	**1,429**
Deferred Tax Assets / (Liability) (B – A)	**662**	**(691)** Refer note 2	**1,353**
Add: Deferred Tax Asset related to fair value loss on derivative instruments not charged in the Profit & Loss Account but taken to the Balance Sheet.	38		(82)
Net Deferred Tax Assets / (Liability)	**700**		**1,271**

Note:

1. Deferred tax assets and liabilities above have been determined by applying the income tax rates of respective countries. Deferred tax assets and liabilities in relation to taxes payable under different tax jurisdictions have not been offset in financial statements.
2. Amount of Rs. 691 Lacs is net of exchange fluctuation of Rs. 5 Lacs relating to deferred tax assets created for US Branch operations.

Schedule '17': Notes to Accounts for the year ended 31st March 2011 (Contd.)

21. Earnings Per Share:

	2010-11	2009-10
Profit attributable to Equity shareholders (Rs.) -(A)	1,232,528,409	950,873,313
Weighted Average number of Equity shares Outstanding during the year – (B)	58,956,638	58,745,703
Add: Effect of potential dilutive shares(stock options)- (Refer Note 25 below)	747,839	183,770
Weighted average shares outstanding considered for determining dilutive earning per share - (C)	59,704,477	58,929,473
Nominal Value of Equity Shares (Rs.)	10	10
Basic Earnings per share (Rs) (A/B)	20.91	16.19
Diluted Earnings per share (Rs) (A/C)	20.64	16.14
EARNING PER SHARE {had fair value method been employed for accounting for Employee Stock Option (Refer Note 25 below)}		
Profit attributable to Equity shareholders (Rs.) -(D)	1,152,416,211	906,011,753
Basic Earnings per share (Rs) (D/B)	19.55	15.42
Diluted Earnings per share (Rs) (D/C)	19.30	15.37

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

Scheme/Fund	No. of units at the beginning of the year	Value of the units in hand at the beginning of the year at lower of cost or market value (Rs.)	No. of units purchased	Purchase Value (Rs.)	No. of unit sold	Sale Value (Rs.)	No. of units in hand at the year-end	Value of units in hand at the year-end at lower of cost or market value (Rs.)	Market Value of units in hand. (Rs.)
Liquid Scheme of Mutual Fund									
IDFC Mutual Funds	-	-	9,786,471	142,510,126	9,786,472	143,509,866	-	-	-
Birla Sun Life Mutual Fund	-	-	13,807,100	210,000,000	12,518,398	192,294,618	1,288,701	20,000,000	20,226,554
SBI Mutual Fund	3,029,956	60,000,000	11,328,340	240,000,000	12,520,914	265,312,354	1,837,382	40,000,000	40,010,473
Reliance Mutual Fund	-	-	6,694,987	293,698,207	16,694,987	296,726,638	-	-	-
Franklin Templeton Mutual Fund	30,001	40,000,000	126,563	180,000,000	122,019	173,337,354	34,545	50,000,000	50,358,197
Principal Mutual Fund	-	-	1,980,290	30,000,000	1,980,290	30,106,936	-	-	-
JM Financial Mutual Fund	-	-	10,232,502	150,000,000	10,232,502	151,078,981	-	-	-
HDFC Mutual Fund	3,879,212	70,000,000	9,321,840	180,000,000	13,201,053	255,129,323	-	-	-
Kotak Mutual Fund	-	-	9,945,005	191,382,109	8,421,459	163,247,697	1,523,546	30,000,000	30,302,423
Tata Mutual Fund	35,417	60,000,000	124,997	220,000,001	138,315	243,324,890	22,099	40,000,000	40,010,863
Fixed Maturity Plan / Interval plan									
IDFC Mutual Funds	4,122,234	41,222,340	-	-	4,122,234	42,510,126	-	-	-
Reliance Mutual Fund	5,837,769	71,918,392	4,701,936	60,000,000	10,539,705	133,698,207	-	-	-
ICICI Prudential Mutual Fund	8,089,856	81,218,915	1,627,542	230,000,000	9,439,556	275,900,399	277,841	40,000,000	40,293,762
Kotak Mutual Fund	3,720,442	40,775,677	-	-	3,720,442	41,382,109	-	-	-
TOTAL	**28,744,887**	**465,135,324**	**89,677,573**	**2,127,590,443**	**113,438,346**	**2,407,559,498**	**4,984,114**	**220,000,000**	**221,202,272**
Previous Year Figures	**-**	**-**	**100,053,214**	**1,765,502,804**	**71,308,326**	**1,313,517,816**	**28,744,888**	**465,135,323**	**471,144,602**

Profits from sale of the above units of Rs. 34,833,733 (Previous Year Rs. 13,150,335) from the above mutual funds are included in Other Income refer Schedule 12.

Schedule '17': Notes to Accounts for the year ended 31st March 2011 (Contd.)

23. MANAGERIAL REMUNERATION:

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

Amount (Rs.)

Particulars	**2010-11**	**2009-10**
Profit before taxation as per P&L Account	1,341,001,062	1,007,918,052
Add: Net Increase/(Decrease) in Provision for Doubtful Debts	4,662,089	2,022,555
Add: Depreciation as per Books of Accounts	232,713,340	245,546,460
Less: Depreciation as per Section. 350 of the Companies Act, 1956	191,900,620	199,157,618
Net Profit under Section 349 of the Companies Act, 1956	1,386,475,871	1,056,329,449
Add: Directors Remuneration	**52,385,054**	**28,468,895**
Net Profit under Section 198 of the Companies Act, 1956	1,438,860,925	1,084,798,344
Maximum remuneration allowable under Section 198 of the Companies Act,1956 restricted to 11% of Net Profit	158,274,702	119,327,818
Maximum Commission allowable to Non-Executive directors under Section309 of the Companies Act,1956 restricted to 1% of Net Profit	14,388,609	10,847,983

Directors' remuneration:

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

Amount (Rs.)

Particulars	**2010-11**	**2009-10**
Executive Directors' Remuneration:		
Salary and Allowances	12,056,666	8,701,000
Performance Linked Bonus	23,660,000	15,455,000
Contribution to provident fund and other funds	2,518,692	1,590,900
Value of Perquisites	11,049,696	721,995
Sub Total (A)	**49,285,054**	**26,468,895**
Non executive Directors' Remuneration:		
Commission to Non Executive Directors (B)	3,100,000	2,000,000
Total Director's Remuneration (A + B)	**52,385,054**	**28,468,895**
Non executive Directors' Sitting Fees	800,000	740,000

24. LEASES

All operating leases entered into by the Company are cancelable on giving a notice of 1 to 3 months. Aggregate expenditure in respect of operating lease amounts to Rs. 151,856,323/- (Previous year Rs. 150,239,835/-).

25. EMPLOYEE STOCK OPTION PLAN:

(i) The Company established NIIT Technologies Stock Option Plan 2005 (ESOP 2005) in the year 2005-06 and the same was approved at the Annual General Meeting of the Company on 29th July 2004. The plan was set up so as to offer and grant for the benefit of employees of the Company and its subsidiaries, who are eligible under Securities Exchange Board of India (SEBI) Guidelines (excluding promoters), options of the Company in aggregate up to 3,850,000 options under ESOP 2005, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard. As per the plan each option is exercisable for one equity share of face value of Rs 10 each fully paid up on payment to the Company for such shares at a price to be determined in accordance with ESOP 2005. SEBI has issued the Employee's Stock Option scheme and Employee Stock Purchase Scheme Guideline, 1999 which is applicable to the above ESOP 2005.

The Company granted option in eight Grants, out of the same grant I and II has been fully exercised / lapsed.

Schedule '17': Notes to Accounts for the year ended 31st March 2011 (Contd.)

The details of other tranches are as follows:-

Description	Grant I	Grant III	Grant IV	Grant V Tranche I	Grant V Tranche II	Grant VI Tranche I	Grant VI Tranche II	Grant VII Tranche I	Grant VII Tranche II	Grant VIII Tranche I	Grant VIII Tranche II
Date of Grant	August 02, 2005	June 20, 2007	July 28, 2008	October 19, 2009	October 19, 2009	July 19,2010	July 19,2010	October 18, 2010	October 18, 2010	January 18,2011	January 18,2011
Date of Vesting	August 02, 2006	June 20, 2008	July 28, 2009	October 18, 2010	October 18, 2011	July 19,2011	July 19,2012	October 18, 2011	October 18, 2012	January 18,2012	January 18,2013
Live grants at beginning /during the year (Nos)	-	88,202	384,725	1,104,000	1,104,000	37,000	37,000	43,000	43,000	25,000	25,000
	(74,850)	(92,155)	(461,250)	(1,199,700)	(1,199,700)	(-)	(-)	(-)	(-)	(-)	(-)
Forfeited / lapsed till vesting period (Nos)	-	-	-	89,500	157,250	-	-	-	-	-	-
	(-)	(-)	(22,500)	(95,700)	(95,700)	(-)	(-)	(-)	(-)	(-)	(-)
Options vested (Nos)	-	-	-	1,014,500	-	-	-	-	-	-	-
	(-)	(-)	(438,750)	N/A	N/A	(-)	(-)	(-)	(-)	(-)	(-)
Options forefeited post vesting (Nos)	-	7,677	7,500	17,300	-	-	-	-	-		-
	(60,225)	(3,953)	(7,500)	N/A	N/A	(-)	(-)	(-)	(-)	(-)	(-)
Options Exercised (Nos)	-	-	214,800	248,411	-	-	-	-	-	-	-
	(14,625)	(-)	(46,525)	N/A	N/A	(-)	(-)	(-)	(-)	(-)	(-)
Exercisable/ outstanding at the end of the year (Nos)	-	80,525	162,425	748,789	946,750	37,000	37,000	43,000	43,000	25,000	25,000
	(-)	(88,202)	(384,725)	(1,104,000)	(1,104,000)	(-)	(-)	(-)	(-)	(-)	(-)
Exercise Price (Rs.)	76.67	349.00	108.00	(127.20)	(127.20)	182.15	182.15	223.75	223.75	206.20	206.20
	(76.67)	(349.00)	(108.00)	(127.20)	(127.20)	(-)	(-)	(-)	(-)	(-)	(-)
Remaining Contractual Life (in-days)	Nil	81	484	931	1,298	1,206	1,571	1,297	1,662	1,389	1,754
	(-)	(446)	(849)	(1,299)	(1,664)	(-)	(-)	(-)	(-)	(-)	(-)
Fair value of Options based on Black and Scholes model (as per independent valuer's report)											
Pre-Bonus (Rs.)	59.20	168.11	-	-	-	-	-	-	-	-	-
	(59.20)	(168.11)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Post-Bonus (Rs.)	39.46	112.07	43.78	50.23	56.16	75.39	75.39	83.29	83.29	76.65	76.65
	(39.46)	(112.07)	43.78)	(50.23)	(56.16)	(-)	(-)	(-)	(-)	(-)	(-)
Intrinsic value of options(Rs.)	23.00	-	-	-	-	-	-	-	-	-	-
	(23.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Note:

Opening balances of Grant III for 7,904 shares and IV for 15,000 shares are restated for one of our employees.

During the year, the Compensations / Remuneration Committee at its meetings held on July 19, 2010 has approved issue of 74,000 options (Grant-VI), on October 18,2010 has approved issue of 86,000 options (Grant VII) and on January 18, 2011 has approved issue of 50,000 options out of the option under ESOP 2005, to Managerial Personnel of the Company / Subsidiaries.

The assumptions used by the independent valuer for determination of fair value as per the Black & Scholes model is as follows:

Schedule '17': Notes to Accounts for the year ended 31st March 2011 (Contd.)

a) Market price considered is the latest available closing price, prior to the date of the Grant.

b) Exercise price is the price payable by the employees for exercising the option.

c) As the life of the option is greater than one year there is considerable difficulty in estimating the amount and time of future dividend payouts with certainty, hence future dividend payout have not been incorporated in the valuation analysis.

d) Volatility - Variance in the stock price is considered as 10% (for Grant I) , 51.13% (for Grant III) , 65.62% (for Grant IV), 66.12% (for Grant V Tranche I), 64.75% (for Grant V Tranche II), 62.07% (for Grant VI Trache I), 62.04% (for Grant VI Trache II), 51.67% (for Grant VII Trache I), 58.87% (for Grant VII Tranche II), 49.48% (for Grant VIII Tranche I) and 58.73% (for Grant VIII Tranche II) is based on historical volatility in the share price movement of the Company and four other comparable companies.

e) Average life of the options is considered to be 2.5 Years for Grant I, Grant III, Grant IV, Grant V Tranche I, Grant VII Tranche I and Grant VIII Tranche I, 3.5 years for Grant V Tranche II, Grant VII Tranche II and Grant VIII Tranche II, 2.75 Years for Grant VI Tranche I and 3.75 Years for Grant VI Tranche II.

f) Risk less interest rate has been assumed at 7% (Grant I), 7.93 % (Grant III), 9.24% (Grant IV), 6.83% (Grant V Tranche I), 7.01% (Grant V Tranche II), 6.72% (Grant VI Tranche I), 7.01% (Grant VI Tranche II), 7.31% (Grant VII Tranche I), 7.61% (Grant VII Tranche II), 8.11% (Grant VIII Tranche I) and 8.07% (Grant VIII Tranche II) based on long term government bonds of ten year residual maturity.

