

## NOTICE

Notice is hereby given that the Twenty-first Annual General Meeting of the members of NIIT Technologies Limited will be held on Monday, the 1<sup>st</sup> day of July, 2013, at 9:00 A.M. at Mapple Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110 074 to transact the following business:

### ORDINARY BUSINESS

- To receive, consider and adopt the Balance Sheet as at March 31, 2013 and the Profit and Loss Account for the financial year ended on that date alongwith the reports of the Auditors and Directors thereon.
  - To declare dividend on equity shares.
  - To appoint a Director in place of Mr. Vijay K Thadani, who retires by rotation and being eligible, offers himself for re-appointment.
  - To appoint a Director in place of Mr. Amit Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
  - To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to authorize Board of Directors to fix their remuneration. M/s Price Waterhouse, Chartered Accountants, the retiring Auditors, are eligible for re-appointment.
- By the Order of the Board  
For **NIIT Technologies Limited**  
Sd/-  
**Onkarnath Banerjee**  
Company Secretary  
& Legal Head
- Place : New Delhi  
Date : May 17, 2013
- Notes:**
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
  - Required details of Directors seeking re-appointment in relation to agenda item nos. 3 & 4 are annexed hereto.
  - Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- Members may please note that no gifts/gift coupons shall be distributed at the venue of the Annual General Meeting.**
  - The Register of Members and Share Transfer Books of the Company shall remain closed on the Book Closure Dates, i.e., from June 22, 2013 to July 01, 2013 (both days inclusive). The dividend as recommended by the Board of Directors, if approved at the meeting, will be paid to those members whose names appear in the Register of Members as on July 01, 2013 for shares held in physical form and in respect of shares held in electronic form on the basis of beneficial ownership of shares as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business hours on June 21, 2013.
  - While members holding shares in physical form may write to the Company's Registrar and Share Transfer Agent i.e. Alankit Assignments Limited, Unit: NIIT Technologies Limited 2E/21, Jhandewalan Extension, New Delhi – 110055, for changes, if any, in their address and bank mandates, members having shares in electronic form may inform such changes directly to their depository participant immediately so as to enable the Company to dispatch dividend warrant(s) at their correct address(es).
  - Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send share certificates to the Company for consolidation into a single folio.
  - The Members desirous of appointing their nominee for the shares held by them may apply in the revised Nomination Form (Form 2-B) as amended by the Central Government vide their notification no GSR 836(E) dated October 24, 2000.
  - Every Company, as per the provisions of SEBI circular no.DCC/FITTCIR-3/2001 dated October 15, 2001 and circular no. CIR/MRD/DP/10/2013 dated March 21, 2013, is mandatorily required to use Electronic Clearing System (ECS) facility for distributing dividends or other cash benefits to investors wherever applicable. Currently ECS facility is available at locations specified by RBI.  
  
In view of the above, the shareholders holding shares in physical form are requested to provide their bank details so that all future dividends can be remitted through ECS. In case of shareholders staying at locations not covered by ECS, the bank details shall be incorporated in the dividend warrants so as to protect against any fraudulent encashment of dividend warrants.  
  
The shareholders can obtain a copy of the ECS mandate form from the registered office of the Company or can be downloaded from the website of the Company at [www.niit-tech.com](http://www.niit-tech.com)

## NOTICE (Contd.)

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

10. Members desirous of obtaining any information/clarification concerning the accounts and operations of the Company are requested to address their queries in writing to the Company Secretary at least ten days before the Annual General Meeting, so that the information required may be made available at the Annual General Meeting.
11. Members/ Proxy(ies) are requested to bring their copy of the Annual Report at the meeting and to produce at the entrance, the admission slip, duly completed and signed, for admission to the meeting hall.
12. The statutory registers maintained under Sections 301 and 307 of the Companies Act, 1956 and the certificate from the auditors of the Company certifying that the Company's stock option plan has been implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, and in accordance with the resolutions passed by the members in the general meeting will be available at the venue for inspection by members.
13. Green Initiative in the Corporate Governance : Go Paperless:-

The Ministry of Corporate Affairs ("MCA") has taken a 'Green initiative in the Corporate Governance' by allowing paperless compliances by Companies, stating that the service of documents by the companies to its members can be made through electronic mode.

Considering the move taken by MCA as a welcome step for the society at large, we propose to send various notices/documents like Notices of General Meetings, Audited Financial Statements, Auditor's Report, and Directors' Report, Corporate Governance Report & Management Discussion & Analysis Report etc. to the shareholders in electronic form to e-mail IDs provided by the shareholders and made available to us by the Depositories.

14. All unclaimed/unpaid dividend for the financial year ended on March 31, 2005, have been transferred to the Investor Education and Protection Fund of the Central Government pursuant to Section 205A of the Companies Act, 1956. Members who have not so far encashed dividend warrant(s) for the financial year ended March 31, 2006 and thereafter are requested to approach the Company by writing a letter to the Company at its Registered Office address immediately. As on March 31, 2013, the amount outstanding in unclaimed dividend account for the financial year ended March 31, 2006 is Rs. 8,12,976/-.

By the Order of the Board  
For **NIIT Technologies Limited**  
Sd/-

**Onkarnath Banerjee**  
Company Secretary  
& Legal Head

Place : New Delhi  
Date : May 17, 2013

**Details of Director(s) seeking re-appointment in forthcoming Annual General Meeting, in pursuance of Clause 49 IV (G) of the Listing Agreement, are given hereunder:**

### **Mr. Vijay K Thadani**

Profile and expertise in specific functional areas:

Mr. Vijay K. Thadani is the Chief Executive Officer of NIIT Ltd, a leading Global Talent Development Corporation. Co-founder of the NIIT Group. Mr. Thadani has led the Group's globalization efforts since 1991, taking the NIIT flag to over 38 countries.

An acknowledged industry thought-leader, Mr. Thadani has served as President of MAIT (Manufacturers' Association for Information Technology) and as Chairman of the Indian Government's Committee on National Information Infrastructure. He has been a member of the Strategy Council of Global Alliance for ICT and Development of the United Nations Department of Economic and Social Affairs (UNDESA-GAID).

Mr. Thadani has Chaired the IT Committee of the Confederation of Indian Industry (CII) in USA, the CII National Committee on Education, India and the CII Northern Region for 2011- 2012.

Mr. Thadani served as the Chairman of the National Accreditation Board for Education and Training (NABET), and the Board of Governors of Indian Institute of Information Technology (IIIT), Allahabad.

Co-founder of NIIT University - a new model in higher education, Mr. Thadani is on Board of leading education institutions, including on the India Advisory Board of the Maastricht University, Netherlands; India Advisory Board of Project Management Institute (PMI), USA and the Governing Council of All India Management Association

## NOTICE

(AIMA). He was honored with the position of 'Economic Consultant' to Chongqing, world's largest city in the People's Republic of China.

Directorship in other Indian Public Limited Companies:

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

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

S.No.	Name of Company	Name of Board Committee	Position held (Member/Chairman)
1.	NIIT Limited	Audit committee	Member
		Shareholder/Investors' Grievance Committee	Member
2.	Scantech Evaluation Services Limited	Audit Committee	Chairman
3.	NIIT Institute of Finance Banking & Insurance Training Limited	Audit Committee	Member
4.	NIIT Institute of Process Excellence Limited	Audit Committee	Chairman
5.	NIIT Yuva Jyoti Limited	Audit Committee	Chairman

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

### Mr. Amit Sharma

Profile and expertise in specific functional areas:

Mr. Amit Sharma is the Executive Vice President and President (Asia), of American Tower Company and is responsible for building a successful Tower leasing business in Asia. Prior to this, he led country teams in India and Southeast Asia for Motorola, and was Head of Strategy, Asia-Pacific. Prior to joining Motorola, he has been associated with Companies like GE Capital, McKinsey & Company and Unilever. He currently serves as a Director of Max Bupa Health Insurance Company Limited. He is also on the Boards of Industry Associations

like Amcham India and Tower & Infrastructure Providers Association (TIPA).

