



# Delivering Exceptional Value

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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.

## Corporate Information

### Board of Directors



**Rajendra S Pawar**  
Chairman & Managing Director



**Arvind Thakur**  
Chief Executive Officer  
& Joint Managing Director



**Vijay K Thadani**  
Director



**Subroto Bhattacharya**  
Director



**Surendra Singh**  
Director



**Amit Sharma**  
Director



**Ashwani Puri**  
Director

**Company Secretary & Legal Head**  
Onkarnath Banerjee

**Group Chief Financial Officer**  
Ashok Arora

**Chief Financial Officer**  
Pratibha K Advani

**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  
New Delhi - 110 020, India  
Email: investors@niit-tech.com  
Tel : +91-11-41407000  
Fax : +91-11-26817344

**Corporate Office**  
NIIT Technologies Limited  
Corporate Office  
Tapasya Corp Heights  
Plot No. - 5, Sector - 126,  
Noida Express Highway,  
Noida, UP, INDIA  
Ph: +91 120 711 8400  
Fax: +91 120 711 9150

**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](http://www.niit-tech.com)

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## Corporate Profile

### COMPANY OVERVIEW

NIIT Technologies is a leading IT solutions organisation, servicing customers in North & South America, Europe, the 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, Manufacturing and Government sectors.

The Company's domain strengths, new approaches to customer experience management, robust outsourcing capabilities, and dual-shore delivery model, have made it a preferred IT partner for global majors in these select verticals. Long-term customer engagements—some spanning 15 years and more—have become the hallmark of NIIT Technologies.

The vision of NIIT Technologies is to be the 'First Choice' of customers in its chosen verticals. The Company has a simple strategy—to 'Focus and Differentiate,' which enable it to compete on the strength of its specialisation.

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 arm conforms 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.

### FOCUS ON SELECT INDUSTRY SEGMENTS

**Banking and Financial Services (BFS):** NIIT Technologies' portfolio for the Banking and Financial Services domain remains distinctive on account of the Company's in-depth knowledge of the vertical. NIIT Technologies' entire range of offerings and solutions enable the global Banking and Financial Services Industry meet challenges around business and regulatory environment, achieve operations excellence and attain business growth through customer excellence. The Company specialises in providing solutions in the areas of investment management, retail and wholesale banking, credit and operational risk management, and regulatory compliance.

**Insurance:** NIIT Technologies has built expertise in the areas of life insurance, pensions, annuity, non-life insurance, policy administration, claims management and reinsurance, forging deep and enduring relationships with marquee insurance companies. Through its wholly owned subsidiary- NIIT Insurance Technologies Ltd., it further 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 focuses on working constantly and consistently to deliver outstanding IT solutions and services to Travel, Transportation & Logistics organisations. The Company has garnered extensive experience working with some of the world's largest carriers, airports, travel distribution and surface transportation companies. These invaluable experiences, combined with domain knowledge, has helped the Company become the "First Choice" for its clients and address their business challenges, improve customer responsiveness, minimize operational costs and maximize efficiency through the effective use of Information Technology. NIIT Technologies is constantly innovating and launching new solutions based on customer requirements and market trends. In the Mobile Space, the Company has launched a Mobile booking platform for Airline and Travel Companies. It has developed a Mobile Crew Management System for Airlines. Revenue Analytics has also been commenced for Airlines which helps analyze revenue from different dimensions like markets, point of sale, agency, etc.

**Manufacturing:** NIIT Technologies understands the manufacturing and distribution business 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, supplier portal, enterprise mobility solutions, dealer management systems are the innovative offerings which are available to customers across the globe. Procurement platform is a simple and user-friendly application, that supports the complete sourcing value chain involving requisitioning, demand aggregation, bid publishing, response evaluation, e-catalogue, contract management, spend analysis and purchasing. Today, NIIT Technologies is working closely with these customers to enable them to increase IT efficiency, embrace best-in-class IT infrastructure and adapt best-of-breed IT processes.

**Government:** The Company is sharply focused on the Government sector, having executed turnkey projects for various Government departments as well as India's paramilitary forces. These initiatives have involved application development, complete Infrastructure set up, including Data Centres, rollout and training across multiple locations and historical data capture. NIIT Tech is additionally offering specialised solutions in the area of Geographic Information Systems (GIS) to the Government.

## SERVICE OFFERINGS

**Application Development and Management:** NIIT Technologies provides Application Development Services and Solutions to meet the diverse requirements of globally dispersed customers in the areas of 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 (load testing, volume testing and compatibility testing) and full lifecycle testing of complex software applications.

**Package Implementation:** These solutions revolve around SAP or any ERP implementation. NIIT Technologies' subsidiary, NIIT GIS Limited also provides end-to-end GIS-based solutions to customers.

**Managed Services:** NIIT Technologies' Managed Services offerings help companies simplify their operational and investment challenges, by delivering IT infrastructure and applications, as completely administered services. These services help clients focus on their core business areas, by aligning IT with their business goals. The Company's large pool of cross-skilled infrastructure technology consultants help enterprises increase productivity, while reducing the complexity of their IT operations.

**Platform-based Services:** NIIT Technologies has acquired IP assets through numerous acquisitions. The Company has also made investments in reworking its frameworks and products into Platform-based Services. These include its own robust platforms for the Travel and Insurance industries, including its Insurance Platform 'Subscribe', which has a sizable share in the Lloyd's insurance market. Likewise, NIIT Airline Technologies owns a revenue accounting platform 'MonaLisa' which has been deployed by over 30 airlines. Recently, the Company acquired Preferr, an electronic health records and referral management platform to make a bid for the lucrative healthcare segment in the US.

**Business Process Outsourcing:** NIIT Technologies Business Process Outsourcing (BPO) services are a natural extension of the Company's IT service offerings, and encompass innovative, reliable and cost-effective solutions that enable business transformation in customer organisations. NIIT BPO offers outsourcing solutions that combine domain expertise, process excellence and cutting-edge technology to deliver world-class process outsourcing. This enables clients to effectively and efficiently manage back office, middle office and front office operations. Like its IT services arm, NIIT Tech's BPO business has also embraced the 'Focus and Differentiate' strategy, addressing select industry verticals such as Travel Transportation and Logistics, Banking and Financial services, Insurance, and Media. Within these verticals it is targeting specific horizontals including F&A,

Customer Support, HRO, Data and Marketing Analytics. NIIT BPO also has in place a strong 'Go-to-Market' strategy centered around understanding the pain points of customers, and using its IT solutions to resolve them. NIIT BPO uses a collaborative partnership approach to strengthen its relationships with customers. Growing client engagements have promoted the business to add new service lines such as Fraud Management (Retail banks), Ad Creation (Media), Travel Disruption services (TTL), and Contract Loading (TTL/Hospitality); expand its geographic footprint through acquisitions such as that of Morris Communications; and build Shared Services, leveraging its Morris JV (F&A, HRO).

**Geographic Information Systems (GIS):** NIIT GIS has been providing end-to-end GIS solutions to customers worldwide. NIIT GIS' offerings range from software products, training, technical support, data conversion and application development. They also include 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.

**Cloud Computing:** Cloud computing is reshaping the IT marketplace, creating new opportunities for suppliers and transforming traditional IT offerings. It is an emerging megatrend defined as standardised IT capability delivered via the Internet in a pay-per-use and self-service manner. Cloud computing has primarily evolved with the growing acceptance of Software-as-a-Service. The industry is now looking to replicate this success with not just platforms/applications (PaaS) but also infrastructure/hardware (IaaS or HaaS). NIIT Technologies and its partner in the Cloud space, Hitachi (Asia) Thailand, have unveiled the next phase of their strategy for this segment. They have announced the availability of Caliver, 'a portmanteau of the words Cloud, Alive, and Responsive'. The services will enable customers to reduce capital expenditure and access dynamically scalable, virtualised resources.

### Awards and Achievements

NIIT Technologies was conferred with the following prestigious Awards and recognitions during the year under review:

1. NIIT Technologies featured in the Leaders category in the '2012 Global Outsourcing 100 service providers' list
2. It was ranked among the Top 20 Best IT Employers, in DQ-CMR's Best Employers Survey 2011
3. NIIT Technologies was conferred with the 'Excellence in Training' Awards at ASIA's Best Employer Brand Awards 2011
4. NIIT Technologies was ranked among the Top 25 Fastest-Growing Process Management Providers, 2009-2010 in Gartner's 'Market Share Analysis: Process Management 2011' report
5. Three projects from NIIT Technologies were selected by PCQuest to rank among the 'Best IT Implementations of 2011'

6. The Company's Chief People Officer, Rosita Rabindra was awarded the 'HR Leadership' Award at ASIA's Best Employer Brand Awards 2011
7. The Company was listed in the ET 500 published in December 2011
8. Pratibha K. Advani, Chief Financial Officer of NIIT Technologies received the 'Leading Woman Chief Financial Officer 2011,' award instituted by iiGroup, a global organisation that keeps executives up-to-date with industry trends
9. Pratibha K. Advani, Chief Financial Officer was included in the CFO100 2012 'Roll of Honour' list in the category 'Winning Edge in Corporate Governance/ Financial Control'
10. The Prestigious Stevie American Business Award, for Honoree Business Leader, was conferred on Lalit Dhingra, President, NIIT Technologies, USA
11. Rajesh C Mathur, Vice Chairman, NIIT GIS Ltd., was awarded the Lifetime Achievement Award at the India Geospatial Forum
12. The Company was recognized as a notable exception among the mid-tier vendors that grow their business instead of just making the existing business more efficient in leading industry research firm Forrester's 'Changing Services Landscapes requires New Sourcing Practices 2012' report



## The year gone by

### 2011-12 at a glance

### 2011-12 at a glance

Your Company's robust financial performance in 2011-12, based on Quarter-on-Quarter fast track growth, has set it on the path of higher momentum for coming quarters. The Company is targeting to deepen its engagements with existing clients, draw repeat business, foray new and emerging geographies, and emerge as the 'First Choice,' the preferred partner for its marquee global customers. Here's a look at the key highlights of the year:

### A year of achievements

#### NIIT Tech ranks among top 20 Best IT employers in DQ-CMR survey

DO CMR Best IT Employers 2011	
Ranking	Service Provider
1	HCI Infosystems
2	Rollta India
3	iGate Patni
4	SAP Labs India
5	Tavant Technologies
6	Mahindra Satyam
7	Tulip Telecom
8	Capegemini India
9	Virtusa India
10	Nagarro Technologies
11	Synechron Technologies
12	L&T Infotech
13	NIIT Technologies
14	ADP
15	SAS Institute India
16	Pitney Bowes Software India
17	Sify Technologies
18	Citrix R&D India
19	Dinebison Data (Datacraft) India
20	Sybase Software India

Source: DQ CMR BES 2011

NIIT Technologies was ranked Number 13 on DQ-CMR's Best Employers Survey 2011, an industry-wide research on employee satisfaction. The Company was ranked Number 4 on the parameter of Best HR Practices, which comprehensively analysed the HR policies of IT-BPO organisations across the country. The survey has attributed NIIT Technologies' ranking to a multitude of factors, one of the prominent among these are your Company's several new initiatives on the Training

and Development front. In the past year, the Company's has been focusing on launching initiatives in the areas of career development, platforms for collaboration and employee well-being.

#### Conferred with the 'Excellence in Training' Award at ASIA's Best Employer Brand Awards 2011

The Company received the 'Excellence in Training' Award at ASIA's Best Employer Brand Awards 2011. The prestigious awards, that honour organisational

transformation and development, had companies participating from over 19 countries across Asia. This is the second year in a row that NIIT Technologies has been recognised for its focus on people development. The Excellence in Training award acknowledged the HR best practices followed at NIIT Technologies and the Company's undivided focus on employee development.



#### Three projects from NIIT Technologies feature in PC Quest's 'Best IT Implementation of the year 2011' listing



PC Quest's Best IT Implementation Awards recognise the gut-crunching efforts put up by IT heads and their teams across organisations in the country. In the year 2011, three projects namely, Yatra - Travel Buddy, Data Leak Prevention Project and KSNDMC (Karnataka State Natural Disaster Monitoring Cell- Web GIS) from NIIT Technologies were selected under the 'Best IT Implementation of the year' category. Your Company's nominations underwent a rigorous audit before making it to the final list of winners.

#### Achieves the LEED Platinum rating for the Greater Noida Campus

NIIT Technologies is ensuring that it remains on the Green path, as it steps up its growth and expansion initiatives.



Piyush Srivastava Executive Vice President, Commercial, NIIT Technologies, receives the recognition from Dr. P. C. Jain, Chairman, IGBC



The Company has been conferred with the Platinum Green Building rating for the Software Development Block (SDB) on its new campus. This is the highest level of green building certification awarded by the Indian Green Building Council's LEED rating system. Built on a total floor area of approximately 300,000 square feet, spread over 10 acres of land, the project is part of a larger 25 acre campus designed to integrate people, spaces, and complex workflow.

The building was conceived and built with a holistic approach to sustainability in five key areas: sustainable site development, water saving, energy efficiency, materials selection and indoor environmental quality.

### **Forrester recognises NIIT Technologies as a mid-tier vendor that grows its business instead of making the existing business more efficient**

A report by independent analysts at Forrester recognised the ability of NIIT Technologies to seamlessly invest in long-term strategic business relationships with its customers and provide more than labour arbitrage. The report also states that even though mid-tier vendors have little to offer other than low-cost labour, and near-term cost savings; NIIT Technologies' is a noted exception. The report additionally explores major trends in the application and infrastructure services marketplace, helping companies make more informed decisions about their service supplier ecosystems marked by technological advances, the integration of business and technology, focus on core competencies, and the maturation of the IT vendor management role.

### **A year of large transformational deals**

#### **Eurostar picks NIIT Tech for multi-year managed services contract**



Your Company signed a multi-million GBP contract with Eurostar, the high-speed passenger service between the UK and mainland Europe, to provide infrastructure management services for its core business applications. NIIT Technologies was chosen to support the drive to improve efficiency as part of Eurostar's on-going focus on service quality. The Company was selected as the partner of choice due to its proven track record of agile, business-driven IT infrastructure projects in Europe, coupled with a comprehensive range of complementary services and innovative technical practices.

#### **NIIT Tech enters into a strategic partnership with Morris Communications**



NIIT Technologies entered into a strategic partnership with Morris Communications, a leading, privately held media company with headquarters in Augusta, Georgia. Under this partnership, your Company will provide integrated IT and BPO services to Morris Communication for an aggregate amount of USD 85 million over a period of five years. NIIT Technologies will have the controlling interest in the joint venture. With this facility, NIIT will be better able to address the growing technology outsourcing business in North America with a near shore facility.

#### **Acquires IT firm specialising in Travel and Financial Services**



Your Company acquired Projecta Sistemas de Informacion S.A. (Projecta), software services company headquartered in Madrid. The acquisition will enable NIIT Technologies to enhance its European footprint. It will harness Projecta's experience to service industry leaders in the Travel and Financial Services segments. This deal will enhance NIIT Technologies' front-end capabilities for larger European engagements and provide a gateway to the traditional Spanish speaking countries in Latin America.

### **A year of forging new partnerships and acquiring new businesses**

#### **NIIT Tech eyes major share of the CCTNS programme**

NIIT Technologies enabled the Indian Police to get on the path of IT modernisation, by playing a significant role in the implementation of its ambitious Crime and Criminal Tracking Network System (CCTNS). CCTNS is a comprehensive and integrated nationwide system designed to help the police investigate crime and detect criminals, thereby enhancing security and improving services to citizens. The Union government has announced results for 12 states so far, and NIIT Technologies has been selected as the systems integrator in three of the states. These include Tamil Nadu, Jharkhand and Uttar Pradesh. The cumulative value of these engagements exceeds 300 crore. The Company is in active pursuit of engagements in other states as well.

#### **Successfully commissions Border Security Force's Intranet Prahari project**

The Company successfully commissioned the Border Security Force's prestigious project, Intranet Prahari. It may be recalled here that this was a 229 crore engagement sanctioned by the Ministry of Home Affairs. The Intranet Prahari project was inaugurated by P. Chidambaram, Honorable Union Home Minister. The Project is an Enterprise Resource Planning (ERP) solution where all major processes such as Finance, Inventory Management, Operations



Mr. P Chidambaram, Honorable Union Home Minister, Govt of India, Mr. U K Bansal, IPS, DG-BSF at the inauguration ceremony

and Personnel Information have been automated and integrated to act as a robust and quick decision support system. It provides a consolidated view of data for the senior members of the organisation and for analyses. More than 1.95 lakh Border Security Force personnel will benefit from this project, which is expected to be used by more than 10,000 personnel/officers.

#### **Implements state-of-the-art Content Management System for the Singapore Government**

Your Company successfully implemented an automated Content Management and Delivery system for the Singapore Parliament. The system enables the recording and archiving of parliamentary proceedings. The Singapore Parliament is the first in Asia to deploy such a solution. The recording system brings sophisticated publishing capabilities to the Singapore Parliament. It provides useful features at a touch of a button including fast batch pagination with manual control and produces high quality content under tight timelines.

#### **Pens strategic partnership with CSC**

Your Company entered into a strategic partnership with Cargo Service Center India Pvt. Ltd (CSC), the leading Air cargo handling service provider in the country. The partnership will create a world-class cargo handling facility for the Integrated Cargo Complex at the Delhi International Airport, which is funded by IDBI. This integrated cargo complex will be the first-of-its-kind in India, with a capacity to handle more than one Million MT of cargo. CSC has selected NIIT Technologies as its IT partner for air cargo handling across all operations, including its subsidiary, the Delhi Cargo Service Center Pvt. Ltd. NIIT Technologies will manage and host the data centre for CSC at its Gurgaon facility, with a back up disaster recovery facility at Bangalore, to provide 24x7 uninterrupted availability of information.

#### **A year of strengthening customer relationships NIIT Tech-SEI relationship crosses 16 years**

NIIT Technologies and SEI recently celebrated 16 years of togetherness, with an SEI appreciation event hosted by the Indian Company at the SEI office in Oaks, Pennsylvania, USA. Present on the occasion were several SEI managers and senior NIITians.

Both NIIT and SEI used the special platform to thank each other for being valued business partners. The event allowed the SEI and NIIT teams to interact with each other in an informal atmosphere.



Lalit Dhingra, President, NIIT Technologies USA Inc. with SEI Managers

#### **NIIT Tech-Thrivent celebrates 10 years of partnership**



Arvind Thakur, Chief Executive Officer, NIIT Technologies Lalit Dhingra, President, NIIT Technologies USA Inc. with insurance team

Your Company and its key customer, Thrivent, celebrated 10 long years of their partnership by getting together for a special evening. The event was attended by the leadership teams of both Companies that talked about the NIIT Tech-Thrivent partnership and the milestones it had crossed over a decade. Both companies have been working together with commitment, building and strengthening team play, and adding value to each others' businesses. They have jointly achieved several goals, growing and expanding the relationship with each landmark, and evolving it into a strong and enduring success story.

#### **NIIT Tech flies high with Cathay Pacific, celebrate 3 years milestone, set to achieve greater heights**

NIIT Technologies and Cathay Pacific completed three years of engagement by hosting a big celebration during April, 2011.



Arvind Mehrotra, President Asia-Pacific, NIIT Technologies and Alex Gautier, Purchase Head of Cathay Pacific shaking hands

The event, centered around the theme of 'strength in togetherness' drew representatives from Cathay Pacific and NIIT Tech. Teams from both sides participated enthusiastically in the festivities, sharing thoughts and applauding the support each provided the other.

## A year of building the NIIT Tech brand

### NIIT Tech hosts annual airline user group meet



Sunil Surya, President, Europe, NIIT Technologies with delegates

The annual NATL User Group meet was hosted at Frankfurt in October, 2011. Delegates from many leading organisations attended the two-day event, which featured product updates and thought provoking presentations. The primary goal of the conclave was to update the user group about NIIT Tech's latest offerings and 2012 roadmap for the Company's Mona Lisa revenue accounting solution. NATL provided attendees with a platform where they could exchange news and views with their peers. Delegates also took part in a traditional Bavarian evening that gave them the flavor of the famous 'Oktoberfest.'

### NIIT Tech host 12th Annual Esri India User Conference

NIIT Tech hosted the 12th Annual Esri India User Conference, which was a big hit with users and partners from across all spectrums of the GIS realm. Held at the Radisson Blu MBD Hotel at Noida during December, 2011, the event was a resounding success for NIIT GIS Limited (Esri India), drawing over 1,000 delegates.



R. S. Pawar, Chairman, NIIT Technologies delivering the Keynote address

The theme of the annual conclave was 'Understanding our World'. At the inaugural session, S. Sridhar, President and COO, NIIT GIS Ltd. spoke about how Esri India had grown over the last 15 years, as well as the outstanding work that some of the Company's users had done on its platforms in the recent past. Rajendra S. Pawar, Chairman of the NIIT Group, delivered a keynote on the theme of the conference, highlighting the importance of GIS in reaching the benefits of large government aided programmes and policies to the grassroots of society. The three-day conference featured Esri India's prestigious awards ceremony, plenary sessions and panel discussions.

### Stays in the spotlight at the NASSCOM India Leadership Forum (NILF) 2012

Your Company was a Platinum sponsor at NASSCOM's India Leadership Forum 2012, a global conclave and India's biggest and most reputed technology conference.



Arvind Thakur, Chief Executive Officer, NIIT Technologies at NASSCOM India Leadership Forum 2012

The three-day conference featured specific tracks, speaker presentations, interactive panel discussions and roundtable sessions, focused around the key issues of the day. Owing to the fact that NIIT Tech was a Platinum sponsor at the event, the Company remained in the spotlight, building visibility and branding. Incidentally, the Company has been sponsoring the NASSCOM India Leadership Forum since its inception in 2004. Your Company's Chairman Rajendra Pawar, who was also the Chairman of NASSCOM during that time, delivered a keynote at the inauguration of the conference and played host for a few of its sessions. The Company's Chief Executive Officer, Arvind Thakur, moderated a session on 'Entertainment and Technology: The twain shall meet!'



## Directors' Report

### Dear Shareholders,

The Board of Directors of NIIT Technologies Limited ("Company") take pleasure in presenting the report on its business and for the financial year ended March 31, 2012.

### Financial Results

The highlights of the financial results for the financial year 2011-12 are as follows –

*(Figures in Rs.mn except for EPS)*

Particulars	FY 2011-12	FY 2010-11
Consolidated Revenues	<b>15,765</b>	12,323
<b>Standalone financials</b>		
Income from operations	<b>8,275</b>	7,293
Other Income	<b>306</b>	228
<b>Total Income</b>	<b>8,581</b>	7,521
Profit before deprecation and taxes	<b>1,901</b>	1,574
Depreciation	<b>243</b>	233
Provision for tax & (deferred tax)	<b>527</b>	108
Profit After Tax	<b>1,131</b>	1,233
Earning Per Share (Basic) (In Rs.)	<b>19.05</b>	20.91

### Review of operations

During the financial year under review the Company delivered all round growth in each of the geographies that it operates in, and in every industry segment that it is focused on, despite the volatility and turbulence in the macro environment that continues to persist. Revenues and earnings expanded as the Company leveraged a strong order book built through the year. The Company also entered into multiple new engagements in both foreign and domestic markets, secured several multi-million dollar fresh orders from its existing large clients, made a strategic acquisition in Europe (Proyecta Sistemas de Informacion SA, in August 2011), and established a JV with Morris Communications that enables near-shore capabilities in the US.

The global economic environment remains subdued,

although key economies such as the US are showing stability and some improvement, with a yet unresolved crisis in the Eurozone and signs of slower growth in many emerging economies. In such business conditions, NIIT Technologies has stayed focused on strengthening its order book, reinforcing its front-end team, furthering its footprint in the marketplace, and exploring areas for further efficiency enhancement as it enters the new financial year.

The Company continues to invest in creating additional management bandwidth, augmenting its front-end sales organization, and expanding its delivery facilities. The Company generates a substantial part of its revenues from non-linear and IP-led activity and is engaged in multiple large and complex transformational engagements. In line with its client and operating profile and to effectively meet future growth requirements, the Company has been enhancing its capabilities and organizational skill-base. The initiatives undertaken by the Company during the year under review should yield benefits in the future.

### Outlook

The Company delivered a strong, growth-led operating performance during the year under review (financial year 2012), with consolidated revenues rising 28% driven by scaling-up of business across top clients. Post-tax earnings increased by 8% compared to the preceding year (financial year 2011) despite the acquisition of the transformational deals done during the year.

During financial year 2013, the company aims to deepen its engagements with existing clients, draw repeat business, and emerge as the 'First Choice' and the preferred partner for its marquee global customers.

During financial year 2012, the Company entered into high potential, business transformation deals with new customers that will also enable it to further expand and strengthen its footprint in Europe and the USA. Going forward, the Company will attempt to build upon these achievements.

The Company sees its eco-system of critical partnerships and alliances with reputed global companies as an important asset and will continue to explore opportunities to further expand it.

The Company's differentiated business model with strong capabilities in its chosen verticals, programme management track-record, investments in intellectual property, and a reinforced leadership team are great advantages in the prevailing macro-environment that remains volatile. These strengths position the Company well to benefit from an upturn in business conditions. These factors, along with the fact that NIIT Technologies has been able to expand its orderbook executable over the next 12 months to US\$ 243 million at the end of FY2012, a 44% increase from US\$ 169 million a year ago, indicate that the Company should be able to deliver healthy growth during FY2013.

### Employee Stock Option Scheme (ESOP)

During the year, 381,263 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 May 06, 2011, May 22, 2011, July 19, 2011, October 17, 2011 & January 17, 2012 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 113 Mn to General Reserve (Rs. 123 Mn last year).

### Dividend

The Board has recommended a dividend of Rs. 8.00 per equity share of Rs.10/- each (previous year Rs.7.50 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 381,263 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. 592,510,560 to Rs. 596,323,190 as at March 31, 2012.

### Transfer to Investors' Education & Protection Fund (IEPF)

During the year, the Company transferred an amount of Rs. 6,76,785 being unclaimed dividend pertaining to the financial year 2003-04 and Rs. 3,52,192 being amount realized after sale of fractional shares allotted upon demerger, remaining unclaimed, in the Investors' Education & Protection Fund (IEPF) of the Central Government, pursuant to Section 205A of the Companies Act, 1956.

### Subsidiary Companies

As on March 31, 2012, the Company has subsidiaries in the United States of America, Japan, United Kingdom, Netherlands, Belgium, Germany, Switzerland, Austria, India, Singapore, Thailand, Australia, Canada, Dubai and Spain.

During the year, the company formed a Joint venture company in the name of NIIT Media Technologies LLC, USA with MStar Solutions operating in the areas of publishing & communications through its subsidiary NIIT Technologies Inc., USA.

Also, the company has acquired a company "Proyecta Sistemas De Informacion S.A." in Spain, a software

services company headquartered in Madrid. The acquisition enabled the company to enhance its European footprint with Proyecta's successful experience in servicing industry leaders in the Travel and Financial Services segments.

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 has granted a general exemption to the companies from attaching financials of the subsidiaries, subject to the laid down conditions. Therefore, the Company shall not be attaching the audited accounts of the subsidiaries to the annual accounts of the 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.