(ii) Other information regarding employee share based payment is as below:

Amount (Rs.)

Describation	Grant IV	Grant V Tranche I	Grant V Tranche II	Grant VI Tranche I	Grant VI Tranche II	Grant VII Tranche I	Grant VII Tranche II	Grant VIII Tranche I	Grant VIII Tranche II
Additional expense had the Company recorded the ESOP expense based on fair value of the option	-	21,827,712	50,367,100	1,956,422	1,956,422	1,619,021	1,619,021	383,250	383,250
	(5,277,262)	(26,389,532)	(13,194,766)	(-)	(-)	(-)	(-)	(-)	(-)

a) Figures in parenthesis represent previous year's figure.

b) For impact on Basic and Diluted earning Per Share, had fair value of the option been used for determining Employee Stock Option Plan expense, refer note 21 above.

c) During the period Nil expenses accounted based on intrinsic value of the option as all the options were issued at market price only.

26. Derivative Financial Instruments:

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities, forecasted cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecasted cash flows is governed by the Company's strategy, which provide principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy. The counter parties in these derivative instruments are banks and the Company considers the risks of non-performance by the counterparty as non-material. The forward foreign exchange/option contracts mature between 1 to 17 months and the forecasted transactions are expected to occur during the same period. The Company does not use forward contracts and currency options for speculative purposes.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

Schedule '17': Notes to Accounts for the year ended 31st March 2011 (Contd.)

(Amount in Lacs in respective currencies)

Foreign Currency	**Year Ended 31 March 2011**	**Year Ended 31 March 2010**
U.S. Dollar	290	990
Sterling Pound	30	-
Euro	20	4
AUD	15	-

The following table summarizes activity in the Hedge Reserve (Debit Balance) related to all derivatives classified as cash flow hedges during the year ended 31st March 2011.

(Rs. Lacs)

Particulars	**Year Ended 31 March 2011**	**Year Ended 31 March 2010**
Balance as at the beginning of the year (Gross of deferred tax)	2,520	18,890
Add: Unrealized (gain) / loss on cash flow hedging derivatives during the year	44	(9,619)
Less: Net losses transferred to Revenue on occurrence of hedged items	2,818	5,602
Less: Net losses transferred to exchange fluctuation on redisgnation of forward covers.	-	1,149
Balance as at the end of the year	**(254)**	**2,520**
Deferred Tax Assets	(82)	38
Balance as at the end of the year (Net of Deferred Tax)	**(172)**	**2,482**

At 31st March 2011, the estimated net amount of existing gain that is expected to be reclassified into the revenue statement within the next twelve months is Rs. 254 Lacs (Previous Year loss Rs. 2,520 Lacs).

27. Previous year figures have been regrouped / recast wherever necessary to conform to current year's classification.

Signature to the Schedules `1' to `17' above

For **Price Waterhouse**
Firm Registration No.FRN301112E
Chartered Accountants

Rajendra S Pawar
Chairman and Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

Usha Rajeev
Partner
Membership No. F-087191

Ashok Arora
Group Chief Financial Officer

Pratibha K Advani
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Legal Counsel

Place : New Delhi
Date : May 6, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

REGISTRATION DETAILS

Registration No.	048753	State Code	55
Balance Sheet Date	31-03-2011		

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

Plublic Issue	NIL		
Bonus Issue	NIL	Right Issue	NIL
ESOP Issue	4632	Private Placement	NIL

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

Total Liabilities	5841984	Total Assets	5841984

SOURCES OF FUNDS

Paid up Capital	592511	Reserve & Surplus	5212568
ESOP Share Application Money	191		
Secured Loans	36714	Unsecured Loan	NIL
Employee Stock Option Outstanding	NIL		

APPLICATION OF FUNDS

Net Fixed Assets	2326312	Investments	1365789
Net Current Assets	2022825	Deferred Tax Asset	127058
Accumulated Losses	NIL		

PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)

Turnover	7520959	Total Expenditure	6179958
Profit/(Loss) before Tax	1341001	Profit/(Loss) after Tax	1232528
Earning per share (in Rs.)	20.91	Dividend (%) - Equity	75%

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

1. Item Code	-
Product Description	SOFTWARE SOLUTIONS
2. Item Code	-
Product Description	-
3. Item Code	-
Product Description	-

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

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Group Chief Financial Officer

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Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Legal Counsel

Place : New Delhi
Date : May 6th, 2011

Statement pursuant to exemption received under Section 212(8) of the Companies Act 1956, relating to subsidiaries Companies as on 31st March 2011

Name of the Company	Currency	Share Capital	Reserves#	Total Assets	Total Liabilities	Details of Investment (except in case of Investment in subsidiary)	Turnover*	Profit before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
NIIT Smart Serve Ltd	INR	500,000,000	-	501,844,887	501,844,887	-	439,526,473	72,828,290	-	72,828,290	-
NIIT GIS Ltd.	INR	10,000,700	377,027,885	387,028,585	387,028,585	-	840,511,574	349,272,323	58,505,071	290,767,252	135,946,138
NIIT Technologies Ltd. UK	GBP	3,276,427	6,029,340	9,305,767	9,305,767	-	22,131,415	2,622,275	212,466	2,409,809	-
	INR	233,549,614	429,782,208	663,331,822	663,331,822	-	1,563,526,928	185,256,911	15,010,170	170,246,740	-
NIIT Insurance Technologies Ltd. UK	GBP	12,557	3,044,350	3,056,908	3,056,908	-	17,121,304	3,086,699	946,689	2,140,010	-
	INR	895,086	217,006,748	217,901,905	217,901,905	-	1,209,575,612	218,067,259	66,881,116	151,186,142	-
NIIT Technologies B.V. Netherland	EURO	18,151	880,940	1,777,175	1,777,175	-	4,543,030	252,538	54,423	198,115	-
	INR	1,143,301	55,488,327	111,939,988	111,939,988	-	273,279,609	15,191,070	3,273,739	11,917,330	-
NIIT Technologies N.V. Belgium	EURO	61,973	1,504,342	1,886,274	1,886,274	-	1,848,146	138,312	29,613	108,699	-
	INR	3,903,554	94,754,907	118,811,864	118,811,864	-	111,172,644	8,319,966	1,781,339	6,538,627	-
NIIT Technologies Inc. USA	USD	2,837,887	10,664,643	13,502,530	13,502,530	3	91,216,936	1,713,747	940,986	772,761	-
	INR ^	123,377,137	457,846,853	881,444,643	881,444,643	133	3,533,006,764	69,484,745	60,017,922	9,466,823	-
NIIT Technologies PTE Ltd. Singapore	SGD	2,989,375	3,955,691	9,386,931	9,386,931	-	9,795,650	858,023	12,614	845,409	-
	INR	105,322,557	139,368,092	330,723,169	330,723,169	-	333,869,057	29,244,341	429,928	28,814,413	-
NIIT Technologies Ltd. Thailand	THB	15,000,000	85,104,602	140,305,424	140,305,424	-	281,007,191	23,890,279	-	23,890,279	-
	INR	22,012,500	124,891,003	205,898,210	205,898,210	-	409,596,082	34,822,471	-	34,822,471	-
NIIT Technologies Pty Ltd. Australia	AUD	1,002	1,806,056	2,539,703	2,539,703	-	17,723,594	1,308,104	410,680	897,424	-
	INR	46,052	83,006,514	116,725,004	116,725,004	-	757,894,554	55,937,012	17,561,457	38,375,555	-
NIIT Technologies Co. Ltd. JAPAN	JPY	408,870,475	(343,910,992)	64,959,483	64,959,483	-	51,699,500	(25,255,195)	1,000,000	(26,255,195)	-
	INR	219,236,349	(184,405,074)	34,831,275	34,831,275	-	27,483,454	(13,425,662)	531,600	(13,957,262)	-
NIIT Technologies Gmbh Germany	EURO	537,900	(81,587)	2,126,132	2,126,132	-	4,254,923	(128,611)	-	(128,611)	-
	INR	33,881,030	(5,138,969)	133,919,952	133,919,952	-	255,948,936	(7,736,415)	-	(7,736,415)	-
NIIT Technologies AG Switzerland	CHF	250,000	474,693	1,593,249	1,593,249	-	3,021,563	149,806	26,331	123,475	-
	INR	12,118,050	23,009,414	77,228,284	77,228,284	-	135,955,831	6,740,551	1,184,769	5,555,782	-
NIIT Technologies Gmbh Austria	EURO	35,000	(66,179)	60,495	60,495	-	91,188	21,924	1,750	20,174	-
	INR	2,204,566	(4,168,456)	3,810,435	3,810,435	-	5,485,286	1,318,808	105,269	1,213,539	-
NIIT Airlines Technologies Gmbh, Germany	EURO	1,000,000	194,912	1,194,912	1,194,912	-	1,628,702	70,902	18,850	52,052	-
	INR	62,987,600	12,277,039	75,264,639	75,264,639	-	97,972,289	4,265,011	1,133,895	3,131,115	-
NIIT Technologies Ltd. CANADA	CAD	49,101	56,224	105,325	105,325	-	504,235	27,081	7,481	19,600	-
	INR	2,243,891	2,569,409	4,813,300	4,813,300	-	22,448,895	1,205,665	333,059	872,606	-
NIIT Technologies FZ-LLC DUBAI	AED	1,000,000	(28,009)	5,930,069	5,930,069	-	14,416,294	500,250	-	500,250	-
	INR	12,089,400	(338,612)	71,690,976	71,690,976	-	178,694,289	6,200,749	-	6,200,749	-
NIIT Healthcare Technologies Inc., USA	USD	50,000	(220,328)	29,672	29,672	-	10,000	(220,328)	-	(220,328)	-
	INR	2,220,000	(9,782,563)	1,317,437	1,317,437	-	455,279	(10,031,071)	-	(10,031,071)	-

* Exclude Other Income
** Investment in Mutual Fund
*** Details of Investment
(i) 199,145 Common shares in Relativity Technologies Inc., USA
(ii) 953,265 Common Shares in Computer Logic Inc., USA
(iii) 500,000 Preference Shares and 189,655 Common Shares in Co kinetic Systems Inc., USA
Reserves include currency translation reserve

Basis of Conversion in INR:
Revenue items at average exchange rate prevailing during the year and for Balance sheet items, the exchange rate prevailing as at Balance Sheet date.

Currency	Exchange Rate at Balance Sheet Date	Average Exchange Rate for the Year	Currency	Exchange rate at Balance Sheet Date	Average Exchange Rate for the Year	Currency	Exchange rate at Balance Sheet Date	Average Exchange Rate for the Year	Currency	Exchange rate at Balance Sheet Date	Average Exchange Rate for the Year	Currency	Exchange rate at Balance Sheet Date	Average Exchange Rate for the Year
1-THB	1.4675	1.4576	1-USD	44.4000	45.5279	1-EURO	62.9876	60.1536	1-JPY	0.5362	0.5316	1-CAD	45.6995	44.5207
1-AUD	45.9601	42.7619	1-SGD	35.2323	34.0834	1-CHF	48.4722	44.9952	1-GBP	71.2818	70.6474	1-AED	12.0894	12.3953

^ Revenue item and Share Capital at approximate exchange rate on the transaction date and for other Balance Sheet items, the exchange rate prevailing as at Balance Sheet date.

AUDITORS' REPORT on the Consolidated Financial Statements of NIIT Technologies Limited.