Mr. Sharma earned his MBA in International Business from Wharton School of Business where he was on the Deans and Directors Honours list. He also holds an MS in Computers & Information Sciences from the Moore School, University of Pennsylvania and a Bachelor of Technology in Mechanical Engineering from the Indian Institute of Technology (IIT), Kharagpur.

Directorship in other Indian Public Limited Companies:

1. NIIT GIS Limited
2. Max Bupa Health Insurance Company Limited

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

S.No	Name of Company	Name of Board Committee	Position Held (Chairman/Member)
1.	Max Bupa Health Insurance Company Limited	Audit Committee	Member

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

Details of equity shareholding of Non-Executive Directors, being re-appointed as on March 31, 2013 is given herein below:

Name of Non Executive Director	Number of shares held
Mr. Vijay K Thadani	959
Mr. Amit Sharma	42,205

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

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

Place : New Delhi  
Date : May 17, 2013



# Delivering Exceptional Value



Annual Report | 2012-2013

# 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.

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## Corporate Information

### Board of Directors



**Rajendra S Pawar**  
Chairman & Managing Director



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



**Vijay K Thadani**  
Director



**Surendra Singh**  
Director



**Amit Sharma**  
Director



**Ashwani Puri**  
Director

#### Outgoing Director

Subroto Bhattacharya (w.e.f. July 02, 2012)

#### 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  
Citibank NA  
Wells Fargo Bank  
Lloyds TSB Bank Plc  
NatWest  
ING

#### Registered Office

NIIT Technologies Ltd.  
8, Balaji Estate, First Floor  
Guru Ravi Das Marg, Kalkaji,  
New Delhi - 110 019, India  
Email: investors@niit-tech.com  
Tel : +91-11-41675000  
Fax : +91-11-41407120

#### 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)

All trademarks acknowledged.



## Corporate Profile

### COMPANY OVERVIEW

NIIT Technologies is a global IT solutions organization addressing the requirements of clients across North and South America, Europe, the Middle East, Asia and Australia. The Company's portfolio of service offering encompasses Application Development and Maintenance, Managed Services, Cloud Computing and Business Process Outsourcing. NIIT Technologies' strategy—to 'Focus and Differentiate'—has enabled it to strengthen its credentials and distinguish itself in verticals such as Banking & Financial Services, Insurance, Travel & Transportation, Manufacturing and the Government sector.

The Company's vast pool of domain specialists, state-of-the-art offshore and near-shore facilities and innovative approaches to customer experience management and delivery have given it a significant competitive edge within the outsourcing domain. Reputed global organizations have made NIIT Tech their 'First Choice' and over the years, the Company has emerged as a preferred partner of these clients. Long-term customer engagements—some spanning 15 years and more—have become the hallmark of NIIT Technologies.

Known for its quality-orientation, NIIT Technologies has been assessed at virtually all leading global quality benchmarks and standards including the ISO 9001:2000, ISO: 27001 (an Information Security Management accreditation), Level 5 of SEI CMMi version 1.2, COPC, Six Sigma and the international ISO 20000 (IT management standard).

### 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 Banking & Financial Services sector. Our proven solution experience has helped financial institutions in transformation of business by achieving IT reliability & efficiency, business productivity, cost reduction and meeting Regulatory and Compliance challenges. The Company specializes in providing solutions & services in the areas of Investment management, Risk management and Regulatory compliance.

**Insurance:** Insurance remains an important area of focus for NIIT Technologies and the organisation provides solutions in life insurance, pensions, annuity, property & casualty, commercial and reinsurance. Over the past two decades, NIIT Tech has built deep and enduring relationships with global Insurance leaders. The company has invested in a suite of products creating its own IP platforms in the commercial insurance arena.

**Travel, Transportation and Logistics (TTL):** NIIT Technologies is partners with some of the world's largest carriers, airports, travel distribution and surface transportation companies, helping them cut costs and improve efficiency, productivity, profitability and global competitiveness. Innovative products and solutions are also shaping NIIT Technologies success within the TTL vertical. The Company has for instance, launched a special mobile booking solution and a Mobile Crew Management System for airlines and travel companies. More recently, Revenue Analytics solutions have become part of the Company's portfolio for the airline sub-vertical, enabling customers to evaluate their revenues from different perspectives, including markets, point of sale and agencies amongst others. It's "MonaLisa" revenue accounting platform is used by over 30 airlines.

**Manufacturing:** NIIT Technologies has built skill sets in manufacturing and distribution, helping customers implement automated, transparent and integrated information management systems across their value chain. Available to customers are the Company's web-based e-Procurement platform, supplier portal, enterprise mobility solutions and dealer management systems. NIIT Technologies has made headway with its procurement platform, which offers capabilities such as requisitioning, demand aggregation, bid publishing, response evaluation, e-catalogue, contract management, spend analysis and purchasing.

**Government:** NIIT Technologies is an active partner in many crucial government initiatives, not just in India, but overseas also, in nations such as Singapore. The Company is providing business impacting IT solutions and services to Indian Defence establishments, Central Paramilitary organisations, Public Sector organisations, government ministries and government utilities. Its best-in-class solutions architected using the latest software design and engineering practices are enabling government clients to automate various functions, improve process efficiencies and enhance speed-of-execution.

Working with the Union government and several state governments on national IT rollouts and turnkey e-governance initiatives, NIIT Tech has undertaken applications development, infrastructure set-up, data capture and training for clients. Specialised solutions and technology support in the area of Geographic Information Systems (GIS) are also being offered through NIIT GIS to projects such as the NRIS, IMSD as well as national mapping agencies including the Geological Survey of India, Survey of India and NATMO.

## SERVICE OFFERINGS

**Application Development and Management:** NIIT Technologies provides Application Development Services including custom software development, business intelligence and migration and modernization to globally dispersed customers. 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 specializes in functional and regression testing, system testing (load testing, volume testing and compatibility testing) and full lifecycle testing of complex software applications.

**Systems Integration & Package Implementation:** These solutions mainly revolve around SAP or any other ERP implementation. NIIT Technologies' subsidiary, NIIT GIS Ltd. 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 to 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 invested in creating its own IP assets in the Insurance and Travel segments. These include its Insurance Platform 'Subscribe', which has a sizable share in the Lloyd's insurance market and new products like "Exact" a risk aggregation platform and "Acumen" a data warehousing and analytics tool. Likewise, NIIT Airline Technologies owns a revenue accounting platform 'Monalisa' which has been deployed by over 30 airlines and other engines as outlined in the TTL section. Besides own IP NIIT Technologies has also developed an eco system of partnerships through which it offers comprehensive platform solutions in its industry segments of focus.

**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 and comprehensive end to end integrated solutions. 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. Within its industry segments of focus, it is targeting specific horizontals including F&A, Customer Support, HRO, Data and Marketing Analytics. 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 Ltd is a joint venture with Esri Inc the global technology leader in GIS and provides end-to-end GIS solutions to its customers. 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.

**SMAC:** NIIT Technologies' "Four Forces" - Social Media, Mobility, Analytics and Cloud (SMAC) offerings help address the technological progressive needs of today's enterprises. The transformative effects of these Forces can help build a well-connected enterprise and enable them to bring productivity and efficiency into the system.

**Social Media:** Our Four-Step-Action Maturity Model helps our customers formulate social media engagement plan. We provide reference architecture (Logical) of social media integration to implement a social content integration bus that allows various sources of social media to be integrated in a plug-n-play fashion.

**Mobility:** We provide Enterprise Mobility solutions - Enterprise Mobile Device Management (MDM) and Enterprise Mobile Application Management - across industry verticals. With our deep domain knowledge and technical mobility insight, we provide a powerful approach for determining and executing a practical and useful mobility strategy.

**Analytics:** We support traditional and New Data Analytics needs of an enterprise. Our Data warehousing solutions provide information architecture best suited for an enterprise to succeed in the competitive global business environment.

**Cloud:** We provide end-to-end tailored services that deliver the key Cloud benefits to our customers. We involve with them to understand their business needs and deliver business agility, scalability, and flexibility (pay-as-you-use), in a robust and secure environment.