### Corporate Social Responsibility

During the year, as a part of the CSR Initiative, the Company has primarily focused most of its CSR initiatives in the areas of education. This created a unique opportunity to support the schools/universities with an objective of promoting learning and knowledge, improving the quality of higher education, energy conservation & anti-pollution measures, community welfare and community development activities.

### Postal Ballot

During the year, the Company did not pass any resolution through 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 2012, 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. Surendra Singh, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

The term of the directorship of Mr. Subroto Bhattacharya is expiring in the forthcoming Annual General Meeting of the Company and he has expressed his unwillingness to be re-appointed. The Board has appointed Mr. Ashwani Puri, as Additional Director w.e.f May 4, 2012 and in the annual genral meeting. Mr. Puri will be re-appointed as a Director liable to retire by rotation.

## 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 -

- That in preparation of Annual Accounts for the financial year, applicable Accounting Standards have been followed along with the proper explanations relating to material departures;
- That they have selected the accounting policies described in the notes to accounts, which have been consistently applied, except where otherwise stated and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit or loss of the Company for that year;
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- That the Annual Accounts have been prepared on the historical cost convention, as a going concern basis and on accrual basis.

**Information relating to Conservation of Energy, Technology Absorption, Research and Development 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.

The Company's Software Development Block (SDB) at Greater Noida has been awarded the highest possible

'PLATINUM' Green Building rating by Indian Green Building Council (IGBC) under LEED® India Core & Shell system. In order to evaluate energy performance of the building, a computer simulation model was used to assess the energy performance. The project has achieved 21.4% savings in energy costs over the LEED® mandated ASHRAE 90.1-2004 baseline. The energy simulation was vital for making design decisions that impacted energy use, such as, envelope optimization, glazing selection, lighting design and HVAC system sizing.

### - 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.

The Technology Innovation Centre (TIC) located in Bangalore explores emerging technologies and devices innovative solutions for clients. Some of these innovation gets converted into research paper and other are converted to patent application. During the last year, two of the inventions, one on "heuristic code comprehension technique" and the other "interpreting design document to formulate test case" have been filed as a patent in US."

### - Export and Foreign Exchange Earnings and Outgo

The details of foreign exchange earnings and outgo are as under:

(Rs. Million)

	Year 2011-12	Year 2010-11
Foreign Exchange earnings	7468	5242
Foreign Exchange Outflow	2550	2021

### 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.

### Particulars 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 the Company forms part of the Annual Report and is self explanatory.

### Export Initiatives

During the year 88% of the consolidated revenues were derived from exports. The Company has developed a substantial direct marketing network across the various countries in USA, 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, seminars 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 honors amongst all are mentioned herein below:

The Company bagged the following prestigious Awards and recognitions:

1. The Company featured in the Leaders category in the '2012 Global Outsourcing 100 service providers' list
2. It was ranked among the Top 20 Best IT Employers, in DQ-CMR's Best Employers Survey 2011
3. The Company was conferred with the 'Excellence in Training' Awards at ASIA's Best Employer Brand Awards 2011
4. The Company was ranked among the Top 25 Fastest-Growing Process Management Providers, 2009-2010 in Gartner's 'Market Share Analysis: Process Management 2011' report
5. Three projects from the company were selected by PCQuest to rank among the 'Best IT Implementations of 2011'
6. The Company's Chief People Officer, Rosita Rabindra was awarded the 'HR Leadership' Award at ASIA's Best Employer Brand Awards 2011
7. The Company was listed in the ET 500 published in December 2011
8. Pratibha K. Advani, Chief Financial Officer of the company received the 'Leading Woman Chief Financial Officer 2011,' award instituted by iiGroup, a global organisation that keeps executives up-to-date with industry trends
9. Pratibha K. Advani, Chief Financial Officer was included in the CFO100 2012 'Roll of Honour' list in the category 'Winning Edge in Corporate Governance/ Financial Control'
10. The Prestigious Stevie American Business Award, for Honoree Business Leader, was conferred on Lalit

Kumar Dhingra, President, NIIT Technologies, USA

11. Rajesh C Mathur, Vice Chairman, NIIT GIS Ltd., was awarded the Lifetime Achievement Award at the India Geospatial Forum
12. The Company was recognized as a notable exception among the mid-tier vendors that grow their business instead of just making the existing business more efficient in leading industry research firm Forrester's 'Changing Services Landscapes requires New Sourcing Practices 2012' report.

### Human Resource initiatives

The Human Resource initiatives of the Company in the year reached some more important milestones towards achieving individual career goals of staff members while continuing to be aligned with the organizational business strategy. The NIIT Tech Academy For Future Leaders (NAFL), rolled out its advanced level series, as a continuation, in the second year of its inception. Over 150 identified senior managers were trained to the next level by the academy again during the year.

Another important move during the year was the setting up of the Career Mobility Centre as an independent pillar in HR. The centre interfaces with NIITians through 'Progress' the Career Mobility Portal on initiation. The aim of the centre is to bring in utmost transparency and guide NIITians to explore career opportunities within the company. New tools like personalized Role Band Scale, Mobility Map, Skill Progression Guides, Role Change Ready Reckoners and career counseling have enabled NIITians to own and drive their career progression themselves.

The Company also rolled out 'Prepare', the NIIT Tech New Mentoring Program and 'Outshine', the NIIT Tech New Coaching program and trained over 50 internal volunteer coaches/mentors during the year on coaching and mentoring methodologies. The program was initiated in November and 34 high potential NIITians were identified and aligned with these internal coach/mentors for a six months mentoring program. While the mentoring program aims at developing the next line of leadership both in management and technical/domain specialization, the coaching program aims at driving and facilitating superior performance amongst NIITians.

The Company's new fast track program recognized 35 exceptional performers and identified and guided them to a fast track career program monitored and run closely by the career mobility centre.

'Learning Pill' was another initiative that exposed NIITians to quick doses of learning with industry experts. Over six highly interactive sessions were held in our townhall and more than 800 NIITians attended these short and informative learning capsules across technical, domain and behavioural areas.

NIIT Tech's own SEED (School for Employee Education

and Development) was set up at the Greater Noida Campus. The training rooms are equipped with state of art infrastructure and support high end technology training.

Recent past initiatives like CARE, The NIITians Assistance Program, Remote Training platforms and Individual Development Plans continued to add value at both individual and organizational level. Global Sales School conducted programmes for the entire sales force, to strengthen the 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. We have partnered with NIIT University for providing a Work Integrated post graduation program for our BCA and BSC hires .Overall, employee efficiency increased on account of job rotations, better career planning and a healthy work environment.

### 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. The 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 the 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 04, 2012

**ANNEXURE – A****Statement pursuant to Section 217(2A) of the Companies Act, 1956 for the financial year April 01, 2011 to March 31, 2012****A. Employed throughout the year and in receipt of remuneration not less than Rs. 60,00,000 for the year**

Name	Age (in yrs.)	Qualification	Designation	Experience (in years)	Nature of Duties	Date of Joining	Remuneration (In Rs.)	Previous Employment
Rajendra Singh Pawar	61	B. Tech.	Chairman & Managing Director	40	Chairman & Managing Director	12-Jun-04	1,55,73,750	NIIT Limited, Chairman & Managing Director
Arvind Thakur	57	B.Tech., PGDIE	Chief Executive Officer & Jt. Managing Director	34	Chief Executive Officer	12-Jun-04	2,91,59,164	NIIT Limited, Whole Time Director
Arvind Mehrotra	50	MBE	President – Asia & Australia	29	Responsible For APAC & Australia Business Operations And Strategic Initiatives	1-Apr-03	90,37,881	NIIT Limited – General Manager
Bhaskar Chavali	54	BE., ME	Chief Delivery Officer	30	EVP - Custom Software Development And Maintenance (CSDM) Practice & Resource Head For Software Division	1-Apr-03	78,25,684	NIIT Limited, Vice President
Rosita Rabindra	52	B.Sc.,MSW	Chief People Officer	30	Head –Human Resources Department	1-Apr-03	1,01,00,616	NIIT Limited, Sr. Vice President Human Resources
Ashok Kumar Arora	56	B.Com.	Group – Chief Financial Officer	36	Group – Chief Financial Officer	1-Apr-03	60,87,718	NIIT Limited – Chief Financial Officer
Pratibha K Advani	51	CA	Chief Financial Officer	27	Chief Financial Officer	16-Aug-10	85,43,171	Barclays Shared Services Pvt. Ltd –CFO
Piyush Srivastava	56	MA	Executive Vice President – Commercial Services	33	Executive Vice President – Commercial Services	1-Apr-03	62,90,242	NIIT Limited – President Commercial
S. Viswanathan	51	M.Sc.	Executive Vice President – Strategic Alliances	28	Executive Vice President – Strategic Alliances	24-June-02	79,19,652	NIIT SmartServe Limited - COO
Venkat Patnaik	49	Cisco Certified Network Associate/ DSC/MCA	Senior Vice President	25	Senior Vice President	01-Feb-11	63,82,312	TCS- Sales Director- Government

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

Narayanan Kallapiran*	53	BE/BTech	Senior Vice President	30	Heading Delivery function of TTL (Travel, Transport & Logistics) Vertical	12-Jan-09	17,88,054	Gameshastra Solutions Head – India Operations
Deepak Khosla	46	B.E/MBA	Executive Vice President	25	Heading marketing & sales enablement activities to identify and pursue business opportunities	19-May-11	62,04,028	PATNI Computer Systems – President SAARC
Umamaheshwaran Shastri	45	MBA	Executive Vice President	24	Executive Vice President	01-Feb-12	1,452,762	Sonata Software – SVP TTL

\*Resigned/Superannuation during the year

**NOTES:**

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

**Annexure – B**

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

(a) Options granted;	Grant Name	No. of options granted	Date of Grant
	Grant I	7,03,100 (including 42,350 additional options granted pursuant to Bonus Issue)	August 2, 2005
	Grant II	70,600	August 11, 2005
	Grant III	4,20,000 (including 140,000 additional options granted pursuant to Bonus Issue)	June 20, 2007
	Grant IV	4,77,750	July 28, 2008
	Grant V (Tranche I)	11,99,700	October 19, 2009
	Grant V (Tranche II)	11,99,700	October 19, 2009
	Grant VI (Tranche I)	37,000	July 19, 2010
	Grant VI (Tranche II)	37,000	July 19, 2010
	Grant VII (Tranche I)	43,000	October 18, 2010
	Grant VII (Tranche II)	43,000	October 18, 2010
	Grant VIII (Tranche I)	25,000	January 18, 2011
	Grant VIII (Tranche II)	25,000	January 18, 2011
	Grant IX (Tranche I)	7500	May 6, 2011
	Grant IX (Tranche II)	7500	May 6, 2011
	Grant X (Tranche I)	20,000	June 9, 2011
	Grant X (Tranche II)	15,000	June 9, 2011
	Grant X (Tranche III)	15,000	June 9, 2011
	Grant XI (Tranche I)	18,000	July 19, 2011
	Grant XI (Tranche II)	18,000	July 19, 2011
	Grant XII (Tranche I)	13,000	October 17, 2011
	Grant XII (Tranche II)	13,000	October 17, 2011
	Grant XII (Tranche III)	14,000	October 17, 2011
	Grant XIII (Tranche I)	10,125	January 17, 2012
	Grant XIII (Tranche II)	10,125	January 17, 2012
	<b>Total :</b>	<b>4,442,100</b>	
(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 Grant IX : Rs. 188.25 Rs. 188.25 No Grant X : Rs. 10.00 Rs. 186.05 94% of Market Price Grant XI: Rs.206.15 Rs. 206.15 No Grant XII: Rs. 10.00 Rs. 211.40 95% of Market Price Grant XIII: Rs.198.00 Rs. 198.00 No (Note: Prices for Grants after Grant III are post bonus issue)
(c) options vested;	As at March 31, 2012 Grant I : 597,400 Grant II : 16,000 Grant III: 100,105 Grant IV: 438,750 Grant V(Tranche I): 1,014,500 Grant V (Tranche II); 872,750 Grant VI (Tranche I) : 37,000 Grant VII (Tranche I) : 43,000 Grant VIII (Tranche I) : 25,000 Total : 3,144,505
(d) options exercised;	As at March 31, 2012 Grant I : 516,575 Grant II : 16,000 Grant III: NIL Grant IV: 320,850 Grant V (Tranche I) : 3,92,479 Grant V (Tranche II) : 1,77,670 Total : 1,423,574
(e) the total number of shares arising as a result of exercise of option;	14,23,574
(f) options lapsed;	As at March 31, 2012 Grant I: 186,525 Grant II: 54,600 Grant III: 420,000 Grant IV: 62,250 Grant V(Tranche I) : 257,600 Grant V(Tranche II): 338,200 Grant VI (Tranche I): 11,500 Grant VI (Tranche II): 11,500 Total : 1,342,175
(g) variation of terms of options;	None
(h) money realised by exercise of options;	Grant I: Rs. 56,952,050 Grant II: Rs. 2,413,600 Grant IV: Rs. 34,651,800 Grant V : Rs. 72,522,953 Total : Rs.166,540,403

(i) total number of options in force;	Grant I : NIL Grant II : NIL Grant III : NIL Grant IV : 94,650 Grant V (Tranche I) : 549,621 Grant V (Tranche II) : 6,83,830 Grant VI (Tranche I) : 25,500 Grant VI (Tranche II) : 25,500 Grant VII (Tranche I) : 43,000 Grant VII (Tranche II) : 43,000 Grant VIII (Tranche I) : 25,000 Grant VIII (Tranche II) : 25,000 Grant IX (Tranche I) : 7,500 Grant IX (Tranche II) : 7,500 Grant X (Tranche I) : 20,000 Grant X (Tranche II) : 15,000 Grant X (Tranche III) : 15,000 Grant XI (Tranche I) : 18,000 Grant XI (Tranche II) : 18,000 Grant XII (Tranche I) : 13,000 Grant XII (Tranche II) : 13,000 Grant XII (Tranche III) : 14,000 Grant XIII (Tranche I) : 10,125 Grant XIII (Tranche II) : 10,125 Total 16,76,351
(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 : 3 (Three) No. of options granted to such personnel : 87,000 (Eighty Seven 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.	6 (Six) No. of options granted : 161,250
(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. 18.83 (previous year: Rs. 20.64)
(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 No. 43 contained in the Notes to Accounts of the Financial Statement
(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	Please refer to Notes No. 43 contained in the Notes to Accounts of the Financial Statement
(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:	
(i) risk-free interest rate, (ii) expected life, (iii) expected volatility (iv) expected dividends (v) the price of the underlying share in market at the time of option grant	Please refer to Notes No. 43 contained in the Notes to Accounts of the Financial Statement  Market price of the share at the time of grant of option is given in point (b)

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

## Management Discussion and Analysis

### Review of the macro-economic environment

The financial year under review witnessed a mixed performance across economies. The US economy demonstrated a relatively higher degree of stability, staying on a gradual growth trajectory that is likely to sustain through the current calendar year of 2012 as well. On the other hand, the sovereign debt crisis in the Eurozone persisted, with concerns of contagion. Germany appears to be the only key economy there that is still in a healthy growth mode. Another important economy, the UK, too has seen its economy alternating between growth and contraction in successive quarters over the past couple of years, with indications that it might be entering a recessionary phase as its economy contracted for the second successive quarter in Q1 2012, although the British economy overall is estimated to have grown during 2011 by 0.7%. Emerging economies, particularly in the Asia-Pacific region, have thus far been outperformers and that trend is likely to continue despite signs of some slowdown in a few of the key countries including India and China. The global business environment was vulnerable to unanticipated natural calamities, such as the floods that affected Thailand in the second-half of 2011, and to sudden geo-political flare-ups like political unrest in the Middle East. Unemployment figures remain high in larger Western economies like the US and UK, although there have been tentative signs of some improvement in the recent months. A turbulent macro-environment has a tendency to drive up inflation, depress demand, and create volatility in the forex markets, as seen during FY2012.

Encouragingly, however, as per IMF's World Economic Outlook released in April 2012, the global economy is expected to stay in growth mode and expand by about 3.5% during calendar year (CY) 2012 and by about 4% during CY2013.

Demand for IT services and solutions, despite the global uncertainties, continued its recovery during the year under review, as businesses continued to invest in technology to retain their competitive edge and enhance productivity.

### Review of the Indian IT industry's performance

The Indian IT sector exhibited remarkable resilience during the year under review, delivering value to

customers, creating additional employment in both India and abroad, and expanding its offerings portfolio to include new-technology based solutions and transformational capabilities.

As per NASSCOM's estimates, the Indian IT and related services industry reached a key milestone by generating over \$100 billion in revenues during FY2012. Of this, an overwhelming majority of around \$88 billion is seen coming from aggregate IT software and services, excluding hardware. Much of the country's IT software and services business caters to export markets, and in FY2012 is estimated to have reached \$69 billion, implying a growth of more than 16% over the preceding year. Interestingly, within these exports, the IT services segment grew faster at 19%. The industry's ability to deliver such a performance in an otherwise challenging environment is a clear reflection of the level of skills, leadership talent, and delivery capabilities that Indian IT players have been able to build over the years.

The domestic market mirrored growth trends similar to the export market, with the Indian IT-BPO market, excluding hardware, estimated to grow by 17% in FY2012. In addition to private sector spending, fresh initiatives by government agencies has also been a key contributor to the IT industry's growth in the domestic market and this trend is expected to endure going forward.

NASSCOM expects continued growth during FY2013 as well, estimating a growth of 11% to 14% in IT-BPO exports.

### NIIT Technologies: Well-defined growth strategy, differentiated business model

The Company has a clearly defined strategy of remaining focused and differentiating on the strength of its specialisation. The Company's recent performance, size and growth prospects, combined with the multiple best-in-class recognitions it has received by a number of independent surveys suggests that it has been making steady and visible progress in achieving its strategic objectives of delivering exceptional customer value and industry-leading growth.

The strategy to "Focus and Differentiate" entails emerging as the first choice for customers in select industry verticals where the Company has an established track record and/or intellectual assets while differentiating itself through high customer-centricity and domain specialization. This approach has resulted in the Company drawing higher revenues from its focus verticals of Travel Transportation & Logistics (TTL), Banking, Financial Services and Insurance (BFSI) segments.

The Company's highly differentiated business model is driven by its intellectual property (IP) assets and strong capabilities in managed services. These include new service offerings (such as platform/IP-based services & solutions, integrated services, cloud services) that provide higher value to its global clients and yield superior returns for the Company. With traditional ways of delivering IT services getting replaced by outcome

and impact based forms of delivery, NIIT Technologies has been able to gain good traction benefiting from its early-mover advantages over the past few years in the following areas:

- **Managed services:** After its foray into the new and high opportunity business segment of Remote Infrastructure Management four years ago, the Company has been able to integrate this offering with its Application Management and Business Process Management offerings to create a unique and compelling value proposition of integrated services to its customers. During FY2012, Managed services contributed 13% to overall revenues.
- **Platform/IP-based services & solutions:** NIIT Technologies has made substantial investments in developing, acquiring, and reworking its frameworks and products to create platform-based services aimed at select high-potential industry segments. NIIT Insurance Technologies (erstwhile Rooms solutions Limited), which is a wholly-owned subsidiary of the Company in UK, has its insurance platforms that enjoy a sizable share in the Lloyds insurance market. Similarly, its German subsidiary NIIT Airline Technologies Limited (erstwhile Softec GmbH) has a revenue accounting platform "Monalisa" for airlines and is deployed at more than 30 airlines. The Company also has a partnership with SATS to offer COSYS, a platform aimed at airports that require cargo operations & ground handling solutions. In the area of healthcare, the Company has an IP-led solutions portfolio for healthcare providers and payers to help increase focus on the end customers, comply with new regulations, and bring down total costs in managing their operations.

The Company also sees emerging areas such as Cloud Computing as having real potential to become a viable alternative to existing options in the coming years, with the growing acceptance of SaaS (software-as-a-service), platforms/applications as a service (PaaS), and infrastructure/hardware as a service (IaaS/HaaS).

Another key offering that the Company has is in the field of Geographic Information System (GIS) which integrates hardware, software, and data for capturing, managing, analyzing, and displaying all forms of geographically-referenced information. The Company is addressing this opportunity through a JV with ESRI Inc, the world leader in the GIS space. In GIS, the Company is currently active predominantly in the domestic market but has plans to gradually increase its presence in the international markets as well.

In terms of delivery, NIIT Technologies acquired the ability to offer an optimal mix of offshore, on-site, and near-shore delivery to its customers through a three-tier global delivery model resulting from its joint venture with the Georgia-based Morris Communications during FY2012. This JV enables the Company to leverage near-shore delivery capability from a shared services centre in

Augusta, Georgia (in the US). Such a delivery model also allows the Company to have more local people resources in such geographies, in addition to providing 'same time-zone' benefits.

The Company also acquired Proyecta Sistemas de Informacion S.A. (Proyecta), a software services company headquartered in Madrid (Spain), in August 2011. This initiative enables NIIT Technologies to enhance its European footprint with Proyecta's successful experience in servicing industry leaders in the Travel and Financial Services segments. With over 100 consultants, Proyecta has deep domain capabilities and a proven track record of providing experts and high value added Airlines and Banking consultants in Spain. It has a strong relationship with leading industry players in business intelligence, web and mobility applications. This acquisition thus augments the Company's front-end capabilities for larger European engagements while also providing a gateway to the traditional Spanish speaking countries in Latin America.

NIIT Technologies has, over the past few years, been investing in creating additional management bandwidth, augmenting its front-end sales organization, and expanding its delivery facilities. During the year under review, the Company commissioned the first phase of its new campus in Greater NOIDA near New Delhi. This first phase, with a floor area of approximately 361,277 square feet, is part of a larger 25-acre SEZ (special economic zone) campus designed to integrate people, spaces, and complex workflow. It should also gradually lower the effective tax rate for the Company going forward. The Company has plans for further expansions at this campus, and is initiating work on the second phase.

### Review of operating and financial performance

During FY2012, NIIT Technologies delivered a 28% growth in revenues to Rs 15,765 million from Rs 12,323 million in the preceding year. The Company's operating margins for the year stood at 17.02%, and profits after taxes (PAT) grew 8.24% from Rs 1,822 million in the previous year to Rs 1,972 million in FY2012. The Company's performance for FY2012 reflects the partial contribution of Proyecta, acquired in August 2011.

(The Company's consolidated financials include the financials of NIIT Technologies Limited and its subsidiaries, including subsequent level companies after eliminating inter-company transactions.)

### Revenue mix by geography & vertical

During the year under review, the Company witnessed strong growth in international geographies, although revenues from India declined following the successful closure of a large turnkey assignment in the public sector. Within its focus industry verticals, the Company registered robust growth in Travel/Transportation vertical, with the BFSI (Banking & Financial Services and Insurance) vertical also delivering a growth-led performance.

% contribution to consolidated revenues	FY 2012
Americas	37%
EMEA	38%
Asia Pacific	13%
India	12%

% contribution to consolidated revenues	FY 2012
Banking and Financial Services	14%
Insurance	23%
Travel/Transport	37%
Manufacturing	7%
Government	6%
Others	13%

**Order intake and 12-month order book:** Order intake during FY2012 was US\$ 453 Mn, up 70% from the preceding year, and the order book executable over next 12 months stood at US\$ 243 Mn as on March 31, 2012, up 44% from a year ago.

#### 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: Standalone performance

Rs million

Particulars	FY 2012	FY 2011
Revenue	8,275	7,293
PBT	1,658	1,341
PAT	1,131	1,232

The revenues from operations for the year stood at Rs 8,275 million compared to Rs 7,293 million in FY2011 on a stand-alone basis.

#### Revenue Recognition Policy

The significant Accounting policies and practices followed by NIIT Technologies Limited are disclosed in Note 2 for the year.

Rs Million

Impact of Foreign Currency	FY 2012	FY 2011
Earning in Foreign currency	7468	5242
Revenue Expenditure in Foreign Currency	2464	1898

Net Revenue Earning in Foreign Currency	5004	3344
Capital Expenditure in Foreign Currency	86	123
Net Foreign Currency Earnings	4918	3221

#### Opportunities

The Company's specialization in select verticals, where it enjoys significant competitive advantages, a set of non-linear offerings, and a track record of delivering large complex programs make it well positioned to benefit from a sustained revival in the macro-economy globally. During challenging times, most customer sectors tend to explore outsourcing, and IT solutions in particular, as the means to lower costs, enhance productivity, and transform business. As an established player with proven competencies, NIIT Technologies stands to benefit from such requirements and initiatives. In certain verticals, such as Travel, Transportation & Logistics (TTL), the nature of the industry necessitates the deployment of IT as a key revenue and efficiency generating tool. While customers in the financial services sector might have become more cautious in view of the weak economy, there exist opportunities for players like NIIT Technologies to help them adhere to requirements pertaining to regulatory compliance and transparency across processes. The Company also has a sound understanding of its clients' businesses and has been able to work with many of them as a technology partner. Such deep relationships create opportunities for constructive collaboration.

The Company's sprawling 25-acre campus at Greater NOIDA near New Delhi was commissioned during FY2012, with exports commencing from the first quarter of the financial year. The units registered in SEZ during the year under review started functioning, with a state-of-the-art software development center and robust infrastructure for IT enabled services. Unit I of the SEZ commenced its operation in the first quarter of FY2012 with its brand new infrastructure and predominantly new employees deployed on new projects from new customers. Unit II has also become operational in this SEZ campus now, and the next phase of expansion is likely to be initiated during the new fiscal year.

#### Risks and Risk Mitigation

In view of the dynamic, evolving, and highly competitive business environment that the Company operates in, there are several risk factors that it faces, of which some key 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. North America and EMEA (Europe & Middle east) contributed 37 percent and 38 percent of revenues respectively, during the year 2011-12, with the balance contribution coming from the

Asian region including India. This makes the Company's revenue mix fairly balanced. Yet, efforts are being made to generate business from new geographies and clients.

**M&A execution risks:** The Company has chosen organic and inorganic routes 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. The company also shares long term relationships with its clients and it 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 (NTL) 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. NTL 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 keeps a tab on the disruptive models in global software products and services which impacts its business competitiveness.

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 the 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.

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

***Important note: 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.***



## Report on Corporate Governance

### OVERVIEW

NIIT Technologies Limited has been practicing corporate governance principles much before it became mandatory. Corporate Governance means different things to different people. For some, its good practices in corporate behavior with a view to build and maintain public trust as well as investors' confidence; for some its increased awareness among investors and greater transparency. Your company believes that for a company to be successful it must maintain global standards of corporate conduct towards its stakeholders. The company believes that it is rewarding to be better managed and governed and to identify its activities with national interest. To that end, your company has always focused on good corporate governance which is the key driver of sustainable corporate growth and long term value creation.

Your company views corporate governance in its widest sense almost like a trusteeship, a philosophy to be progressed, a value to be imbibed and an ideology to be ingrained into the corporate culture.

It is not merely compliance and simply a matter of creating checks and balances; it is an ongoing measure of superior delivery of company's objectives with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to national need, shareholders benefit and employee growth, thereby delighting all its stakeholders, while minimizing the risks. The primary objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness, fairness, accountability, propriety, equity, sustainable value creation, ethical practices and to develop capabilities and identify opportunities that best serve the goal of value creation, thereby creating an outperforming organization.

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 stockholders 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.