To the Board of Directors of NIIT Technologies Limited

1. We have audited the attached consolidated Balance Sheet of NIIT Technologies Limited (the "Company") and its subsidiaries hereinafter referred to as the "Group" (refer Note 7(a) on Schedule 20 to the attached consolidated financial statements) as at 31st March, 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 18 subsidiaries included in the consolidated financial statements, which constitute total assets of Rs 40,225 Lacs and net assets of Rs 30,139 Lacs as at 31st March, 2011, total revenue of Rs. 63,782 Lacs, net profit of Rs 6,751 Lacs and net cash flows amounting to Rs (2,008) 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 notified under sub-section 3C of Section 211of 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(s) 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 31st March, 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 and on behalf of
Price Waterhouse
Firm Registration Number: FRN301112E
Chartered Accountants

Usha Rajeev
Partner
Membership Number F-087191

Place : New Delhi
Date : May 6th, 2011

Consolidated Balance Sheet as at 31st March 2011

	Schedule/(Note Reference)		As At 31st March 2011 (Rs.)		As At 31st March 2010 (Rs.)
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	592,510,560		587,878,450	
Share Application Money		190,800		216,000	
Reserves and Surplus	2	6,731,253,504		5,099,981,295	
CumulativeTranslation Reserve	3	154,327,172	7,478,282,036	109,732,550	5,797,808,295
MINORITY INTEREST	4		42,990,469		28,378,466
LOAN FUNDS					
Secured Loans	5A		109,652,173		214,098,246
Unsecured Loans	5B		-		3,055,201
			7,630,924,678		**6,043,340,208**
APPLICATION OF FUNDS					
FIXED ASSETS	6				
Gross Block		4,372,452,631		4,559,402,830	
Less: Depreciation and Amortisation		2,479,329,619		2,706,204,080	
Net Block			1,893,123,012		1,853,198,750
Capital work-in-progress (including Capital Advances)			1,437,222,679		1,287,411,155
INVESTMENTS	7		442,797,698		465,135,444
DEFERRED TAX ASSETS - [NET]	20(9)(b)		142,687,271		107,344,880
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	20(1)(vi)	5,604,846		5,032,354	
Sundry Debtors	8	2,871,310,411		1,850,707,685	
Cash and Bank Balances	9	1,193,918,690		1,429,746,542	
Other Current Assets	10	830,532,853		155,861,037	
Loans & Advances	11	1,321,835,005		1,089,171,266	
		6,223,201,805		4,530,518,884	
Less : CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	12	1,674,250,722		1,495,753,459	
Provisions	13	833,857,065		704,515,446	
		2,508,107,787		2,200,268,905	
Net Current Assets			3,715,094,018		2,330,249,979
			7,630,924,678		**6,043,340,208**

NOTES TO ACCOUNTS **20**

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

For **Price Waterhouse**
Firm Registration No. FRN301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

Usha Rajeev
Partner
Membership No. F-087191

Ashok Arora
Group Chief Financial Officer

Pratibha K Advani
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Legal Counsel

Place : New Delhi
Date : May 6th, 2011

NIIT technologies

Consolidated Profit and Loss Account for the year ended 31st March 2011

	Schedule/(Note Reference)	Year ended 31st March 2011 (Rs.)	Year ended 31st March 2010 (Rs.)
INCOME			
Revenue from Operations	14	12,322,519,891	9,137,096,692
Other Income	15	129,064,701	76,417,793
		12,451,584,592	**9,213,514,485**
EXPENDITURE			
Personnel	16	6,013,574,112	5,037,140,296
Development and Bought Out Items	17	2,155,019,502	721,627,251
Administration, Finance and Others	18	1,653,623,235	1,554,370,363
Marketing	19	137,625,490	121,418,611
Depreciation and Amortisation	6	314,593,907	358,136,713
		10,274,436,246	**7,792,693,234**
Profit before Tax		**2,177,148,346**	**1,420,821,251**
Tax Expense			
- Current	20(9)(a)	492,255,926	331,733,883
- MAT Credit		(122,945,729)	(141,644,722)
- Deferred Charge/ (Credit)		(46,366,722)	(45,890,822)
Profit After Tax Before Minority Interest		**1,854,204,871**	**1,276,622,912**
Net Profit attributable to Minority		32,001,844	12,906,948
Net Profit Attributable to Equity shareholders After Minority Interest		**1,822,203,027**	**1,263,715,964**
Balance Brought Forward from Previous Year		4,078,931,410	3,403,721,436
Balance Available for Appropriation		**5,901,134,437**	**4,667,437,400**
APPROPRIATION			
Dividend Paid (relating to Previous Year)		595,700	182,976
Corporate Dividend Tax on above		-	56,615
Proposed Dividend on Equity Shares		444,382,920	411,514,915
Corporate Dividend Tax	20 (16)	72,090,018	69,936,960
Transferred to General Reserve		152,329,566	106,814,524
Balance carried to Balance Sheet		5,231,736,233	4,078,931,410
		5,901,134,437	**4,667,437,400**
Basic Earnings per Share	20(10)	30.91	21.51
Diluted Earnings per Share	20(10)	30.52	21.44

NOTES TO ACCOUNTS 20

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

For **Price Waterhouse**
Firm Registration No. FRN301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

Usha Rajeev
Partner
Membership No. F-087191

Ashok Arora
Group Chief Financial Officer

Pratibha K Advani
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Legal Counsel

Place : New Delhi
Date : May 6th, 2011

Consolidated Cash Flow Statement for the year ended 31st March 2011

		Year ended 31st March 2011 (Rs.)		Year ended 31st March 2010 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax		2,177,148,346		1,420,821,251
Adjustments for :				
- Depreciation and Amortisation	314,593,907		358,136,713	
- Provision for Gratuity & Compensated Expenses	33,853,432		12,163,326	
- Interest Expense	6,980,455		8,390,590	
- Interest Income	(55,742,870)		(38,142,859)	
- (Profit)/ Loss on Fixed Assets sold/ scrapped	633,783		12,535,105	
- Exchange (Profit) /loss including on Derivative	560,438		(101,612,622)	
- Provision for Doubtful Advances	4,363,235		18,413,018	
- Provision for Bad & Doubtful Debts	56,744,133		81,464,954	
- Dividend Income from Current Investment	-		-	
- Profit on sale of Investments	(38,017,694)		(13,150,336)	
		323,968,819		338,197,889
Operating profit before working capital changes		**2,501,117,165**		**1,759,019,140**
Add/(Less): (Increase)/Decrease in working capital :				
-(Increase)/Decrease in Sundry Debtors	(1,077,346,859)		2,772,617	
-(Increase)/Decrease in Other Receivables	(758,373,864)		(46,640,888)	
-(Increase)/Decrease in Inventories	(572,492)		5,906,807	
- Increase/(Decrease) in Trade and Other Payables	498,668,190	(1,337,625,025)	51,246,572	13,285,108
- Income Tax Paid (Including Tax deducted at Source)		(500,183,186)		(297,245,736)
Net cash from operating activities	**(A)**	**663,308,954**		**1,475,058,512**
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets		(502,217,939)		(490,406,900)
Proceeds from Sale of Fixed Assets		8,871,269		13,886,319
Investments with mutual funds:		.		.
-Purchases during the year	(2,570,388,019)		(1,765,502,804)	
-Sales during the year	2,630,743,459	60,355,440	1,313,517,816	(451,984,988)
Loan to NIIT Institute of Information Technology		-		(250,000,000)
Loan to NIITian Welfare Trust (given)/ Received back		-		200,000,000
Interest Received		58,770,749		53,615,256
Dividend Received		-		-
Net cash from / (used) in investing activities	**(B)**	**(374,220,481)**		**(924,890,313)**

Consolidated Cash Flow Statement for the year ended 31st March 2011 (Contd.)

			Year ended 31st March 2011 (Rs.)		Year ended 31st March 2010 (Rs.)
C. Cash flow from financing activities:					
6.5% Non Convertible Debentures repaid			-		-
Term Loans					
- Received during the year		36,262,277		7,147,683	
- Repaid during the year		(153,614,506)	(117,352,229)	(114,161,279)	(107,013,596)
Loan notes paid			(3,015,390)		(872,563)
Short Term Loan from Bank			-		(9,347,232)
Proceeds from issue of Share capital (Including Share Premium)			65,401,998		6,361,955
Interest Paid			(6,980,455)		(8,390,590)
Dividend paid (Including corporate dividend tax)			(486,600,856)		(488,226,236)
Net cash used in financing activities	**(C)**		**(548,546,932)**		**(607,488,262)**
Net Increase/(Decrease) in Cash & Cash Equivalents	**(A+B+C)**		**(259,458,459)**		**(57,320,063)**
Adjustment on account of exchange rate			23,630,607		(97,710,230)
Cash and cash equivalents as at the beginning of the year	Refer-Schedule-9		1,429,746,542		1,584,776,835
Total cash and cash equivalents at the close of the year	Refer-Schedule-9		1,193,918,690		1,429,746,542

Notes:

1 The above Cash flow statement has been prepared under the indirect method setout in AS-3 notified u/s 211(3C) of the Companies Act, 1956.

2 Figures in paranthesis indicate cash outgo.

3 Cash and cash equivalents include fixed deposits held as margin money Rs. 54,637,705 (Previous Year Rs.30,684,223).

4 The enclosed schedules (1 to 20) form an integral part of the Cash Flow Statement.

5 Previous year figures have been regrouped/reclassified to conform to current year's classification.

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

For **Price Waterhouse**
Firm Registration No. FRN301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

Usha Rajeev
Partner
Membership No. F-087191

Ashok Arora
Group Chief Financial Officer

Pratibha K Advani
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Legal Counsel

Place : New Delhi
Date : May 6th, 2011

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

Schedule No.			As At 31st March 2011 (Rs.)		As At 31st March 2010 (Rs.)
1	**SHARE CAPITAL**				
	Authorised				
	75,000,000 Equity Shares (Previous Year 75,000,000 equity shares) of Rs. 10/- each		750,000,000		750,000,000
			750,000,000		**750,000,000**
	Issued, Subscribed and Paid up				
	59,251,056 Equity Shares (Previous Year 58,787,845 shares) of Rs. 10/- each		592,510,560		587,878,450
			592,510,560		**587,878,450**
2	**RESERVES AND SURPLUS**				
	Capital Redemption Reserve				
	As per last Balance Sheet		16,570,603		16,570,603
	Share Premium				
	As per Last Balance Sheet	10,201,746		4,330,916	
	Add: Addition during the year	50,164,169	60,365,915	5,870,830	10,201,746
	Capital Reserve				
	As per last Balance Sheet	-		-	
	Add: Addition during the year	10,630,919	10,630,919	-	-
	General Reserve (Note 1)				
	As per last Balance Sheet	1,242,429,235		1,134,229,536	
	Add: Employee Stock Option lapsed post vesting	-		1,385,175	
	Add: Balance Transferred from Profit and Loss Account	152,329,566	1,394,758,801	106,814,524	1,242,429,235
	Hedging Reserve (Debit)		17,191,033		(248,151,699)
	[Refer note 1(x) and 6 on Schedule 20]				
	Profit & Loss Account (Net of share of loss in joint venture Rs Nil (Previous Years Rs 728,275)		5,231,736,233		4,078,931,410
	Note :1				
	The General Reserve is as per Indian Companies Act, in respect of Indian companies. General reserve, if any, of overseas subsidiaries are included as part of the profit and loss account.				
			6,731,253,504		**5,099,981,295**

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

Schedule No.			As At 31st March 2011 (Rs.)		As At 31st March 2010 (Rs.)
3	**CUMULATIVE TRANSLATION RESERVE**				
	[Refer Note 1(ix) on Schedule 20]				
	As per last Balance Sheet		109,732,550		242,752,609
	Increase/(Decrease) during the year		44,594,622		(133,020,059)
			154,327,172		**109,732,550**
4	**MINORITY INTEREST**				
	[Refer Note 1(i) & 7 (a) on Schedule 20]				
	As per last Balance Sheet		28,378,466		21,909,887
	Add : Minority share in the results for the year		32,001,844		12,906,948
	Less : Minority Share in dividend declared by subsidiary		(14,962,542)		(5,503,115)
	Less : Minority Share of Corporate Dividend Tax on dividend declared by subsidiary		(2,427,299)		(935,254)
			42,990,469		**28,378,466**
5A	**SECURED LOANS**				
	[Refer Note 5 on Schedule 20]				
	Loan from Banks				
	-Term loan	71,092,970		204,223,338	
	-Vehicle Loan	38,559,203	109,652,173	9,874,908	214,098,246
			109,652,173		**214,098,246**
5B	**UNSECURED LOANS**				
	[Refer Note 5 on Schedule 20]				
	Short-Term Loans and Advances				
	- From others		-		3,055,201
			-		**3,055,201**

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

6. FIXED ASSETS

[Refer Note 1, (ii), (iii), (iv), (xi), (xii), 4 and 12 on Schedule 20]