## The year gone by

### 2012-13 at a glance

Your Company's robust financial performance in 2012-13, based on a Quarter-on-Quarter fast track growth, has set it on the path of higher momentum for the coming quarters. The Company is now set to deepen its engagements with existing clients, draw repeat business, foray new and emerging geographies and become the preferred partner for its customers.

Here's a look at the key highlights of the year:

### A year of significant recognitions

#### NIIT Technologies draws recognition for its HR practices

Six key awards and recognitions were conferred on your Company by leading industry organisations. These included the coveted 2012 American Society for Training and Development's BEST Award, where NIIT Technologies was ranked Number 1 across all industries globally for demonstrating enterprise-wide success as a result of employee training and development. The Company was declared a Special Category Winner, ranking at Number 3 in the 'Best companies in Career Growth' category. Based on a study conducted by the Great Place to Work® Institute in India in partnership with The Economic Times, the award placed NIIT Tech among the best of the best employers.



Rosita Rabindra and Deepa Mukherjee receives ASTD trophy



Rajeev Kumar receiving Asia's Best Employer Brand Award

Your Company also achieved a Number 6 ranking in DQ-CMR's 'Best IT Employers Survey 2012', an industry-wide employee satisfaction study. NIIT Technologies bagged this recognition for the second consecutive year, based on its people-focused HR practices, low attrition rate, innovative training programmes, and overall employee well-being.

Three recognitions came the way of your Company at Asia's Best Employer Brand Awards 2012. NIIT Tech won an Award for Excellence in HR through Technology; an Award for Excellence in Training and the HR Leadership Award which was presented to your Company's Chief People Officer, Rosita Rabindra.

#### NIIT Technologies earns applause for IT-BPM services

NIIT Tech featured among the 2012 Global Services 100 Providers for demonstrating excellence in delivering ITO and BPM services globally, using matured models of service delivery. This listing was brought out by the International Association of Outsourcing Professionals' (IAOP).

#### 'Intranet Prahari' wins many awards



Venkat Patnaik, Prem Mohan, Anil Tikoo and Rahul Dogra receiving the award on behalf of NIIT Tech from R. Chandrashekhar, Chairman TC and Secretary IT, the Department of Telecommunications.

BSF's Intranet Prahari project, bagged the Skoch Digital Inclusion award under the 'Best Process Automation' category.

The project is essentially an Enterprise Resource Planning (ERP) Solution implemented by NIIT Technologies for BSF. Intranet Prahari was also recognised as the 'Best G2G initiative of the year' under the Public Choice category by eWorld Forum. The award recognises the best ICT-backed initiative that has made it easier, more efficient and effective for government departments or agencies to interact with one another.

## **A year of strengthening customer engagements and acquiring new businesses**

### **NIIT Tech celebrates two years of partnership with the Thai Summit Group**

NIIT Tech and the Thai Summit Group (TSG) celebrated their two years of partnership. Over the last two years both the companies have worked together, co-creating value and building a win-win partnership.



*NIIT Tech and the Thai Summit Team*

### **NIIT Tech takes the driving seat in the ALJ project**

NIIT Tech bagged a key project with the Abdul Latif Jameel Co. Ltd. (ALJ), the sole distributor of Toyota Vehicles in the Kingdom of Saudi Arabia for more than fifty years. Your Company worked with ALJ to implement Toyota's Best Practices in the area of pre-sales and planning systems (TBR). Based on your Company's delivery quality and adherence to timelines, ALJ awarded another development project to NIIT Tech in the after sales domain.

### **Cathay Pacific awards prestigious CEP project to NIIT Tech**

Reiterating its confidence and strengthening its existing relationship with NIIT Technologies, Cathay Pacific



*The CPA delegation present at the CEP project kick-off meeting including Steve Rowbottom - Enterprise Test Manager, Lee Deakin - Test Delivery Manager, Indi Tang - ETT Test lead along with the CEP-NL onshore team and NTL Hong Kong Country Manager Anoop Raja alongwith NTL NOA Delivery Manager Manjunath HK and Account Manager, Aroop Lalla*

Airways Ltd. (CPA), Hong Kong awarded another project to your Company. The contract was conferred on NIIT Tech for providing an integrated onshore-offshore testing service for CPA's high visibility Customer Enablement Programme (CEP) and for testing Cathay Pacific and Dragon Air websites. NIIT Tech has been a trusted partner of CPA since 2010 and this engagement reiterated the customer's growing confidence in your Company.

### **Inking an INR 35 crore deal with the Indian Tobacco Board**



*Arvind Mehrotra and Kamala Varhana*

Building on its previous e-Governance successes, NIIT Tech crossed yet another major milestone in the domestic market with the INR 35 crore contract for the Indian Tobacco Board. As a part of the contract, your Company implemented an Auction system for the states of Karnataka and Andhra Pradesh. One of the key e-governance initiatives in the area of Commodity Marketing in India, the process enables inventory reduction and transparency through real-time collaboration between buyers and suppliers.

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

NIIT Technologies played an important role in modernising the Indian Police force by stepping up its participation in the prestigious and the 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 citizen services. The Union Government has announced the results of the project in 12 states so far and your Company has been selected as the system integrator in five of these, including Tamil Nadu, Jharkhand, Uttarakhand, Odisha and Uttar Pradesh.

### **NIIT Technologies acquires the Development Centre of Sabre Philippines**

NIIT Technologies acquired Sabre Holdings' Philippines Development Centre, a leading provider of solutions





*Lalit Dhingra, President, US Operations inaugurates the Manila Centre with Chris Serafin, SVP and Head of the Travel Business in the US*

for the travel industry as well as a key customer of your Company. The acquisition will further deepen the Company's engagement with Sabre and enhance its global delivery capability. Manila is a proven destination for Business Process Management (BPM) services and your Company will now leverage the Manila centre to deliver these solutions to Sabre as well as other customers.

## **Celebrating successes**

### **NIIT Technologies celebrates Innovation Week at the BA-ODC**

NIIT Tech celebrated Innovation Week at the BA-ODC where the contribution of various teams—in improving customer satisfaction, increasing revenues, and enhancing applications—was acknowledged and recognised by British Airways (BA).

### **NIIT Tech successfully rolls out COSYS at Vietnam's largest airport**

NIIT Technologies successfully deployed its Cargo Operations Intelligent System (COSYS), a complete cargo management platform to manage cargo handling operations, at the Tan Son Nhat International Airport, in Ho Chi Minh City, Vietnam. COSYS will be used by Tan Son Nhat Cargo Services of Vietnam to provide tailor-made e-freight compliant solutions for cargo handling agents and carriers from a single front-end. The deployment is expected to help the company improve customer loyalty by delivering automated service capabilities that can be fully integrated with the cargo reservation systems of various airlines, to simplify the cargo handling process.

## Directors' Report

### Dear Shareholders,

The Board of Directors of the NIIT Technologies Limited ("Company") take pleasure in presenting the report on its business and for the financial year ended March 31, 2013.

### Financial Results

The highlights of the financial results for the financial year 2012-13 are as follows –

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

Particulars	FY 2012-13	FY 2011-12
Consolidated Revenues	<b>20,214</b>	15,765
<b>Standalone financials</b>		
Income from operations	<b>11,028</b>	8,275
Other Income	<b>329</b>	306
<b>Total Income</b>	<b>11,357</b>	8,581
Profit before depreciation and taxes	<b>2,663</b>	1,901
Depreciation	<b>398</b>	243
Provision for tax & (deferred tax)	<b>586</b>	527
Profit After Tax	<b>1,679</b>	1,131
Earning Per Share (Basic) (In Rs.)	<b>27.98</b>	19.05

### Review of operations

The Company delivered sustained quarter-on-quarter growth during the year under review, deepened engagements with multiple customers, and witnessed all-round growth across geographies and its industry verticals of focus. Adhering to its growth strategy of 'Focus and Differentiate', the Company continued its progression as a specialized player in domains and verticals of choice with the ability to deliver exceptional business value to customers. Recognizing the shifts in customer expectations, the Company has also been changing its engagement models in its endeavor to deliver exceptional value. All of this is reflected in its sustained growth performance and healthy intake of fresh orders. During the year under review, the Company had a total order intake of US\$369 million, resulting in year-on-year expansion in the orderbook executable over the next twelve months (at the end of FY2013). NIIT

Technologies also stayed the course on its business expansion initiatives, leading to fresh large engagements and scale up of top accounts as well as other mid-sized and even smaller accounts, with the number of million-dollar accounts rising to 68 during the year under review.