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 seven (7) members out of which four (4) members are non-executive independent directors, which constitutes more than 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 hereunder:

Name of Director & his qualifications	Present Designation	Category	No. of Directorships held in all public companies#	No. of Committee Chairmanships / Memberships held in all other public companies @	
				Chairmanships	Memberships
Mr. Rajendra S Pawar (DIN 00042516)	Chairman & Managing Director	Promoter & Executive	10	1	3
Mr. Arvind Thakur (DIN 00042534)	CEO & Joint Managing Director	Executive	4	1	2
Mr. Vijay K Thadani (DIN 00042527)	Director	Promoter & Non-executive	7	3	3
Mr. Subroto Bhattacharya (DIN 00009524)	Director	Non-executive, Independent	4	2	2
Mr. Surendra Singh (DIN 00003337)	Director	Non-executive, Independent	5	3	3
Mr. Amit Sharma (DIN 00050254)	Director	Non-executive, Independent	1	-	-
Mr. Ashwani Puri (DIN 00160662)	Director	Non-executive, Independent	2	1	-

# 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

\*Mr. Ashwani Puri has been appointed as a Director of the Company w.e.f. May 04, 2012.

The term of the directorship of Mr. Subroto Bhattacharya is expiring in the forthcoming Annual General Meeting of

the Company and he has expressed his unwillingness to be re-appointed. The Board has appointed Mr. Ashwani Puri, as Additional Director w.e.f May 4, 2012 and in the annual general meeting Mr. Puri will be re-appointed as a Director liable to retire by rotation.

### Board meetings and Directors' attendance

During the year April 1, 2011 to March 31, 2012 the Board met six 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 06, 2011	June 22, 2011	July 19, 2011	Oct 18, 2011	Jan 18, 2012	March 26, 2012	July 01, 2011
Mr. Rajendra S Pawar	Y	N	Y	Y	Y	Y	Y
Mr. Arvind Thakur	Y	Y	Y	Y	Y	Y	Y
Mr. Vijay K Thadani	Y	N	Y	Y	Y	Y	Y
Mr. Subroto Bhattacharya	Y	Y	Y	Y	Y	N	Y
Mr. Surendra Singh	Y	Y	Y	Y	Y	Y	Y
Mr. Amit Sharma	Y	N	Y	N	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 and one Non-Executive non Independent Director. Mr. Amit Sharma has been appointed as Chairman of the Committee in place of Mr. Subroto Bhattacharya. The other members are Mr. Subroto Bhattacharya, Mr. Surendra Singh and Mr. Vijay K. Thadani. The constitution of the Committee meets the requirements of Section 292A of the Companies Act, 1956, as well as the Listing Agreement.

#### Meetings and Attendance during the year 2011-12

The particulars of meetings attended by the members of the Audit Committee and the dates of meetings held during the year 2011-12 are given below:

Name of Members	Audit Committee				
	May 05, 2011	July 18, 2011	October 17, 2011	January 17, 2012	March 26, 2012
Mr. Subroto Bhattacharya	Y	Y	Y	Y	N
Mr. Surendra Singh	Y	Y	Y	Y	Y
Mr. Amit Sharma	Y	Y	Y	Y	Y

Mr. Vijay K. Thadani has been inducted as member of the Committee w.e.f. April 15, 2012

Y : Attended,

N; Leave of absence granted

### 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 Compensation/Remuneration Committee comprises of three Non-Executive independent directors and one Non-Executive Non-Independent Director. The committee is headed by Mr. Amit Sharma, while Mr. Subroto Bhattacharya, Mr. Surendra Singh & Mr. Vijay K Thadani 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 Member	May 06, 2011	May 22, 2011	July 19, 2011	October 17, 2011	January 17, 2012
Mr. Amit Sharma	Y	Y	Y	Y	Y
Mr. Subroto Bhattacharya	Y	Y	Y	Y	Y
Mr. Surendra Singh	Y	Y	Y	Y	Y

Y: Attended

Mr. Vijay K. Thadani has been inducted as member of the Committee w.e.f. April 15, 2012

**Details of Remuneration paid to Directors during the year April 1, 2011 to March 31, 2012**
**A. Executive Directors**

(in Rs.)

Name of Director	Mr. Rajendra S Pawar	Mr. Arvind Thakur
Salary and Allowances	4,347,000	9,690,600
Part – A Perquisites	-	4,525,742
Part – B Contribution to Provident Fund, Superannuation Fund or Annuity Fund	1,215,086	1,524,111
Performance- linked Bonus (Paid during the year pertaining to the year 2010-11)	10,140,000	13,520,000
<b>Total</b>	<b>15,702,086</b>	<b>29,260,453</b>

Service Contracts: The current term of Mr. Rajendra S Pawar and Mr. Arvind Thakur will expire on May 31, 2015.

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 & Audit 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.

(Amount in Rs.)

Particulars	Mr. Vijay K Thadani	Mr. Subroto Bhattacharya	Mr. Surendra Singh	Mr. Amit Sharma
Commission	7,00,000	7,50,000	7,00,000	8,00,000
Sitting Fees	1,00,000	1,80,000	2,20,000	1,80,000

**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	43200	43200	43200
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	17550 (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
No of options exercised during the year 2011-12	NIL	10,500	Nil	10,500
Date of allotment of shares	NIL	February 10, 2012	Nil	April 21, 2011
Outstanding Options as on March 31, 2012	NIL	NIL	15,700	21,000

**Details of equity shareholding of Non-Executive Directors as on March 31, 2012**

Name	Number of shares held
Mr. Vijay K Thadani	110274
Mr. Subroto Bhattacharya	NIL
Mr. Surendra Singh	19750
Mr. Amit Sharma	31705

**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.

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

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

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 06, 2011	July 19, 2011	October 17, 2011	January 17, 2012
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, 2011 to March 31, 2012 the Company received a total of 294 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 end of the year March 31, 2012 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, 2011 to March 31, 2012

Nature	Request/ Queries Received	Complaints Received	Resolved	Unresolved
	Nos.	Nos.	Nos.	Nos.
Change of address	23	-	23	-
Change of bank details	46	-	46	-
Correction in d/w & issue dd	104	-	104	-
Dividend not received	-	46	46	-
Non receipt of annual report/ notice	-	2	2	-
Non receipt of share certificates (bonus/split/demerger)	-	2	2	-
Request for annual report	7	-	7	-
Request for bonus shares	41	-	41	-
Request for cost of acquisition	-	-	-	-
Request for duplicate share certificates	5	-	5	-
Request for registration of nomi- nation	2	-	2	-
Request for share holding details	2	-	2	-
Sebi/stock exchange	-	6	6	-
Share certificates lodged for transfer	8	-	8	-
<b>Total</b>	<b>238</b>	<b>56</b>	<b>294</b>	<b>-</b>

There was no request/query/complaint pending at the beginning of the year. During the financial year, the Company attended most of the Shareholders'/Investors' requests/queries/complaints within 10 working days from the date of receipt. The exceptions have been for cases constrained by procedural issue/ disputes or legal impediments etc. There is no request/query/complaint pending at the end of the financial year.

## Other Committees

The Board has constituted following committees:-

1. Operations Committee
2. ESOP Allotment Committee
3. Share Transfer Committee
4. Corporate Social Responsibility Committee

## GENERAL MEETINGS

### a. Particulars of the last three Annual General Meetings

Year	Location	Date	Day	Time	Special Business
2011	Parkland Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110 074	July 01	Friday	09 : 00 A.M.	NIL
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

Note: No Extra-ordinary General Meeting was held during the last financial year 2011-12.

## 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, 2011 to March 31, 2012 are reported under Note 37(B) 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 review period, except allotment of 381,263 equity shares under ESOP 2005.

### 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 2011-12. 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 re-appointment. Accordingly, Mr. Surendra Singh and Mr. Subroto Bhattacharya, Directors of the company are liable to retire by rotation at the ensuing annual general meeting.

Mr. Surendra Singh being eligible has offered himself for re-appointment. Whereas, Mr. Subroto Bhattacharya has expressed his unwillingness to be re-appointed as Director of the company. Mr. Ashwani Puri, will be re-appointed as Director liable to retire by rotation.

Brief profiles 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 (ii) of the Listing Agreement, the Company is required to transfer 35,964 unclaimed shares in the Demat Suspense Account to be opened with the Depository Participant. In view of this the Company is in the process of opening a Demat Account with the concerned Depository Participant.

## 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 2011-12.

### 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 behaviours, 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, if any, and cautioning them of the consequences of violations.

### 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 +91-120-711 8400, Fax no. is +91-120-711 9150 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 06, 2011, July 19, 2011, October 18, 2011, January 18, 2012 and Press Conferences in the months of May 2011, July 2011, October 2011 and January 2012 for



the investors of the Company immediately after the declaration of Quarterly/Annual results.

- c. The Management Perspective, Business Review and Financial Highlights forms 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 2011-12 the Company published its financial results in the following newspapers:

Financial Results	Newspapers	Date of publication
Audited financial results for the quarter ended March 31, 2011	Financial Express - English Jansatta - Hindi	May 07, 2011
Un-audited financial results for the quarter ended June 30, 2011	Financial Express - English Jansatta - Hindi	July 20, 2011
Un-audited financial results for the quarter ended September 30, 2011	Financial Express - English Jansatta - Hindi	October 19, 2011
Un-audited financial results for the quarter ended December 31, 2011	Business Standard- English Business Standard- Hindi	January 19, 2012

## SHAREHOLDERS' INFORMATION

### a. Annual General Meeting

Date: Monday, July 02, 2012

Time: 09.00 A.M.

Venue: Mapple Exotica, Chattarpur Mandir Road, Satbari, New Delhi-110 074.

**Book Closure Date :** 22/06/2012 to 02/07/2012 (both days inclusive)

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

Financial reporting for the first quarter ending 30th June, 2012	By 3rd week of July
Financial reporting for the second quarter ending 30th September, 2012	By 3rd week of October
Financial reporting for the third quarter ending 31st December, 2012	By 3rd week of January
Financial reporting for the year ending 31st March, 2013	By the last week of May
Annual General Meeting for the year ending 31st March, 2013	By the last week of July

### c. Dividend

The Board of Directors have recommended a dividend of Rs. 8/- 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 02nd July, 2012. 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 21st June, 2012.

During the year the Company has transferred Rs. 6,76,785 in 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 they 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 form. 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, 2012 to March 31, 2013 has 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, 2011 to March 31, 2012 and the comparison of share prices of the Company vis-à-vis the Sensex and Nifty Indices are given below:

### Share price movement during the year April 1, 2011 to March 31, 2012

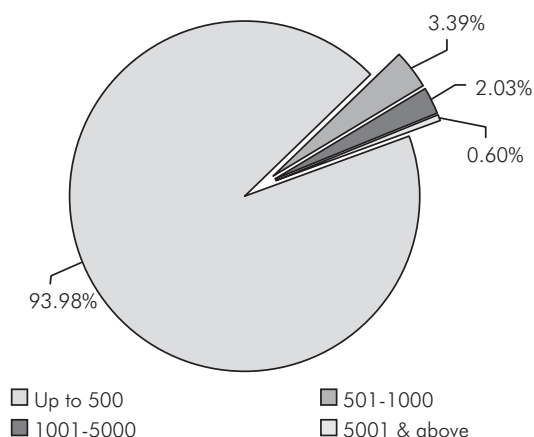
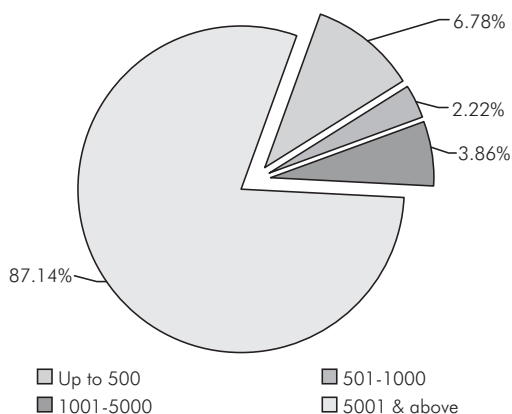
Month	Bombay Stock Exchange				National Stock Exchange			
	Sensex	High Price (Rs.)	Low Price (Rs.)	Market Cap* Rs Mn	Nifty	High Price (Rs.)	Low Price (Rs.)	Market Cap* Rs Mn
Apr-11	19136	206.90	179.00	11122	5750	205.80	179.00	11155
May-11	18503	203.00	182.50	10968	5560	203.50	181.50	10962
Jun-11	18846	191.50	166.20	10635	5647	192.80	166.50	10659
Jul-11	18197	244.80	178.15	13238	5482	244.90	179.15	13214
Aug-11	16677	231.30	170.50	11429	5001	231.40	163.60	11477
Sep-11	16454	219.30	187.00	11705	4943	217.80	185.55	11660
Oct-11	17705	239.65	192.25	13659	5327	245.00	193.00	13709
Nov-11	16123	230.00	198.20	12263	4832	234.85	198.40	12295
Dec-11	15455	212.45	166.00	10861	4624	213.30	164.30	10945
Jan-12	17194	225.00	181.00	12413	5199	221.00	180.25	12449
Feb-12	17753	285.35	207.50	14670	5385	285.40	207.30	14694
Mar-12	17404	273.00	227.50	16154	5296	275.00	225.00	16256

\*Market Capitalization at closing price of the month  
Source: BSE/NSE Website

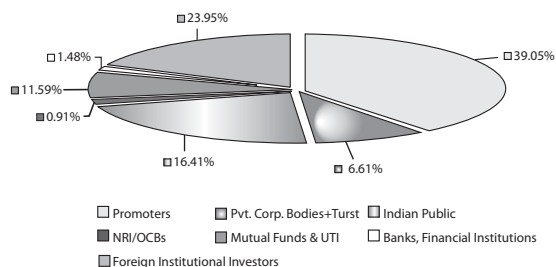


**Shareholding Distribution as on March 31, 2012**

Range (No of Shares)	No. of Shareholders	% to Total Shareholders	Total no. of Shares	% to Total Shares
Up to -500	50862	93.98	4,044,575	6.78
501-1000	1833	3.39	1,318,836	2.22
1001-5000	1103	2.03	2,304,248	3.86
5001 & above	323	0.60	51,964,660	87.14
<b>TOTAL</b>	<b>54121</b>	<b>100.00</b>	<b>59,632,319</b>	<b>100.00</b>

**No. of Shareholders**

**No. of Shares**


Category	No. of Shares held (face value of Rs. 10/- each)	Percentage of total shareholding
<b>Promoters' Shareholding</b>		
Indian Promoters	23,283,480	39.05
Foreign Promoters	-	-
<b>Total Promoters' Holding</b>	<b>23,283,480</b>	<b>39.05</b>
<b>Public Shareholding</b>		
Mutual Fund and UTI	6,913,573	11.59
Banks, Financial Institutions & Insurance Companies	883,045	1.48
Foreign Institutional Investors	14,282,574	23.95
NRI/Foreign Individuals	540,815	0.91
Private Corporate Bodies & Trust	3,941,846	6.61
Indian Public	9,786,986	16.41
<b>Total Public Shareholding</b>	<b>36,348,839</b>	<b>60.95</b>
<b>Grand Total</b>	<b>59,632,319</b>	<b>100.00</b>

**Share Holding Pattern**

**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 scripless trading. As on March 31, 2012, 99.29 percent shares of the Company were held in dematerialised form.

**j. Information in respect of unclaimed dividend when due for transfer to the Investors Education & Protection Fund (IEPF) is given below:**

Financial Year	Type of Dividend	Date of Declaration of Dividend	Due date of transfer
2004-05	Final Dividend	22-07-2005	05-08-2012
2005-06	Final Dividend	17-08-2006	06-09-2013
2006-07	Final Dividend	25-07-2007	14-08-2014
2007-08	Final Dividend	28-07-2008	20-08-2015
2008-09	Final Dividend	27-07-2009	17-08-2016
2009-10	Final Dividend	09-07-2010	30-07-2017
2010-11	Final Dividend	01-07-2011	21-07-2018

\* The amount of sale of fractional bonus shares issued by the company on 28th September, 2007 is due for transfer to IEPF on 28th September, 2014.

**Shareholding Pattern as on March 31, 2012**

### k. 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.

### l. 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 24 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.

### m. 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

### n. Registered Office

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

### o. 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

### p. Subsidiaries

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

### Acknowledgements

Your Directors wish to express their sincere thanks and grateful appreciation for co-operation and support received from vendors, customers, banks, financial institutions, shareholders and the society at large. Your directors also take on record, their appreciation for the contribution and hard work of employees across all

levels. Without their commitment, inspiration and hard work, the company's consistent growth would not have been possible. The Directors also wish to place on record their sincere thanks to government and regulatory agencies for their assistance and support provided to the Company and look forward to their continued support.

### 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 2011-12.

Sd/-

Arvind Thakur

Dated : May 04, 2012

Place : Noida

Chief Executive Officer  
& Jt. Managing Director

### 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 2011-12:-

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 2011-12 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 2011-12 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/-  
Arvind Thakur  
Chief Executive Officer &  
Jt. Managing Director

Sd/-  
Pratibha K Advani  
Chief  
Financial Officer

Place: Noida

Dated: May 04, 2012

### 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, 2012, 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 Agreement.

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.

Sd/-  
Usha Rajeev  
Partner

Membership No:F-087191  
For and on behalf of Price Waterhouse  
Chartered Accountants

Dated: May 04, 2012  
Place: New Delhi

### Annexure A Clause 49-Compliance Status relevant to the Financial Year 2011-12

#### 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 below the Board, at least one-half of the Board of the Company shall consist of independent directors.

#### Our practice

- The total strength of the Board of the Company is 7 Directors.
- Composition:

Executive director	: 2 (28.57%)
Non executive directors	: 5 (71.42%)
Independent directors	: 4 (57.14%)
- 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
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#### 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 Audit committee 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](http://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 4 members. 3 of them are Non-executive and Independent and one member is Non-executive non-independent. The Chairman is a Non-executive independent Director.
- 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. 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 Government of India, and Special Secretary to the Prime Minister of India, responsible for all the economic work in the PM's Office, Cabinet Secretary to the Government of India, Secretary to the Council of Ministers and Secretary, Ministry of Industry. He was an Executive Director on the Board of the World Bank, representing India, Bangladesh, Sri Lanka and Bhutan. He was also a Director on the Board of the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA).
  - 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., HCL Corporation, NIIT Ltd. & NIIT Technologies Ltd. Mr. Bhattacharya has an experience of more than 46 years with specialization in Finance and Management.

- 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. Vijay K. Thadani is the Chief Executive Officer of NIIT Ltd, a leading Global Talent Development Corporation. As the co-founder of NIIT Group, He led the Group's globalization efforts since 1991, taking the NIIT flag to over 40 countries. He serves on the Board of NIIT Technologies Limited, a leading SEI-CMMi Level 5 assessed IT Solutions organisation, servicing customers in the USA, Europe, Japan, Asia Pacific, and India.

He served as the Chairman of the National Accreditation Board for Education and Training (NABET), which works under the aegis of the Quality Council of India as also as Chairman of Board of Governors of Indian Institute of Information Technology (IIIT), Allahabad.

A 'Distinguished Alumnus' of the premier Indian Institute of Technology, Delhi, Vijay was honored with the position of 'Economic Consultant' to Chongqing, world's largest city in the People's Republic of China.

- Mr. Amit Sharma has been appointed as the Chairman of the Audit Committee in place of Mr. Subroto Bhattacharya w.e.f. May 04, 2012.
- Management personnel are invited to the meeting/discussion, whenever required by Audit Committee.
- The Company Secretary of the Company Mr. Onkarnath Banerjee acts as the 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 than 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 quarterly 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. except shares issued under ESOP 2005 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 subcommittee 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 (the "Company") as at March 31, 2012, and the related Statement of Profit and Loss 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 2 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 had granted a loan to NIIT Institute of Information Technology (a Society) aggregating to Rs. 250,000,000 which was recieve back during the year. Provision of section 297,299 and 301 of the Act are not considered to be applicable to a Society.
  - (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the 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 and 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, no major weakness have been noticed or reported.
  - (v) (a) In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
  - (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
  - (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

## AUDITORS' REPORT (Contd.)

- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is 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 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 as at March 31, 2012 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income-tax Interest	31,038,133 12,660,982	AY 2006-07	Assessing Officer
Income-tax Act, 1961	Income-tax Interest	101,587,713 51,477,011	AY 2007-08	CIT (A)
Income-tax Act, 1961	Income-tax Interest	7,452,835 1,770,798	AY 2008-09	CIT (A)

- (x) The Company has no accumulated losses.
- (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. 463,901,280 for loans taken by wholly owned subsidiaries from banks during the year, are not prejudicial to the interest of the Company.
- (xvi) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- (xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion, and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- (xix) The Company has not issued any debentures during the year; and does not have any debentures outstanding as at the year end.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

**AUDITORS' REPORT (Contd.)**

4. Further to our comments in the Annexure referred to 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
- (e) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2012;
  - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Usha Rajeev  
Partner  
Membership No. F-087191

Place : New Delhi  
Date : May 04, 2012

**Balance Sheet**

(All amounts in Rs., unless otherwise stated)

	Note		As At March 31, 2012	As At March 31, 2011
<b><u>EQUITY AND LIABILITIES</u></b>				
<b>Shareholders' funds</b>				
Share capital	3	596,323,190	592,510,560	
Reserves and surplus	4	5,765,401,022	6,361,724,212	5,212,567,865
				5,805,078,425
<b>Non- current liabilities</b>				
Long-term borrowings	5	56,892,833	27,493,313	
Other long-term liabilities	6	58,847,915	-	
Long-term provisions	7	2,621,000	118,361,748	2,723,000
				30,216,313
<b>Current liabilities</b>				
Trade payables	8	586,317,993	386,243,160	
Other current liabilities	9	586,521,022	410,120,550	
Short term provisions	10	846,166,298	2,019,005,313	734,499,084
				1,530,862,794
<b>TOTAL</b>			<b>8,499,091,273</b>	<b>7,366,157,532</b>

**ASSETS****Non-current assets**

## Fixed assets

Tangible assets	11	2,545,606,115	805,920,952	
Intangible assets	12	107,914,493	83,168,034	
Capital work-in-progress (tangible)		2,178,081	1,349,570,274	
Capital work-in-progress (intangible)		-	2,655,698,689	23,500,922
				2,262,160,182
Non-current investments	13		1,195,322,849	1,145,788,678
Deferred tax assets (net)	14		111,120,442	127,057,698
Long-term loans and advances	15		110,839,807	112,955,405
Other non-current assets	16		217,061,853	165,892,287

**Current assets**

Current investments	17	465,000,000	220,000,000	
Trade receivables	18	2,344,056,631	1,810,011,850	
Cash and bank balances	19	826,519,101	191,537,045	
Short-term loans and advances	20	527,920,575	974,470,509	
Other current assets	21	45,551,326	4,209,047,633	356,283,878
				3,552,303,282
<b>TOTAL</b>			<b>8,499,091,273</b>	<b>7,366,157,532</b>

The notes are an integral part of these financial statements.

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 Head

Place : New Delhi  
Date : May 04, 2012

**Statement of Profit and Loss**

(All amounts in Rs., unless otherwise stated)

	Note	Year ended March 31, 2012	Year ended March 31, 2011
Revenue from operations	25	8,274,632,878	7,292,809,648
Other income	26	305,992,650	230,309,761
<b>Total revenue</b>		<b>8,580,625,528</b>	<b>7,523,119,409</b>
<b>Expenses</b>			
Cost of materials consumed	27	203,325,728	1,216,756,026
Employee benefits expense	28	4,833,098,143	3,350,580,863
Finance costs	29	15,547,384	10,323,551
Depreciation and amortisation expense	30	243,276,759	232,713,340
Other expenses	31	1,627,151,013	1,371,744,567
<b>Total expenses</b>		<b>6,922,399,027</b>	<b>6,182,118,347</b>
Profit before exceptional and extraordinary items and tax		1,658,226,501	1,341,001,062
Exceptional and extraordinary items		-	-
<b>Profit before tax</b>		<b>1,658,226,501</b>	<b>1,341,001,062</b>
<b>Tax expense</b>			
Current tax		360,957,722	287,788,040
Deferred tax		54,773,595	(69,557,840)
MAT credit		111,225,502	(109,757,547)
<b>Profit for the period from continuing operations</b>		<b>1,131,269,682</b>	<b>1,232,528,409</b>
<b>Profit for the year</b>		<b>1,131,269,682</b>	<b>1,232,528,409</b>

**Earnings per equity share:** [Nominal value per share: Rs.10 (Previous year: Rs.10)]

	37		
Basic		19.05	20.91
Diluted		18.83	20.64

The notes are an integral part of these financial statements.

This is the statement of profit and loss 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 Head

Place : New Delhi  
Date : May 04, 2012

**Cash Flow Statement**

(All amounts in Rs., unless otherwise stated)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	1,658,226,501	1,341,001,062
Add/adjustment for:		
Depreciation	243,276,759	232,713,340
Exchange (Gain)/Loss including on derivatives	(81,139,708)	(27,798,733)
Provision for Gratuity & Compensated Expenses	95,025,067	28,374,680
Provision for doubtful debts	(31,448,038)	4,662,089
Provision for Doubtful Advances	(26,147,973)	4,363,235
Interest Expenses	7,357,391	2,160,657
Interest Income	(21,279,583)	(38,778,714)
Dividend Income	-	(120,983,596)
Loss/(Gain) on disposal/ write off of fixed assets	4,932,162	59,428
Profit on Sale of Investment	(24,244,021)	(34,833,733)
	<b>166,332,056</b>	<b>49,938,653</b>
Operating Profit before Working Capital Changes	1,824,558,557	1,390,939,715
Add/(Less) : (Increase)/Decrease in Working Capital		
Trade Receivables	(465,721,197)	(910,152,833)
Other Current Assets	163,329,522	(179,214,334)
Other Bank Balances	(431,170,132)	(19,003,287)
Loans and Advances	237,616,693	(55,958,209)
Current Liabilities and Provisions	305,510,353	(190,434,761)
Direct Tax paid (including Tax Deducted at Source)	(362,456,752)	(317,158,409)
<b>Net cash from/(used in) Operating Activities (A)</b>	<b>1,271,667,044</b>	<b>297,176,521</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (includes Capital WIP)	(654,443,863)	(382,600,978)
Proceeds from Sale of Fixed Assets	1,271,816	5,437,759
Investment in Subsidiaries	(49,534,171)	(61)
Short term Investments with Mutual Funds		
- Value of Units Purchased	(2,600,156,145)	(2,127,590,442)
- Value of Units Sold	2,379,400,167	(220,755,978)
	<b>2,407,559,498</b>	<b>279,969,056</b>
Dividend Income	-	44,496,885
Loan received back	250,000,000	-
Interest received on fixed deposit & Loan.	12,151,555	44,077,552
<b>Net cash from / (used in) Investing Activities (B)</b>	<b>(661,310,641)</b>	<b>(8,619,787)</b>



**Cash Flow Statement**

(All amounts in Rs., unless otherwise stated)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital (incl. Share Premium & Share Application)	54,238,797	54,771,079
Term Loans		
-Received	58,973,101	35,002,777
-Repaid	(16,304,140)	(7,363,369)
	42,668,961	27,639,408
Interest paid on Fixed Loan	(7,357,391)	(2,160,657)
Dividend paid (including Dividend Tax)	(496,094,846)	(472,600,241)
<b>Net cash from/(used in) Financing Activities (C)</b>	<b>(406,544,479)</b>	<b>(392,350,411)</b>
<b>Cash and Cash Equivalents at the beginning of the year (refer note 19)</b>	<b>181,317,238</b>	<b>285,110,915</b>
<b>Cash and Cash Equivalents at the end of the year (refer note 19)</b>	<b>385,129,162</b>	<b>181,317,238</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>203,811,924</b>	<b>(103,793,677)</b>
<b>Cash and Cash Equivalents represent</b>		
Cash on hand	110,786	198,778
Cheques, drafts on hand	1,973,911	2,645,015
- Current accounts	323,044,465	178,473,445
- Fixed deposit accounts (less than 3 months maturity)	60,000,000	-
	<b>385,129,162</b>	<b>181,317,238</b>

**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 notes 1 to 44 form an integral part of the Cash Flow Statement.
- 3 Figures in paranthesis indicate cash outgo.
- 4 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 Head

Place : New Delhi  
Date : May 04, 2012

## Notes to the financial statements

### 1 General Information

NIIT Technologies Ltd ("the Company") is a leading IT solutions organisation, engaged in Application Development & Maintenance, Managed Services, Cloud Computing and Business Process Outsourcing to organisations in the Financial Services, Insurance, Travel, Transportation & Logistics, Manufacturing & Distribution and Government sectors. The Company delivers services around the world directly and through its network of subsidiaries. The Company is listed on Bombay Stock Exchange and the National Stock Exchange.