Amount in Rupees

Description of Assets	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 01.04.2010	Additions during the Year	Sales / Adjustment during the Year	Translation Adjustment	Total as on 31.03.2011	As at 01.04.2010	For the Year	Sales / Adjustment during the Year	Translation Adjustment	Total as on 31.03.2011	As at 31.03.2011	As at 31.03.2010
Tangibles												
Land - Freehold	167,165	-	-	-	167,165	-	-	-	-	-	167,165	167,165
Land - Leasehold	300,912,075	-	-	-	300,912,075	9,734,889	3,463,576	-	-	13,198,465	287,713,610	291,177,186
Buildings	120,418,946	51,298,911	-	-	171,717,857	4,427,569	2,755,016	-	-	7,182,585	164,535,272	115,991,377
Plant & Machinery												
Computers & Peripherals :												
-Own	993,558,816	96,126,159	59,754,007	24,478,065	1,054,409,033	786,857,537	133,302,149	56,854,823	21,179,683	884,484,546	169,924,487	206,701,279
-Finance Lease	3,599,412	18,904,412	-	(257,684)	22,246,140	3,246,631	2,677,899	-	163,724	6,088,254	16,157,886	352,781
Others	263,902,845	27,974,968	5,781,278	988,195	287,084,730	79,551,670	18,085,682	3,110,729	898,544	95,425,167	191,659,563	184,351,175
Furniture & Fixtures	158,780,817	5,236,824	4,217,402	2,622,131	162,422,370	97,055,879	9,718,076	3,691,484	2,109,848	105,192,319	57,230,051	61,724,938
Lease Hold Improvements	218,742,466	3,757,292	-	667,444	223,167,202	167,623,971	44,809,801	-	642,436	213,076,208	10,090,994	51,118,495
Vehicles	39,067,890	47,613,724	5,170,124	-	81,511,490	12,656,712	6,178,839	1,848,891	-	16,986,660	64,524,830	26,411,178
Sub Total (a)	**2,099,150,432**	**250,912,290**	**74,922,811**	**28,498,151**	**2,303,638,062**	**1,161,154,858**	**220,991,038**	**65,505,927**	**24,994,235**	**1,341,634,204**	**962,003,858**	**937,995,574**
Intangibles												
Acquired Software	1,450,371,388	80,390,401	520,625,521	19,901,054	1,030,037,322	1,341,689,263	87,868,274	520,537,355	19,398,541	928,418,723	101,618,599	108,682,125
Internally developed Software	26,043,300	-	-	1,154,799	27,198,099	7,378,935	5,391,213	-	375,601	13,145,749	14,052,350	18,664,365
Patents	7,320,196	-	-	261,473	7,581,669	707,196	343,382	-	40,954	1,091,532	6,490,137	6,613,000
Goodwill (Refer Note 1 & 2 below)	976,517,514	-	-	27,479,965	1,003,997,479	195,273,828	-	-	(234,417)	195,039,411	808,958,068	781,243,686
Sub Total (b)	**2,460,252,398**	**80,390,401**	**520,625,521**	**48,797,291**	**2,068,814,569**	**1,545,049,222**	**93,602,869**	**520,537,355**	**19,580,679**	**1,137,695,415**	**931,119,154**	**915,203,176**
Total (a +b)	**4,559,402,830**	**331,302,691**	**595,548,332**	**77,295,442**	**4,372,452,631**	**2,706,204,080**	**314,593,907**	**586,043,282**	**44,574,914**	**2,479,329,619**	**1,893,123,012**	**1,853,198,750**
Previous Year	**4,737,476,331**	**178,461,951**	**257,923,211**	**(98,612,241)**	**4,559,402,830**	**2,632,011,725**	**358,136,713**	**231,501,787**	**(52,442,571)**	**2,706,204,080**		
										Capital Work in Progress (Including Capital Advances)	**1,437,222,679**	**1,287,411,155**
											3,330,345,691	**3,140,609,905**

Note :

1. Gross block of goodwill includes goodwill on consolidation Rs. 985,888,878 (Previous Year Rs. 958,174,450) Net Block Rs. 808,958,068 (Previous Year Rs.781,243,686)

2. Translation adjustment of Goodwill includes Rs. 27,714,382 (Previous Year Rs.40,825,859) in Gross Block and Rs. Nil (Previous Year Rs. Nil) in Depreciation on translation of Goodwill on consolidation recorded in a foreign subsidiary and denominated in foreign currency.

3.Share in Joint Venture is regrouped in opening balance.

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

Schedule No.	As At 31st March 2011 (Rs.)	As At 31st March 2010 (Rs.)
7. INVESTMENTS		
[Refer Note 1(v) on Schedule 20]		
Trade, Long Term		
199,145 Common shares in Relativity Technologies Inc., USA	40	40
953,265 Common Shares in Computer Logic Inc., USA	40	40
500,000 Preference Shares and 189,655 Common Shares in Co kinetic Systems Inc., USA	40	40
Non - Trade Short Term		
In mutual funds, debts and money market securities	442,797,578	465,135,324
[Fair value based on repurchase price as on March 31, 2011 Rs.451,427,347 (Previous Year Rs 471,144,602]		
	442,797,698	**465,135,444**
8. SUNDRY DEBTORS (Unsecured)		
Debts outstanding for a period exceeding six months :		
- Considered good	841,085,757	123,210,698
- Considered doubtful	117,067,933	138,672,729
Other debts :		
- Considered good	2,030,224,654	1,727,198,510
	2,988,378,344	1,989,081,937
Less : Provision for doubtful debts	(117,067,933)	(138,672,729)
Share in Joint Venture (Refer Note 7(b) on Schedule 20)	-	298,477
	2,871,310,411	**1,850,707,685**

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

Schedule No.		As At 31st March 2011 (Rs.)		As At 31st March 2010 (Rs.)
9. CASH AND BANK BALANCES				
Cash and Cheques in Hand		93,016,793		38,315,700
Balances with Banks in:				
- Current Accounts		874,929,531		839,182,389
- Dividend Account		10,219,806		8,334,719
- Fixed Deposit Accounts		185,387,094		500,573,710
[Includes Rs.54,637,705 (Previous Year Rs. 30,684,223/-) pledged as margin money]				
- Call Money Accounts		30,365,466		33,450,593
Share in Joint Venture (Refer Note 7(b) on Schedule 20)		-		9,889,431
		1,193,918,690		**1,429,746,542**
10. OTHER CURRENT ASSETS				
(Unsecured, considered good)				
Interest Receivable		6,566,630		9,594,509
Unbilled Revenue		798,518,761		145,996,701
Derivative Instruments Fair Value Assets		25,447,462		-
Share in Joint Venture (Refer Note 7(b) on Schedule 20)		-		269,827
		830,532,853		**155,861,037**
11. LOANS & ADVANCES				
(Unsecured, considered good except where otherwise stated)				
[Refer Note 1 (xiii), 9 and 17 on schedule 20]				
Loan to NIIT Institute of Information Technology		250,000,000		250,000,000
Advances recoverable in cash or in kind or for value to be received				
-Considered Good	417,826,817		341,443,502	
-Considered Doubtful	27,694,037		23,330,802	
	445,520,854		364,774,304	
Less: Provision for Doubtful Advances	27,694,037	417,826,817	23,330,802	341,443,502
Security Deposits				
-Considered Goods	169,834,784		143,990,520	
-Considered Doubtful	1,459,716		1,459,716	
	171,294,500		145,450,236	
Less -Provision for Doubtful Deposits	1,459,716	169,834,784	1,459,716	143,990,520
MAT Credit Entitlement		389,011,061		266,065,332
Advance Income Tax	1,075,429,567		707,238,253	
Less: Provision for Income Tax	980,749,736	94,679,831	620,485,683	86,752,570
Advance Fringe Benefit Tax	57,772,904		57,255,373	
Less: Provision for Fringe Benefit Tax	57,290,392	482,512	56,772,861	482,512
Share in Joint Venture (Refer Note 7(b) on Schedule 20)		-		436,830
		1,321,835,005		**1,089,171,266**

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

Schedule No.	As At 31st March 2011 (Rs.)	As At 31st March 2010 (Rs.)
12. CURRENT LIABILITIES		
Sundry Creditors	972,544,786	783,366,296
Advances from Customers	147,165,662	4,424,626
Liabilities under Finance Lease	13,136,922	5,575,587
[Refer Note 13(b) on Schedule 20]		
Unclaimed Dividend *	10,219,807	8,334,719
Deferred/Unearned Revenue	220,233,832	235,228,088
Other Liabilities	310,949,713	206,060,653
Derivative Instruments Fair Value Liability	-	251,436,638
[Refer note 1(x) and 6 on schedule 20]		
Share in Joint Venture (Refer Note 7(b) on Schedule 20)	-	1,326,852
*There are no amounts due for payment to the investor protection fund under section 205C of the Companies Act,1956.		
	1,674,250,722	**1,495,753,459**
13. PROVISIONS		
[Refer Note 1(viii), 15 and 16 on Schedule 20]		
Proposed Dividend	459,345,462	417,018,030
Tax on Proposed Dividend	74,517,317	70,872,214
Compensated Absences	250,390,098	216,536,667
Provision for Contract Warranties	49,604,188	-
Share in Joint Venture (Refer Note 7(b) on Schedule 20)	-	88,535
	833,857,065	**704,515,446**

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

Schedule No.		Year ended 31st March 2011 (Rs.)		Year ended 31st March 2010 (Rs.)
14. REVENUE FROM OPERATIONS				
[Refer Note 1 (vii), 6 and 12 on Schedule 20]				
Revenue from operations		12,322,519,891		9,128,246,564
Share in Joint Venture (Refer Note 7(b) on Schedule 20)		-		8,850,128
		12,322,519,891		**9,137,096,692**
15. OTHER INCOME				
[Refer Note 1(vii) on Schedule 20]				
Profit on sale of Investment		38,017,694		13,150,335
Interest Received on :				
- Deposits	25,174,778		27,648,444	
- Loans	30,567,733		10,494,327	
- Others	359		88	
	55,742,870		38,142,859	
Less: Interest paid on Fixed Loans	6,980,455	48,762,415	8,390,590	29,752,269
Others		42,284,592		33,379,253
Share in Joint Venture (Refer Note 7(b) on Schedule 20)		-		135,936
		129,064,701		**76,417,793**
16. PERSONNEL				
[Refer Note 1(viii), 14 and 15 on Schedule 20]				
Salaries and Benefits		5,553,442,339		4,686,804,554
Contribution to Retirement Benefit Funds		292,483,540		271,011,701
Welfare and other expenses		167,648,233		75,380,452
Share in Joint Venture (Refer Note 7(b) on Schedule 20)		-		3,943,589
		6,013,574,112		**5,037,140,296**
17. DEVELOPMENT AND BOUGHT OUT				
Bought out Items		1,391,500,967		241,223,199
Professional Charges		529,761,002		307,173,171
Equipment Hiring		9,359,498		2,940,942
Software Duplication Charges		122,040,637		89,533,060
Others		102,357,398		79,567,141
Share in Joint Venture (Refer Note 7(b) on Schedule 20)		-		1,189,738
		2,155,019,502		**721,627,251**

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

Schedule No.		Year ended 31st March 2011 (Rs.)		Year ended 31st March 2010 (Rs.)
18. ADMINISTRATION, FINANCE AND OTHERS				
[Refer Note 1(ix), (x), (xi), 8 and 13(a) on Schedule 20]				
Rent		323,042,422		313,323,061
Rates and Taxes		2,170,225		6,439,879
Electricity and Water		88,309,068		65,982,659
Communication		107,069,488		99,114,344
Legal and Professional		272,473,630		222,509,808
Traveling and Conveyance		450,651,735		331,456,560
Bank, Discounting and Other Financial Charges		15,239,434		9,725,128
Bad Debt and Provision for Doubtful-Debt		56,744,133		81,464,954
Loss/(Profit) on Sales of Assets		633,782		12,535,105
Lease Rentals		2,173,101		5,164,659
Insurance Premium		35,129,540		33,631,542
Loss/(Gain) on exchange fluctuations (Net) *		40,960,912		185,713,033
*Includes fair value loss/(Gain) on non-designated derivative instruments of Rs.20,289,194/-(Previous Year Rs 88,452,284/-)"				
Repairs and Maintenance				
- Plant and Machinery	82,110,364		74,105,742	
- Buildings	3,362,533		1,637,963	
- Others	55,897,420		51,668,718	
		141,370,317		127,412,423
Donation		50,000,000		-
Miscellaneous Expenses		67,655,448		56,014,916
Share in Joint Venture (Refer Note 7(b) on Schedule 20)		-		3,882,292
		1,653,623,235		**1,554,370,363**
19. MARKETING				
Advertisement and Publicity		46,730,537		49,190,393
Others		90,894,953		72,228,218
		137,625,490		**121,418,611**

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2011

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared on an accrual basis and under historical cost convention and in compliance, in all material aspects, with the applicable accounting principles, the applicable accounting standards notified under section 211 (3C) and the relevant provisions of the Companies Act 1956. The significant accounting policies adopted by the NIIT Technologies Group are detailed below:

i) Basis of Consolidation

The consolidated financial statements are prepared in accordance with Accounting Standard "21" Consolidated Financial statement and Accounting Standard "27" Financial Reporting of Interests in Joint Ventures specified in Companies (Accounting Standard Rules), 2006. These consolidated financial statements include accounts of NIIT Technologies Limited, its subsidiary undertakings (NIIT Technologies Group/Group). Subsidiary undertakings are those companies in which NIIT Technologies Limited, directly or indirectly, has an ownership of more than one half of voting power or otherwise has power to exercise control over the operations and to obtain economic benefits. The subsidiaries are consolidated from the date of acquiring majority ownership on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. On acquisition, consideration paid less net assets acquired is considered as Goodwill. All material inter Group transactions, balances and unrealized 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. Also refer note 7 below.

ii) Fixed Assets, Intangible Assets and Capital Work-in-progress

Fixed assets are stated at cost, less accumulated depreciation. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use at the Balance Sheet date. Intangible assets are recorded at the consideration paid for acquisition.

iii) Depreciation and Amortization

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

Buildings	58 years
Leasehold Land	Over the period of lease
Leasehold Improvements	3 years or lease period whichever is lower
Computers, related accessories (Included in Plant & machinery) and intangible assets including Goodwill arising on Consolidation up to 31 March 2006	1-5 years
Goodwill arising on Consolidation on or after 1 April 2006	Reviewed for Impairment
Furniture, Fixtures and Vehicles	5-10 years
All other assets	3 - 20 years

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

iv) 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 values exceed their recoverable amount are written down to the recoverable amount.

v) 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 recognized and charged to Profit and Loss Account. Short-term investments are carried at cost or their market values whichever is lower.

vi) Inventory valuation

Inventories are valued lower of costs or net realizable value.