During FY2013, the Company also expanded its global footprint and delivery capabilities with the acquisition of Sabre Holdings' Philippines Development Center at Manila, Philippines. Sabre is also a long-standing customer of the Company, and this initiative also reflects a deepening of that relationship.

The business environment remains uncertain, with some economies such as the US showing tentative signs of stability and improvement and some, like the UK and the Eurozone, seeing softness. 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. Demand for IT services and solutions, however, remains fairly healthy, as businesses continue to invest in technology to retain their competitive edge and enhance productivity.

### Outlook

During the year under review, the Company recorded a strong performance, with consolidated revenues growing 28.2%. It was able to successfully gain repeat and incremental business from existing clients, while adding new clients to its portfolio. It continued to execute on the transformational deals that it won in the previous year and also added new such deals during FY2013. This, combined with a promising deal pipeline, provides encouraging growth visibility as we embark into the new financial year.

Even as the new fiscal started, in April 2013, the Company signed a new Rs. 344 crores multi-year contract with the Airports Authority of India for the implementation of Airport Operations Control Centers across 10 cities.

NIIT Technologies has multiple competitive advantages, including domain specialisation built over a period of many years and through the successful execution of several complex programmes, investments in intellectual property, and a well-diversified revenue portfolio with a fairly balanced contribution from its three key geographies (North America, Europe & Middle East, Asia-Pacific & India). The Company has a reinforced and energetic leadership, engaged team-members, and robust systems.

These strengths and advantages, alongwith the expanded order book and potential opportunities in view, should enable the Company to sustain its growth momentum going forward.

### Employee Stock Option Scheme (ESOP)

During the year, 6,04,850 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 its meetings held on May 03, 2012, July 02, 2012 & January 14, 2013 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 Purchase Scheme) Guidelines, 1999, and any modifications thereto.

### Reserves

The Company has transferred an amount of Rs.168 Mn to General Reserve (Rs.113 Mn last year).

### Dividend

The Board has recommended a dividend of Rs.8.50 per equity share of the face value of Rs.10/- each (previous year Rs. 8.00 per equity share) on the share capital, subject to approval of the shareholders at the ensuing Annual General Meeting.

### Increase in Capital

During the year, the company issued 6,04,850 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. 596,323,190 to Rs. 602,371,690 as at March 31, 2013.

### Change of Registered office of the Company

During the year, the Registered Office of the Company has been shifted from B-234, Okhla Phase-1, New Delhi – 110 020 to 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi – 110 019 w.e.f. January 01, 2013 through the circular resolution passed by the Board of Directors on December 18, 2012.

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

During the year, the Company transferred an amount of Rs. 8,01,619/- being unclaimed dividend pertaining to the financial year 2004-05 in the Investors Education & Protection Fund (IEPF) of the Central Government, pursuant to section 205A of the Companies Act, 1956.

Further, pursuant to Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has identified the amount and filed a Statement of Unpaid & unclaimed amounts for Rs. 10,761,174/- being unclaimed dividend pertaining to the financial year 2010-11 & Rs. 11,494,550/- being unclaimed dividend pertaining to the financial year 2011-12.

### Subsidiary Companies

As on March 31, 2013, the Company has subsidiaries in the United States of America, Japan, United Kingdom, Netherlands, Belgium, Germany, Switzerland, India, Singapore, Thailand, Australia, Canada, Dubai, Spain & Philippines.

During the year, the Company has acquired a company "Sabre International Philippines Management Inc." in Philippines, a software services company headquartered in Manila to enhance its global delivery capability.

Also the operations of the subsidiary of the Company in Austria have been wound up in the month of December 2012 to save cost and reducing the administrative & compliance requirements of operating the subsidiary.

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.

The Company worked with two local schools near the Greater Noida campus in providing them with basic infrastructure and day-to-day support. The Company also sponsored a teacher at the school to provide continuity and support in teaching Mathematics and Science. In addition to this the company has an internal program called iGive that provides employees a platform to give /contribute to the society. There is a tie-up with NIIT foundation which in turn has tie-ups with several NGO's in providing direct employability training and relevant

projects. Staff Members can either contribute money into a project of their choice/liking or they can volunteer in an NGO/project that they feel passionate about. The Company allows four days of CSR leave, over and above the regular leave policy, to enable staff to participate in this initiative.

### Postal Ballot

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

### Corporate Governance and Management Discussion and Analysis Statement

The Company is in compliance of all mandatory requirements regarding corporate governance as stipulated under Clause 49 of the listing agreement with the stock exchange(s). For the fiscal year ending 2013, 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.

### Listing Fees

The Equity Shares of the Company are listed on the National Stock Exchange of India Limited & the Bombay Stock Exchange Ltd. The Company has already paid listing fees to these Stock Exchanges upto the financial year 2013 -14.

### Directors

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

Mr. Subroto Bhattacharya expressed his unwillingness to be re-appointed as Director in the last annual general meeting of the Company, thereby resulting into cessation from Directorship of the company alongwith Chairmanship of Audit Committee. In the absence of Mr. Bhattacharya, Mr. Amit Sharma was appointed as Chairman of the Audit Committee for a period from May 04, 2012 to July 15, 2012 through Board resolution passed on May 04, 2012. Mr. Ashwani Puri was appointed as an Additional Director w.e.f May 04, 2012 and was regularised at the Annual General Meeting of the Company on July 02, 2012 and further designated as Chairman of the Audit Committee w.e.f July 16, 2012 through circular resolution passed by the Board of Directors of the Company on the same date. Also, in

order to comply with the statutory requirements as stated under the Companies Act, 1956 & Listing Agreement, Mr. Vijay K Thadani, another Non-Executive Director has also been appointed as member of the Audit Committee and Compensation Committee on April 15, 2012.

### Directors' Responsibility Statement

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

- a) That in preparation of Annual Accounts for the financial year, applicable Accounting Standards have been followed along with the proper explanations relating to material departures;
- b) That they have selected the accounting policies described in the notes to accounts, which have been consistently applied, except where otherwise stated and made 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, 2013 and of the profit or loss of the Company for that year;
- c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) That the Annual Accounts have been prepared on the historical cost convention, as a going concern basis and on accrual basis.

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

#### - Conservation of energy

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

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 especially in the area of Analytics, Mobility and Cloud.

The Technology Innovation Centre (TIC) located in Bangalore explores emerging technologies and devices innovative solutions for clients. Some of these innovations gets converted into research paper and other are converted to patent application. In last couple of years four of the inventions have been filed as patent in US.

### - Export and Foreign Exchange Earnings and Outgo

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

(Rs. Million)

	Year 2012-13	Year 2011-12
Foreign Exchange earnings	9505	7468
Foreign Exchange Outflow	3005	2550

### Public Deposits

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

### Particular of Employees

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

### Auditors

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

### Auditors' Report

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

### Export Initiatives

During the year, 87% 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:

1. Mr. Arvind Thakur, Chief Executive Officer & Jt. Managing Director was awarded the prestigious Gold STEVIE® in 2012 in the Executive of the Year, Computer Services category, for the 9th Annual International Business Awards.
2. Ms. Pratibha K. Advani, Chief Financial Officer was included in the CFO 100 2013 'Roll of Honour' list for the second consecutive year, in the category 'Winning Edge in Use of Technology'.
3. The Company's Chief People Officer, Ms. Rosita Rabindra was conferred with the HR Leadership Award at Asia's Best Employer Brand Awards 2012.
4. Mr. Rajesh C. Mathur, Non-Executive Director of NIIT GIS Limited, has been conferred with a prestigious recognition by the Indian Society of Geomatics.
5. NIIT Technologies was ranked No.1 across all industries globally in the 2012 ASTD (American Society for Training and Development) BEST Awards.
6. NIIT Technologies was No. 6 among the Top 20 Best IT Employers in the 'DQ-CMR Best IT Employer Survey 2012'.
7. The Company was recognized as a Special Category Winner, with a No. 3 rank in the 'Best Companies in Career Growth' category in the 2012 'Great Place to work' study.
8. It was conferred with the Award for Excellence in 'HR through Technology' and 'Training' at Asia's Best Employer Brand Awards 2012.
9. NIIT Technologies' 'Intranet Prahari' project won the Skoch Digital Inclusion Award 2012 under the 'Best Process Automation' category.
10. 'Intranet Prahari' was also acknowledged as the 'Best G2G Initiative of the year' at the eWorld Forum 2012.
11. Gartner favorably acknowledged NIIT Technologies for its ipf3 offering in the Insurance sector in the Gartner Insurance report on European Non-Life Policy Admin, 2012.
12. The in-house 'Spectrum' magazine of NIIT Technologies received the 'Best-In-House Magazine award' at the 3rd CMO Asia Awards for excellence in Branding and Marketing, 2012.
13. The Company received a positive mention in the Forrester Report—'The Move to an Asset-Based Services Play', that acknowledges its new investments and strong go-to-market and sales programme in the area of asset-based solutions.

14. NIIT Technologies was awarded "Solution Partner of the Year 2012" by the Motorola Partner Conference for its innovative solutions across various projects.

#### **Human Resource initiatives**

The Human Resource initiatives of your Company in the year achieved many significant milestones while continuing to be in constant alignment with the business strategy.

The Human Resource team decided to embark on a re-certification program measuring level of people maturity against SEI's People Capability Maturity Model (PCMM) for workforce improvement. The PCMM journey will bear fruits in years to come.

The Company embarked on a largest change initiative of uplifting the 'service culture' across all levels by collaborating with a global thought leader – Ron Kaufman who is a pioneer responsible in coining the term 'Uplifting Service'. The first group of 50 leaders educated and trained by Ron and team will be spearheading the culture change across the organization in the next 12 to 18 months. The simple objective of this change initiative is to provide 'exceptional customer value'. This change will be driven through our Service Vision "New Ideas. More Value" - unveiled at the annual day celebrations.

New learning initiatives were focused on competency building around Business Analysis, Large and Complex Program Management Skills, Agile expertise & Managed Services areas. Integrated coaching model was introduced in training to enhance training effectiveness. The Career Mobility Centre, established in the previous year, supported more than 2000 staff members towards meeting their career aspirations through Rotations, Coaching, Mentoring, Fast Tracking & Career Counselling. A new program called IMPACT was introduced that focuses on measuring immediate and long term impact of every investment on training.

NAFL (NTL Academy of Future Leaders) continued to grow this year taking the total count of members close to 200 who are undergoing a phased out General Management Program (GMP) spanning over 5 years. The Academy rolled the new 'Graduate Module' this year, in which the leaders went through Business Simulation Program for enhanced learning.

SEED (School for Employee Education Development) ensured more than 80% coverage of employees through training using established remote & online platforms and

hosting class room trainings.

CARE, the NIITians Assistance Program continued to add value by providing assistance in both personal and professional areas.

Considering feedback from staff members as one of the most effective way to improve workplace environment, a revamped Employee Satisfaction Survey was launched. This transformed survey provided insight on measuring engagement levels vis-à-vis satisfaction.

As a staff welfare initiative the company finalized a Group Life Insurance cover, under the corporate scheme, for all staff members at very nominal premium. This is in addition to the Group Mediciclaim cover that the members are covered under.

All the initiatives played a critical role in managing attrition to levels below other industry competitors.

#### **Acknowledgement**

The Board acknowledges with gratitude the co-operation and assistance provided to your Company by its bankers and government as well as non-governmental agencies. The Board wishes to place on record its appreciation to the committed services and contributions made by employees of the Company. Your Directors also thank the vendors and other business associates for their continued support. Your Directors are thankful to the shareholders for their continued patronage and are confident that with their continued contributions and support, the Company will achieve its objectives and emerge stronger in the coming years.

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 & Managing Director  
DIN: 00042516

Place : New Delhi  
Dated : May 17, 2013

**ANNEXURE – A****Statement pursuant to Section 217(2A) of the Companies Act, 1956 for the financial year April 01, 2012 to March 31, 2013**

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

Name	Age (Years)	Qualification	Designation	Experience (Years)	Previous employment/ Position Held	Remuneration paid (Rs.)	Date of Joining
Rajendra Singh Pawar	62	B. Tech.	Chairman & Managing Director	41	NIIT Limited, Chairman & Managing Director	19,032,897	12-Jun-04
Arvind Thakur	58	BE , MBA	Chief Executive Officer	35	NIIT Limited, Whole Time Director	24,836,212	12-Jun-04
Pratibha K Advani	52	CA	Chief Financial Officer	27	Barclays Shared Services Pvt Ltd -CFO	10,588,018	16-Aug-10
Rosita Rabindra	53	B.Sc.,MSW	Chief People Officer	31	NIIT Limited, Sr. Vice President Human Resources	10,769,711	01-Apr-03
Bhaskar Chavali	55	BE, ME	Chief Delivery Officer	31	NIIT Limited, Vice President	12,115,613	01-Apr-03
Arvind Mehrotra	50	MBE	President- Asia & Australia	30	NIIT Limited, General Manager	12,628,420	01-Apr-03
Piyush Srivastava	57	MA	Executive Vice President - Commercial Services	34	NIIT Limited - President Commercial	7,262,292	01-Apr-03
S. Viswanathan	52	MSc	Executive Vice President - Strategic Alliances	29	Spectramind	8,991,045	24-Jun-02
Venkat Patnaik	50	CCNA/DSC/ MCA	Senior Vice President	26	TCS -Sales Director- Government	6,755,485	01-Feb-11
Deepak Khosla	47	B.E/MBA	Executive Vice President	26	PATNI Computer Systems - President SAARC	14,731,668	19-May-11
Umamaheshwaran Shastry	46	MBA	Executive Vice President	25	Sonata Software-SVP TTL	6,967,555	01-Feb-12
Kunwar B Kishore Arora*	53	MBA	Senior Vice President	29	NCR Corporation India Pvt Ltd- Country Head	2,743,811	02-Nov-12

\*Employed for part of 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 does not include provision for gratuity and provision for leave encashment.
- None of the above employees are related to any Director of the Company.
- None of the employees holds 2% or more of the paid-up Equity Share Capital of the Company.
- The nature of Employment in all above cases is contractual.