### 2 Summary of significant accounting policies

#### 2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

#### 2.2. Changes in accounting policy

Dividend income from subsidiary companies: The Company was complying with the requirement of pre-revised Schedule VI of recognising dividend declared by subsidiary companies after the reporting date if they related to the period which closed on or before the reporting date, till March 31, 2011. In the absence of similar requirement in the Revised Schedule VI, the Company has now changed its accounting policy in order to comply with the requirements of AS 9: Revenue Recognition, which requires dividend income to be recognised when the right to receive dividend is established.

Had the Company continued to follow the earlier accounting policy, the dividend income recognised in the Statement of Profit and Loss would have been higher by Rs. 71,200,000 and other current assets would have been higher by Rs.71,200,000.

#### 2.3 Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses. Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

#### 2.4 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

#### 2.5 Depreciation and Amortisation

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets or the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher, 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
Furniture and Fixture	10.5 years

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

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

## Notes to the financial statements

### 2.6 Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

### 2.7 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

### 2.8 Revenue Recognition

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

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

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

### 2.9 Other Income

Dividend : Dividend income is recognised 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.

### 2.10 Employee Benefits

#### Retirement Benefit Plans:

##### Provident Fund

The Company makes contribution to the "NIIT Technologies Limited Employees' Provident Fund Trust". The above Trust has been notified on March 20th 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 Company's contribution towards Provident Fund is charged to statement of Profit and Loss.

##### Superannuation

The Company makes defined contribution to a Trust established for this purpose. The Company has no further obligation beyond its monthly contributions.

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

##### Gratuity

Gratuity is a post employment defined benefit plan. The liability recognised in the Balance Sheet in respect of Gratuity is the present value of the defined benefit obligation at the Balance Sheet date less 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 statement of Profit and Loss in the year in which such gains or losses arise.

## Notes to the financial statements

### 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 statement of Profit and Loss.

### Compensated absences

The liability in respect of compensated absences is provided both for encashable leaves 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.

## 2.11 Foreign Currency Transactions

### Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the monthly average rate.

### Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

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

## 2.12 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 recognised 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 recognised in the statement of Profit and Loss.

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

## 2.13 Borrowing Cost

Borrowing cost 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 capitalised.

## 2.14 Current and Deferred tax

Tax expense for the year comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Minimum Alternative Tax credit ("MAT credit") is recognised as an asset only when and to the extent there is

## Notes to the financial statements

convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 2.15 Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

### 2.16 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.

### 2.17 Earning Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### 2.18 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 recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The balance in employee stock option outstanding account net of any un-amortised deferred employee compensation is shown separately as part of shareholders' funds.

### 2.19 Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

## Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

	As At March 31 2012	As At March 31 2011
<b>3 Share capital</b>		
<b>Authorised</b>		
75,000,000 Equity Shares (Previous Year 75,000,000 equity shares) of Rs. 10/- each	750,000,000	750,000,000
<b>Issued, subscribed and paid up</b>		
59,632,319 Equity Shares (Previous Year 59,251,056 shares) of Rs. 10/- each	596,323,190	592,510,560
<b>a) Reconciliation of number of shares</b>		

Particulars	Equity Shares			
	As at March 31, 2012		As at March 31, 2011	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	59,251,056	592,510,560	58,787,845	587,878,450
Shares Issued during the year	381,263	3,812,630	463,211	4,632,110
Shares outstanding at the end of the year	<b>59,632,319</b>	<b>596,323,190</b>	<b>59,251,056</b>	<b>592,510,560</b>

**b) Right, preference and restrictions attached to shares**

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholder	Equity Shares			
	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Scantech Evaluation Services Ltd	14,493,480	24.30	14,493,480	24.46
Fidelity Management and Research Company A/c Fidelity Advisor Series 1 Fidelity Advisor Small Cap Fund	3,717,882	6.23	3,727,882	6.29

**d) Shares reserved for issue under option**

Refer note 43 for details of shares to be issued under the Employee Option Plan

**e) Shares allotted as fully paid by way of bonus shares (during 5 years immediately preceeding March 31, 2012)**

	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Equity shares allotted as fully paid up bonus shares by capitalisation of security premium reserve	-	-	-	-	19,559,465

**f) Shares allotted as fully paid up pursuant to contract without payment being received in cash (during 5 years immediately preceeding March 31, 2012. 1,042,311 equity shares were issued in the last 5 years under Employee Stock Option Plan as consideration for services rendered by employees (Refer Note 43).**



## Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

	As At March 31 2012	As At March 31 2011
<b>4 Reserves and surplus</b>		
<b>Capital redemption reserve</b>	<b>16,570,603</b>	<b>16,570,603</b>
<b>Security premium reserve</b>		
Balance as at the beginning of the year	60,365,915	10,201,746
Add: Transferred from stock options outstanding	43,541,144	50,164,169
Balance as at the end of the year	<b>103,907,059</b>	<b>60,365,915</b>
<b>Employee stock options outstanding</b>		
Options granted till date	-	-
Add: Compensation for options granted during the year	16,660,000	-
Less: deferred employee stock compensation	9,774,977	-
Balance as at the end of the year	<b>6,885,023</b>	-
<b>General reserve</b>		
Balance as at the beginning of the year	1,236,162,583	1,112,909,742
Add: Balance Transferred from statement of Profit and Loss	113,126,968	123,252,841
Balance as at the end of the year	<b>1,349,289,551</b>	<b>1,236,162,583</b>
<b>Surplus in statement of profit and loss</b>		
Balance as at the beginning of the year	3,882,277,731	3,270,444,239
Profit for the year	1,131,269,682	1,232,528,409
Less: Appropriations		
Dividend paid (relating to Previous Year)	360,173	595,700
Corporate dividend tax on above	58,430	-
Proposed dividend on equity Shares	477,058,552	444,382,920
Corporate dividend tax	65,850,550	52,463,456
Transferred to general reserve	113,126,968	123,252,841
Balance as at the end of the year	<b>4,357,092,740</b>	<b>3,882,277,731</b>
<b>Hedging reserve surplus / (deficit)</b>	(68,343,954)	17,191,033
<b>Total</b>	<b>5,765,401,022</b>	<b>5,212,567,865</b>
<b>5 Long-term borrowings</b>		
<b>Secured</b>		
<b>Vehicle loan</b>		
From banks	56,892,833	27,493,313
	<b>56,892,833</b>	<b>27,493,313</b>
Vehicle loans from banks are secured by way of hypothecation of the vehicles financed.		
<b>6 Other long term liabilities</b>		
Unearned revenue	58,847,915	-
	<b>58,847,915</b>	-
<b>7 Long-term provisions</b>		
<b>Provision for employee benefits</b>		
Provision for compensated absences	2,621,000	2,723,000
	<b>2,621,000</b>	<b>2,723,000</b>

**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**

	<b>As At March 31 2012</b>	<b>As At March 31 2011</b>
<b>8 Trade payables</b>	<b><u>586,317,993</u></b>	<b><u>386,243,160</u></b>

There are no micro and small scale enterprises to which the Company owes dues as at 31st March 2012. 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.

**9 Other current liabilities**

Current maturities of long-term debt		
-Vehicle loan from bank	22,490,444	9,221,003
Share application money	-	190,800
Advances from customers	96,552,853	145,430,614
Unclaimed dividend [Refer note below]	11,389,939	10,219,807
Income received in advance(deferred/ unearned Revenue)	44,703,857	-
Employee benefits payable	232,664,383	157,906,622
Statutory dues including provident fund and tax deducted at source	82,889,552	87,151,704
Derivative instruments fair value liability	95,829,994	-
	<b><u>586,521,022</u></b>	<b><u>410,120,550</u></b>

There are no amounts due for payment to the Investor Education and Protection Fund under Section 205 C of the Companies Act, 1956 as at the year end.

**10 Short-term provisions**

Provision for compensated absences	283,175,587	188,048,520
Proposed dividend on equity shares	477,058,552	444,382,921
Corporate dividend distribution tax	65,850,550	52,463,455
Provision for contract warranties	20,081,609	49,604,188
	<b><u>846,166,298</u></b>	<b><u>734,499,084</u></b>

**Notes to the financial statements**
**11 Tangible Assets**

(All figures in Rs. unless otherwise stated)

Description of Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at April 1, 2011	Additions during the Year	Sales / Adj. during the Year	As at March 31, 2012	As at April 1, 2011	For the Year	Sales / Adj. during the Year	As at March 31, 2012
Land - Freehold	167,165	-	-	167,165	-	-	-	167,165
Land - Lease Hold	300,912,075	-	-	300,912,075	13,198,465	3,463,576	-	284,250,034
Buildings	171,717,857	1,042,259,890	-	1,213,977,747	7,182,585	17,142,379	-	1,189,652,783
Plant & Machinery								
-Computers & Peripherals	515,254,933	145,281,417	143,323	660,393,027	422,359,522	67,466,693	106,099	170,672,911
-Office Equipment	33,323,540	59,514,062	19,250	92,818,352	9,411,946	4,144,898	19,245	79,280,753
-Others	153,562,205	342,143,990	98,300	495,607,895	34,484,524	24,377,728	83,193	436,828,836
Furniture & Fixtures	102,311,130	236,344,616	-	338,655,746	48,802,199	22,148,931	-	267,704,616
Lease Hold Improvements	191,163,768	12,351,987	-	203,515,755	183,968,390	5,142,177	-	14,405,188
Vehicles	69,790,045	60,846,390	12,894,024	117,742,411	12,874,135	8,966,829	6,742,382	102,643,829
<b>Total</b>	<b>1,538,202,718</b>	<b>1,898,742,352</b>	<b>13,154,897</b>	<b>3,423,790,173</b>	<b>732,281,766</b>	<b>152,853,211</b>	<b>6,950,919</b>	<b>2,545,606,115</b>
<b>Previous Year</b>	<b>1,410,874,056</b>	<b>153,918,001</b>	<b>26,589,339</b>	<b>1,538,202,718</b>	<b>595,118,945</b>	<b>158,299,979</b>	<b>21,137,158</b>	<b>805,920,952</b>

**12 Intangible Assets**

Description of Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at April 1, 2011	Additions during the Year	Sales / Adj. during the Year	As at March 31, 2012	As at April 1, 2011	For the Year	Sales / Adj. during the Year	As at March 31, 2012
Software-External	644,250,403	115,170,007	-	759,420,410	561,086,847	90,422,449	-	107,911,114
Patents	23,152	-	-	23,152	18,674	1,099	-	3,379
<b>Total</b>	<b>644,273,555</b>	<b>115,170,007</b>	<b>-</b>	<b>759,443,562</b>	<b>561,105,521</b>	<b>90,423,548</b>	<b>-</b>	<b>107,914,493</b>
<b>Previous Year</b>	<b>1,013,950,752</b>	<b>64,567,402</b>	<b>434,244,599</b>	<b>644,273,555</b>	<b>920,891,753</b>	<b>74,413,361</b>	<b>434,199,593</b>	<b>83,168,034</b>

## Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

	As At March 31 2012	As At March 31 2011
<b>13 Non-current investments</b>		
<b>Trade investments (valued at cost unless stated otherwise)</b>		
<b>Unquoted equity instruments</b>		
<b>In Subsidiary Companies:</b>		
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 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 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	<u>250,000,000</u>	<u>250,000,000</u>
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
5000 (Previous Year 1000) Equity Shares of 1000 AED each fully paid in NIIT Technologies FZ LLC Dubai	63,141,800	13,607,629
5,000,000 (Previous Year 5,000,000) equity shares of Rs. 10 each in NIIT Technologies Services Ltd (formerly known as Adecco NIIT Technologies Private Limited)	25,000,061	25,000,061
	<b><u>1,195,322,849</u></b>	<b><u>1,145,788,678</u></b>

**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**

	<b>As At March 31 2012</b>	<b>As At March 31 2011</b>
Aggregate amount of unquoted investments	1,195,322,849	1,145,788,678
Aggregate provision for diminution in value of investments	250,000,000	250,000,000
<b>14 Deferred tax assets (net)</b>	<b><u>111,120,442</u></b>	<b><u>127,057,698</u></b>
<b>Deferred tax</b>		
Break up of deferred tax assets/ liabilities is as follows:		
<b>Deferred tax assets / liabilities</b>		
<b>Deferred tax assets</b>		
a) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	-	13,899,267
b) Provision for doubtful debts and Advances	5,125,894	14,855,605
c) Provision for compensated absences, bonus and gratuity	108,463,507	77,283,050
d) Other expenses	<u>20,909,739</u>	<u>36,897,898</u>
<b>Total (A)</b>	<b><u>134,499,140</u></b>	<b><u>142,935,820</u></b>
<b>Deferred tax liabilities</b>		
a) Tax impact of expenses not charged in the financial statements but claimed as deduction under income tax	7,531,603	7,621,693
b) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	<u>43,333,135</u>	<u>-</u>
<b>Total (B)</b>	<b><u>50,864,738</u></b>	<b><u>7,621,693</u></b>
<b>Deferred tax assets (net) (A - B)</b>	<b><u>83,634,402</u></b>	<b><u>135,314,127</u></b>
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.	27,486,040	(8,256,429)
<b>Net deferred tax assets</b>	<b><u>111,120,442</u></b>	<b><u>127,057,698</u></b>

**Note :**

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.

## Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

	As At March 31 2012	As At March 31 2011
<b>15 Long term loans and advances</b> (Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received		
-Considered good	10,848,557	1,458,785
-Considered doubtful	-	-
	10,848,557	1,458,785
Less: Provision for doubtful advances	-	-
	10,848,557	1,458,785
Security deposits		
-Considered Goods	96,023,920	47,345,137
-Considered doubtful	1,459,716	1,459,716
	97,483,636	48,804,853
Less -Provision for doubtful security deposits	(1,459,716)	(1,459,716)
	96,023,920	47,345,137
Capital advances	3,967,330	64,151,483
	<b>110,839,807</b>	<b>112,955,405</b>

**16 Other non current assets**

Long term trade receivables	177,461,853	136,392,287
Margin money deposits	39,600,000	29,500,000
	<b>217,061,853</b>	<b>165,892,287</b>

**17 Current investments**

At cost or market value, whichever is less

Unquoted

In Mutual funds

465,000,000	220,000,000
<b>465,000,000</b>	<b>220,000,000</b>

Liquid Scheme of Mutual Fund	As on March 31 2012		As on March 31 2011	
	Units	Value	Units	Value
Tata Mutual Fund	20,286	40,000,000	22,099	40,000,000
SBI Mutual Fund	29,664	50,000,000	1,837,382	40,000,000
Birla Sun Life Mutual Fund	300,406	50,000,000	1,288,701	20,000,000
Franklin Templeton Mutual Fund	41,791	65,000,000	34,545	50,000,000
IDFC Mutual Fund	38,796	50,000,000	-	-
UTI Mutual Fund	34,219	60,000,000	-	-
HDFC Mutual Fund	2,800,807	60,000,000	-	-
Prudential ICICI Mutual Fund	263,153	40,000,000	277,841	40,000,000
KOTAK Mutual Fund	2,305,465	50,000,000	1,523,546	30,000,000
<b>Total</b>		<b>465,000,000</b>		<b>220,000,000</b>



**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**

	<b>As At March 31 2012</b>	<b>As At March 31 2011</b>
<b>18 Trade receivables</b>		
<b>Unsecured considered good</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	63,976,924	400,429,521
Others	2,280,079,707	1,409,582,329
<b>Unsecured considered doubtful</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	14,339,001	45,787,039
Others	-	-
Less: Provision for doubtful debts	14,339,001	45,787,039
	<b><u>2,344,056,631</u></b>	<b><u>1,810,011,850</u></b>
<b>19 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	110,786	198,778
Cheques, drafts on hand	1,973,911	2,645,015
<b>Bank balances</b>		
- Current accounts	323,044,465	178,473,445
- Fixed deposit accounts (less than 3 months maturity)	60,000,000	-
	<u>385,129,162</u>	<u>181,317,238</u>
<b>Other Bank Balances</b>		
- Long term deposits with maturity more than 3 months but less than 12 months	430,000,000	-
- Unpaid dividend account	11,389,939	10,219,807
	<b><u>826,519,101</u></b>	<b><u>191,537,045</u></b>
<b>20 Short term loan &amp; advances</b>		
(Unsecured, considered good except where otherwise stated)		
a) Loan and advances to related party		
Loan to NIIT Institute of Information Technology	-	250,000,000
b) Other loans and advances		
Advances recoverable in cash or in kind or for value to be received		
-Considered good	172,508,579	210,303,249
-Considered doubtful	1,546,064	27,694,037
	174,054,643	237,997,286
Less: Provision for doubtful advances	1,546,064	27,694,037
	172,508,579	210,303,249
Security deposits (unsecured )		
-Considered goods	23,153,128	72,181,920
MAT credit entitlement	226,124,900	337,350,402
Advance income tax	1,088,339,633	778,357,574
Less: Provision for income tax	982,469,600	673,986,571
	105,870,033	104,371,003
Advance fringe benefits tax	49,383,996	49,383,996
Less: Provision for fringe benefits tax	49,120,061	49,120,061
	263,935	263,935
	<b><u>527,920,575</u></b>	<b><u>974,470,509</u></b>

**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**

	<b>As At March 31 2012</b>	<b>As At March 31 2011</b>
<b>21 Other current assets</b>		
(Unsecured, considered good)		
Unbilled revenue	35,183,768	208,613,290
Interest accrued on FD's	10,367,558	1,239,530
Dividend receivable	-	120,983,596
Derivative instruments fair value assets	-	25,447,462
	<b>45,551,326</b>	<b>356,283,878</b>
<b>22 Proposed dividend</b>		
On equity shares of Rs. 10 each		
Amount of dividend proposed	477,058,552	444,382,921
Dividend per equity share	8.00	7.50
<b>23 Contingent liabilities</b>		
Claims against the company not acknowledged as debts		
Income tax matters	205,987,472	95,297,958
Claims made by customers - pending under arbitration	6,230,000	6,230,000
<b>24 Capital and other commitments</b>		
<b>(a) Capital commitments</b>		
Estimated value of contracts in capital account remaining to be executed	275,124,626	309,849,136
<b>(b) Other commitments</b>		
Guarantees issued by bankers	166,931,183	84,186,387
Guarantees to banks against lines of credit sanctioned to wholly owned overseas subsidiaries	463,901,280	833,424,569
Guarantees on behalf of wholly owned overseas subsidiaries	1,659,867,450	1,419,493,578
	<b>Year ended March 31, 2012</b>	<b>Year ended March 31, 2011</b>
<b>25 Revenue from operations</b>		
Sales of products		
Traded goods	264,683,853	1,348,353,233
Sale of services	8,009,949,025	5,944,456,415
	<b>8,274,632,878</b>	<b>7,292,809,648</b>
<b>26 Other income</b>		
Net gain on sale of investments	24,244,021	34,833,733
Recovery from subsidiaries for common corporate expenses	41,300,763	23,771,118
Interest on :		
- Loans	10,027,396	30,000,000
- Bank deposits	11,252,187	8,778,714
	21,279,583	38,778,714
Miscellaneous income	8,727,169	11,942,600
Dividend Income from subsidiary	-	120,983,596
Gain on exchange fluctuations (net)	210,441,114	-
	<b>305,992,650</b>	<b>230,309,761</b>

**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**

	<b>Year ended March 31 2012</b>	<b>Year ended March 31 2011</b>
<b>27 Cost of materials consumed</b>		
Bought out items	203,325,728	1,216,756,026
	<b>203,325,728</b>	<b>1,216,756,026</b>
<b>28 Employee benefits expense</b>		
Salaries and benefits	4,587,818,112	3,183,652,265
Contribution to provident and other funds (Refer Note a below)	110,968,304	88,250,904
Employee stock option scheme (Refer Note 43)	6,885,023	-
Staff welfare expenses	127,426,704	78,677,694
	<b>4,833,098,143</b>	<b>3,350,580,863</b>

**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 Statement of Profit and Loss.

<b>Employer's Contribution</b>	<b>March 31,2012</b>	<b>March 31,2011</b>
Employers Contribution to Provident Fund	75,407,902	50,768,640
Employers Contribution to Superannuation Fund	9,279,604	7,800,343
Employers Contribution to Overseas Plan	23,199,296	19,504,262

**b) Defined Benefit Plans**

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

**(i) Provident Fund:**

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.

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.

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

<b>Description</b>	<b>March 31, 2012</b>
Present value of obligation as at the beginning of the year	-
Interest cost	-
Current service cost	906,470
Benefits paid	-
Actuarial (gain) / loss on obligation	2,608,090
Present value of obligation as at the end of the year*	3,514,560

\*Present value of obligation represents the liability in respect of the yearly Interest rate Guarantee on Provident fund

**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**
**Change in Plan Assets :**

<b>Description</b>	<b>March 31, 2012</b>
Plan assets at beginning at fair value	-
Expected return on plan assets	-
Contribution	-
Benefits paid	-
Actuarial gain / (loss) on plan assets	5,477,710
Plan assets at year end at fair value	5,477,710

**Amount of the obligation recognised in Balance Sheet :**

<b>Description</b>	<b>March 31, 2012</b>
Present value of the defined benefit obligation as at the end of the year	3,514,560
Fair value of plan assets at the end of the year	5,477,710
Liability/(Assets) recognized in the Balance Sheet	-

**Amount of expense recognised in the Statement of Profit and Loss**

<b>Description</b>	<b>March 31, 2012</b>
Current service cost	906,470
Interest cost	-
Expected return on plan assets	-
Actuarial (gain) / loss recognized during the year	(2,869,620)
Total	-

**Principal actuarial assumptions at the Balance Sheet date**

Discount Rate	8.60%
---------------	-------

**Attrition rate**

Age from 20-30 years	15.00%
31-34	10.00%
35-44	5.00%
45-50	3.00%
51-54	2.00%
Age 55 & above	1.00%

**Expected Return on Assets for Exempt PF Fund**

Year	
2012-13	9%
2014-16	8.75%
2016 and thereafter	8.60%

**Long term EPFO Rate**

<b>Year</b>	<b>Rate</b>
2012-13	8.60%
2014 and thereafter	8.60%

**Amount recognised in current year**

<b>Description</b>	<b>March 31, 2012</b>
Present value of the defined benefit obligation as at the end of the year	3,514,560
Fair value of plan assets at the end of the year	5,477,710
(Liability)/Assets recognized in the Balance Sheet	-
Experience Gain/(Loss) adjustments on Plan Liabilities	(2,608,090)
Experience Gain/(Loss) adjustments on Plan assets	5,477,710

**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**
**Note:**

Disclosures included are limited to the extent of disclosures provided by the actuary

Current year is the first year of actuarial valuation being done. Accordingly, the disclosure is only for March 31, 2012

**(ii) Compensated Absences**

<b>Change in present value of obligation</b>	<b>March 31,2012</b>	<b>March 31,2011</b>
Present value of obligation as at the beginning of the period	190,771,520	162,396,840
Interest cost	15,815,381	13,095,106
Current service cost*	103,493,278	93,509,312
Benefits paid	(461,130)	(811,700)
Actuarial (gain) / loss on obligation	(23,822,462)	(77,418,038)
Present value of obligation as at the end of the period	285,796,587	190,771,520

\* Inclusive of Exchange difference on opening liability related to US branch Rs. 4,699,268/-

<b>Amount of the obligation recognised in Balance Sheet :</b>	<b>March 31,2012</b>	<b>March 31,2011</b>
Present value of the defined benefit obligation as at the end of the year	285,796,587	190,771,520
Fair value of plan assets at the end of the year	-	-
Liability/(Assets) recognised in the Balance Sheet	285,796,587	190,771,520
Non Current Liability	2,621,000	2,723,000
Current liability	283,175,587	188,048,520

<b>Amount recognised in the Statement of Profit and Loss:</b>	<b>March 31,2012</b>	<b>March 31,2011</b>
Current service cost	103,493,278	93,509,312
Interest cost	15,815,381	13,095,106
Expected return on plan assets	0	-
Actuarial (gain) / loss recognised during the year	(23,822,462)	(77,418,038)
Amount recognised in Statement of Profit and Loss *	95,486,197	29,186,380

\* Inclusive of Exchange difference on opening liability related to US branch Rs. 4,699,268/-

<b>Principal Actuarial Assumption used in accounting for Compensated Absences</b>	<b>March 31,2012</b>	<b>March 31,2011</b>
For NTL India ( Excluding US Branch)		
Discounting Rate	8.60%	8.10%
Future Salary Increase	0-4 Years 9%	0-4 Years 8%
	5-9 Years 7%	5-9 Years 6%
	10 and above 5%	10 and above 5%
For USA Branch		
Discounting Rate	8.60%	8.10%
Future Salary Increase	1st Year 0%	1st Year 0%
	Afterwards 4%	Afterwards 4%
Attrition rate		
Age from 20-30 years	15.00%	15.00%
31-34	10.00%	10.00%
35-44	5.00%	5.00%
45-50	3.00%	3.00%
51-54	2.00%	2.00%
Age 55 & above	1.00%	1.00%

**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**
**Amount recognised in current year and previous three years**

Description	March 31,2012	March 31,2011	March 31,2010	March 31,2009
Present value of the defined benefit obligation as at the end of the year	(285,796,587)	(190,771,520)	(162,396,480)	149,829,705
Fair value of plan assets at the end of the year	-	-	-	-
(Liability) /assets recognised in the balance sheet	(285,796,587)	(190,771,520)	(162,396,480)	149,829,705
Experience gain/ (loss) adjustments on plan liabilities	23,822,462	77,418,038	86,821,598	87,152,805
Experience gain/ (loss) adjustments on plan assets	-	-	-	-

**(iii) Gratuity:**

Disclosures as per actuarial report of independent actuary:  
Amount of obligation as at the year end is determined as under :

Description	March 31,2012	March 31,2011
Present value of obligation as at the beginning of the year	93,869,000	82,052,240
Interest cost	7,411,930	6,366,780
Current service cost	16,165,480	12,842,280
Benefits paid	(4,727,420)	(6,899,970)
Actuarial (gain) / loss on obligation	(11,550,990)	(492,330)
Present value of obligation as at the end of the year	101,168,000	93,869,000

**Change in Plan Assets :**

Description	March 31,2012	March 31,2011
Plan assets at beginning at fair value	94,594,112	92,988,702
Expected return on plan assets	9,502,340	8,416,640
Contribution	17,716,620	-
Benefits paid	(4,727,420)	(6,899,970)
Actuarial gain / (loss) on plan assets	(554,140)	88,740
Plan assets at year end at fair value	116,531,512	94,594,112

**Amount of the obligation recognised in Balance Sheet :**

Description	March 31,2012	March 31,2011
Present value of the defined benefit obligation as at the end of the year	101,168,000	93,869,000
Fair value of plan assets at the end of the year	116,531,512	94,594,112
Liability/(Assets) recognised in the Balance Sheet	(15,363,512)	(725,112)

**Amount of Gratuity expense recognised in the Statement of Profit and Loss**

Description	March 31,2012	March 31,2011
Current service cost	16,165,480	12,842,280
Interest cost	7,411,930	6,366,780
Expected return on plan assets	(9,502,340)	(8,416,640)
Actuarial (gain) / loss recognised during the year	(10,996,850)	(581,070)
Total	3,078,220	10,211,350

**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**
**Amount recognised in current year and previous four years**

Description	March 31,2012	March 31,2011	March 31,2010	March 31,2009	March 31,2008
Present value of the defined benefit obligation as at the end of the year	(101,168,000)	(93,869,000)	(82,052,240)	(76,661,844)	(61,217,235)
Fair value of plan assets at the end of the year	116,531,512	94,594,112	92,988,702	75,540,152	55,914,274
(Liability) /assets recognised in the balance sheet	15,363,512	725,112	10,936,462	(1,121,692)	(5,302,961)
Experience gain/(loss) adjustments on plan liabilities	11,550,990	492,330	9,749,204	1,326,000	(2,964,261)
Experience gain/(loss) adjustments on plan assets	(554,140)	88,740	(277,310)	233,000	236,518

**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:**

	2011-12	2010-11
Discount rate	8.60%	8.10%
Expected rate of return on plan assets	9.40%	9.40%
Salary growth rate	5.00%	5.00%
Attrition rate		
Age from 20-30 years	15.00%	15.00%
31-34	10.00%	10.00%
35-44	5.00%	5.00%
45-50	3.00%	3.00%
51-54	2.00%	2.00%
Age 55 & above	1.00%	1.00%

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.