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2011 (Contd.)

vii) Revenue Recognition

a) Software Services

The Group derives a substantial part of its revenue from time and material contracts where the revenue is recognized on a man month basis. The Group also derives revenues from fixed price contracts where the revenue is recognized based on proportionate completion method and foreseeable losses on the completion of the contract, if any is provided for.

b) Product Sales

Revenue from sale of products including sale of software user licenses are recognized, when dispatch or delivery to the customer has occurred. In case of multiple element contracts involving products and services revenue is recognized on proportionate completion basis except where individual components are separable products or services that can be dealt with on a standalone basis in which case revenue in respect of each component is recognized separately, as per the terms of the contract.

c) Annual Maintenance Contracts:

Revenue from annual maintenance contract is recognized in proportion to time elapsed, on a Straight line basis.

d) Dividend

Dividend income is recognized when the right to receive dividend is established.

e) Interest

Interest on Loans and Fixed Deposits are booked on time proportion basis taking into account the amounts invested and Rate of Interest.

viii) Employee Benefits

a) Retirement Benefits Plan:

- **Provident Fund (India based employees):**

  Parent company employees :

  The Parent Company makes contribution to the "NIIT Technologies Limited Employees' Provident Fund Trust". The above Trust has been notified on 20th March 2009, by Ministry of Labour and Employment, Government of India as an exempt trust. The Trust 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 investment of the Trust and interest rate notified every year by the Government. The Company's obligation towards any shortfall is actuarially determined and provided for.

  The Parent Company made defined contribution to Regional Provident Fund Commissioner (RPFC) from 1st October 2005 till 29th February 2009 in respect of Provident Fund. The Parent Company does not have any further obligation in this respect.

  For the period up to 30th September 2005, the Company made contribution to NIIT Limited Employees' Provident Fund Trust (NIIT Limited PF Trust) , established for the purpose of Provident Fund by NIIT Limited. Such contributions made upto 30th September 2005 along with minimum statutory interest has been transferred by NIIT Limited PF Trust to NIIT Technologies Limited Employees' Provident Fund Trust with specific approval from Regional Provident Fund Commissioner during the year.

  The Parent Company's contribution towards Provident Fund is charged to Profit and Loss Account.

  Other than parent company employees :

  Other Group Companies have obtained permission dated 13th August 2009 from the office of Regional Provident Commissioner, New Delhi for participation into NIIT Technologies Limited Employees Provident Fund Trust. Accordingly the Companies have started making Provident Fund contribution to the Trust benefit from 1st August 2009. It is a defined benefit plan to the extent that the Companies have an obligation to make good the shortfall, if any, between the return from the investment of the Trust and interest rate notified every year by the Government. The Companies' obligation in this regard is 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 Companies made defined contribution to Regional Provident Fund Commissioner w.e.f. 1st October 2005 till 31st July 2009 in respect of Provident Fund. The Companies do not have any further obligation in this respect.

  The Companies' contribution towards provident fund is charged to Profit and Loss Account. The accumulated balances along with the interest were transferred from Regional Provident Fund

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2011 (Contd.)

Commissioner to NIIT Technologies Limited Employees Provident Fund Trust during the year.

- **Superannuation**

  The Group makes defined contribution to a trust established for the purpose by NIIT Technologies Limited. The Group has no further obligation beyond its monthly contributions.

  The Company's contribution towards Superannuation Fund is charged to Profit and Loss Account.

- **Gratuity**

  Gratuity is a post employment defined benefit plan for eligible employees in India. The liability recognized in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. Actuarial gains and losses are charged or credited to the Profit and Loss Account in the year in which such gains or losses arise.

- **Overseas employees**

  In respect of companies incorporated outside India, where applicable, the companies make defined contributions on a monthly basis towards retirement benefit plans which is charged to the Profit and Loss Account.

b) Compensated absences

Liability in respect of compensated absences is provided both for encashable leave and those expected to be availed based on actuarial valuation which considers undiscounted value of the benefits expected to be paid/availed during the next one year and appropriate discounted value for the benefits expected to be paid/availed after one year.

c) Employee Stock Option Scheme

The stock options granted under "NIIT Technologies Employees Stock Option Plan 2005" is 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 recognized as deferred employee compensation with a credit to employee stock option outstanding account.

ix) Foreign Currency Transaction / Translation

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

For the purposes of consolidation, the operations of overseas subsidiaries are considered non integral in nature and accordingly their assets and liabilities are translated at the year end exchange rate and income and expenditure items are translated at standard rates that approximate the exchange rate prevailing on the date of transaction. The resultant translation adjustment is reflected as a separate component of shareholders' funds as 'Cumulative Translation Reserve'. Upon disposal or dissolution of overseas subsidiaries, the balance in Cumulative Translation Reserve in relation to the subsidiary is transferred to the Profit and Loss Account.

x) Hedge Accounting

In accordance with its risk management policies and procedures, the Group uses derivative instruments such as foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecasted transactions. The derivatives that qualify for hedge accounting and designated as cash flow hedges are initially measured at fair value and are re-measured 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 recognized directly in shareholders' funds under hedging reserve to the extent considered highly effective. Gain or loss on derivative instruments that either do not qualify for hedge accounting or not designated as cash flow hedges or designated as cash flow hedges to the extent considered ineffective are recognized 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 recognized 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 in the Profit and Loss Account. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders fund is transferred to Profit and Loss Account in the same period.

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2011 (Contd.)

xi) Leases

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of the related lease agreement.

Finance lease transactions are considered as financing arrangements and the leased asset is capitalized at an amount equal to the present value of the future minimum lease payments and corresponding amount is recognized as a liability. The lease payments made are apportioned between finance charges and reduction of outstanding liability in relation to leased asset.

xii) Borrowing Cost

Borrowing costs are expensed in the year 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 capitalized.

xiii)Taxation

Tax expense comprising of both current tax (including Fringe Benefit Tax) and deferred tax is included in determining the net results for the year. Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. As a matter of prudence deferred tax assets are recognized and carried forward only to the extent, there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Current Tax (including Fringe Benefit Tax) is determined based on the provisions of Income Tax Act and regulations of the respective countries.

Minimum Alternative Tax (MAT) credit asset is recognized in the Balance Sheet where it is likely that it will be adjusted against the discharge of the tax liability in future under Indian Income Tax Act 1961.

xiv)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.

xv)Earnings Per Share

The earnings considered in ascertaining the Company's Earning 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: -

a) Guarantees issued by bankers outstanding at the end of accounting year Rs.1,246.70 Lacs (Previous Year Rs.966.44Lacs, includes Share in Joint Venture Rs. 7.95Lacs).

b) Guarantees issued to banker outstanding at the end of accounting year Rs.8,334.25 Lacs (Previous Year Rs. 7,958.15 Lacs). Amount outstanding against this guarantee is Rs. 71,092,970/- (Previous Year Rs. 204,223,338/-).

c) Corporate guarantees outstanding at year end, Rs. 14,194.94Lacs (Previous year Rs. 5,169.07 Lacs).

d) Claims against the Group not acknowledged as debts Rs. 70.61 Lacs (Previous Year Rs. 1,729.85 Lacs)

e) Income Tax demand of Rs. 952.98 Lacs (Previous Year Rs. 373.32 Lacs). Against this, the parent Company has deposited a sum of Rs. 200 Lacs (Previous Year Rs. 200 Lacs).

f) Commissioner, Central Excise has raised a demand against one of the Group Companies for Rs. 2,411.65 Lacs.

3. For one of the Group Companies, the Income Tax department has raised a demand of Rs. 40,375,327 for the Assessment Year 2006-07 and Rs. 54,372,720 for the Assessment Year 2007-08, primarily on account of disallowance of claim u/s 80IC of the Income Tax Act, 1961. The Group Company has preferred an appeal to the Commissioner of Income Tax (Appeals).

However, in view of the favorable high court decision in the case of the Group Company on the same matter and a favorable Supreme Court decision in another case, and also the view of expert council's opinion that the demand is not sustainable, the management is hopeful of winning the case.

4. Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) Rs 3,098.49 Lacs, (Previous Year Rs 2,863.11 Lacs,)

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2011 (Contd.)

5. a) Working Capital Limits of the Parent Company of Rs.12,500 Lacs (Previous Year Rs. 10,000 lacs) are secured by a first charge on book debts and by a second charge on movable assets of the Parent Company. The Parent Company has not utilized the fund based limit as at the year-end (Previous year Rs Nil).

b) Vehicle Loans from Banks are secured by way of hypothecation of the vehicles financed.

c) Term loan from bank is secured by a first priority over fixed assets and a floating charge over the present and future immovable assets including receivables of NIIT Technologies Limited, UK, a subsidiary Company in the Group. Additionally, the Parent Company has given a guarantee in relation to this loan which has been considered in Note 2 (b) above.

d) The secured and unsecured loans of the group are repayable as follows:-

Amount (Rs.)

	31.03.2011	**31.03.2010**
Within the next 1 year	81,461,217	142,815,573
In the next 2 to 5 years	28,190,956	74,337,874

6. Derivative Financial Instruments:

The Group is exposed to foreign currency fluctuations on foreign currency assets / liabilities, forecasted cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecasted cash flows is governed by the Group's strategy, which provide principles on the use of such forward contracts and currency options consistent with the Group's Risk Management Policy. The counter party in these derivative instruments is a bank and the Group considers the risks of non-performance by the counterparty as non-material. The forward foreign exchange/option contracts mature between 1 to 17 months and the forecasted transactions are expected to occur during the same period. The Group does not use forward contracts and currency options for speculative purposes.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

(Amount in Lacs in respective currencies)

Foreign Currency	**Year Ended 31 March 2011**	**Year Ended 31 March 2010**
U.S. Dollor	290	990
Sterling Pound	30	-
Euro	20	4
Aud	15	-

The following table summarizes activity in the Hedge Reserve (Debit Balance) related to all derivatives classified as cash flow hedges during the year ended 31st March 2011.

(Rs. Lacs)

Particular	**Year Ended 31 March 2011**	**Year Ended 31 March 2010**
Balance as at the beginning of the year (Gross of deferred tax)	2,520	18,890
Add: Unrealized (gain) / loss on cash flow hedging derivatives during the year	44	(-)9,619
Less: Net losses transferred to Revenue on occurrence of hedged items	2,818	5,602
Less: Net losses transferred to exchange fluctuation on redisgnation of forward covers.	-	1,149
Balance as at the end of the year	**(-)254**	**2,520**
Deferred Tax Assets	(-)82	38
Balance as at the end of the year (Net of Deferred Tax)	**(-)172**	**2,482**

At 31st March 2011, the estimated net amount of existing gain that is expected to be reclassified into the revenue statement within the next twelve months is Rs. 254 Lacs (Previous Year loss Rs. 2,520 Lacs).