**Annexure – B**

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

Grant Name	Date of Grant	No. of Options Granted	Grant Price (Rs.)	Market Price (Rs.)	Discount	Options Vested	Options Exercised	Money realised by exercise of options (Rs.)	Options Lapsed	Total number of options in force
Grant I	2-Aug-05	703100	115.00	149.50	23% of Market Price	597,400	516,575	56,952,050.00	186,525	-
Grant II	11-Aug-05	70,600	150.85	150.85	No	16,000	16,000	2,413,600.00	54,600	-
Grant III	20-Jun-07	420,000	523.50	523.50	No	100,105	-	-	420,000	-
Grant IV	28-Jul-08	477,750	108.00	107.40	No	438,750	396,150	42,784,200.00	81,600	-
Grant V (I)	19-Oct-09	1,199,700	127.20	127.20	No	1,014,500	621,310	79,030,632.00	285,600	292,790
Grant V (II)	19-Oct-09	1,199,700	127.20	127.20	No	872,750	396,889	50,484,280.80	366,200	436,611
Grant VI (I)	19-Jul-10	37,000	182.15	182.15	No	37,000	25,500	4,644,825.00	11,500	-
Grant VI (II)	19-Jul-10	37,000	182.15	182.15	No	25,500	25,500	4,644,825.00	11,500	-
Grant VII (I)	18-Oct-10	43,000	223.75	223.75	No	43,000	9,000	2,013,750.00	7,500	26,500
Grant VII (II)	18-Oct-10	43,000	223.75	223.75	No	35,500	-	-	7,500	35,500
Grant VIII (I)	18-Jan-11	25,000	206.20	206.20	No	25,000	-	-	-	25,000
Grant VIII (II)	18-Jan-11	25,000	206.20	206.20	No	25,000	-	-	-	25,000
Grant IX (I)	6-May-11	7,500	188.25	188.25	No	7,500	1,000	188,250.00	-	6,500
Grant IX (II)	6-May-11	7,500	188.25	188.25	No	-	-	-	-	7,500
Grant X (I)	9-Jun-11	20,000	10.00	186.05	94% of Market Price	20,000	20,000	200,000.00	-	-
Grant X (II)	9-Jun-11	15,000	10.00	186.05	Market Price	-	-	-	-	15,000
Grant X (III)	9-Jun-11	15,000	10.00	186.05	Market Price	-	-	-	-	15,000
Grant XI (I)	19-Jul-11	18,000	206.15	206.15	No	10,500	-	-	7,500	10,500
Grant XI (II)	19-Jul-11	18,000	206.15	206.15	No	-	-	-	7,500	10,500
Grant XII (I)	17-Oct-11	13,000	10.00	211.40	95% of Market Price	13,000	-	-	-	13,000
Grant XII (II)	17-Oct-11	13,000	10.00	211.40	Market Price	-	-	-	-	13,000
Grant XII (III)	17-Oct-11	14,000	10.00	211.40	Market Price	-	-	-	-	14,000
Grant XIII (I)	17-Jan-12	10,125	198.00	198.00	No	10,125	500	99,000.00	-	9,625
Grant XIII (II)	17-Jan-12	10,125	198.00	198.00	No	-	-	-	-	10,125
Grant XIV (I)	3-May-12	16,500	256.60	256.60	No	-	-	-	-	16,500
Grant XIV (II)	3-May-12	16,500	256.60	256.60	No	-	-	-	-	16,500
Grant XV (I)	2-Jul-12	76,500	285.80	285.80	No	-	-	-	-	76,500
Grant XV (II)	2-Jul-12	76,500	285.80	285.80	No	-	-	-	-	76,500
Grant XVI (I)	2-Jul-12	11,000	10.00	285.80	96.5% of Market Price	-	-	-	-	11,000
Grant XVI (II)	2-Jul-12	11,000	10.00	285.80	Market Price	-	-	-	-	11,000
Grant XVI (III)	2-Jul-12	11,000	10.00	285.80	Market Price	-	-	-	-	11,000
Grant XVII (I)	14-Jan-13	7,500	274.85	274.85	No	-	-	-	-	7,500
Grant XVII (II)	14-Jan-13	7,500	274.85	274.85	No	-	-	-	-	7,500
<b>TOTAL</b>		<b>4,676,100</b>				<b>3,291,630</b>	<b>2,028,424</b>	<b>243,455,412.80</b>	<b>1,447,525</b>	<b>1,200,151</b>

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

The options vested, exercised, lapsed, options in force, in the above table is as at March 31, 2013.

(i) Variation of terms of options	None
(ii) The total number of shares arising as a result of exercise of option	20,28,424
(iii) employee wise details of options granted to:-	
To Senior managerial personnel during the year	<p>A summary** of options granted to senior managerial* personnel are as under :</p> <p>No. of employees covered :10 (Ten)  No. of options granted to such personnel : 2,04,000 (Two Lakh FourThousand 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.</p>
-any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	2 (Two) No. of options granted : 30,000
- 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
(iv) 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. 27.64 (previous year: Rs.18.83)
(v) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	Please refer to Notes Nos.43 contained in the Notes to Accounts of the Financial Statement
(vi) 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 Nos.43 contained in the Notes to Accounts of the Financial Statement
(vii) 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:	
<ul style="list-style-type: none"> <li>- risk-free interest rate,</li> <li>- expected life,</li> <li>- expected volatility</li> <li>- expected dividends, and</li> <li>- the price of the underlying share in market at the time of option grant</li> </ul>	<p>Please refer to Notes Nos.43 contained in the Notes to Accounts of the Financial Statement</p> <p>Market price of the share at the time of grant of option is given in point (b)</p>

## Management Discussion and Analysis

### Review of the macro-economic environment

The financial year under review witnessed a mixed performance across economies, with an overhang of uncertainty. While the global economy as a whole is estimated to have grown during the past year, some countries have led the pack while others have underperformed. The US economy has done relatively better, showing visible signs of stability with an upward bias and so has the Asia-Pacific region, including India, which continued to be in growth mode during the year. At the same time, the economic problems in the Eurozone persisted, as the latest crisis in Greece followed by Cyprus. Another important economy, the UK, too has exhibited quarter-to-quarter volatility, with its economy alternating between growth and contraction amidst overall weakness. The Asia-Pacific region has been a clear front-runner, and that trend is likely to continue despite signs of some slowdown in its larger economies like India and China. An uncertain macro-environment also tends to create volatility in the forex markets and we witnessed that during FY2013.

A well-diversified geographic presence has enabled the Company to manage these challenges. The Company has also been able to differentiate itself as a specialist in industry segments of focus, which along with its balanced geographic mix has resulted in superior performance with respect to the industry average.

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

During FY2013, NASSCOM estimates that the Indian IT and related services industry expanded to US\$108 billion, with IT software & services contributing about US\$95 billion to that. Export revenues are estimated to gross about US\$76 billion in FY2013, growing by 10.2% over the previous fiscal.

The domestic market witnessed an even higher growth, with the Indian IT-BPM market estimated to grow by 14.1% in FY2013. Continued focus on e-governance initiatives by government agencies and increased willingness of the private sector to invest in technology have been the drivers of the demand for IT services and solutions in this market.

The Indian IT industry's double-digit growth in the face of a challenging environment is, to a large extent, due

to the talent, skills, and delivery capabilities that industry players have been able to build over the years, enabling the industry to remain resilient during turbulent times.

The outlook for the Indian IT sector remains positive, with NASSCOM expecting continued growth in IT-BPM exports during FY2014, in the range of about 12% to 14%.

### NIIT Technologies: Executing to a well-defined strategy & delivering exceptional value

NIIT Technologies follows a simple strategy of "Focus and Differentiate" for sustained growth and continued superior performance. This approach has yielded rich dividends over the years, including the period under review, with the Company emerging as the preferred choice for customers in its industry verticals of focus on the back of domain specialization, established track record, and investment in intellectual property (IP).

As an outcome of its efforts to focus on select, high potential verticals and service lines, the Company has registered rapid growth in its chosen verticals of Travel Transportation & Logistics (TTL), Banking, Financial Services and Insurance (BFSI), and Manufacturing & Distribution over the years. This, in turn, has driven overall growth for the Company. During FY2013, these verticals combined contributed to 79% of revenues.

NIIT Technologies has also created a highly differentiated business model comprising of platform/IP-based services & solutions, managed services, and integrated services that provide higher value to its global clients. The Company derived 22% of its FY2013 revenues from IP-led and Managed Services offerings. These offerings entail delivery and pricing models that are different from the traditional FTE-based model and include IP/license fees, utility-based or transaction-based pricing, pay-as-you-use and pricing based on Service Level Agreements (SLA). The contribution from such non-linear revenues is set to increase given the Company's engagements with Tobacco Board and Morris Communications which transitions to a transaction-based pricing model during FY2014.

In line with its track record of identifying relevant industry trends and staying ahead of the curve, the Company has also made forays in the emerging areas of Social Media, Mobility, Analytics, and Cloud (SMAC). These are high-potential opportunities and the Company has made significant progress in creating a customer base, infrastructure, and other relevant capabilities in order to pursue business opportunities.

The Company's client engagements and relationships, some of which extend to over a decade, and its recent performance, size and encouraging growth prospects reflect its ability to successfully differentiate itself through high customer-centricity and delivery of exceptional business value to customers. These strengths enabled the Company to record a broad based growth during FY2013, with expansion in both large client accounts as well smaller ones – the total number of 'million dollar' accounts increased from 43 at the end of FY2011 to 61 at



the end of FY2012 and to 68 at the end of FY2013.