**29 Finance costs**

	Year ended March 31, 2012	Year ended March 31, 2011
Interest on long term borrowings	5,948,956	2,096,458
Other borrowing costs	1,408,435	64,199
Bank and financial charges	8,189,993	8,162,894
	<b>15,547,384</b>	<b>10,323,551</b>

**30 Depreciation and amortisation expense**

	Year ended March 31, 2012	Year ended March 31, 2011
Depreciation on tangible assets	152,853,211	158,299,979
Amortisation on intangible assets	90,423,548	74,413,361
	<b>243,276,759</b>	<b>232,713,340</b>



**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**

	<b>Year ended March 31, 2012</b>	<b>Year ended March 31, 2011</b>
<b>31 Other expenses</b>		
Rent	171,093,983	153,587,533
Rates and taxes	596,939	1,148,567
Electricity and water	85,433,881	60,162,713
Communication	70,599,615	50,822,705
Legal and professional [refer note (a) below]	73,953,102	74,538,260
Travelling and conveyance	381,777,030	270,487,668
Loss on exchange fluctuations (net )	-	26,246,425
[refer note (b) below]		
Insurance premium	16,206,384	14,453,748
Repairs and maintenance		
- Plant and machinery	37,102,665	30,805,941
- Buildings	1,026,663	934,483
- Others	76,967,660	43,991,815
Bad Debt and provision for doubtful debt	6,226,362	4,662,089
Loss on sales of assets	4,932,162	59,428
Donation	50,517,128	50,000,000
Advertisement and publicity	23,769,282	8,908,108
Business promotion	36,436,333	24,848,470
Professional charges	450,268,381	460,212,328
Equipment hiring	6,333,895	4,837,262
Consumables	36,905,731	32,472,028
Other production expenses	32,516,549	17,520,858
Miscellaneous expenses	64,487,268	41,044,138
	<b>1,627,151,013</b>	<b>1,371,744,567</b>

a) Payment to auditors ( excluding service tax)

<b>Particulars</b>	<b>2011-12</b>	<b>2010-11</b>
Statutory Audit fees	3,800,000	3,800,000
Certificate and Other Services	3,060,000	3,500,000
Tax audit fees	300,000	300,000
Reimbursement of expenses	480,500	495,028

b) Includes fair value loss on non - designated derivative instruments of Rs.Nil (Previous Year 20,289,194/-)

c) Expenses during the year are net of recoveries towards common services at cost from domestic subsidiaries amounting to Rs. 29,934,338/- (Previous Year Rs. 23,181,667/-).

**32 Earning in foreign currency**

	<b>2011-12</b>	<b>2010-11</b>
IT and Related Services	7,433,128,770	5,225,780,708
Other income - Recovery of Shared Services from overseas subsidiaries	35,077,166	16,334,664

**33 CIF value of imports**

	<b>2011-12</b>	<b>2010-11</b>
Capital Goods	86,034,680	123,059,944

**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**
**34 Expenditure in foreign currency**

	<b>2011-12</b>	<b>2010-11</b>
Development and Bought out	-	826,459
Travel	135,024,654	119,546,570
Professional Fees	5,616,696	1,384,933
Branch Office Expenses	2,273,519,954	1,747,318,620
Others	49,690,577	29,237,290

**35 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 Limited, India
- 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 ( Held by NIIT Tech, UK)
- 16 NIIT Airline Technologies GmbH, Germany
- 17 NIIT Technologies FZ LLC, Dubai
- 18 NIIT Technologies Limited, Canada
- 19 NIIT Healthcare Technologies Inc., USA ( Held by NIIT Tech Inc, USA)
- 20 Proyecta Systems de Informacion S.A ( Held by NIIT Tech, UK) w.e.f. August 12, 2011
- 21 NIIT Media Technologies LLC (Held by NIIT Technologies Inc, USA) w.e.f. May 26, 2011

**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  
NIIT Institute of Finance Banking and Insurance Training Limited

**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.  
NIIT Institute of Information Technology  
Indian School of Business

**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**
**C Details of transactions with related parties (described above) carried out on an arms length basis:-**

Nature of Transactions	Subsidiaries	Party of whom the company is an associate	Key Managerial Personnel	Parties in which Key Managerial Personnel of the Company are interested	Total
Purchase of Fixed Assets (Note 2)	-	-	-	-	-
	(2,303,480)	-	-	-	(2,303,480)
Rendering of Services (Note 3)	7,268,981,672	9,787,688	-	-	7,278,769,360
	(5,484,280,875)	(9,344,949)	-	-	(5,493,625,824)
Receiving of Services (Note 4)	3,905,355	6,898,270	-	690,000	11,493,625
	(14,614,555)	(30,913,882)	-	-	(45,528,437)
Recovery of Expenses by the company (Including those from Overseas Subsidiaries) (Note 5)	160,425,630	143,000	-	-	160,568,630
	(94,950,776)	(5,478,163)	-	-	(100,428,939)
Recovery of Expenses from the company (Note 6)	36,624,932	22,519,829	-	-	59,144,761
	(63,128,911)	(25,792,383)	-	-	(88,921,294)
Donation given ( Note 7)	-	-	-	50,000,000	50,000,000
	-	-	-	(50,000,000)	(50,000,000)
Sale of Goods (Note 8)	-	-	-	-	-
	(532,485)	-	-	-	(532,485)
Finance:					
Investments made (Note 9)	49,534,171	-	-	-	49,534,171
	(61)	-	-	-	(61)
Loans Given Received back (Note10)	-	-	-	250,000,000	250,000,000
	-	-	-	-	-
Interest received (Note 11)	-	-	-	10,027,396	10,027,396
	-	-	-	(30,000,000)	(30,000,000)
Remuneration / Commission	-	-	42,814,039	-	42,814,039
Sitting Fees (Note 12)	-	-	(50,105,054)	-	(50,105,054)
Other Income (Note 13)	43,141,063	300,000	-	-	43,441,063
	(23,771,118)	(4,500,000)	-	-	(28,271,118)
Other Expenses (Note 14)	-	-	-	535,063	535,063
	-	(17,182)	-	(655,657)	(672,839)
Dividend paid to Scantech Evaluation Services Ltd	-	115,947,840	-	-	115,947,840
	-	(108,701,100)	-	-	(108,701,100)
Dividend receivable from NIIT GIS Limited	-	-	-	-	-
	(120,983,596)	-	-	-	(120,983,596)

**Notes :**

- Figures in parenthesis represent previous year's figure.
- Transactions in purchase of Fixed Assets for the year with;  
NIIT Technologies Services Ltd.Rs.Nil (Previous year Rs.2,303,480/-)
- Includes transactions in Rendering of Services for the year mainly with;  
\* NIIT Technologies Inc USA Rs. 4,516,892,871/- (Previous year Rs. 3,494,578,912/-)  
\* NIIT Technologies Ltd, UK Rs 1,217,745,852/- (Previous year Rs. 809,605,592/-)  
NIIT Limited Rs 9,787,688/- (Previous year Rs. 9,344,949/)  
\* includes revenue from revision in rates based on an independent transfer pricing study.
- Includes transactions in Receiving of Services for the year mainly with;  
NIIT Limited Rs 4,144,258/- (Previous year Rs.29,883,835/-)  
NIIT Technologies Pte Ltd. Singapore Rs. Nil (Previous year Rs. 10,712,040/-)  
NIIT GIS Ltd Rs 3,905,355/-(Previous year Rs. 3,902,515/-)  
Evolve Services Limited Rs 2,754,012/-(Previous year Rs. 1,009,200/-)

**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**

- 5 Includes transactions in recovery of expenses by the company for the year mainly with;  
NIIT GIS Ltd Rs 32,299,715/- (Previous year 23,309,498/-)  
NIIT SmartServe Limited Rs.3,079,247/- (Previous year Rs 1,837,302/-)  
NIIT Technologies Ltd, UK Rs.65,696,764/- (Previous year Rs13,142,723/-)  
NIIT Limited Rs Nil (Previous year Rs. 5,237,124/-)  
NIIT Technologies Inc USA Rs.30,792,791/- (Previous year Rs. 22,957,637/-)
- 6 Includes transactions in recovery of expenses from the company for the year mainly with;  
NIIT SmartServe Limited Rs 19,933,290/- (Previous year Rs. 19,607,321/-)  
NIIT Limited Rs 10,205,340/- (Previous year Rs. 10,864,678/-)  
NIIT USA Inc Rs 12,314,489/- (Previous year Rs.14,927,705/-)  
NIIT Technologies Inc Rs.9,740,332/- (Previous year Rs. 41,244,953/-)
- 7 Includes transactions in donation made for the year mainly with;  
NIIT Institute of Information Technology Rs 50,000,000/- (Previous year Rs. 50,000,000/-)
- 8 Includes transactions in sale of goods made for the year mainly with;  
NIIT Technologies Services Ltd.Rs.Nil (Previous year Rs.532,485/-)
- 9 Includes transactions in Investments made for the year mainly with;  
NIIT Technologies Services Ltd.Rs.Nil (Previous year Rs.61)  
NIIT Technologies, Dubai.Rs.49,534,171/- (Previous year Rs.Nil)
- 10 Transactions in loans given received back for the year with;  
NIIT Institute of Information Technology Rs 250,000,000/- (Previous year Rs. Nil)
- 11 Transactions in interest received for in the year with;  
NIIT Institute of Information Technology Rs 10,027,396/- (Previous year Rs. 30,000,000/-)
- 12 Remuneration of:  
Mr. R S Pawar – Rs.14,662,086/- (Previous year Rs.15,058,821/-)  
Mr. Arvind Thakur – Rs.27,351,953/- (Previous year Rs.34,226,233/-)  
Mr. Vijay K Thadani – Rs.800,000/- (Previous year Rs.820,000/-)
- 13 Includes transactions in other income for the year mainly with;  
NIIT GIS Limited Rs 5,104,175/- (Previous year Rs.4,853,490/-)  
NIIT SmartServe Ltd Rs 2,929,555/- (Previous year Rs.2,582,965/-)  
NIIT Technologies Ltd, UK Rs 6,922,551/- (Previous year Rs.3,646,491/-)  
NIIT Technologies Inc USA Rs.6,442,289/- (Previous year Rs.3,943,482/-)  
NIIT Limited Rs. 300,000/- ( Previous year Rs. 4,500,000/-)
- 14 Includes transactions in other expenses for the year mainly with;  
Naya Bazaar Novelties P Ltd Rs.535,063/- (Previous year Rs.687,657/-)

**D Details of balances with related parties:**

	Receivable As at March 31, 2012	Payable As at March 31, 2012	Receivable As at March 31, 2011	Payable As at March 31, 2011
Subsidiaries	1,776,126,051	14,946,298	1,203,089,017	9,885,724
Associates	3,962,897	6,803,144	3,941,640	21,777,677
Parties in which Key Managerial Personnel are interested	7,998	-	39,764	10,763
Key Managerial Personnel	519,313	-	-	83,807

- 36 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:

## Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

Particulars	Revenue by location of customer		Carrying amount of segment assets by location of the assets		Addition to fixed assets	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
India	972,507,998	2,067,029,004	8,499,091,273	7,366,157,532	2,013,912,359	218,485,403
America*	4,532,898,359	3,234,520,749	-	-	-	-
Europe*	2,069,970,716	1,515,842,142	-	-	-	-
Asia Pacific (including Australia)*	699,255,805	475,417,752	-	-	-	-
<b>Total</b>	<b>8,274,632,878</b>	<b>7,292,809,648</b>	<b>8,499,091,273</b>	<b>7,366,157,532</b>	<b>2,013,912,359</b>	<b>218,485,403</b>

\*Net of Hedging loss of Rs. 131,003,890/- [includes America Rs. 86,811,250/-, Europe Rs. 40,204,440/- & Australia Rs.3,988,200/-] (Previous Year Rs. 281,815,524/-) related to derivative instruments matured during the year.

## 37 Earning Per Share :

Particulars	2011-12	2010-11
<b>Basic</b>		
Profit after tax (A)	1,131,269,682	1,232,528,409
Weighted Average number of Equity shares Outstanding during the year - (B)	59,388,622	58,956,638
Basic Earning per share (A)/(B)	19.05	20.91
<b>Diluted</b>		
Profit after tax	1,131,269,682	1,232,528,409
Weighted Average number of Equity shares Outstanding during the year (B)	59,388,622	58,956,638
Add : Weighted average number of potential equity shares on account of employee stock options. Refer Note 43	685,302	747,839
Weighted average number of shares outstanding for dilutive EPS (C)	60,073,924	59,704,477
Diluted EPS (A)/(C)	18.83	20.64
Face value per share	10.00	10.00

The Company has issued 381,263 (Previous year 463,211) equity shares under its ESOP Scheme during the year. The same has been adjusted for both the years presented above.

Earning Per Share [had fair value method been employed for accounting for Employee Stock Option {Refer Note 43 (g)}]

Particulars	2011-12	2010-11
Profit Attributable to Equity shareholders (D)	1,093,903,026	1,152,416,211
Basic Earning per share (Rs) (D / B)	18.42	19.55
Diluted Earning per share (Rs) (D / C)	18.21	19.30

## 38 Income Tax

## a) Current Income Tax

- 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.
- As regard Indian Income Tax, the Company avails deduction under the provisions of Section 10AA of the Income Tax Act, 1961 available to units in SEZ. The current tax charge for the year includes charge in respect of Indian Income Tax of Rs 301,873,873/- after adjusting relief in relation to income taxes payable in United States to the extent of Rs.44,191,350/-. It further includes credit of Rs. 156,035/- relating to earlier years recognised on filing of tax returns. The company has utilised mat credit during the year of Rs.111,225,502/- after considering addition of Rs. 7,982,958 related to earlier years.
- The current tax charge includes tax payable under the US income tax regulation of Rs. 59,083,849/- (Previous Year Rs. 58,881,110/-).

**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**
**39 Managerial remuneration :**

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

	2011-12	2010-11
<b>Profit before taxation as per P &amp; L Account</b>	<b>1,658,226,501</b>	<b>1,341,001,062</b>
Add : Net Increase/(Decrease) in Provision for Doubtful Debts	6,226,362	4,662,089
Add : Depreciation as per Books of Accounts	243,276,759	232,713,340
Less :Depreciation as per Sec. 350 of the Companies Act, 1956	261,204,223	191,900,620
<b>Net Profit under Section 349 of the Companies Act, 1956</b>	<b>1,646,525,399</b>	<b>1,386,475,871</b>
Add : Directors Remuneration	44,964,039	52,385,054
<b>Net Profit under Section 198 of the Companies Act, 1956</b>	<b>1,691,489,438</b>	<b>1,438,860,925</b>
Max. remuneration allowable under Sec. 198 of the Companies Act, 1956 restricted to 11% of Net Profit	186,063,838	158,274,702
Max. Commission allowable to Non-Executive directors under Sec. 309 of the Companies Act, 1956 restricted to 1% of Net Profit	16,914,894	14,388,609

**Directors' remuneration :**

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

	2011-12	2010-11
Executive Director's Remuneration:		
Salary and Allowances	14,237,600	12,056,666
Performance Linked Bonus	20,511,500	23,660,000
Contribution to provident fund and other funds	2,739,197	2,518,692
Value of Perquisites	4,525,742	11,049,696
Sub Total (A)	<b>42,014,039</b>	<b>49,285,054</b>
Non executive Director's Remuneration:		
Commission to Non Executive Directors (B)	2,950,000	3,100,000
Total Director's Remuneration (A+B)	<b>44,964,039</b>	<b>52,385,054</b>
Non executive Director's Sitting Fees	680,000	800,000

**40 Leases**

The company has significant operating leases for premises. These lease arrangements range for a period between 11 months and 3 years, which include both cancellable and non- cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

	2011-12	2010-11
a) With respect to all opeating leases		
Lease payments recognised in the statement of profit and loss during the year	168,677,798	151,856,323
b) With respect to non- cancellable operating leases, the future minimum lease payments are as follows:		
Not later than one year	65,370,000	-
Later than one year and not later than five years	54,475,000	-

**41 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 12 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.

**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**

## a) Derivatives outstanding as at the reporting date

Particulars	Currency	Year ended 31 March 2012		Year ended 31 March 2011	
		Amount in Respective currency	Amount in INR	Amount in Respective currency	Amount in INR
Forward covers to sell	USD	49,585,000	2,524,026,925	29,000,000	1,352,743,750
	GBP	9,025,500	734,582,685	3,000,000	219,462,500
	EURO	4,905,000	339,223,160	2,000,000	126,543,750
	AUD	-	-	1,500,000	68,860,000

## b) Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	Currency	Year ended 31 March 2012		Year ended 31 March 2011	
		Amount in Respective currency	Amount in INR	Amount in Respective currency	Amount in INR
Trade receivable	AED	170,692	2,363,965	69,653	842,063
	AUD	9,526,364	501,543,069	4,626,829	212,649,532
	CAD	-	-	2,997	136,961
	CHF	215,651	12,159,355	136,441	6,613,595
	HKD	4,091,873	26,803,814	3,349,267	19,124,984
	JPY	186,434	114,452	-	-
	SGD	377,896	15,284,059	103,116	3,632,997
Trade payable	THB	265,761	438,931	51,749	75,942
	USD	207,245	10,542,535	109,934	4,881,070
	GBP	5,544	451,590	-	-
	EURO	-	-	12,290	774,118
	SGD	-	-	270,810	19,303,824

## c) The following table summarizes activity in the Hedge Reserve (Debit Balance) related to all derivatives classified as cash flow hedges during the year ended March 31, 2012

Particulars	Year Ended 31 March 2012	Year Ended 31 March 2011
Balance as at the beginning of the year (Gross of deferred tax)	(25,447,462)	251,997,076
Add : Unrealised (gain) / loss on cash flow hedging derivatives during the year	252,281,346	4,370,986
Less : Net losses transferred to Revenue on occurrence of hedged items	131,003,890	281,815,524
<b>Balance as at the end of the year</b>	<b>95,829,994</b>	<b>(25,447,462)</b>
Deferred Tax Assets	(27,486,040)	(8,256,429)
<b>Balance as at the end of the year (Net of Deferred Tax )</b>	<b>68,343,954</b>	<b>(17,191,033)</b>

At March 31, 2012 the estimated net amount of existing loss that is expected to be reclassified into the revenue statement within the next twelve months is Rs. 95,829,994/- (Previous Year gain Rs. 25,447,462/-).

- 42** Working capital limits of Rs. 1,800,000,000 (Previous Year Rs. 1,250,000,000) 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 utilised the fund based limit as at the year-end (Previous Year Rs. Nil).



## Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

### 43 Employee stock option plan

The Company established NIIT Technologies Stock Option Plan 2005 (ESOP 2005) in the year 2005-06 and the same was approved by Shareholders of the Company on May 18 2005. 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 thirteen Grants, out of the same grant I, II and III has been fully exercised / lapsed. The details of other Tranches are as follows:-

Grant	Date of Grant	Date of Vesting	Exercise Price (in Rs.)	Intrinsic value of Shares	Fair value of Options (in Rs.)*	Remaining Contractual Life (in Days)	
						2011-12	2010-11
Grant III	20-Jun-07	20-Jun-08	349.00	-	112.07	-	81
Grant IV	28-Jul-08	28-Jul-09	108.00	-	43.78	119	484
Grant V							
Tranche I	19-Oct-09	19-Oct-10	127.20	-	53.19	567	931
Tranche II	19-Oct-09	19-Oct-11	127.20	-	53.19	932	1,298
Grant VI							
Tranche I	19-Jul-10	19-Jul-11	182.15	-	75.39	840	1,206
Tranche II	19-Jul-10	19-Jul-12	182.15	-	75.39	1,205	1,571
Grant VII							
Tranche I	18-Oct-10	18-Oct-11	223.75	-	83.29	931	1,297
Tranche II	18-Oct-10	18-Oct-12	223.75	-	83.29	1,296	1,662
Grant VIII							
Tranche I	18-Jan-11	18-Jan-12	206.20	-	76.65	1,023	1,389
Tranche II	18-Jan-11	18-Jan-13	206.20	-	76.65	1,388	1,754
Grant IX							
Tranche I	6-May-11	6-May-12	188.25	-	67.21	1,131	-
Tranche II	6-May-11	6-May-13	188.25	-	67.21	1,497	-
Grant X							
Tranche I	9-Jun-11	9-Jun-12	10.00	176.05	160.58	1,165	-
Tranche II	9-Jun-11	9-Jun-13	10.00	176.05	160.58	1,531	-
Tranche III	9-Jun-11	9-Jun-14	10.00	176.05	160.58	1,896	-
Grant XI							
Tranche I	19-Jul-11	19-Jul-12	206.15	-	71.15	1,205	-
Tranche II	19-Jul-11	19-Jul-13	206.15	-	71.15	1,571	-
Grant XII							
Tranche I	17-Oct-11	17-Oct-12	10.00	201.40	182.15	1,295	-
Tranche II	17-Oct-11	17-Oct-13	10.00	201.40	182.15	1,661	-
Tranche III	17-Oct-11	17-Oct-14	10.00	201.40	182.15	2,026	-
Grant XIII							
Tranche I	17-Jan-12	17-Jan-13	198.00	-	53.89	1,387	-
Tranche II	17-Jan-12	17-Jan-14	198.00	-	53.89	1,753	-

\*based on Black and Scholes model (as per independent valuer's report)

In Nos.

**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**

Description	2011-12	2010-11
Live options at beginning of the year	2,148,489	2,680,927
Options granted during the year	161,250	210,000
Options Forefeited / lapsed during the year till vesting period	85,500	246,750
Net Exercisable options	2,224,239	2,644,177
Options vested	977,750	1,104,500
Options forefeited post vesting	166,625	32,477
Options Exercised	381,263	463,211
Exercisable /outstanding options at the end of the year	1,676,351	2,148,489

During the year, the Compensations / Remuneration Committee at its meetings held on May 6, 2011 has approved issue of 15,000 Options (Grant IX), on June 9, 2011 has approved an issue of 50,000 Options (Grant X), on July 19, 2011 has approved issue of 36,000 options (Grant-XI), on October 17, 2011 has approved issue of 40,000 options (Grant XII) and on January 17, 2012 has approved issue of 20,250 options (Grant XIII) 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:

- Market price considered is the latest available closing price, prior to the date of the Grant
- Exercise price is the price payable by the employees for exercising the option
- 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
- 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 Tranche I), 62.04% (for Grant VI Tranche II), 51.67% (for Grant VII Tranche I), 58.87% (for Grant VII Tranche II), 49.48% (for Grant VIII Tranche I), 58.73% (for Grant VIII Tranche II), 45.34% (Grant IX Tranche I), 56.27% (Grant IX Tranche II), 44.57% (Grant X Tranche I), 55.37% (Grant X Tranche II), 57.50% (Grant X Tranche III), 42.28% (Grant XI Tranche I), 55.46% (Grant XI Tranche II), 42.39% (Grant XII Tranche I), 48.54% (Grant XII Tranche II), 55.11% (Grant XII Tranche III), 39.5% (Grant XIII Tranche I) and 46.78% (Grant XIII Tranche II) is based on historical volatility in the share price movement of the company and four other comparable companies.
- 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, Grant IX Tranche I, Grant X Tranche I, Grant XI Tranche I, Grant XII Tranche I, Grant XIII Tranche I, 3.5 years for Grant V Tranche II, Grant VII Tranche II and Grant VIII Tranche II, Grant IX Tranche II, Grant X Tranche II, Grant XI Tranche II, Grant XII Tranche II, Grant XIII Tranche II 2.75 Years for Grant VI Tranche I, 3.75 Years for Grant VI Tranche II, 4.5 Years for Grant X Tranche III and Grant XII Tranche III.
- 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), 8.07% (Grant VIII Tranche II), 8.4% (Grant IX Tranche I), 8.33% (Grant IX Tranche II), 8.41% (Grant X Tranche I), 8.34% (Grant X Tranche II), 8.29% (Grant X Tranche III), 8.14% (Grant XI Tranche I), 8.15% (Grant XI Tranche II), 8.6% (Grant XII Tranche I), 8.65% (Grant XII Tranche II), 8.7% (Grant XII Tranche III), 8.2% (Grant XIII Tranche I) and 8.17% (Grant XIII Tranche II) based on long term government bonds of ten year residual maturity.