7. Consolidation

a) Details of NIIT Technologies Limited's subsidiaries all of which have been considered in these consolidated accounts on a line by line basis are as follows:

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2011 (Contd.)

Subsidiary	Percentage of ownership interest as at 31.03.2011	Percentage of ownership interest as at 31.03.2010	Country of incorporation
NIIT GIS Limited	88.99	88.99	India
NIIT Smart Serve	100	100	India
NIIT Technologies Inc.	100	100	United States
NIIT Technologies Ltd, UK	100	100	United Kingdom
NIIT Technologies K.K. (Held by NIIT Tech, USA)	100	100	Japan
NIIT Technologies Pte Ltd	100	100	Singapore
NIIT Technologies BV (Held by NIIT Tech, UK)	100	100	Netherlands
NIIT Technologies NV (Held by NIIT Tech BV, Netherlands)	100	100	Belgium
NIIT Technologies Limited (Held by NIIT Tech, Singapore)	100	100	Thailand
NIIT Technologies Pty Limited (Held by NIIT Tech, Singapore)	100	100	Australia
NIIT Technologies GmbH	100	100	Germany
NIIT Technologies AG (Held by NIIT Tech GmbH, Germany)	100	100	Switzerland
NIIT Technologies GmbH (Held by NIIT Tech, Switzerland)	100	100	Austria
NIIT Insurance Technologies Limited, United Kingdom (Erstwhile ROOM Solutions Limited) (Held by NIIT Tech, UK)	100	100	United Kingdom
NIIT Technologies Ltd	100	100	Canada
NIIT Airline Technologies GmbH, Germany (Erstwhile Softech GmbH)	100	100	Germany
NIIT Technologies FZ LLC	100	100	Dubai
NIIT Technologies Services Limited (Erstwhile Adecco NIIT Technologies Limited) (Subsidiary wef 1st April 2010)	100	50	India
NIIT Healthcare Technologies Inc. (Held by NIIT Tech Inc, USA) wef 10th December 2010	100	-	USA

b) The Company and Joint Venture partner Adecco Holding Europe BV, Netherlands had signed an agreement on April 26th, 2010 replacing the erstwhile joint venture agreement which provided for amongst others, the transfer of entire shareholding held by joint venture partner to the Company. During the year, the Company has acquired 2,500,000 shares held by Joint Venture partner in the Joint Venture Company for a nominal value and thereby making it a wholly owned subsidiary of the Company.

8. Payment to Auditors (Excluding Service Tax)

i) Payment to Parent Company auditors

Amount (Rs.)

Particulars	2010-11	2009-10
Audit fees	5,279,656	5,169,222
Certification Services	3,500,000	2,430,000
Tax audit fees	300,000	300,000
Reimbursement of expenses	608,848	621,187

ii) Payment to other auditors amount to Rs.14,284,704/- (Previous Year Rs. 15,209,050/-).

9. TAXATION

a) CURRENT TAX

The Group has availed deductions available under the provisions of section 10B and 80IC of the Indian Income Tax Act, in respect of certain Export Oriented Undertakings (EOU's) registered with Software Technology Parks of India (STPI) and for an undertaking set up in a backward area respectively. The current tax liability in Indian Income Tax is primarily arising under Minimum Alternate Tax (MAT) provisions of Section 115 JB of the Indian Income-Tax Act, part of which amounting to Rs. 1,229 Lacs (Previous Year Rs. 1,416 Lacs) is expected to be recovered in future years and the same has been recognized as MAT credit entitlement in these accounts.

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2011 (Contd.)

b) DEFFERED TAX (NET)

Break up of deferred tax assets/ liabilities and reconciliation of current accounting period deferred tax charge is as follows:

(Rs. Lacs)

Deferred Tax Assets/Liabilities	As at 01.04.2010	Charge/ (Credit) for the year	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.	(42)	938	896
b) Tax impact of expenses not charged in the financial statements but claimed as deduction under income tax	81	(5)	76
c) Others	23	(23)	-
Total (A)	**62**	**910**	**972**
Deferred Tax Assets:			
a) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	134	28	162
b) Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax:	10	732	742
c) Provision for doubtful debts	185	5	190
d) Provision for Compensated absences, Bonus and Gratuity	636	238	874
e) Others	132	28	160
f) Carry forward losses/unabsorbed depreciation	-	354	354
Total (B)	**1,097**	**1,385**	**2,482**
Deferred Tax Asset / (Liability) (B-A)	**1,035**	**475**	**1,510**
Add: Deferred Tax Asset related to Fair Value loss on derivative instruments not charged in the financial statements but taken to the Balance Sheet.	38	-	(83)
Net Deferred Tax Asset / (Liability)	**1,073**		**1,427**

Note:

i) The movement in Deferred tax asset/ liability above includes that on account of currency translation of balances of overseas subsidiaries of Rs. 11 Lacs (Previous Year Rs. 27 lacs)

ii). Deferred tax assets and liabilities above have been determined by applying the Income Tax rates of respective countries. Also as required by Accounting Standard 22 "Accounting for Taxes on Income" deferred tax assets and liabilities in relation to different Companies have not been offset and have been represented in the Balance Sheet as follows:

(Rs. Lacs)

Particulars	As at 31.03.2011	As at 31.03.2010
Deferred Tax Asset (Net)	1,427	1,073

iii) Deferred tax assets arising from carry forward losses/unabsorbed depreciation has been recognized only to the extent of deferred tax liability in the respective companies except where the Group is certain of their recovery in full.

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2011 (Contd.)

10. Earnings Per Share **Amount (Rs.)**

	2010-11	2009-10
Profit attributable to Equity shareholders (Rs.) -(A)	1,822,203,027	1,263,715,964
Weighted Average number of Equity shares Outstanding during the year – (B)	58,956,638	58,745,703
Add: Effect of potential dilutive shares(stock options)- (Refer Note 14 below)	747,839	1,83,770
Weighted average shares outstanding considered for determining dilutive earning per share - (C)	59,704,477	58,929,473
Nominal Value of Equity Shares (Rs.)	10	10
Basic Earnings per share (Rs) (A/B)	30.91	21.51
Diluted Earnings per share (Rs) (A/C)	30.52	21.44
EARNING PER SHARE {had fair value method been employed for accounting for Employee Stock Option (Refer Note 14 below)}		
Profit attributable to Equity shareholders (Rs.) -(D)	1,742,090,829	1,218,854,403
Basic Earnings per share (Rs) (D/B)	29.55	20.75
Diluted Earnings per share (Rs) (D/C)	29.18	20.68

Note: The weighted average number of equity shares outstanding considered for determining Basic and Dilutive Earning per Share for the previous year has been appropriately adjusted for Bonus Shares issued so as to make the Earning per share comparable.

11. Related Party Disclosures as per Accounting Standard 18

A. List of related parties with whom the Group has transacted:

a. Parties of whom the Group is an associate and its subsidiaries
1. NIIT Limited
2. NIIT USA Inc.
3. NIIT Malaysia Sdn Bhd
4. NIIT China (Shanghai) Ltd
5. Scantech Evaluation Services Limited
6. NIIT Limited UK
7. Evolve Services Limited
8. Element K Corp, USA

b. Key Managerial personnel
1. Rajendra S Pawar
2. Vijay K Thadani
3. Arvind Thakur

c. Parties in which the key managerial personnel or the relatives of the key managerial personnel are interested.
1. Naya Bazar Novelties Pvt Ltd.
2. NIIT Institute of Information Technology

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2011 (Contd.)

B. Details of transactions with related parties carried out on an arms length basis:

Nature of Transactions	Party of whom the Group is an associate and it's subsidiaries (Rs.)	Key Managerial Personnel (Rs.)	Parties in which Key Managerial Personnel of the Group are interested (Rs.)	Total (Rs.)
Recovery from NIIT Limited Group (Note 2)	26,389,026 (14,448,473)	- (-)	- (-)	26,389,026 (14,448,473)
Recovery by NIIT Limited Group (Note 3)	13,885,590 (15,909,331)	- (-)	- (-)	13,885,590 (15,909,331)
Receiving of Services/Goods (Note 4)	34,474,512 (3,985,451)	- (-)	- (-)	34,474,512 (3,985,451)
Rendering of Services (Note 5)	13,182,093 (15,454,305)	- (-)	- (-)	13,182,093 (15,454,305)
Remuneration (Note 6)	- (-)	50,105,054 (27,088,895)	- (-)	50,105,054 (27,088,895)
Reimbursement of Expenses (Note 7)	5,533,732 (-)	- (-)	- (-)	5,533,732 (-)
Other Income (Note 8)	4,500,000 (4,270,365)	- (-)	- (-)	4,500,000 (4,270,365)
Other Expenses I (Note 9)#	672,839 (192,000)	- (-)	- -	672,839 (192,000)
Dividend Paid to Scantech Evaluation Services Limited	108,701,100 (101,454,360)	- (-)	- (-)	108,701,100 (101,454,360)
Sale of Fixed assets (Note 10)	- (554,754)	- (-)	- (-)	- (554,754)
Loans Given (Note 11)	161,218,847 (-)	- (-)	- (250,000,000)	161,218,847 (250,000,000)
Loans Given Received back (Note12)	161,218,847 (-)	- (-)	- (-)	161,218,847 (-)
Interest Received (Note 13)	1,256,843 (82,192)	- (-)	30,000,000 (-)	31,256,843 (82,192)
Donation (Note 14)	- (-)	- (-)	50,000,000 (-)	50,000,000 (-)

Notes:

1. Figures in Parenthesis represent Previous Year's figures.
2. Includes transactions for the year mainly with;
   - NIIT Limited Rs 108.65 Lacs (Previous Year: Rs 64.04Lacs)
   - NIIT (USA) Inc 155.24 Lacs (Previous Year: Rs 80.24Lacs)
   - NIIT Malaysia Sdn Bhd Rs. Nil (Previous Year Rs. 0.20 Lacs)
3. Includes transactions for the year mainly with;
   - NIIT Limited Rs 70.76 Lacs (Previous Year: Rs 3.50 Lacs)
   - NIIT (USA) Inc Rs. 68.09 Lacs (Previous Year: Rs 125.71 Lacs)
   - NIIT Malaysia Sdn Bhd Rs. Nil (Previous Year Rs. 0.94 Lacs)
   - NIIT China Rs.Nil (Previous Year Rs 28.93 Lacs)
4. Includes transactions for the year mainly with;
   - NIIT Limited Rs 298.84 Lacs (Previous Year Rs 39.85Lacs)
   - NIIT UK Rs. 35.60 Lacs (Prevoius Year Rs Nil)
   - Evolve Services Limited Rs 10.09 Lacs (Previous Year Rs Nil)
5. Includes transactions for the year mainly with;
   - NIIT UK Rs 38.37 Lacs (Previous Year Rs 16.56 Lacs)
   - NIIT Limited Rs. 93.45 Lacs (Previous Year Rs.89.39 Lacs)
   - Element K Corp Rs. Nil (Previous Year Rs 48.59 Lacs)
6. Remuneration to Key Managerial Personnel includes those paid to;
   - Rajendra S Pawar – Rs 150.59Lacs (Previous Year: Rs 94.57Lacs)

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2011 (Contd.)