With traditional ways of delivering IT services getting replaced by delivering business value, where customers seek and reward a more collaborative engagement that enables them to harness cutting-edge technology to achieve their own business goals, the Company has also been making efforts to better align its organizational culture to these enhanced customer expectations. During the year under review, NIIT Technologies initiated a culture transformation program 'Up Your Service', aimed at further enabling its people to deliver exceptional value and build sustainable competitive advantage.

NIIT Technologies has a stated intent to pursue both organic and inorganic growth opportunities within its target markets and defined verticals. During FY2013, the Company expanded its geographic footprint and deepened its relationship with an existing client by acquiring Sabre Holdings' Philippines Development Center. This acquisition, done in September 2012, enhanced the Company's global delivery capability to a new geography (Manila) and domain knowledge by expanding its talent base. The Company remains open to exploring further inorganic growth opportunities in a well-considered manner, keeping its strategic objectives and goals in mind.

During FY2013, the Company continued to win new business and add new names to its client list even as it successfully increased its business with existing customers. The total number of new clients added during the year under review stood at 17; these included several multi-million dollar and multi-year deals in both international and domestic markets, including incremental business worth \$20 million from Morris, and additional business from the Virgin Group as well as from SITA.

In April 2013, NIIT Technologies also concluded a Rs. 344 crore contract with the Airports Authority of India to set up state-of-the-art Airport Operations Control Centers across 10 cities.

The Company continues to actively explore additional business opportunities, including large-sized deals, and has set up a specialized cross-functional team to specifically target and secure large deals. This follows a reinforcement of its front-end sales team as well as a strengthening of its account management and delivery operations.

### Review of operating and financial performance

During FY2013, NIIT Technologies registered a 28.2% growth in revenues to Rs 20,214 million from Rs 15,765 million in the preceding year. Operating (EBITDA) margins for the year stood at 16.3% and profits after taxes (PAT) grew 8.1% to Rs 2,132 million from Rs 1,972 million in the previous year. (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 and vertical:

The Company's growth performance during FY2013 is a result of its focus on delivering exceptional customer value, with 37% growth in revenue from Top 5 clients over the previous year, and a balanced geographic mix that mitigates the risks emanating from macro-economic uncertainty.

% contribution to consolidated revenues	FY 2013
Americas	38%
EMEA	39%
Asia Pacific & India	23%

% contribution to consolidated revenues	FY 2013
Banking and Financial Services	13%
Insurance	19%
Travel/Transport	40%
Manufacturing	7%
Government	8%
Others	13%

**Order intake and 12-month order book:** Total fresh order intake during FY2013 was US\$369 million and the order book executable over next 12 months stood at US\$ 252 million as on March 31, 2013.

### Outlook:

The Company has been able to recognize changing customer expectations, reflected in its engagement models that have evolved to deliver exceptional value. This, in turn, has driven sustained growth performance and order intake.

The outlook for the company remains encouraging, with improved revenue visibility on the back of robust order-bookings during the financial year under review.

### 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.

### Risks and Risk Mitigation, and Internal Controls

In the course of its global operations and engagements with multiple stakeholders, the Company could face some challenges and risks that would have to be addressed and/or managed. Some such risks, as well as the Company's approach towards mitigating them, are discussed below:

**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, EMEA (Europe & Middle East), and Asia/APAC

(including India) contributed 38%, 39%, and 23% of revenues respectively, during FY2013. Top 5 customers contribute 32% of the revenue for FY2013. 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.

**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.

**Li uidity Risk:** The 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. The Company has a robust process for contract evaluation procedure and multiple vetting systems. The Company gets a small share of business from Government and Semi Government Departments; though the receivable days tend to be higher than the 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 operates 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. NIIT Technologies keeps a tab on the disruptive models in global software products and services which impacts its business competitiveness.

**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.

**Competition-related risk:** The global IT services market remains a very competitive space. The Company competes with several Indian and foreign IT vendors, who are present in many of its target markets. Some global IT vendors, who have been increasing their India presence by setting up offshore delivery centres, also pose a challenge to the Company's efforts to attract and retain talent from a limited supply pool of skilled human resources in the country. The Company itself, however, has a large presence in the country with facilities across cities and operates facilities in international locations as well. It is also well-regarded for its people practices. The Company's differentiated business model, recognition in the marketplace within focus verticals as a competent solutions provider, domain specialization, IP assets, and long-standing relationships with several key clients has been enabling it to deliver growth despite a highly competitive environment. The Company with its strategy of "Focus & Differentiate" is well positioned to down play any competition related risk.

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.

#### 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. The Company has been the recipient of the following awards in recognition of its strong people practices:
  1. The Company's Chief People Officer, Ms. Rosita Rabindra was conferred with the HR Leadership Award at Asia's Best Employer Brand Awards 2012.
  2. NIIT Technologies was No. 6 among the Top 20 Best IT Employers in the 'DQ-CMR Best IT Employer Survey 2012'.
  3. The Company was recognized as a Special Category Winner, with a No. 3 rank in the 'Best Companies in Career Growth' category in the 2012 'Great Place to work' study.



4. It was conferred with the Award for Excellence in 'HR through Technology' and 'Training' at Asia's Best Employer Brand Awards 2012.

- **Constraints in availability of skilled human 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. 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 Company reviews its Hedge Policy from time to time and aligns it to the macro-environment. 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.

The Company has an adequate system for internal control covering all financial and operating functions commensurate with its size and business. These ensure that its assets and interests are carefully protected. The Systems and processes are continually reviewed for its effectiveness and augmented by documented policies and procedures.

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

("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

Superior and effective Corporate Governance comprises a set of systems and practices to ensure that the affairs of the Company are being managed in a way which upholds accountability, transparency, fairness in all its transactions and across all its operational activities. NIIT Technologies has a strong track record of adherence to high levels of corporate governance standards and best practices. Corporate governance at NIIT Technologies is a value-based framework to manage the Company's affairs in a fair and transparent manner. As a responsible corporation, we use this framework to maintain accountability in all our affairs. We have evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information regarding our financials, performance, leadership and governance of the Company.

Our corporate governance philosophy is based on the following principles:

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

It is not merely about compliance or simply a matter of creating checks and balances; it is an ongoing measure of superior delivery of the Company's objectives with a view to translate opportunities into reality. The Company believes in and has consistently focused on good corporate governance to create and adhere to a corporate culture of conscience, integrity, transparency and accountability for efficient and ethical conduct of business to enable the management to meet its

obligations towards stakeholders including shareholders, customers, tenants, contractors, suppliers, creditors, employees, government and the society at large, thereby creating an outperforming organization.

The Company has been complying with the Corporate Governance requirements, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

Corporate Governance is an integral part of the management team's pursuit of excellence, growth and value creation. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics at the workplace have been institutionalised.

NIIT Technologies Limited follows the highest standards of corporate governance principles and best practices by adopting the "NIIT Technologies – Corporate Governance Policies and Code of Conduct", as is the norm for all constituent companies in the Group.

The 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. To that end, the Company has always focused on superior corporate governance, which is a key driver of sustainable corporate growth and long term value creation.

The Board of Directors is at the core of our corporate governance practice and oversees how the management team 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 corporate governance.

### BOARD OF DIRECTORS

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

### Composition of Board

The composition of Board alongwith the number of Directorship and Chairmanship/Membership of committees held by them, is given 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	7	0	3
Mr. Arvind Thakur (DIN 00042534)	CEO & Joint Managing Director	Executive	4	1	2
Mr. Vijay K Thadani (DIN 00042527)	Director	Promoter & Non-executive	6	3	3
Mr. Surendra Singh (DIN 00003337)	Director	Non-executive, Independent	4	1	3
Mr. Amit Sharma (DIN 00050254)	Director	Non-executive, Independent	2	-	1
Mr. Ashwani Puri* (DIN 00160662)	Director	Non-executive, Independent	1	1	-
Mr. Subroto Bhattacharya**	Director	Non-executive, Independent	2	1	2

# including NIIT Technologies Limited and excluding private, foreign and section 25 Companies.

@ Board committee for this purpose includes Audit Committee and Shareholders' / Investors' grievance committee

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

\*\*Mr. Subroto Bhattacharya had resigned from the Board w.e.f. July 02, 2012.