**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**

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

		Expenses accounted for during the year based on intrinsic value of options		Expenses had the Company recorded the ESOP expenses based on fair value of the options	
		2011-12	2010-11	2011-12	2010-11
Grant V	- Tranche I	-	-	-	21,827,712
	- Tranche II	-	-	19,979,046	50,367,100
Grant VI	- Tranche I	-	-	577,784	1,956,422
	- Tranche II	-	-	1,922,445	1,956,422
Grant VII	- Tranche I	-	-	1,966,873	1,619,021
	- Tranche II	-	-	3,581,470	1,619,021
Grant VIII	- Tranche I	-	-	1,534,047	383,250
	- Tranche II	-	-	1,916,250	383,250
Grant IX	- Tranche I	-	-	455,871	-
	- Tranche II	-	-	455,871	-
Grant X	- Tranche I	2,952,444	-	2,606,134	-
	- Tranche II	1,107,167	-	1,954,601	-
	- Tranche III	738,111	-	1,954,601	-
Grant XI	- Tranche I	-	-	899,289	-
	- Tranche II	-	-	899,289	-
Grant XII	- Tranche I	1,122,823	-	1,080,458	-
	- Tranche II	561,411	-	1,080,458	-
	- Tranche III	403,067	-	1,163,570	-
Grant XIII	- Tranche I	-	-	111,811	-
	- Tranche II	-	-	111,811	-
		<b>6,885,023</b>	<b>-</b>	<b>44,251,679</b>	<b>80,112,198</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 no 37 Earnings Per Share.

During the period Rs. 6,885,023/- expenses accounted based on intrinsic value of the option as all other options were issued at market price only.

- 44 The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per revised Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification. The adoption of revised Schedule VI for previous year's figure does no impact recognition and measurement principles followed for preparation of financial statements except for accounting for dividend on investments in subsidiaries. (Refer note 2.2)

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 Head

Place : New Delhi  
Date : May 04, 2012

## Statement pursuant to exemption received under Section 212(8) of the Companies Act 1956, relating to subsidiaries companies as on 31st March 2012

Name of the Company	Currency	Share Capital	Reserve#	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	-102,327,763	439,631,715	439,631,715	0	453,658,268	74,717,324	-40,296,259	115,012,583	0
NIIT GIS Ltd.	INR	10,000,700	508,213,266	769,782,771	769,782,771	0	872,065,389	227,353,495	3,183,603	224,169,892	80,005,600
NIIT Technologies Services Ltd.	INR	50,000,000	-24,789,699	37,256,658	37,256,658	0	15,028,406	3,943,019	0	3,943,019	0
NIIT Technologies Ltd. UK	GBP	3,276,427	10,855,571	14,131,998	14,131,998	0	32,164,876	4,926,426	162,347	4,764,079	0
NIIT Insurance Technologies Ltd. UK	GBP	266,883,327	884,247,049	1,151,130,376	1,151,130,376	0	2,449,037,895	375,098,725	12,361,122	362,737,603	0
NIIT Insurance Technologies Ltd. UK	GBP	12,557	3,216,450	3,229,008	3,229,008	0	20,480,415	4,315,463	1,143,363	3,172,100	0
NIIT Insurance Technologies Ltd. UK	GBP	1,022,838	281,967,865	283,020,784	283,020,784	0	1,559,381,496	328,579,921	87,055,809	241,524,112	0
NIIT Technologies B.V. Netherland	EURO	18,151	902,735	2,178,728	2,178,728	0	4,188,192	384,977	87,648	297,329	0
NIIT Technologies Ltd. UK	EURO	1,232,122	61,278,555	147,894,235	147,894,235	0	275,916,232	25,362,114	5,774,211	19,587,903	0
NIIT Technologies N.V. Belgium	EURO	61,973	217,534	804,939	804,939	0	2,082,797	48,148	9,956	38,192	0
NIIT Technologies Inc. USA	USD	4,206,815	14,766,425	54,604,064	54,604,064	0	137,213,743	3,171,969	655,897	2,516,072	0
NIIT Technologies Inc. USA	USD	2,837,887	12,716,750	27,558,728	27,558,728	3	110,456,928	2,717,332	665,225	2,052,107	0
NIIT Technologies PTE Ltd. Singapore	INR A	123,377,137	646,901,073	1,401,912,493	1,401,912,493	153	5,245,557,188	129,045,071	31,591,208	97,453,791	0
NIIT Technologies PTE Ltd. Singapore	SGD	2,989,375	5,913,761	12,925,277	12,925,277	0	15,177,694	1,599,282	-368,789	1,958,071	0
NIIT Technologies Ltd. Thailand	THB	120,905,870	239,183,863	524,787,600	524,787,600	0	575,556,077	60,373,206	-14,009,455	74,382,651	0
NIIT Technologies Pty Ltd. Australia	AUD	24,774,000	155,598,158	285,672,136	285,672,136	0	307,200,916	18,748,128	9,642,184	9,105,944	0
NIIT Technologies Pty Ltd. Australia	AUD	1,002	2,446,488	17,967,087	17,967,087	0	16,322,335	927,312	286,869	640,443	0
NIIT Technologies Co. Ltd. JAPAN	JPY	408,870,475	-367,012,979	61,289,917	61,289,917	0	915,592,095	46,389,152	14,350,736	32,038,416	0
NIIT Technologies GmbH Germany	EURO	537,900	-82,518	1,693,586	1,693,586	0	32,437,305	-13,218,519	725,701	-13,944,220	0
NIIT Technologies AG Switzerland	CHF	250,000	217,701	1,109,347	1,109,347	0	249,998,424	-11,878,479	-11,817,145	-61,334	0
NIIT Technologies GmbH Austria	EURO	35,000	-33,706	30,299	30,299	0	72,167	34,905	0	-13,934,522	0
NIIT Airlines Technologies GmbH, Germany	EURO	2,375,835	-2,287,997	2,056,726	2,056,726	0	4,754,330	2,299,526	160,219	32,473	0
NIIT Technologies Ltd. CANADA	CAD	67,881,000	35,016,885	119,362,561	119,362,561	0	2,078,012	459,260	138,318	320,942	0
NIIT Technologies Ltd. CANADA	CAD	49,101	68,114	122,353	122,353	0	136,898,486	30,255,868	9,112,329	21,143,540	0
NIIT Technologies FZLLC DUBAI	AED	2,500,896	3,469,298	6,231,891	6,231,891	0	14,959,073	848,967	277,639	571,327	0
NIIT Healthcare Technologies Inc., USA	USD	5,000,000	1,237,955	14,868,088	14,868,088	0	38,819,425	1,265,964	0	1,265,964	0
NIIT Media Technologies LLC, USA	USD	69,246,500	17,144,810	205,912,611	205,912,611	0	501,911,529	16,368,144	0	16,368,144	0
Proyecto Sistemas de Informacion S.A	EURO	13,501,531	68,824,926	280,190,096	280,190,096	0	366,418,056	55,470,551	9,704,646	45,765,905	0

\* Exclude Other Income

\*\* Investment in Mutual Fund

\*\*\* Details of Investment

(i) 198,145 Common shares in Relativity Technologies Inc., USA

(ii) 953,265 Common Shares in Computer Logic Inc., USA

(iii) 500,000 Preference Shares and 689,655 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
1-THB	1.6516	1.5526	1-EURO	67.8810	65.8796	1-JPY	0.6129	0.6036
1-AUD	52.6479	50.0254	1-USD	40.4482	37.9877	1-GBP	81.4556	76.1401
			1-SGD	40.4482	37.9877	1-CAD	50.9337	48.0511
						1-AED	13.6493	12.9294

^ 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.**

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 34 to the attached consolidated financial statements) as at March 31, 2012, the related consolidated Statement of Profit and Loss 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 19 subsidiaries included in the consolidated financial statements, which constitute total assets of Rs 6,356 Million and net assets of Rs 4,654 Million as at March 31, 2012, total revenue of Rs. 9,143 Millions, net profit of Rs 678 Million and net cash flows amounting to Rs 371 Millions 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 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of reports of other auditor(s) on separate financial statements and on the other financial information of the component(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 March 31, 2012;
  - (b) in the case of the consolidated Statement of Profit and Loss, 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 04, 2012

**Consolidated Balance Sheet**

(All amounts in Rs. unless otherwise stated)

	Note		As At March 31, 2012	As At March 31, 2011
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Share capital	3	596,323,190		592,510,560
Reserves and surplus	4	8,625,676,375	9,221,999,565	6,928,571,145
<b>Non- current liabilities</b>				
Long-term borrowings	5	63,480,773		35,822,163
Other long-term liabilities	6	58,847,915		1,165,313
Long-term provisions	7	3,247,440	125,576,128	3,157,310
<b>Current liabilities</b>				
Short term borrowings	8	423,017,075		71,092,970
Trade payables	9	1,284,062,358		794,091,556
Other current liabilities	10	1,257,791,174		881,921,691
Short term provisions	11	949,105,000	3,913,975,607	830,699,755
<b>TOTAL</b>			<b>13,261,551,300</b>	<b>10,139,032,463</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Fixed assets				
Tangible assets	12	2,866,243,374		962,003,858
Intangible assets	13	1,365,190,271		931,119,154
Capital work-in-progress (tangible)		2,178,080		1,349,570,274
Capital work-in-progress (intangible)		-	4,233,611,725	23,500,922
Non-current investments	14		120	120
Deferred tax assets (net)	15		207,016,925	142,687,271
Long-term loans and advances	16		118,398,858	156,829,772
Other non-current assets	17		276,560,694	191,029,992
<b>Current assets</b>				
Current investments	18	548,746,957		442,797,578
Inventories		7,389,884		5,604,846
Trade receivables	19	3,314,916,987		2,734,918,122
Cash and bank balances	20	2,222,736,150		1,139,280,984
Short-term loans and advances	21	987,661,443		1,229,156,717
Other current assets	22	1,344,511,557	8,425,962,978	830,532,853
<b>TOTAL</b>			<b>13,261,551,300</b>	<b>10,139,032,463</b>

The notes are an integral part of these financial statements.

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 Head

Place : New Delhi  
Date : May 04, 2012

**Consolidated Statement of Profit and Loss**

(All amounts in Rs. unless otherwise stated)

	<b>Note</b>	<b>Year ended March 31, 2012</b>	<b>Year ended March 31, 2011</b>
Revenue from operations	26	15,764,759,678	12,322,519,891
Other income	27	303,667,637	136,045,156
<b>Total revenue</b>		<b>16,068,427,315</b>	<b>12,458,565,047</b>
Expenses			
Cost of materials consumed	28	426,633,481	1,391,500,967
Employee benefits expense	29	8,911,223,415	6,013,574,112
Finance costs	30	38,400,021	22,219,889
Depreciation and amortization expense	31	364,230,425	314,593,907
Other expenses	32	3,725,962,643	2,539,527,826
<b>Total Expenses</b>		<b>13,466,449,985</b>	<b>10,281,416,701</b>
Profit before exceptional and extraordinary items and tax		2,601,977,330	2,177,148,346
Exceptional and extraordinary items		-	-
<b>Profit before tax</b>		<b>2,601,977,330</b>	<b>2,177,148,346</b>
<b>Tax expense</b>			
Current tax		602,975,539	492,255,926
Deferred tax		(22,157,782)	(46,366,722)
MAT credit		56,733,066	(122,945,729)
<b>Profit after tax before share of results of associates and minority interest</b>		<b>1,964,426,507</b>	<b>1,854,204,871</b>
Less:- Minority interest		(7,987,993)	32,001,844
Profit for the period from continuing operations		<b>1,972,414,500</b>	<b>1,822,203,027</b>
<b>Profit for the period</b>		<b>1,972,414,500</b>	<b>1,822,203,027</b>
<b>Earnings per equity share:</b> [Nominal value per share: Rs. 10 (Previous year: Rs. 10)]	36		
Basic		33.21	30.91
Diluted		32.83	30.52

The notes are an integral part of these financial statements.

This is the consolidated statement of profit &amp; loss 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 Head

Place : New Delhi  
Date : May 04, 2012



**Consolidated Cash Flow Statement**

(All amounts in Rs. unless otherwise stated)

		<b>Year ended March 31, 2012</b>	<b>Year ended March 31, 2011</b>
<b>A. Cash flow from operating activities:</b>			
Net Profit Before Tax		2,601,977,330	2,177,148,346
Adjustments for :			
Depreciation and Amortisation	364,230,425	314,593,907	
Provision for Gratuity & Compensated Expenses	117,187,122	33,853,432	
Interest Expense	21,211,925	6,980,455	
Interest Income	(35,929,275)	(55,742,870)	
(Profit)/ Loss on Fixed Assets sold/ scrapped	6,936,102	633,783	
Exchange (Profit) /loss including on Derivative	-	560,438	
Provision for Doubtful Advances	(26,147,973)	4,363,235	
Provision for Bad & Doubtful Debts	22,547,680	56,744,133	
Profit on sale of Investments	(37,690,568)	(38,017,694)	
		432,345,438	323,968,819
<b>Operating profit before working capital changes</b>		<b>3,034,322,768</b>	<b>2,501,117,165</b>
<b>Add/(Less): (Increase)/Decrease in working capital :</b>			
(Increase)/Decrease in Sundry Debtors	(524,071,134)	(1,077,346,859)	
(Increase)/Decrease in Other Receivables	(441,305,038)	(782,327,347)	
(Increase)/Decrease in Other bank balances	(474,540,507)	(85,842,310)	
(Increase)/Decrease in Inventories	(1,785,038)	(572,492)	
Increase/(Decrease) in Trade and Other Payables	640,775,043	498,668,190	(1,447,420,818)
Income Tax Paid		(590,664,280)	(500,183,186)
(Including Tax deducted at Source)			
<b>Net cash from operating activities (A)</b>		<b>1,642,731,814</b>	<b>553,513,161</b>
<b>B. Cash flow from Investing activities:</b>			
Purchase of Fixed Assets		(931,122,203)	(502,217,939)
Proceeds from Sale of Fixed Assets		5,279,860	8,871,269
Investment in Subsidiary		(265,807,319)	-
Investments with mutual funds:			
-Purchases during the year	(3,066,012,452)	(2,570,388,019)	
-Sales during the year	2,997,753,641	(68,258,811)	60,355,440
Loan given received back		250,000,000	-
Interest Received		25,026,609	58,770,749
<b>Net cash from / (used) in investing activities (B)</b>		<b>(984,881,864)</b>	<b>(374,220,481)</b>

**Consolidated Cash Flow Statement**

(All amounts in Rs. unless otherwise stated)

		<b>Year ended March 31, 2012</b>	<b>Year ended March 31, 2011</b>
<b>C. Cash flow from financing activities:</b>			
Term Loans			
- Received during the year	433,367,008	36,262,277	
- Repaid during the year	<u>(93,431,886)</u>	<u>(153,614,506)</u>	(117,352,229)
Loan notes paid			(3,015,390)
Short Term Loan from Bank		(29,124,372)	-
Proceeds from issue of Share capital (Including Share Premium)		54,238,797	65,401,999
Interest Paid		(21,211,925)	(6,980,455)
Dividend paid (Including corporate dividend tax)		(511,326,741)	(486,600,856)
<b>Net cash used in financing activities (C)</b>		<b><u>(167,489,119)</u></b>	<b><u>(548,546,931)</u></b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents(A+B+C)</b>		490,360,831	(369,254,251)
Adjustment on account of exchange rate		115,467,416	23,630,607
Cash acquired on acquisition of Subsidiary		3,086,412	-
Cash and cash equivalents as at the beginning of the year	Note No- 20	1,045,103,957	1,390,727,601
<b>Total cash and cash equivalents at the close of the year</b>	Note No- 20	<b>1,654,018,616</b>	<b>1,045,103,957</b>

## NOTES :-

- Cash and Cash Equivalents represent

Cash on hand	280,611	250,268
Cheques,drafts on hand	52,377,829	92,766,524
- Current accounts	1,369,752,594	874,929,531
- Fixed deposit accounts (less than 3 months maturity)"	176,969,877	46,792,168
- Call money accounts	54,637,705	30,365,466
	<b>1,654,018,616</b>	<b>1,045,103,957</b>
- 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.
- Figures in parenthesis indicate cash outgo.
- 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 Head

Place : New Delhi  
Date : May 04, 2012

## Consolidated Notes to the financial statements

### 1 General Information

NIIT Technologies Ltd (the Company) is a leading IT solutions organization, engaged in Application Development & Maintenance, Managed Services, Cloud Computing and Business Process Outsourcing to organizations in the Financial Services, Insurance, Travel, Transportation & Logistics, Manufacturing & Distribution and Government sectors. The Company delivers services across continents directly and through its network of subsidiaries. The Company is listed on Bombay Stock Exchange and the National Stock Exchange.

### 2 Summary of significant accounting policies

These consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non current classification of assets and liabilities.

#### 2.1 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 and 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 34 below.

#### 2.2 Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses. Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

#### 2.3 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

#### 2.4 Depreciation and Amortization

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets or the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher, as follows;

Leasehold Land	Over the period of lease
Leasehold Improvements	3 year or lease period whichever is lower
Computers, Related Accessories and Software	2-5 years
Furniture and Fixture	10.5 years

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

## Consolidated Notes to the financial statements

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 Statement of profit and loss as depreciation over their revised remaining useful life.

### 2.5 Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

### 2.6 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

### 2.7 Inventory valuation

Inventories are valued lower of costs or net realizable value.

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

#### 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.

#### Annual Maintenance Contracts

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

### 2.9 Other Income

#### 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.

### 2.10 Employee Benefits

#### a) Retirement Benefit Plans

##### i) 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.

## Consolidated Notes to the financial statements

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 Statement of profit and loss.

### 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 Statement of profit and loss. The accumulated balances along with the interest were transferred from Regional Provident Fund Commissioner to NIIT Technologies Limited Employees Provident Fund Trust during the year.

### ii) 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 Statement of profit and loss.

### iii) 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 Statement of profit and loss in the year in which such gains or losses arise.

### iv) 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 Statement of profit and loss.

### 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.

## 2.11 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 Statement of profit and loss 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.

## Consolidated Notes to the financial statements

### 2.12 Foreign Currency Translation

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 Statement of profit and loss.

#### Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the monthly average rate.

#### Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

### 2.13 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 Statement of profit and loss.

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 Statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders fund is transferred to Statement of profit and loss in the same period.

### 2.14 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.

### 2.15 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.

### 2.16 Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

**Consolidated Notes to the financial statements**
**(All amounts in Rs. unless otherwise stated)**

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**2.17 Provisions and Contingent Liabilities**

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value."

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

**2.18 Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**2.19 Cash and Cash Equivalents**

In the Cash Flow Statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

	<b>As At March 31, 2012</b>	<b>As At March 31, 2011</b>
<b>3 Share Capital</b>		
<b>Authorised</b>		
75,000,000 Equity Shares (Previous Year 75,000,000 equity shares) of Rs. 10/- each	<u>750,000,000</u>	<u>750,000,000</u>
<b>Issued, Subscribed and Paid up</b>		
59,632,319 Equity Shares (Previous Year 59,251,056 shares) of Rs. 10/- each	<u>596,323,190</u>	<u>592,510,560</u>



**Consolidated Notes to the financial statements**
**(All amounts in Rs. unless otherwise stated)**
**(a) Reconciliation of Number of Shares**

Particulars	Equity Shares			
	As at March 31, 2012		As at March 31, 2011	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	59,251,056	592,510,560	58,787,845	587,878,450
Shares Issued during the year	381,263	3,812,630	463,211	4,632,110
Shares outstanding at the end of the year	59,632,319	596,323,190	59,251,056	592,510,560

**(b) Right, preference and restrictions attached to shares**

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	Equity Shares			
	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Scantech Evaluation Services Ltd	14,493,480	24.30	14,493,390	24.46
Fidelity Management and Research Company A/c Fidelity Advisor Series 1 Fidelity Advisor Small Cap Fund	3,717,882	6.23	3,727,882	6.29

**(d) Shares reserved for issue under option**

Refer note 40 for details of shares to be issued under the Employee Stock Option Plan

**(e) Shares allotted as fully paid by way of bonus shares (during 5 years immediately preceeding March 31, 2012)**

	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Equity shares allotted as fully paid up bonus shares by capitalisation of security premium reserve	-	-	-	-	19,559,465

**(f) Shares allotted as fully paid up pursuant to contract without payment being received in cash (during 5 years immediately preceeding March 31, 2012, 1,042,311 equity shares were issued in the last 5 years under Employee Stock Option Plan as consideration for services rendered by employees (Refer Note 40)**

**Consolidated Notes to the financial statements**

(All amounts in Rs. unless otherwise stated)

	<b>As At March 31, 2012</b>	<b>As At March 31, 2011</b>
<b>4 Reserves and surplus</b>		
<b>Capital Reserves</b>		
Balance as at the beginning of the year	10,630,919	-
Add: Addition during the year	-	10,630,919
	<b>10,630,919</b>	<b>10,630,919</b>
<b>Capital redemption reserve</b>	<b>16,570,603</b>	<b>16,570,603</b>
<b>Security premium reserve</b>		
Balance as at the beginning of the year	60,365,915	10,201,746
Add: Transferred from stock options outstanding	43,541,144	50,164,169
Balance as at the end of the year	<b>103,907,059</b>	<b>60,365,915</b>
<b>Employee stock options outstanding</b>		
Options granted till date	-	-
Add: Compensation for options granted during the year	16,660,000	-
Less: deferred employee stock compensation	9,774,977	-
Balance as at the end of the year	<b>6,885,023</b>	-
<b>General reserve</b>		
Balance as at the beginning of the year	1,394,758,801	1,242,429,235
Add: Balance Transferred from statement of Profit and Loss	135,543,957	152,329,566
Balance as at the end of the year	<b>1,530,302,758</b>	<b>1,394,758,801</b>
<b>Surplus in statement of profit and loss</b>		
Balance as at the beginning of the year	5,231,736,233	4,078,931,410
Profit for the year	1,972,414,500	1,822,203,027
Less: Appropriations		
Dividend paid (relating to previous year)	360,173	595,700
Corporate dividend tax on above	58,430	-
Proposed dividend on equity shares	477,058,552	444,382,920
Corporate dividend tax	77,400,970	72,090,018
Transferred to general reserve	135,543,957	152,329,566
Balance as at the end of the year	<b>6,513,728,651</b>	<b>5,231,736,233</b>
<b>Hedging reserve surplus / (deficit)</b>	<b>(68,343,954)</b>	<b>17,191,033</b>
<b>Total</b>	<b>8,113,681,059</b>	<b>6,731,253,504</b>

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 Statement of profit and loss.

**Consolidated Notes to the financial statements**

(All amounts in Rs. unless otherwise stated)

	<b>As At March 31, 2012</b>	<b>As At March 31, 2011</b>
<b>Cumulative translation reserve</b>		
Balance as at the beginning of the year	154,327,172	109,732,550
Increase/(decrease) during the year	234,571,493	44,594,622
	<u><b>388,898,665</b></u>	<u><b>154,327,172</b></u>
<b>Minority interest</b>		
Balance as at the beginning of the year	42,990,469	28,378,466
Add : Minority share in the results for the year	(7,987,993)	32,001,844
Add : 40% Minority share of Reserve	98,328,263	-
Less : Minority share in dividend declared by subsidiary	(8,805,600)	(14,962,542)
Less : Minority share of corporate dividend tax on dividend declared by subsidiary	(1,428,488)	(2,427,299)
	<u><b>123,096,651</b></u>	<u><b>42,990,469</b></u>
<b>Total</b>	<u><b>8,625,676,375</b></u>	<u><b>6,928,571,145</b></u>
<b>5 Long-term borrowings</b>		
<b>Secured</b>		
<b>Vehicle loan</b>		
From banks	59,609,241	28,190,956
<b>Unsecured</b>		
Other Loans and Advances		
Finance lease obligations	3,871,532	7,631,207
	<u><b>63,480,773</b></u>	<u><b>35,822,163</b></u>
Vehicle loans from banks are secured by way of hypothecation of the vehicles financed.		
<b>6 Other long-term liabilities</b>		
Unearned revenue	58,847,915	1,165,313
	<u><b>58,847,915</b></u>	<u><b>1,165,313</b></u>
<b>7 Long-term provisions</b>		
Provision for employee benefits		
Provision for compensated absences	3,247,440	3,157,310
	<u><b>3,247,440</b></u>	<u><b>3,157,310</b></u>
<b>8 Short term borrowings</b>		
<b>Secured</b>		
Working capital loan repayable on demand from banks	407,278,000	71,092,970
Holding company has provided guarantee to the banker for providing short term loan facility to one of its subsidiary		
<b>Unsecured</b>		
<b>Loans</b>		
From banks	15,739,075	-
	<u><b>423,017,075</b></u>	<u><b>71,092,970</b></u>

**Consolidated Notes to the financial statements**
**(All amounts in Rs. unless otherwise stated)**

	<b>As At March 31, 2012</b>	<b>As At March 31, 2011</b>
<b>9 Trade payables</b>	<b><u>1,284,062,358</u></b>	<b><u>794,091,556</u></b>

(There are no micro and small scale enterprises to which the Company owes dues as at 31st March 2012. 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.)