- Arvind Thakur – Rs 342.26 Lacs (Previous Year Rs 170.11Lacs)
- Vijay K Thadani –Rs 8.20 Lacs (Previous Year: Rs. 6.20Lacs)

7. Includes transactions for the year mainly with;
   - NIIT USA Inc. Rs. 55.34 Lacs (Previous Year Rs Nil)
8. Includes transactions for the year mainly with;
   - NIIT Limited Rs. 45.00 Lacs (Previous Year Rs.Nil)
9. Includes transactions for the year with
   - NIIT Limited Rs.Nil (Previous year Rs.1.92 Lacs.)
   - Naya Bazar Rs.6.88 Lacs (Previous year Rs. Nil)

   # Total of Rs. 6.88, Lacs includes reversal for expense of earlier year, Rs 0.32 Lacs
10. Includes transactions for the year with
    - NIIT Limited Rs.Nil (Previous year Rs. 5.55 Lacs.)
11. Transactions in loan given for the year with
    - NIIT Institute of Information Technology, Nil (Previous year 2,500 Lacs)
    - NIIT USA Inc, Rs 1,612.19 Lacs (Previous Year Rs. Nil)
12. Transactions in loan given and received back for the year with
    - NIIT USA Inc, Rs 1,612.19 Lacs (Previous year Rs. Nil)
13. Transactions in interest received for the year with
    - NIIT USA Inc, Rs 12.56 Lacs (Previous year Rs. 0.82 Lacs)
    - NIIT Institute of Information Technology, Rs. 300.00 Lacs (Previous year Rs. Nil)
14. Transactions in donation for the year with
    - NIIT Institute of Information Technology, Rs. 500.00 Lacs (Previous year Rs. Nil)

C. Outstanding balances with related parties:

	Receivables as at 31.03.2011 (Rs.)	Payables as at 31.03.2011 (Rs.)	Receivables as at 31.03.2010 (Rs.)	Payables as at 31.03.2010 (Rs.)
Parties of whom the Group is an associate and its subsidiaries.	4,484,613	23,631,829	8,081,187	4,613,281
Key Managerial Personnel	39,764	83,807	153,864	15,965,762

12. The Dominant source of risk and returns of the group is considered to be the business in which it operates viz – software solutions. Being a single business segment group, no primary segment information is being provided. The secondary segment information as per Accounting Standard 17 'Segment Reporting' in relation to the geographies is as follows:

(Rs. Lacs)

Particulars	Revenue from external customers by location of customers		Carrying amount of segment assets by location of the assets		Additions to fixed assets	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
India	29,069	9,877	61,526	48,683	2,670	1,674
Rest of Asia Pacific* (including Australia)	15,513	11,641	8,891	6,198	267	50
Europe *	39,044	39,162	21,541	19,526	337	45
America *	39,599	30,691	9,432	8,029	39	16
Total	**123,225**	**91,371**	**101,390**	**82,436**	**3,313**	**1,785**

*Net of Hedging loss of Rs. 2,818 Lacs (includes America Rs 2,768 Lacs, Europe Rs 42 Lacs & Australia Rs 8 Lacs) (Previous Year Rs. 5,602 Lacs) related to derivative instruments matured during the year.

13. Disclosure of Leases as per Accounting Standard (AS) – 19

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2011 (Contd.)

a) Operating Leases

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

Particulars	In respect of Premises (Rs.)		In respect of equipment (Rs.)	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Amount payable within the next 1 year	95,607,162	105,461,924	4,957,426	15,234,058
Amount payable in the next 2 to 5 years	163,344,384	66,337,327	3,199,409	19,543,839

Aggregate payments during the period under operating leases amount to Rs. 118,600,932/- (Previous Year Rs 272,694,933/-).

b) Finance Leases

The minimum lease payment outstanding and their present value at the Balance Sheet date in respect of plant and machinery that have been capitalized are as follows:

Particulars	Minimum lease payments Amount (Rs.)	Finance charges Amount (Rs.)	Present value of lease payments Amount (Rs.)
Amount payable within the next 1 year	6,434,328 (3,811,738)	928,613 (451,115)	5,505,715 (3,360,623)
Amount payable in the next 2 to 5 years	8,094,447 (2,618,041)	463,240 (403,077)	7,631,207 (2,214,964)
Total	14,528,775 (6,429,779)	1,391,853 (854,193)	13,136,922 (5,575,587)

Note : Figures in Parenthesis represent Previous Year's figures.

14. EMPLOYEE STOCK OPTION PLAN:

(i) The Parent Company established NIIT Technologies Stock Option Plan 2005 (ESOP 2005) in the year 2005-06 and the same was approved at the Annual General Meeting of the Parent Company on 29th July 2004. The plan was set up so as to offer and grant for the benefit of employees of the Parent Company and its subsidiaries, who are eligible under Securities Exchange Board of India (SEBI) Guidelines (excluding promoters), options of the Parent Company in aggregate up to 3,850,000 options under ESOP 2005, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard. As per the plan each option is exercisable for one equity share of face value of Rs 10 each fully paid up on payment to the Parent Company for such shares at a price to be determined in accordance with ESOP 2005. SEBI has issued the Employee's Stock Option scheme and Employee Stock Purchase Scheme Guideline, 1999 which is applicable to the above ESOP 2005.

The Company granted option in eight Grants, out of the same grant I and II has been fully exercised / lapsed. The details of other tranches are as follows:-

Description	Grant I	Grant III	Grant IV	Grant V		Grant VI	Grant VI	Grant VII	Grant VII	Grant VIII	Grant VIII
				Tranche I	Tranche II	Tranche I	Tranche II	Tranche I	Tranche II	Tranche I	Tranche II
Date of Grant	August 02, 2005	June 20, 2007	July 28, 2008	October 19, 2009	October 19, 2009	July 19,2010	July 19, 2010	October 18, 2010	October 18, 2010	January 18, 2011	January 18, 2011
Date of Vesting	August 02, 2006	June 20, 2008	July 28, 2009	October 18, 2010	October 18, 2011	July 19,2011	July 19, 2012	October 18, 2011	October 18, 2012	January 18, 2012	January 18, 2013
Live grants at beginning /during the year (Nos)	-	88,202	384,725	1,104,000	1,104,000	37,000	37,000	43,000	43,000	25,000	25,000
	(74,850)	(92,155)	(461,250)	(1,199,700)	(1,199,700)	(-)	(-)	(-)	(-)	(-)	(-)
Forfeited / lapsed till vesting period (Nos)	-	-	-	89,500	157,250	-	-	-	-	-	-
	(-)	(-)	(22,500)	(95,700)	(95,700)	(-)	(-)	(-)	(-)	(-)	(-)
Options vested (Nos)	-	-	-	1,014,500	-	-	-	-	-	-	-
	(-)	(-)	(438,750)	N/A	N/A	(-)	(-)	(-)	(-)	(-)	(-)
Options forefeited post vesting (Nos)	-	7,677	7,500	17,300	-	-	-	-	-	-	-
	(60,225)	(3,953)	(7,500)	N/A	N/A	(-)	(-)	(-)	(-)	(-)	(-)
Options Exercised (Nos)	-	-	214,800	248,411	-	-	-	-	-	-	-
	(14,625)	(-)	(46,525)	N/A	N/A	(-)	(-)	(-)	(-)	(-)	(-)

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2011 (Contd.)

Description	Grant I	Grant III	Grant IV	Grant V		Grant VI	Grant VI	Grant VII	Grant VII	Grant VIII	Grant VIII
				Tranche I	Tranche II	Tranche I	Tranche II	Tranche I	Tranche II	Tranche I	Tranche II
Exercisable/outstanding at the end of the year (Nos)	-	80,525	162,425	748,789	946,750	37,000	37,000	43,000	43,000	25,000	25,000
	(-)	(88,202)	(384,725)	(1,104,000)	(1,104,000)	(-)	(-)	(-)	(-)	(-)	(-)
Exercise Price (Rs.)	76.67	349.00	108.00	(127.20)	(127.20)	182.15	182.15	223.75	223.75	206.20	206.20
	(76.67)	(349.00)	(108.00)	(127.20)	(127.20)	(-)	(-)	(-)	(-)	(-)	(-)
Remaining Contractual Life (in-days)	Nil	81	484	931	1,298	1,206	1,571	1,297	1,662	1,389	1,754
	(-)	(446)	(849)	(1,299)	(1,664)	(-)	(-)	(-)	(-)	(-)	(-)
Fair value of Options based on Black and Scholes model (as per independent valuer's report)											
Pre-Bonus (Rs.)	59.20	168.11	-	-	-	-	-	-	-	-	-
	(59.20)	(168.11)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Post-Bonus (Rs.)	39.46	112.07	43.78	50.23	56.16	75.39	75.39	83.29	83.29	76.65	76.65
	(39.46)	(112.07)	(43.78)	(50.23)	(56.16)	(-)	(-)	(-)	(-)	(-)	(-)
Intrinsic value of options (Rs.)	23.00	-	-	-	-	-	-	-	-	-	-
	(23.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Note:

Opening balances of Grant III for 7,904 shares and IV for 15,000 shares are restated for one of our employees.

During the year, the Compensations / Remuneration Committee at its meetings held on July 19, 2010 has approved issue of 74,000 options (Grant-VI), on October 18,2010 has approved issue of 86,000 options (Grant VII) and on January 18, 2011 has approved issue of 50,000 options out of the option under ESOP 2005, to Managerial Personnel of the Company / Subsidiaries.

The assumptions used by the independent valuer for determination of fair value as per the Black & Scholes model is as follows:

a) Market price considered is the latest available closing price, prior to the date of the Grant.

b) Exercise price is the price payable by the employees for exercising the option.

c) As the life of the option is greater than one year there is considerable difficulty in estimating the amount and time of future dividend payouts with certainty, hence future dividend payout have not been incorporated in the valuation analysis.

d) Volatility - Variance in the stock price is considered as 10% (for Grant I) , 51.13% (for Grant III) , 65.62% (for Grant IV), 66.12% (for Grant V Tranche I), 64.75% (for Grant V Tranche II), 62.07% (for Grant VI Trache I), 62.04% (for Grant VI Trache II), 51.67% (for Grant VII Trache I), 58.87% (for Grant VII Tranche II), 49.48% (for Grant VIII Tranche I) and 58.73% (for Grant VIII Tranche II) is based on historical volatility in the share price movement of the Company and four other comparable companies.

e) Average life of the options is considered to be 2.5 Years for Grant I, Grant III, Grant IV, Grant V Tranche I, Grant VII Tranche I and Grant VIII Tranche I, 3.5 years for Grant V Tranche II, Grant VII Tranche II and Grant VIII Tranche II, 2.75 Years for Grant VI Tranche I and 3.75 Years for Grant VI Tranche II.

f) Risk less interest rate has been assumed at 7% (Grant I), 7.93 % (Grant III), 9.24% (Grant IV), 6.83% (Grant V Tranche I), 7.01% (Grant V Tranche II), 6.72% (Grant VI Tranche I), 7.01% (Grant VI Tranche II), 7.31% (Grant VII Tranche I), 7.61% (Grant VII Tranche II), 8.11% (Grant VIII Tranche I) and 8.07% (Grant VIII Tranche II) based on long term government bonds of ten year residual maturity.

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2011 (Contd.)

(ii) Other information regarding employee share based payment is as below:

Amount (Rs.)

Description	Grant IV	Grant V		Grant VI		Grant VII		Grant VIII	
		Tranche I	Tranche II	Tranche I	Tranche II	Tranche I	Tranche II	Tranche I	Tranche II
Additional expense had the Company recorded the ESOP expense based on fair value of the option	-	21,827,712	50,367,100	1,956,422	1,956,422	1,619,021	1,619,021	383,250	383,250
	(5,277,262)	(26,389,532)	(13,194,766)	(-)	(-)	(-)	(-)	(-)	(-)

Note :

a) Figures in parenthesis represent previous year's figure.

b) For impact on Basic and Diluted earning Per Share, had fair value of the option been used for determining Employee Stock Option Plan expense, refer note 21 above.

c) During the period Nil expenses accounted based on intrinsic value of the option as all the options were issued at market price only.

15. Employee Benefits

a) Defined Contribution Plans

The 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.

Employer's Contribution	March 31, 2011 (Rs.)	March 31, 2010 (Rs.)
Employers Contribution to Provident Fund Trust	59,450,724	47,409,130
Employers Contribution to Superannuation Fund	8,389,629	8,348,619
Employers Contribution to Overseas Plan	211,765,060	212,454,115

b) Defined Benefit Plans

Disclosure in respect of defined benefit plans in accordance with Accounting Standard 15 (Revised) "Employee Benefits"

- Provident Fund:

In respect of Parent Company's obligation towards guaranteed returns on Provident Fund Contributions made to the "NIIT Technologies Limited Employees Provident Fund Trust" established by the Parent Company, the Parent Company's obligation has been actuarially determined. As per actuary's report the interest earnings and cumulative surplus of Trust are more than the statutory requirement and accordingly there is no additional liability of employer on account of interest shortfall

- **Compensated Absences**

Amount (Rs.)

	2010-11	2009-10
i) Change In Present Value Of Obligation		
Present Value Of The Obligation at the beginning of the period	182,377,257	169,303,135
Interest Cost	14,656,181	12,737,024
Current Service Cost	108,714,132	103,486,159
Benefits Paid	(811,700)	(477,380)
Actuarial (gain)/loss on the obligation	(90,162,524)	(102,671,682)
Present Value Of Obligation as at the end of the year	214,773,346	182,377,257
Liability For Entities Where Actuarial Is Not Performed	35,616,752	34,159,410
Grand Total	**250,390,098**	**216,536,667**

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2011 (Contd.)

ii) Principal actuarial assumptions used in accounting for Compensated Absences	**2010-11**	**2009-10**
For Entities in India		
Discount Rate	8.10%	8.10%
Future Salary Increase		
- For First 4 Years	8%	8%
- Next 5 Years	6%	6%
- Thereafter	5%	5%
For NIIT Technologies Limited, USA Branch		
Discount Rate	8.10%	8.10%
Future Salary Increase		
- For First Year	0%	0%
- Thereafter	4%	4%
For NIIT Technologies Inc., USA		
Discount Rate	6.20%	6.20%
Future Salary Increase		
- For First Year	0%	0%
- Thereafter	4%	4%

- **Gratuity:**

  In accordance with Accounting Standard 15 (revised 2005) an actuarial valuation was carried out in respect of Gratuity:

Amount of obligation as at the year end is determined as under:

Amount (Rs.)