**10 Other current liabilities**

Current maturities of long-term debt		
-Vehicle loan from bank	23,489,649	10,368,247
Current maturities of finance lease obligations;	7,402,893	5,505,715
Advances from customers	102,030,403	147,165,662
Unclaimed dividend [Refer note (a) below]	11,389,939	10,219,807
Income received in advance(deferred/unearned Revenue)	343,106,749	219,068,519
Employee benefits payable	271,724,535	192,707,187
Statutory dues including provident fund and tax deducted at source	402,817,012	296,695,754
Derivative instruments fair value liability	95,829,994	-
Share application money	-	190,800
	<b><u>1,257,791,174</u></b>	<b><u>881,921,691</u></b>

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

**11 Short-term provisions**

Provision for compensated absences	364,021,310	247,232,788
Provision for gratuity	308,471	-
Proposed dividend on equity shares	485,864,152	459,345,462
Corporate dividend distribution tax	78,829,458	74,517,317
Provision for contract warranties	20,081,609	49,604,188
	<b><u>949,105,000</u></b>	<b><u>830,699,755</u></b>

## Consolidated Notes to the financial statements

### 12. Tangible Assets

(All amounts in Rs. unless otherwise stated)

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2011	Additions during the Year	Addition pursuant to acquisition of subsidiary during the year	Sales / Adj. during the Year	Translation Adjustment	For the Year	As at March 31, 2012	As at March 31, 2011
Land - Freehold	167,165	-	-	-	-	-	167,165	167,165
Land - Leasehold	300,912,075	-	-	-	-	3,463,576	284,250,034	287,713,610
Buildings	171,717,857	1,044,209,827	-	-	-	17,163,643	1,191,796,546	164,535,272
Plant & Machinery	-	-	-	-	-	-	-	-
-Computers & Peripherals	1,054,470,669	226,718,866	6,923,558	271,637,595	48,800,849	122,231,036	275,605,645	283,871,268
-Own	22,184,504	2,187,859	-	3,067,739	2,737,341	7,517,535	3,067,739	11,625,790
-Lease Financed	54,670,396	103,514,807	-	2,591,635	6,000,591	6,815,878	-	12,416,175
Office Equipment	232,414,334	372,033,018	4,479,799	5,897,433	2,253,090	34,156,129	3,377,285	130,859,567
Others	162,422,370	265,238,640	2,035,564	19,812,686	8,121,534	27,290,479	1,553,166	29,351,760
Furniture & Fixtures	223,167,202	41,876,907	-	15,273,784	3,294,179	10,965,069	968,341	500,684,778
Lease Hold Improvements	81,511,490	72,167,617	-	13,216,741	5	10,664,552	-	298,672,249
Vehicles	2,303,638,062	2,128,007,541	-	331,497,613	71,423,208	240,267,897	8,159,334	43,665,474
<b>Total</b>	<b>2,099,150,432</b>	<b>250,912,290</b>	<b>-</b>	<b>74,922,811</b>	<b>28,498,151</b>	<b>220,991,038</b>	<b>2,866,243,374</b>	<b>962,003,858</b>
<b>Previous Year</b>	<b>2,099,150,432</b>	<b>250,912,290</b>	<b>-</b>	<b>74,922,811</b>	<b>28,498,151</b>	<b>220,991,038</b>	<b>2,866,243,374</b>	<b>962,003,858</b>

### 13. Intangible Assets

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2011	Additions during the Year	Addition pursuant to acquisition of subsidiary during the year	Sales / Adj. during the Year	Translation Adjustment	For the Year	As at March 31, 2012	As at March 31, 2011
Acquired Software	1,030,037,322	165,853,940	923,848	168,572,596	40,579,830	117,776,002	169,263,450	101,618,599
Internally developed Software	27,198,099	-	9,539,931	10,311,228	4,653,204	5,810,370	19,851,159	21,238,005
Patents	7,581,669	-	-	-	587,203	376,156	-	1,562,358
Goodwill	1,003,997,479	261,829,955	-	127,870,414	127,870,414	-	-	94,670
<b>Total</b>	<b>2,068,814,569</b>	<b>427,683,895</b>	<b>10,463,779</b>	<b>178,883,824</b>	<b>173,690,651</b>	<b>123,962,528</b>	<b>189,114,609</b>	<b>136,576,799</b>
<b>Previous Year</b>	<b>2,460,252,398</b>	<b>80,390,401</b>	<b>-</b>	<b>520,625,521</b>	<b>48,797,291</b>	<b>93,802,869</b>	<b>520,557,355</b>	<b>1,137,695,415</b>

**Consolidated Notes to the financial statements**

(All amounts in Rs. unless otherwise stated)

	As at March 31, 2012	As at March 31, 2011
<b>14. Non-current investments</b>		
<b>Trade Investments (valued at cost unless stated otherwise)</b>		
Unquoted equity instruments		
199,145 Common shares in Relativity Technologies Inc., USA	40	40
953,265 Common Shares in Computer Logic Inc., USA	40	40
689,655 Common Shares in Co kinetic Systems Inc., USA	40	40
	<b>120</b>	<b>120</b>
Aggregate amount of unquoted investments	120	120
<b>15. Deferred tax assets (net)</b>	<b>207,016,925</b>	<b>142,687,271</b>
Deferred Tax		
Break up of deferred tax assets/ liabilities is as follows:		
<b>Deferred Tax Assets / Liabilities</b>		
<b>Deferred Tax Assets</b>		
a) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	42,042,272	16,216,708
b) Tax impact of expenses charged in the financial statements but allowable as per deduction in the future year under income tax	93,008,583	74,226,765
c) Provision for doubtful debts and Advances	9,663,510	18,993,351
d) Provision for Compensated Absences, Bonus and Gratuity	127,780,530	87,372,598
e) Other Expenses	29,587,230	15,986,848
f) Carry forward losses/ unabsorbed depreciation	162,775,862	35,412,656
<b>Total (A)</b>	<b>464,857,987</b>	<b>248,208,926</b>
<b>Deferred Tax Liabilities</b>		
a) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation	277,795,499	89,643,533
b) Tax impact of expenses not charged in the financial statements but claimed as deduction under income tax	7,531,603	7,621,693
<b>Total (B)</b>	285,327,102	97,265,226
<b>Deferred Tax Assets (net) (A - B)</b>	<b>179,530,885</b>	<b>150,943,700</b>
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.	27,486,040	(8,256,429)
<b>Net Deferred Tax Assets</b>	<b>207,016,925</b>	<b>142,687,271</b>
<b>Note :</b>		

**Consolidated Notes to the financial statements**
**(All amounts in Rs. unless otherwise stated)**

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.

	<b>As at March 31, 2012</b>	<b>As at March 31, 2011</b>
<b>16 Long term Loans and advances</b>		
(Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received		
-Considered good	11,582,513	3,368,890
-Considered doubtful	-	-
	<u>11,582,513</u>	<u>3,368,890</u>
Less: Provision for doubtful advances	-	-
	<u>11,582,513</u>	<u>3,368,890</u>
Security deposits		
-Considered goods	102,849,015	89,309,399
-Considered doubtful	1,459,716	1,459,716
	<u>104,308,731</u>	<u>90,769,115</u>
Less -Provision for doubtful deposits	1,459,716	1,459,716
	<u>102,849,015</u>	<u>89,309,399</u>
Capital advances	3,967,330	64,151,483
	<u><b>118,398,858</b></u>	<u><b>156,829,772</b></u>
<b>17 Other non-current assets</b>		
Long term trade receivables	177,461,853	136,392,287
Margin Money deposits	73,834,826	54,637,705
- Long Term Deposits with maturity 12 months old	25,264,015	-
	<u><b>276,560,694</b></u>	<u><b>191,029,992</b></u>
<b>18 Current investments</b>		
At cost of market value, whichever is less:		
Unquoted-		
In Mutual Funds	548,746,957	442,797,578
	<u><b>548,746,957</b></u>	<u><b>442,797,578</b></u>



**Consolidated Notes to the financial statements**

(All amounts in Rs. unless otherwise stated)

Scheme/Fund	As on 31st March 2012		As on 31st March 2011	
	Units	Value	Units	Value
<b>Liquid Scheme of Mutual Fund</b>				
Tata Mutual Fund	20,286	40,000,000	22,099	40,000,000
SBI Mutual Fund	29,664	50,000,000	1,837,382	40,000,000
Birla Sun Life Mutual Fund	300,406	50,000,000	1,288,701	20,000,000
Franklin Templeton Mutual Fund	41,791	65,000,000	5,034,545	100,000,000
IDFC Mutual Fund	38,796	50,000,000	-	-
UTI Mutual Fund	34,219	60,000,000	-	-
HDFC Mutual Fund	2,800,807	60,000,000	-	-
Prudential ICICI Mutual Fund	263,153	40,000,000	277,841	40,000,000
KOTAK Mutual Fund	4,866,514	90,000,000	7,247,349	100,762,699
Reliance Mutual Fund	3,018,864	43,746,957	2,919,338	102,034,879
<b>Total</b>		<b>548,746,957</b>		<b>442,797,578</b>

**19 Trade Receivables**

	As at March 31, 2012	As at March 31, 2011
<b>Unsecured Considered Good</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	72,980,663	349,308,053
Others	3,241,936,324	2,385,610,069
<b>Unsecured considered doubtful</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	78,789,997	117,067,933
Others	-	-
Less: Provision for doubtful debts	78,789,997	117,067,933
	<b>3,314,916,987</b>	<b>2,734,918,122</b>

**20 Cash and bank balances**
**Cash and cash equivalents**

Cash on Hand	280,611	250,268
Cheques, drafts on hand	52,377,829	92,766,524

**Bank balances**

- Current accounts	1,369,752,594	874,929,531
- Fixed deposit accounts (less than 3 months maturity)"	176,969,877	46,792,168
- Call money accounts	54,637,705	30,365,466
	<b>1,654,018,616</b>	<b>1,045,103,957</b>

**Other bank balances**

- Long term deposits with maturity more than 3 months but less than 12 months"	557,327,595	83,957,220
- Unpaid dividend account	11,389,939	10,219,807
	<b>2,222,736,150</b>	<b>1,139,280,984</b>

**Consolidated Notes to the financial statements**

(All amounts in Rs. unless otherwise stated)

	As at March 31, 2012	As at March 31, 2011
<b>21 Short term loans &amp; advances</b>		
(Unsecured, considered good except where otherwise stated)		
a) Loan and advances to related parties		
Loan to NIIT Institute of Information Technology	-	250,000,000
b) Others		
Advances recoverable in cash or in kind or for value to be received		
-Considered good	508,854,529	414,457,927
-Considered doubtful	1,546,064	27,694,037
	510,400,593	442,151,964
Less: Provision for doubtful advances	1,546,064	27,694,037
	508,854,529	414,457,927
Security deposits		
-Considered good	63,677,877	80,525,386
-Considered doubtful	-	-
	63,677,877	80,525,386
Less -Provision for doubtful deposits	-	-
	63,677,877	80,525,386
MAT credit entitlement	332,277,995	389,011,061
Advance income tax	1,495,041,530	1,075,429,567
Less: Provision for income tax	1,412,673,000	980,749,736
	82,368,530	94,679,831
Advance fringe benefit tax	57,772,904	57,772,904
Less: Provision for fringe benefit tax	57,290,392	57,290,392
	482,512	482,512
	<b>987,661,443</b>	<b>1,229,156,717</b>
<b>22 Other current assets</b>		
(Unsecured, considered good)		
Unbilled revenue	1,327,042,262	798,518,761
Interest receivable on FD's	17,469,295	6,566,630
Derivative instruments fair value assets	-	25,447,462
	<b>1,344,511,557</b>	<b>830,532,853</b>

**Consolidated Notes to the financial statements**

(All amounts in Rs. unless otherwise stated)

	As at March 31, 2012	As at March 31, 2011
<b>23 Proposed dividend</b>		
On equity shares of Rs. 10 each		
Amount of dividend proposed	485,864,152	459,345,462
Dividend per equity share	8.00	7.50
<b>24 Contingent liabilities</b>		
Claims against the company not acknowledged as debts		
Income tax matters	359,110,358	95,297,958
Claims made by customers - pending under arbitration	13,661,915	7,060,838
Commissioner, Central Excise	241,164,898	241,164,898
<b>25 Capital and other commitments</b>		
<b>(a) Capital commitments</b>		
Estimated value of contracts in capital account remaining to be executed	282,456,907	309,849,136
<b>(b) Other commitments</b>		
Guarantees issued by bankers	168,623,023	124,669,870
Guarantees to banks against lines of credit sanctioned to wholly owned overseas subsidiaries	463,901,280	833,424,569
Guarantees on behalf of wholly owned overseas subsidiaries	1,659,867,450	1,419,493,578
	Year ended March 31, 2012	Year ended March 31, 2011
<b>26 Revenue from operations</b>		
Sales of products		
Traded Goods	264,683,853	1,348,353,233
Sale of services	15,500,075,825	10,974,166,658
	<b><u>15,764,759,678</u></b>	<b><u>12,322,519,891</u></b>
<b>27 Other income</b>		
Net gain on sale of investments	37,690,568	38,017,694
Interest on :		
- Loans	10,100,219	30,567,733
- Bank deposits	25,828,454	25,174,778
- Others	602	359
	<u>35,929,275</u>	<u>55,742,870</u>
Miscellaneous income	35,797,917	42,284,592
Gain on exchange fluctuations (net)	194,249,877	-
	<b><u>303,667,637</u></b>	<b><u>136,045,156</u></b>

**Consolidated Notes to the financial statements**
**(All amounts in Rs. unless otherwise stated)**

	<b>Year ended March 31, 2012</b>	<b>Year ended March 31, 2011</b>
<b>28 Cost of materials consumed</b>		
Bought out items	426,633,481	1,391,500,967
	<b>426,633,481</b>	<b>1,391,500,967</b>
<b>29 Employee benefits expense</b>		
Salaries and benefits	8,221,377,605	5,553,442,339
Contribution to provident and other funds [(Refer note (a) below)]	445,598,016	292,483,540
Employee stock option scheme (Refer note 40)	6,885,023	-
Staff welfare expenses	237,362,771	167,648,233
	<b>8,911,223,415</b>	<b>6,013,574,112</b>

**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 Statement of Profit and Loss.

<b>Employer's contribution</b>	<b>March 31,2012</b>	<b>March 31,2011</b>
Employers contribution to provident fund	86,921,751	59,450,724
Employers contribution to superannuation fund	10,124,693	8,389,629
Employers contribution to overseas plan	337,172,540	211,765,060

**b) Defined benefit plans**

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

**(i) 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.

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

<b>Description</b>	<b>March 31, 2012</b>
Present value of obligation as at the beginning of the year	-
Interest cost	-
Current service cost	906,470
Benefits paid	-
Actuarial (gain) / loss on obligation	2,608,090
Present value of obligation as at the end of the year*	3,514,560
*Present value of obligation represents the liability in respect of the yearly Interest rate Guarantee on Provident fund	

**Consolidated Notes to the financial statements**
**(All amounts in Rs. unless otherwise stated)**
**Change in Plan Assets :**

<b>Description</b>	<b>March 31, 2012</b>
Plan assets at beginning at fair value	-
Expected return on plan assets	-
Contribution	-
Benefits paid	-
Actuarial gain / (loss) on plan assets	5,477,710
Plan assets at year end at fair value	5,477,710

**Amount of the obligation recognised in Balance Sheet :**

<b>Description</b>	<b>March 31, 2012</b>
Present value of the defined benefit obligation as at the end of the year	3,514,560
Fair value of plan assets at the end of the year	5,477,710
Liability/(Assets) recognized in the Balance Sheet	-

**Amount of expense recognised in the Statement of Profit and Loss**

<b>Description</b>	<b>March 31, 2012</b>
Current service cost	906,470
Interest cost	-
Expected return on plan assets	-
Actuarial (gain) / loss recognized during the year	(2,869,620)
Total	-

**Principal actuarial assumptions at the Balance Sheet date**

Discount Rate	8.60%
---------------	-------

**Attrition rate**

Age from 20-30 years	15.00%
31-34	10.00%
35-44	5.00%
45-50	3.00%
51-54	2.00%
Age 55 & above	1.00%

**Expected Return on Assets for Exempt PF Fund**

<b>Year</b>	<b>Rate</b>
2012-13	9%
2014-16	8.75%
2016 and thereafter	8.60%

**Long term EPFO Rate**

<b>Year</b>	<b>Rate</b>
2012-13	8.60%
2014 and thereafter	8.60%

**Amount recognised in current year**

<b>Description</b>	<b>March 31, 2012</b>
Present value of the defined benefit obligation as at the end of the year	3,514,560
Fair value of plan assets at the end of the year	5,477,710
(Liability)/Assets recognized in the Balance Sheet	-
Experience Gain/(Loss) adjustments on Plan Liabilities	(2,608,090)
Experience Gain/(Loss) adjustments on Plan assets	5,477,710

**Consolidated Notes to the financial statements**
**(All amounts in Rs. unless otherwise stated)**
**Note:**

Disclosures included are limited to the extent of disclosures provided by the actuary

Current year is the first year of actuarial valuation being done. Accordingly, the disclosure is only for March 31, 2012

**(ii) Compensated absences**
**Change in present value of obligation**

Description	March 31,2012	March 31,2011
Present value of the obligation at the beginning of the year	214,773,348	182,377,257
Interest cost	17,638,428	14,656,181
Current service cost	124,581,452	108,714,132
Benefits paid	(481,720)	(811,700)
Actuarial (gain)/loss on the obligation	(38,018,306)	(90,162,524)
Present value of obligation as at the end of the year (A)	318,493,202	214,773,346
Liability for entities where actuarial is not performed (B)	48,775,548	35,616,752
Grand Total (A+B)	367,268,750	250,390,098

**Amount of the obligation recognised in Balance Sheet:**

Particulars	March 31,2012	March 31,2011
Present value of the obligation at the end of the year	318,493,202	214,773,346
Fair value of plan assets at the end of the year	-	-
Liability/ (assets) recognized in the balance sheet	318,493,202	214,773,346
Non current liability	3,247,440	3,157,310
Current liability	315,245,762	211,616,036

**Amount recognised in the Statement of Profit and Loss:**

Particulars	March 31,2012	March 31,2011
Current service cost	124,581,452	108,714,132
Interest cost	17,638,428	14,656,181
Expected return on plan assets	-	-
Actuarial (gain)/loss recognized during the year	(38,018,306)	(90,162,524)
Amount recognized in the Statement of Profit and Loss	104,201,574	33,207,789

**Principal actuarial assumptions used in accounting for compensated absences**

Description	March 31,2012	March 31,2011
<b><u>For entities in India</u></b>		
Discount rate	8.60%	8.10%
Future salary increase		
For first 4 years	9.00%	8.00%
next 5 years	7.00%	6.00%
Thereafter	5.00%	5.00%

## Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

<b><u>For NIIT Technologies Limited, USA Branch</u></b>		
<b><u>Discount rate</u></b>	8.60%	8.10%
Future salary increase		
For first year	0.00%	0.00%
Thereafter	4.00%	4.00%
<b><u>For NIIT Technologies Inc., USA</u></b>		
Discount rate	3.10%	6.20%
Future salary increase		
For first year	0.00%	0.00%
Thereafter	4.00%	4.00%

Description	March 31,2012	March 31,2011	March 31,2010	March 31,2009
Present value of the defined benefit obligation as at the end of the year	( 318,493,202)	(214,773,346)	(182,377,257)	( 169,303,135)
Fair value of plan assets at the end of the year	-	-	-	-
(Liability) / assets recognized in the balance sheet	(318,493,202)	(214,773,346)	(182,377,257)	(169,303,135)
Experience gain / ( loss) adjustment on plan liabilities	38,018,306	90,162,524	102,671,682	94,812,356
Experience gain / ( loss) adjustment on plan assets	-	-	-	-

**(iii) 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:

Description	March 31,2012	March 31,2011
<b>Present value of obligation as at the beginning of the year</b>	<b>100,609,512</b>	<b>87,885,162</b>
Interest cost	7,935,870	6,815,330
Current service cost	18,363,100	14,393,510
Benefits paid	(5,270,710)	(7,489,490)
Actuarial (gain)/loss on obligations	(12,271,750)	(995,000)
<b>Present value of obligation as at the end of the year</b>	<b>109,366,022</b>	<b>100,609,512</b>

**Change in Plan Assets:**

Description	March 31,2012	March 31,2011
<b>Plan assets at beginning at fair value</b>	<b>101,407,950</b>	<b>99,795,280</b>
Expected return on plan assets	10,147,920	9,012,440
Contributions	18,744,010	-
Benefits paid	(5,270,710)	(7,489,490)
Actuarial (gain)/loss on plan assets	(572,190)	89,720
<b>Plan assets at year end at fair value</b>	<b>124,456,980</b>	<b>101,407,950</b>

**Amount of the obligation recognized in the Balance Sheet:**

Description	March 31,2012	March 31,2011
Present value of the defined benefit obligation at the end of the year	109,366,022	100,609,512
Fair value of plan assets at the end of the year	124,456,980	101,407,950
<b>Liability/ (Assets) recognized in the Balance sheet</b>	<b>(15,090,958)</b>	<b>(798,438)</b>



**Consolidated Notes to the financial statements**

(All amounts in Rs. unless otherwise stated)

**Amount of gratuity expense recognised in the Statement of Profit and Loss:**

Description	March 31,2012	March 31,2011
Current service cost	18,363,100	14,393,510
Interest cost	7,935,870	6,815,330
Expected return on plan assets	(10,147,920)	(9,012,440)
Actuarial (gain)/loss recognized during the year	(4,451,490)	(1,084,720)
<b>Total</b>	<b>11,699,560</b>	<b>11,111,680</b>

**Amount recognised in current year and previous four years**

Description	March 31,2012	March 31,2011	March 31,2010	March 31,2009	March 31,2008
Present value of the defined benefit obligation as at the end of the year	(109,366,022)	(100,609,512)	(87,885,162)	(83,020,512)	(67,087,487)
Fair value of plan assets at the end of the year	124,456,980	101,407,950	99,795,280	82,208,520	62,303,631
(Liability) / assets recognized in the balance sheet	15,090,958	798,438	11,910,118	(811,992)	(4,783,856)
Experience gain / (loss) adjustment on plan liabilities	12,271,750	995,000	10,150,910	(960,375)	1,672,364
Experience gain / (loss) adjustment on plan assets	(572,190)	89,720	(324,100)	190,810	206,606

**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:**

	March 31,2012	March 31,2011
Discounting rate	8.60%	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.

**30 Finance costs**

	Year ended March 31, 2012	Year ended March 31, 2011
Interest on long term borrowings	15,719,406	5,344,195
Other borrowing costs	5,492,519	1,636,260
Bank and financial charges	17,188,096	15,239,434
	<b>38,400,021</b>	<b>22,219,889</b>

**31 Depreciation and amortisation expense**

Depreciation on tangible assets	240,267,897	220,991,038
Amortisation on intangible assets	123,962,528	93,602,869
	<b>364,230,425</b>	<b>314,593,907</b>

**32 Other expenses**

Rent	428,890,078	323,042,422
Rates and taxes	7,307,801	2,170,225
Electricity and water	112,827,983	88,309,068
Communication	172,527,528	107,069,488
Legal and professional [refer note (a) below]	507,121,095	272,473,630
Travelling and conveyance	648,921,866	450,651,735

**Consolidated Notes to the financial statements**
**(All amounts in Rs. unless otherwise stated)**

Loss on exchange fluctuations (net)	-	40,960,912
[refer note (b) below]		
Insurance premium	43,327,985	35,129,540
Repairs and maintenance		
- Plant and machinery	119,248,241	82,110,364
- Buildings	2,962,269	3,362,533
- Others	152,500,564	55,897,420
Bad debt and provision for doubtful debt	22,547,680	56,744,133
Lease rentals	1,619,749	2,173,101
Loss on sales of assets	6,936,102	633,782
Donation	50,660,399	50,000,000
Advertisement and publicity	77,204,716	46,730,537
Business promotion & others	112,560,985	90,894,953
Professional charges	849,355,958	529,761,002
Equipment hiring	13,542,420	9,359,498
Consumables	150,702,327	122,040,637
Other production expenses	140,159,886	102,357,398
Miscellaneous expenses	105,037,011	67,655,448

**3,725,962,643**
**2,539,527,826**
**a) Payment to auditors ( excluding service tax)**

	2011-12	2010-11
Statutory audit fees	6,459,418	5,279,656
Certificate and other services	3,060,000	3,500,000
Tax audit fees	300,000	300,000
Reimbursement of expenses	717,948	608,848

Payment to other auditors amount to Rs.20,738,276/- (Previous Year Rs. 14,284,704/-).

b) Includes fair value loss on non-designated derivative instruments of Rs.Nil (Previous Year 20,289,194/-)

**33** Working Capital Limits of the Parent Company of Rs.1,800,000,000 (Previous Year Rs. 1,250,000,000) 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).

**34 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:

Subsidiary	Percentage of ownership Interest as at March 31, 2012	Percentage of ownership Interest as at March 31, 2011	Country of Incorporation
NIIT GIS Limited	88.99	88.99	India
NIIT SmartServe Limited	100	100	India
NIIT Technologies Inc.	100	100	United States
NIIT Technologies Ltd, UK	100	100	United Kingdom
NIIT Technologies Co. Ltd.(Erstwhile NIIT Technologies KK) (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

**Consolidated Notes to the financial statements**
**(All amounts in Rs. unless otherwise stated)**

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 (Held by NIIT Tech, UK)	100	100	United Kingdom
NIIT Technologies Ltd	100	100	Canada
NIIT Airline Technologies GmbH, Germany	100	100	Germany
NIIT Technologies FZ LLC	100	100	Dubai
NIIT Technologies Services Limited	100	100	India
NIIT Healthcare Technologies Inc. (Held by NIIT Tech Inc, USA)	100	100	United States
NIIT Media Technologies LLC (JV) (Held by NIIT Tech Inc. USA) wef 26th May 2011	60	-	United States
Proyecta Sistemas de Informacion S.A (Held by NIIT Tech, UK) wef 12th August 2011	100	-	Spain

**b) Acquisition / incorporation of subsidiaries during the year**

- i) NIIT Media Technologies LLC: is a limited liability company incorporated with effect from May 26, 2011 with capital contribution from NIIT Technologies Inc. (a wholly owned subsidiary of NIIT Technologies Limited) and MStar Solutions LLC. NIIT Technologies Inc. has contributed 60% in 60 shares of USD 53,670 each for an aggregate consideration of USD 3,220,003.
- ii) Proyecta Sistemas de Información S.A: NIIT Technologies Limited UK, a wholly owned subsidiary of NIIT Technologies Limited, acquired 100% stake in Proyecta Sistemas de Información S.A with effect from August 12, 2011 for a consideration of Rs 338,985,076. The assets and liabilities on the date of acquisition and the resultant goodwill on consolidation included in these financial statements are as follows:

<b>Assets</b>	<b>(Rs)</b>
Fixed Assets	5,512,580
Debtors	119,544,974
Bank Balances	3,086,412
Other Current Assets	141,563,342
<b>Total (A)</b>	<b>269,707,308</b>

<b>Less: Liabilities</b>	
Creditors	147,688,740
Loans	44,863,447
<b>Total (B)</b>	<b>192,552,187</b>

<b>Net Assets (A-B) = C</b>	<b>77,155,121</b>
<b>Purchase Consideration (D)</b>	<b>338,985,076</b>
<b>Resultant Goodwill on Consolidation (E = D - C)</b>	<b>261,829,955</b>

**35 Taxation**
**Current tax**

The Group has availed deductions available under the provisions of section 10 AA and 80IC of the Indian Income Tax Act, applicable to units registered with Special Economic Zone (SEZ) and backward area respectively. The current tax liability in Indian Income Tax is primarily arising under Minimum Alternate Tax provisions of Section 115 JB of the Indian Income-Tax Act. During the year Rs. 56,733,066 [Previous year Rs. 122,945,729 (accumulation to MAT credit)] has been utilised.

**Consolidated Notes to the financial statements**
**(All amounts in Rs. unless otherwise stated)**
**36 Earning per share :**

Particulars	2011-12	2010-11
<b>Basic</b>		
Profit attributable to equity shareholders (Rs.) - (A)	1,972,414,500	1,822,203,027
Weighted average number of equity shares outstanding during the year - (B)	59,388,622	58,956,638
<b>Basic earning per share Rs.</b>	<b>33.21</b>	<b>30.91</b>
<b>Diluted</b>		
Profit attributable to equity shareholders (Rs.) - (A)	1,972,414,500	1,822,203,027
Weighted average number of equity shares outstanding during the year - (B)	59,388,622	58,956,638
Add : Weighted average number of potential equity shares on account of employee stock options	685,302	747,839
Weighted average number of shares outstanding for dilutive EPS (C)	60,073,924	59,704,477
<b>Diluted EPS</b>	<b>32.83</b>	<b>30.52</b>
Face value per share	10.00	10.00

The Company has issued 381,263 (Previous year 463,211) equity shares under its ESOP Scheme during the year. The same has been adjusted for both the years presented above

Earning Per Share [ had fair value method been employed for accounting for Employee Stock Option ( Refer Note 40 (g) below)]

Particulars	2011-12	2010-11
Profit Attributable to Equity shareholders ( Rs.) - (D)	1,935,047,844	1,742,090,829
Basic Earning per share (Rs) (D / B)	32.58	29.55
Diluted Earning per share (Rs) (D / C)	32.21	29.18

**37 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**

NIIT Limited  
NIIT USA Inc.  
Scantech Evaluation Services Limited  
NIIT Limited, UK  
Evolve Services Limited  
NIIT Institute of Finance Banking and Insurance Training Ltd

**b) Key Managerial personnel**

Rajendra S Pawar  
Vijay K Thadani  
Arvind Thakur

**c) Parties in which the key managerial personnel or the relatives of the key managerial personnel are interested.**

Naya Bazar Novelties Pvt Ltd.  
NIIT Institute of Information Technology  
Indian School of Business

**B Details of transaction with related parties carried out on an arms length basis:**

**Consolidated Notes to the financial statements**

(All amounts in Rs. unless otherwise stated)

Nature of Transactions	Parties in whom the Group is an associate and it's subsidiaries	Key Managerial Personnel	Parties in which Key Managerial Personnel of the Group are interested	Total
Recovery from NIIT Limited Group ( Note 2)	35,867,611	-	-	35,867,611
	(26,389,026)	-	-	(26,389,026)
Recovery by NIIT Limited Group ( Note 3)	13,741,593	-	-	13,741,593
	(13,885,590)	-	-	(13,885,590)
Receiving of Services / Goods ( Note 4)	8,561,568	-	690,000	9,251,568
	(34,474,512)	-	-	(34,474,512)
Rendering of Services ( Note 5)	11,453,943	-	-	11,453,943
	(13,182,093)	-	-	(13,182,093)
Remuneration ( Note 6)	-	42,814,039	-	42,814,039
	-	(50,105,054)	-	(50,105,054)
Reimbursement of Expenses ( Note 7)	-	-	-	-
	(5,533,732)	-	-	(5,533,732)
Other Income ( Note 8)	9,520,452	-	-	9,520,452
	(4,500,000)	-	-	(4,500,000)
Other Expenses ( Note 9)	-	-	535,063	535,063
	-	-	(672,839)	(672,839)
Dividend Paid to Scantech Evaluation Services Limited	115,947,840	-	-	115,947,840
	(108,701,100)	-	-	(108,701,100)
Loans Given ( Note 10)	-	-	-	-
	(161,218,847)	-	-	(161,218,847)
Loans Given Received back ( Note 11)	-	-	250,000,000	250,000,000
	(161,218,847)	-	-	(161,218,847)
Interest Received ( Note 12)	-	-	10,027,396	10,027,396
	(1,256,843)	-	(30,000,000)	(31,256,843)
Donation ( Note 13)	-	-	50,000,000	50,000,000
	-	-	(50,000,000)	(50,000,000)

**Notes:**

- Figures in parenthesis represent previous year's figures
- Includes transactions for the year mainly with;
  - NIIT Limited Rs 10,205,340/- (Previous Year: Rs 10,864,678/-)
  - NIIT (USA) Inc 25,662,271/-(Previous Year: Rs 15,524,348/-)
- Includes transactions for the year mainly with;
  - NIIT Limited Rs 2,021,958/- (Previous Year: Rs 7,076,229/-)
  - NIIT (USA) Inc Rs. 11,576,635/-(Previous Year: Rs 6,809,361/-)
  - NIIT Institute of Finance Banking and Insurance Training Ltd Rs. 143,000/-(Previous Year Rs. Nil)
- Includes transactions for the year mainly with;
  - NIIT Limited Rs 5,807,556/-(Previous Year Rs 29,883,835/-)
  - NIIT UK Rs. Nil ( Previous Year Rs 3,560,630/-)
  - Evolve Services Limited Rs 2,754,012/- (Previous Year Rs 1,009,200/-)
  - Indian School of Business Rs 690,000/- (Previous Year Rs Nil)
- Includes transactions for the year mainly with;
  - NIIT UK Rs 644,374/- (Previous Year Rs 3,837,144/-)
  - NIIT Limited Rs. 9,787,688/- (Previous Year Rs.9,344,949/-)
  - NIIT (USA) Inc Rs. 1,021,881/- (Previous Year: Rs Nil)

**Consolidated Notes to the financial statements**
**(All amounts in Rs. unless otherwise stated)**

- 6 Remuneration to Key Managerial Personnel includes those paid to
- Mr. R S Pawar – Rs. 14,662,086/- (Previous year Rs.15,058,821/-)
  - Mr. Arvind Thakur – Rs.27,351,953/-(Previous year Rs.34,226,233/-)
  - Mr. Vijay K Thadani – Rs.800,000/- (Previous year Rs.820,000/-)
- 7 Includes transactions for the year mainly with;
- NIIT (USA) Ins. Rs. Nil (Previous Year Rs 5,533,732/-)
- 8 Includes transactions for the year mainly with;
- NIIT Limited Rs. 300,000/- (Previous Year Rs.4,500,000/-)
  - NIIT UK Rs. 4,958,015/- (Previous Year Rs.Nil)
  - NIIT (USA) Inc Rs. 4,262,437/- (Previous Year: Rs Nil)
- 9 Includes transactions for the year with
- Naya Bazar Rs.535,063/- ( Previous year Rs. 672,839/-)
- 10 Transactions in loan given for the year with
- NIIT (USA) Inc, Rs Nil (Previous year Rs 161,218,847/-)
- 11 Transactions in loan given received for the year with
- NIIT Institute of Information Technology, Rs 250,000,000/- (Previous year Rs Nil/-)
  - NIIT (USA) Inc, Rs Nil (Previous year Rs 161,218,847/-)
- 12 Transactions in interest received for the year with
- NIIT (USA) Inc, Rs Nil (Previous year Rs 1,256,843/-)
  - NIIT Institute of Information Technology, Rs. 10,027,396/- (Previous year Rs 30,000,000/-)
- 13 Transactions in donation for the year with
- NIIT Institute of Information Technology, Rs. 50,000,000/- (Previous year Rs 50,000,000/-)

**Outstanding balances with related parties:**

	<b>Receivable As at March 31, 2012</b>	<b>Payable As at March 31, 2012</b>	<b>Receivable As at March 31, 2011</b>	<b>Payable As at March 31, 2011</b>
Parties of whom the group is an associate and its subsidiaries	8,491,123	11,507,756	4,484,613	23,631,829
Parties in which Key Managerial Personnel are interested	7,998	-	39,764	-
Key Managerial Personnel	519,313	-	-	83,807

**Consolidated Notes to the financial statements**
**(All amounts in Rs. unless otherwise stated)**

- 38** 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:

Particulars	Revenue from external customers by location of customers		Carrying amount of segment assets by location of the assets		Additions to fixed assets	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
India	1,863,959,720	2,906,917,292	6,636,327,231	6,152,758,661	2,070,874,042	266,954,683
Rest of Asia Pacific* (including Australia)	2,081,235,404	1,551,273,819	1,663,104,437	889,081,551	23,114,644	26,702,667
Europe*	5,985,952,781	3,904,408,886	3,571,896,761	2,154,119,166	344,532,753	33,710,825
America*	5,833,611,773	3,959,919,894	1,390,222,871	943,073,085	117,169,997	3,934,514
<b>Total</b>	<b>15,764,759,678</b>	<b>12,322,519,891</b>	<b>13,261,551,300</b>	<b>10,139,032,463</b>	<b>2,555,691,436</b>	<b>331,302,689</b>

\*Net of Hedging loss of Rs. 131,003,890/- [includes America Rs. 86,811,250/-, Europe Rs. 40,204,440/- & Australia Rs.3,988,200/-] (Previous Year Rs. 281,815,524/-) related to derivative instruments matured during the year.

**39 Disclosure of Leases as per Accounting Standard (AS) – 19**  
**Operating Leases**

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

Particulars	In respect of Premises		In respect of Equipment	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Amount payable within the next 1 year	114,960,516	95,607,162	25,105,245	4,957,426
Amount payable in the next 2 to 5 years	257,478,751	163,344,384	25,721,767	3,199,409

Aggregate payments during the period under operating leases amount to Rs. 428,890,078 (Previous Year Rs 323,042,422).

**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	Finance charges	Present value of lease payments Amount
Amount payable within the next 1 year	8,031,896	629,003	7,402,893
	(6,434,328)	(928,613)	(5,505,715)
Amount payable in the next 2 to 5 years	3,995,852	124,320	3,871,532
	(8,094,447)	(463,240)	(7,631,207)
<b>Total</b>	12,027,748	753,323	11,274,425
	(14,528,775)	(1,391,853)	(13,136,922)

Note: Figures in parenthesis represent previous year figures.

**40 Employee stock option plan**

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 18th May 2005. 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



## Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

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 thirteen Grants, out of the same grant I , II and III has been fully exercised / lapsed. The details of other tranches are as follows:-

Grant	Date of Grant	Date of Vesting	Exercise Price (in Rs.)	Intrinsic value of Shares	Fair value of Options (in Rs.)	Remaining Contractual Life (in Days)	
						2011-12	2010-11
Grant III	20-Jun-07	20-Jun-08	349.00	-	112.07	-	81
Grant IV	28-Jul-08	28-Jul-09	108.00	-	43.78	119	485
Grant V							
Tranche I	19-Oct-09	19-Oct-10	127.20	-	53.19	567	933
Tranche II	19-Oct-09	19-Oct-11	127.20	-	53.19	932	1,298
Grant VI							
Tranche I	19-Jul-10	19-Jul-11	182.15	-	75.39	840	1,206
Tranche II	19-Jul-10	19-Jul-12	182.15	-	75.39	1,205	1,571
Grant VII							
Tranche I	18-Oct-10	18-Oct-11	223.75	-	83.29	931	1,297
Tranche II	18-Oct-10	18-Oct-12	223.75	-	83.29	1,296	1,662
Grant VIII							
Tranche I	18-Jan-11	18-Jan-12	206.20	-	76.65	1,023	1,389
Tranche II	18-Jan-11	18-Jan-13	206.20	-	76.65	1,388	1,754
Grant IX							
Tranche I	6-May-11	6-May-12	188.25	-	67.21	1,131	-
Tranche II	6-May-11	6-May-13	188.25	-	67.21	1,497	-
Grant X							
Tranche I	9-Jun-11	9-Jun-12	10.00	176.05	160.58	1,165	-
Tranche II	9-Jun-11	9-Jun-13	10.00	176.05	160.58	1,531	-
Tranche III	9-Jun-11	9-Jun-14	10.00	176.05	160.58	1,896	-
Grant XI							
Tranche I	19-Jul-11	19-Jul-12	206.15	-	71.15	1,205	-
Tranche II	19-Jul-11	19-Jul-13	206.15	-	71.15	1,571	-
Grant XII							
Tranche I	17-Oct-11	17-Oct-12	10.00	201.40	182.15	1,295	-
Tranche II	17-Oct-11	17-Oct-13	10.00	201.40	182.15	1,661	-
Tranche III	17-Oct-11	17-Oct-14	10.00	201.40	182.15	2,026	-
Grant XIII							
Tranche I	17-Jan-12	17-Jan-13	198.00	-	53.89	1,387	-
Tranche II	17-Jan-12	17-Jan-14	198.00	-	53.89	1,753	-

\*based on Black and Scholes model (as per independent valuer's report)

Description	2011-12	2010-11
Live options at beginning of the year	2,148,489	2,680,927
Options granted during the year	161,250	210,000
Options Forfeited / lapsed during the year till vesting period	85,500	246,750
Net Exercisable options	2,224,239	2,644,177
Options vested	977,750	1,104,500
Options forfeited post vesting	166,625	32,477
Options Exercised	381,263	463,211
Exercisable /outstanding options at the end of the year	1,676,351	2,148,489

During the year, the Compensations / Remuneration Committee at its meetings held on May 6, 2011 has approved issue of 15,000 Options (Grant IX), on June 9, 2011 has approved an issue of 50,000 Options (Grant X), on July 19, 2011 has approved issue of 36,000 options (Grant-XI), on October 17, 2011 has approved issue of 40,000 options (Grant XII) and on January 17, 2012 has approved issue of 20,250 options (Grant XIII) 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 Tranche I), 62.04% (for Grant VI Tranche II), 51.67% (for Grant VII Tranche I), 58.87% (for Grant VII Tranche II), 49.48% (for Grant VIII Tranche I) 58.73% (for Grant VIII Tranche II) 45.34% (Grant IX Tranche I) 56.27% (Grant IX Tranche II) 44.57% (Grant X Tranche I) 55.37% (Grant X Tranche II) 57.50% (Grant X Tranche III) 42.28% (Grant XI Tranche I) 55.46% (Grant XI Tranche II) 42.39% (Grant XII Tranche I) 48.54% (Grant XII Tranche II) 55.11% (Grant XII Tranche III) 39.5% (Grant XIII Tranche I) and 46.78% (Grant XIII 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, Grant IX Tranche I, Grant X Tranche I, Grant XI Tranche I, Grant XII Tranche I, Grant XIII Tranche I, 3.5 years for Grant V Tranche II, Grant VII Tranche II and Grant VIII Tranche II, Grant IX Tranche II, Grant X Tranche II, Grant XI Tranche II, Grant XII Tranche II, Grant XIII Tranche II 2.75 Years for Grant VI Tranche I, 3.75 Years for Grant VI Tranche II, 4.5 Years for Grant X Tranche III and Grant XII Tranche III.
- 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), 8.07% (Grant VIII Tranche II), 8.4% (Grant IX Tranche I), 8.33% (Grant IX Tranche II), 8.41% (Grant X Tranche I), 8.34% (Grant X Tranche II), 8.29% (Grant X Tranche III), 8.14% (Grant XI Tranche I), 8.15% (Grant XI Tranche II), 8.6% (Grant XII Tranche I), 8.65% (Grant XII Tranche II), 8.7% (Grant XII Tranche III), 8.2% (Grant XIII Tranche I) and 8.17% (Grant XIII Tranche II) based on long term government bonds of ten year residual maturity.

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

		Expenses accounted for during the year based on intrinsic value of options		Expenses had the Company recorded the ESOP expenses based on fair value of the options	
		2011-12	2010-11	2011-12	2010-11
Grant V	- Tranche I	-	-	-	21,827,712
	- Tranche II	-	-	19,979,046	50,367,100
Grant VI	- Tranche I	-	-	577,784	1,956,422
	- Tranche II	-	-	1,922,445	1,956,422
Grant VII	- Tranche I	-	-	1,966,873	1,619,021
	- Tranche II	-	-	3,581,470	1,619,021
Grant VIII	- Tranche I	-	-	1,534,047	383,250
	- Tranche II	-	-	1,916,250	383,250
Grant IX	- Tranche I	-	-	455,871	-
	- Tranche II	-	-	455,871	-
Grant X	- Tranche I	2,952,444	-	2,606,134	-
	- Tranche II	1,107,167	-	1,954,601	-
	- Tranche III	738,111	-	1,954,601	-
Grant XI	- Tranche I	-	-	899,289	-
	- Tranche II	-	-	899,289	-
Grant XII	- Tranche I	1,122,823	-	1,080,458	-
	- Tranche II	561,411	-	1,080,458	-
	- Tranche III	403,067	-	1,163,570	-
Grant XIII	- Tranche I	-	-	111,811	-
	- Tranche II	-	-	111,811	-
		6,885,023	-	44,251,679	80,112,198

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 no 36 Earnings Per Share.

During the period Rs. 6,885,023/- expenses accounted based on intrinsic value of the option as all other options were issued at market price only

- 41** The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per revised Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification. The adoption of revised Schedule VI for previous year's figure does no impact recognition and measurement principles followed for preparation of financial statements.

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 Head

Place : New Delhi

Date : May 04, 2012

## INVESTORS' FEEDBACK FORM

Dear Investor,

We are constantly endeavouring to render best possible services to our valued investors. We shall appreciate if you could spare some time to fill up the feedback form below and submit to the Company Secretary, NIIT Technologies Ltd. Regd. Office: B-234 Okhla Phase-I, New Delhi-110020. This will help us further improve our services to you.

Thanks & Regards,

Onkarnath Banerjee  
Company Secretary & Legal Head

### NIIT TECHNOLOGIES LIMITED - INVESTORS' FEEDBACK FORM

Name of the Sole/First holder	
Address	
Folio No. For Physical Holding	
Number of shares held	
DP ID. and Client ID. (8+8 digit codes for NSDL / 16 digit code for CDSL)	
Phone No. with STD Code	
E- mail	

Either Folio No. or DP ID and Client ID should be mandatorily given.

Kindly rate our services on various parameters by ticking ☒ any one box in each row:

#### 1. Timely receipt of:

- |                                     |                                      |                                    |                               |                               |
|-------------------------------------|--------------------------------------|------------------------------------|-------------------------------|-------------------------------|
| a. Annual Reports                   | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| b. Dividend                         | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| c. Other documents / correspondence | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |

#### 2. Quality and Contents of Annual report:

- |   |                                      |                                    |                               |                               |
|---|--------------------------------------|------------------------------------|-------------------------------|-------------------------------|
| a. Report on Corporate Governance   | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| b. Management Discussion and Analysis                                     | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| c. Balance Sheet, Profit and Loss Account and other financial statements. | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |

#### 3. Dissemination of information about the Company :

- |   |                                      |                                    |                               |                               |
|---|--------------------------------------|------------------------------------|-------------------------------|-------------------------------|
| a. Through shareholder communication            | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| b. Through Annual Reports                       | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| c. Through newspapers / Press                   | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| d. Through our website (www.niit-tech.com)      | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| e. Through e-mails (if we have your e- mail ID) | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |

**4. Response time and satisfaction level you have experienced in :**

- |  |                                      |                                    |                               |                               |
|--|--------------------------------------|------------------------------------|-------------------------------|-------------------------------|
| a. Transfer / transmission of shares     | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| b. Issue of Duplicate Share Certificates | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| c. Change of address / mandate           | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| d. Revalidation of Dividend Warrants     | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| e. Replies to your queries / complaints  | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| f. Exchange with new share certificates  | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |

**5. Interaction with Company Officials :**

- |                                   |                                      |                                    |                               |                               |
|-----------------------------------|--------------------------------------|------------------------------------|-------------------------------|-------------------------------|
| a. Attitude / Behaviour           | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| b. Speed of Response              | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| c. Solution to problems / queries | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |

**6. Interaction with Registrar & Transfer Agents#:**

- |                                   |                                      |                                    |                               |                               |
|-----------------------------------|--------------------------------------|------------------------------------|-------------------------------|-------------------------------|
| a. Attitude / Behaviour           | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| b. Speed of Response              | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| c. Solution to problems / queries | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |

# M/s Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi 110055  
Phone: +91-11-23541234, 42541234 Fax: +91-11-42541967

**7. Investor Services Section of Company's Website (www.niit-tech.com)**

- |                               |                                      |                                    |                               |                               |
|-------------------------------|--------------------------------------|------------------------------------|-------------------------------|-------------------------------|
| a. Utility of Contents        | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| b. Clarity                    | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| c. Appearance                 | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
| d. Navigation and ease of use | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |

- |                          |                                      |                                    |                               |                               |
|--------------------------|--------------------------------------|------------------------------------|-------------------------------|-------------------------------|
| <b>8. Overall Rating</b> | <input type="checkbox"/> Outstanding | <input type="checkbox"/> Very Good | <input type="checkbox"/> Good | <input type="checkbox"/> Poor |
|--------------------------|--------------------------------------|------------------------------------|-------------------------------|-------------------------------|

Any grievance which has not been addressed so far. Please furnish the details.

Have you updated your email address in your Demat Account?  
If not, please update

☐ Yes ☐ No

Any Other comments / suggestions.

**NIIT**

technologies

**NIIT Technologies Ltd.**

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

**PROXY FORM****20<sup>th</sup> Annual Genral Meeting July 02, 2012**

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 Mapple Exotica, Khasra No.123, Chattarpur Mandir Road, Satbari, New Delhi 110 074, on Monday, the 2<sup>nd</sup> day of July, 2012.

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****20<sup>th</sup> Annual Genral Meeting July 02, 2012**

(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 Mapple Exotica, Khasra No.123, Chattarpur Mandir Road, Satbari, New Delhi 110 074, on Monday, the 2<sup>nd</sup> day of July, 2012

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**

## NORTH AMERICA

### Principal Office:

NIIT Technologies Inc.,  
1050 Crown Pointe Parkway  
5<sup>th</sup> Floor, Atlanta, GA 30338, USA  
Ph: +1 (770) 551 9494  
Toll Free: +1 (888) 454 NIIT  
Fax: +1 (770) 551 9229

1100 Cornwall Road, Suite 202  
Monmouth Junction, NJ 08852  
Ph: +1 732-821-6405  
Fax: +1 732-821-7575

NIIT Healthcare Technologies Inc.  
1050 Crown Point Parkway  
5<sup>th</sup> Floor, Atlanta, GA 30338  
Ph: +1 770 551 9494  
Fax: +1 770 551 9229

NIIT Media Technologies LLC  
Corporation Trust Centre,  
1209, Orange Street,  
City of Wilmington, Delaware 19801  
Ph: +1 (732) 821-7272

### Canada

NIIT Technologies Ltd.  
2345, Yonge Street, Suite 912,  
Toronto, ON M4P2E5, Canada  
Ph: +1 (416) 7301640  
Fax: +1 (416) 7300599

## EUROPE

### Austria

NIIT Technologies GmbH  
Kandlgasse 18/4/9,  
1070 Wien (Vienna), Austria  
Ph: +43 (1) 729 62 62  
Fax: +43 (1) 729 62 62-90

### Belgium

NIIT Technologies NV  
Rond Point Schuman 6  
1040 Brussels, Belgium  
Ph: +32 (0) 2-234-7867  
Fax: +32 (0) 2-234-7911

### Germany

NIIT Technologies GmbH  
Delitzscher Strass 9,  
40789 Monheim, Germany  
Ph: +49 (0) 21 73/16 75-2 80  
Fax: +49 (0) 21 73/16 75-1 50

NIIT Technologies GmbH  
Zettachring 6, 70567 Stuttgart  
Germany  
Ph: + 49 (0) 711 71917 0  
Fax: + 49 (0) 711 71917 150

NIIT Airline Technologies GmbH  
Registered Office:  
Reichenschwand (Germany)  
HRB 13 610 (Amtsgericht Nürnberg)  
Schlossweg 14,  
91244 Reichenschwand, Germany  
Ph: +49 (0) 9151 9077-0  
Fax: +49 (0) 9151 9077-390

### Netherlands

NIIT Technologies BV  
ITO Toren, Gustavmathlerplein 60-T  
1082 MA, Amsterdam, The Netherlands  
Ph: +31 (20) 737 1673

### Switzerland

NIIT Technologies AG  
Tribtschenstrasse 9, 6005 Luzern  
Switzerland  
Ph: +41 (0) 41/360 48 77  
Fax: +41 (0) 41/360 21 64

### United Kingdom

NIIT Technologies Limited  
2<sup>nd</sup> Floor, 47 Mark Lane  
London - EC3R 7QQ, U.K.  
Ph: +44 (0) 20 7002 0700  
Fax: +44 (0) 20 7002 0701

NIIT Insurance Technologies Limited  
2<sup>nd</sup> Floor, 47 Mark Lane  
London - EC3R 7QQ, U.K.  
Ph: +44 (0) 20 7667 8600  
Fax: +44 (0) 20 7667 8686

### Spain

Proyecta Sistemas de Información S.A.  
Menorca 3, 4<sup>th</sup> Floor  
Madrid, Spain 28009  
Ph: +34 91 400 82 12

## MIDDLE EAST

### Dubai

NIIT Technologies FZ LLC  
No. G04, Al Shaiba Building  
Dubai Outsourcing Zone  
Near Academic City  
Post Box No. 500822  
Ph: +971 4 4355748  
Fax: +971 4 4355749

## ASIA

### India

#### Delhi/NCR

##### Corporate Office

NIIT Technologies Ltd.  
Corporate Heights (Tapasya)  
Plot No. 5, EFGH, Sector 126  
Noida - Greater Noida Expressway  
Noida - 201301, U.P., India  
Ph: +91 120 399 9555  
Fax: +91 120 399 9150

NIIT Technologies Ltd.

B-1/H-9, MCIE, Mathura Road,  
New Delhi - 110044, India  
Ph: +91 (11) 4057 0700/701  
Fax: +91(11) 4057 0933

NIIT GIS Limited

B-1/H-9, MCIE, Mathura Road,  
New Delhi - 110044, India  
Ph: +91 (11) 4057 0700/701  
Fax: +91(11) 4057 0933

### Gurgaon

NIIT SmartServe Limited  
223-224, Udyog Vihar, Phase-1,  
Gurgaon, Haryana - 122002, India  
Ph: +91 (124) 4002702  
Fax: +91 (124) 4002701

NIIT Technologies Limited

223-224, Udyog Vihar, Phase-1,  
Gurgaon, Haryana - 122002, India  
Ph: +91 (124) 4002702  
Fax: +91 (124) 4002701

### Noida

NIIT Technologies Limited  
SEZ Developer Unit  
Plot No. TZ-2 & 2A, Sector Tech Zone,  
Greater Noida, UP 201308  
Ph: +91 (120) 4592300  
Fax: +91 (120) 4592301

NIIT Technologies Limited  
H-7, Sector-63,  
Noida - 201301, India  
Ph: +91 (120) 4285333  
Fax: +91 (120) 4285000

### Bangalore

NIIT Technologies Limited  
No. 31/2, Roopena Agrahara,  
Begur Hobli, Hosur Main Road,  
Bangalore - 560068, India  
Ph: +91 (80) 3028 9500  
Fax: +91 (80) 3028 9799

### Kolkata

NIIT Technologies Limited  
EM 4/1 Sector V, Salt Lake  
Kolkata - 700091, India  
Ph: +91 33 3038 1000  
Fax: +91 33 2357 7713

### Mumbai

NIIT Technologies Limited  
4<sup>th</sup> Floor, Tower B, Marwah Centre,  
Krishnalal Marwah Marg  
Off Saki Vihar Road, Andheri (E),  
Mumbai - 400072, India  
Ph: +91 22 4010 3100  
Fax: +91 22 4010 3444

### Hong Kong

NIIT Technologies Pte Limited  
Level 2, Neich Tower, 128 Gloucester Road,  
Wan Chai, Hong Kong  
Ph: + 852 3987 8512  
Fax: + 852 3987 8444

### Singapore

NIIT Technologies Pte. Limited  
31 Kaki Bukit Road 3  
#05-13 Techlink  
Singapore 417818  
Ph: +65 6848 8300  
Fax: +65 6848 8322

### Thailand

NIIT Technologies Limited  
209/1 K TOWER, Tower B, 19 Floor, Unit 3  
Sukhumvit 21 Road, (Asoke) Klongtoey Nua,  
Wattana, Bangkok 10110  
Ph: +66 (0)2 664-3036-8  
Fax: +66 (0)2 664-3039

### Japan

NIIT Technologies K.K.  
Toranomon 40MT Bldg. 7F  
5-13-1 Toranomon Minato-ku  
Tokyo 105-0001 Japan  
Ph: +81 (0) 3 4530 9671(Main)  
Fax: +81 (0) 3 4530 9800

## AUSTRALIA

### Sydney

NIIT Technologies Pty. Limited  
Level 1, 51 Walker Street  
North Sydney, NSW 2060  
Australia  
Ph: +61 (0) 2 9963 0000  
Fax: +61 (0) 2 8920 9869

### Melbourne

NIIT Technologies Pty Limited  
Level 40, 140 William Street  
Melbourne VIC  
Australia 3000  
Ph: +61 3 9607 8264  
Fax: +61 3 9607 8282



### Registered Office

NIIT Technologies Limited  
B-234, Okhla Phase 1,  
New Delhi - 110020, India