Description	**2010-11**	**2009-10**
Present value of obligation as at the beginning of the year	**87,885,162**	**83,020,512**
Interest cost	6,815,330	6,451,520
Current service cost	14,393,510	13,316,000
Benefits paid	(7,489,490)	(4,751,960)
Actuarial (gain)/loss on obligations	(995,000)	(10,150,910)
Present value of obligation as at the end of the year	**100,609,512**	**87,885,162**

Change in Plan Assets:

Amount (Rs.)

Description	**2010-11**	**2009-10**
Plan assets at beginning at fair value	**99,795,280**	**82,208,520**
Expected return on plan assets	9,012,440	8,044,400
Contributions	-	14,618,420
Benefits paid	(7,489,490)	(4,751,960)
Actuarial gain/(loss) on plan assets	89,720	(324,100)
Plan assets at year end at fair value	**101,407,950**	**99,795,280**

Amount of the obligation recognized in the Balance Sheet:

Amount (Rs.)

Description	**2010-11**	**2009-10**
Present value of the defined benefit obligation at the end of the year	100,609,512	87,885,162
Fair value of plan assets at the end of the year	101,407,950	99,795,280
Liability/ (Assets) recognized in the Balance Sheet	**(798,438)**	**(11,910,118)**

Amount of Gratuity expense recognised in the Profit and Loss Account:

Amount (Rs.)

Description	2010-11	2009-10
Current service cost	14,393,510	13,316,000
Interest cost	6,815,330	6,451,520
Expected return on plan assets	(9,012,440)	(8,044,400)
Actuarial (gain)/ loss recognized during the year	(1,084,720)	(9,826,810)
Total	**11,111,680**	**1,896,310**

Investment details of plan assets:

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

Principal actuarial assumptions at the Balance Sheet date:

	2010-11	2009-10
Discounting Rate	8.10%	8.10%
Expected Rate of return on plan assets	9.15%- 9.40%	9.15% - 9.40%

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

16. a) The Parent company's domestic subsidiary declared a dividend of Rs. 135,946,138/- (Previous Year Rs. 50,000,000/-) of which Rs. 120,983,596/- (Previous Year Rs. 44,496,885/-) is receivable by the Parent Company, and the balance Rs. 14,962,542/-(Previous Year Rs. 5,503,115/-) relates to the minority. The corporate dividend tax to the extent Rs. 2,427,299/-(Previous Year Rs. 935,254/) related to the minority which has been appropriately adjusted from the minority interest in these accounts.

b) The corporate dividend tax disclosed as part of appropriation includes Rs. 19,626,562/-(Previous year Rs. 7,562,246/-) relating to corporate dividend tax payable by a subsidiary attributable to dividend receivable by the Parent Company. Further it includes Rs.52,463,455/- (Previous year Rs. 62,374,714/-) being dividend tax payable by the Parent Company on amount being excess of dividend proposed by the Parent Company over dividend receivable by it from it's subsidiary by virtue of sub-section 1A of section 115O of the Indian Income Tax Act.

17. During 2009-10, the Company had granted unsecured loan of Rs.2,500 Lacs to NIIT Institute of Information Technology, a society registered under Society Registration Act, 1860 (referred to as Borrower). The Borrower has set up a University named as "NIIT University" (NU) as a private University at Neemrana, District Alwar, Rajasthan in accordance with the Guidelines for the Establishment of Private University by a separate Act issued by Government of Rajasthan. This loan repayment term has been extended for a period of 6 months with the same terms and conditions.

18. Previous year figures have been regrouped/ recast wherever necessary to conform to current year's classification.

Signature to the Schedules `1' to `20' above

For **Price Waterhouse**
Firm Registration No – FRN301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

Usha Rajeev
Partner
Membership No. F-087191

Ashok Arora
Group Chief Financial Officer

Pratibha K Advani
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Legal Counsel

Place : New Delhi
Date : May 6th, 2011

NIIT technologies

NIIT Technologies Ltd.

Regd. Office : B-234, Okhla 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 Technologies 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 9.00 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 technologies

NIIT Technologies Ltd.

Regd. Office : B-234, Okhla 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 9.00 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 8.00 A.M.

Please note that no Gift/Gift Coupons will be distributed at AGM venue

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the members of NIIT Technologies Limited will be held on Friday, the 1st day of July, 2011, at 09.00 A.M. at Parkland Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi -110 074 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the financial year ended on that date alongwith the reports of the Auditors and Directors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Vijay K Thadani, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Amit Sharma, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to authorize Board of Directors to fix their remuneration. M/s Price Waterhouse, Chartered Accountants, the retiring Auditors, are eligible for re-appointment.

By the Order of the Board
For **NIIT Technologies Limited**
Sd/-
Onkarnath Banerjee
Company Secretary
& Legal Counsel

Place : New Delhi
Date : 06th May, 2011

Notes:

1. **MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.**
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members may please note that no gifts/ gift coupons shall be distributed at the venue of the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed on the Book Closure Dates, i.e., from June 24, 2011 to July 01, 2011(both days inclusive). The dividend as recommended by the Board of Directors, if approved at the meeting, will be paid to those members whose names appear in the Register of Members as on June 24, 2011 and in respect of shares held in electronic mode on the basis of beneficial ownership of shares as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business hours on June 23, 2011.
5. While members holding shares in physical form may write to the Company's Registrar and Share Transfer Agent i.e. Alankit Assignments Limited, Unit: NIIT Technologies Limited 2E/21, Jhandewalan Extension, New Delhi – 110055, for changes, if any, in their address and bank mandates, members having shares in electronic form may inform such changes directly to their depository participant immediately so as to enable the Company to dispatch dividend warrant(s) at their correct address(es).
6. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send share certificates to the Company for consolidation into a single folio.
7. The Members desirous of appointing their nominees for the shares held by them may apply in the revised Nomination Form (Form 2-B) as amended by the Central Government vide their notification no GSR 836(E) dated October 24, 2000.
8. Every Company, as per the provisions of SEBI letter no.DCC/FITTCIR-3/2001 dated October 15, 2001, is mandatorily required to use Electronic Clearing System (ECS) facility for distributing dividends or other cash benefits to investors wherever applicable. Currently ECS facility is available at locations specified by RBI.

   In view of the above, the shareholders holding shares in physical form are requested to provide their bank details so that all future dividends can be remitted through ECS. In case of shareholders staying at locations not covered by ECS, the bank details shall be incorporated in the dividend warrants so as to protect against any fraudulent encashment of dividend warrants.

   The shareholders can obtain a copy of the ECS mandate form from the registered office of the Company or can be downloaded from the website of the Company at www.niit-tech.com.

   In respect of members who hold shares in dematerialized form, their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrant as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of or change in Bank Account details. Members who wish to change their Bank Account details are therefore requested to advise their Depository Participants about such change.

9. Members desirous of obtaining any information/ clarification concerning the accounts and operations of the Company are requested to address their queries in writing to the Company Secretary at least ten days before the Annual General Meeting, so that the information required may be made available at the Annual General Meeting.
10. Members/ Proxy(ies) are requested to bring their copy of the Annual Report at the meeting and to produce at the entrance, the admission slip, duly completed and signed, for admission to the meeting hall.
11. The statutory registers maintained under Sections 301 and 307 of the Companies Act, 1956 and the certificate from the Auditors of the Company certifying that the Company's stock option plan has been implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, and in accordance with the resolutions passed by the members in the general meeting will be available at the venue for inspection by members.
12. The Ministry of Corporate Affairs ("MCA") has taken a 'Green initiative in the Corporate Governance' by allowing paperless complainces by Companies, stating that the service of documents by the companies to its members can be made through electronic mode.

    We henceforth propose to send documents like the notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report etc. to the e-mail addresses registered by you with your Depositories/Registrar.

    All the shareholders are requested to register their email ids with the Registrar/Depository Participants enabling the Company to send annual report and other documents in electronic mode.

Details of Directors seeking reappointment in forthcoming Annual General Meeting, in pursuance of Clause 49 IV (G) of the Listing Agreement, are given hereunder:

Mr. Vijay K Thadani

Profile and expertise in specific functional areas:

Mr. Vijay K Thadani is the Co-founder and Chief Executive Officer of NIIT Ltd., India, a leading Global Talent Development Corporation. His vision and leadership has led NIIT in taking IT education out of the confines of a few exclusive universities and bringing it to the masses. Mr. Thadani's guidance led NIIT's China operations to expand in over 170 locations, across 25 provinces. He was honoured as 'Economic Consultant' to Chongqing, world's largest city located in the People's Republic of China.

Mr. Thadani along with Mr. Rajendra S Pawar, Chairman of the Company is the Founder of not-for-profit, NIIT University established in 2009 with a vision of being the leading centre of innovation and learning in emerging areas of the Knowledge Society. He also serves on the Board of NIIT Limited.

A 'Distinguished Alumnus' of the premier IIT Delhi, Mr. Thadani has lectured at prestigious institutions like University of Michigan Business School, J L Kellogg Graduate School of Management and Indian Institutes of Management.

Mr. Thadani is actively engaged with many Industry Associations. He is the current Chairman of the Confederation of Indian Industry (CII) Northern Region (former Deputy Chairman of CII Northern Region); Chairman of The National Accreditation Board for Education and Training (NABET), under the aegis of Quality Council of India (QCI) and Chairman of Indian Institute of Information Technology (IIIT), Allahabad. He also serves as a member on the India Advisory Board of the Maastricht University, Netherlands; Project Management Institute (PMI) India Advisory Board; All India Management Association (AIMA) Council of Management and AIMA Governing Council.

Directorship in other Indian Public Limited Companies:

1. NIIT Limited
2. Scantech Evaluation Services Limited
3. Institute of Quality Limited
4. NIIT Institute of Finance Banking & Insurance Training Limited
5. Evolv Services Limited
6. NIIT Institute of Process Excellence Limited

Chairman / Member of the Committees of the Board* of other Indian Public Limited Companies:

S.No.	Name of Company	Name of Board Committee	Position held (Member / Chairman)
1	NIIT Limited	Audit committee	Member
		Shareholders'/Investors' Grievance Committee	Member
2	Scantech Evaluation Services Limited	Audit Committee	Chairman

NOTICE

3	NIIT Institute of Finance Banking and Insurance Training Limited	Audit Committee	Member
4.	NIIT Institute of Process Excellence Limited	Audit Committee	Chairman

* Board Committee for this purpose includes Audit Committee and Shareholders'/Investors' Grievance Committee.

Mr. Amit Sharma

Profile and expertise in specific functional areas:

Mr. Amit Sharma is the Executive Vice President and also President, (Asia) of American Tower Company responsible for building a successful Tower leasing business in Asia. Prior to this he led country teams in India and Southeast Asia for Motorola, as Country President, India and as Head of Strategy, Asia-Pacific. He also served on Motorola's Asia Pacific Board and was a member of its senior leadership team. Prior to joining Motorola, he has been associated with companies like GE Capital, McKinsey & Company and Unilever. He is also an Executive Member of Industry Association -AmCham Board of Governors.

Mr. Sharma was educated at the Indian Institute of Technology (IIT), Kharagpur. He is also an M.Sc in Computers & Information Sciences from the MOORE School, University of Pennsylvania & MBA in International Business from Wharton School of Business.

Mr. Amit Sharma is member of Audit Committee and Chairman of Compensation Committee and Shareholders'/Investors' Grievance Committee of the Company.

Directorship in other Indian Public Limited Companies:

1. NIIT GIS Limited

He is not a Chairman / Member of the Committees of the Board of any other Indian Public Limited Companies.

Details of equity shareholding of Non Executive Directors, being re-appointed, as on March 31, 2011

Name of Non Executive Director	Number of shares held
Mr. Vijay Kumar Thadani	110274
Mr. Amit Sharma	21205

* Board Committee for this purpose includes Audit Committee and Shareholders'/Investors' Grievance Committee.

The Board recommends the re-appointment of Mr. Vijay K. Thadani and Mr. Amit Sharma as Directors of the Company. Except Mr. Vijay K. Thadani and Mr. Amit Sharma, no other Director is interested or concerned in the said resolution.

By the Order of the Board
For **NIIT Technologies Limited**
Sd/-
Onkarnath Banerjee
Company Secretary
& Legal Counsel

Place : New Delhi
Date : 06th May, 2011

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