### Board meetings and Directors' attendance

During the year April 1, 2012 to March 31, 2013 the Board met five 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 04, 2012	July 19, 2012	October 16, 2012	January 15, 2013	March 21, 2013	
Mr. Rajendra S Pawar	Y	Y	Y	Y	Y	Y
Mr. Arvind Thakur	Y	Y	Y	Y	Y	Y
Mr. Vijay K Thadani	Y	Y	N	Y	Y	Y
Mr. Subroto Bhattacharya	N	NA	NA	NA	NA	NA
Mr. Surendra Singh	Y	Y	Y	Y	Y	Y
Mr. Amit Sharma	Y	Y	Y	Y	Y	Y
Mr. Ashwani Puri	Y	Y	Y	Y	Y	Y

N: Leave of absence granted

NA: Not applicable

### THE BOARD COMMITTEES

In accordance with the requirement of the listing agreement with the stock exchange(s), the Board has the following three committees.

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

#### Audit Committee

##### a. Terms of reference

The Company has a duly constituted Audit Committee in terms of the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The 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.

##### b. Composition of Audit Committee

The composition of Audit Committee meets the

requirements of Section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement. All the members of the Audit Committee are financially literate.

Name of the Committee member	Designation	Date of change
Mr. Subroto Bhattacharya	Non-Executive Independent Director	Resigned from the Directorship and membership of the Committee w.e.f. July 02, 2012
Mr. Vijay K Thadani	Non-Executive Promoter Director	Appointed as member of Committee w.e.f. April 15, 2012
Mr. Amit Sharma	Non-Executive Independent Director	Appointed as Chairman of the Committee for a period from May 04, 2012 – July 15, 2012.
Mr. Ashwani Puri	Non-Executive Independent Director	Appointed as Member & Chairman of the Committee w.e.f. July 16, 2012.

### c. Meetings and Attendance during the year 2012-13

The particulars of meetings attended by the members of the Audit Committee and the dates of meetings held during the year 2012-13 are given below. The intervening period between the Audit Committee meetings was within the maximum time gap prescribed under clause 49 of the Listing Agreement.

The Company Secretary of the Company acts as Secretary to the Committee.

Name of Member	Audit Committee					
	May 03, 2012	May 25, 2012	July 18, 2012	Octo 15, 2012	Jan 14, 2013	Mar 21, 2013
Mr. Ashwani Puri	NA	NA	Y	Y	Y	Y
Mr. Surendra Singh	Y	Y	Y	Y	Y	Y
Mr. Amit Sharma	Y	Y	Y	Y	Y	Y
Mr. Vijay K Thadani	Y	Y	Y	Y	Y	Y
Mr. Subroto Bhattacharya*	N	N	NA	NA	NA	NA

Y : Attended N : Leave of absence granted NA: Not applicable

\*Mr. Subroto Bhattacharya had resigned w.e.f July 02, 2012.

### d. Roles and Powers of the Audit Committee

The scope of the activities of the Audit Committee includes the areas prescribed under Clause 49 II (D) of the Listing Agreement. The Audit Committee has been granted powers as prescribed under the clause 49 II (C).

### Compensation/Remuneration Committee

#### a. Terms of reference

The Company has constituted the Remuneration Committee of the Board pursuant to the provisions of clause 49 of the Listing Agreement. The 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.

#### b. Remuneration policy of the Company

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.

### c. Composition of the Committee

The Compensation/Remuneration Committee comprises of three Non-Executive Independent Directors and one Non Executive Non Independent Director.

Name of the Committee member	Designation	Date of change
Mr. Amit Sharma	Non-Executive Independent Director	Not applicable
Mr. Subroto Bhattacharya	Non-Executive Independent Director	Resigned from the Directorship and membership of the Committee w.e.f. July 02, 2012
Mr. Surendra Singh	Non-Executive Independent Director	Not applicable
Mr. Vijay K Thadani	Non-Executive Non- Independent Director	Appointed as member of the Committee w.e.f. April 15, 2012

### Meetings held and attendance during the year:

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

Name of Director	May 03, 2012	July 02, 2012	January 14, 2013
Mr. Amit Sharma	Y	Y	Y
Mr. Vijay K Thadani	Y	Y	Y
Mr. Surendra Singh	Y	Y	Y
Mr. Subroto Bhattacharya	N	NA	NA

Y: Attended N : Leave of absence granted NA: Not applicable

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, 2012 to March 31, 2013

#### A. Executive Directors

Name of Director	Mr. Rajendra S Pawar	Mr. Arvind Thakur
Salary and Allowances Part – A	8,470,000	10,468,840
Perquisites Part – B	0	956,431
Contribution to Provident Fund, Superannuation Fund or Annuity Fund	1,562,897	1,910,941
Performance- linked Bonus*	9,000,000	11,500,000
<b>Total</b>	<b>19,032,897</b>	<b>24,836,212</b>

\*Paid during the year pertaining to the year 2011-12

**Service Contracts:** The current term of Mr. Rajendra S Pawar and Mr. Arvind Thakur shall 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.

Particulars	Mr. Vijay Thadani	Mr. Surendra Singh	Mr. Amit Sharma	Mr. Ashwani Puri
<b>Commission</b>	7,00,000	7,00,000	8,10,000	6,74,109
<b>Sitting Fees</b>	2,00,000	2,20,000	2,20,000	1,80,000

### Note:

- 1) Mr. Amit Sharma was Chairman of the Audit Committee from May 04, 2012 to July 15, 2012
- 2) Mr. Ashwani Puri became Chairman of the Audit Committee on July 16, 2012. He became Director on May 4, 2012.

## Details of Stock options granted to Non executive Directors under ESOP 2005

Name	Mr. Vijay Thadani	Mr. Subroto Bhattacharya	Mr. Surendra Singh	Mr. Amit Sharma	Mr. Ashwani Puri
No. of options granted	NIL	43200	43200	43200	NIL
Entitlement due to bonus issue	NIL	NIL	NIL	5,850	NIL
No. of options exercised during the year 2006-07	NIL	11,700	11,700	NIL	NIL
No. of options exercised during the year 2007-08	NIL	NIL	NIL	NIL	NIL
No of options exercised during the year 2008-09	NIL	NIL	NIL	17550 (including bonus shares)	NIL
No of options exercised during the year 2009-10	NIL	NIL	NIL	NIL	NIL
No of options exercised during the year 2010-11	NIL	21,000	15,800	NIL	NIL
No of options exercised during the year 2011-12	NIL	10,500	Nil	10,500	NIL

No of options exercised during the year 2012-13	NIL	Nil	Nil	10,500	NIL
Date of allotment of shares	NIL	Nil	Nil	June 18, 2012	NIL
Outstanding Options as on March 31, 2013	NIL	NIL	15,700	10,500	NIL

## Details of equity shareholding of Non-Executive Directors as on March 31, 2013

Name	Number of shares held
Mr. Amit Sharma	42205
Mr. Vijay K Thadani	959
Mr. Subroto Bhattacharya	NIL
Mr. Surendra Singh	NIL
Mr. Ashwani Puri	NIL

## Shareholders'/Investors' Grievances Committee

### a. Terms of reference

In compliance with the requirement of Corporate Governance under the Listing Agreement, the Company has constituted the Shareholders'/Investors' Grievances Committee which 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.

### b. Composition of the Committee

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

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

### c. 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 03, 2012	July 18, 2012	Oct 15, 2012	Jan 14, 2013
Mr. Amit Sharma	Y	Y	Y	Y
Mr. Vijay K Thadani	Y	Y	Y	Y
Mr. Arvind Thakur	Y	Y	Y	Y

Y: Attended N: Leave of absence

During the year April 1, 2012 to March 31, 2013, the Company received a total of 219 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, 2013 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, 2012 to March 31, 2013**

Nature	Re quest/ ueries Received	Complaints Received	Resolved	Unresolved
	Nos.	Nos.	Nos.	Nos.
Change of address	19	-	19	-
Change of bank details	38	-	38	-
Correction in D/W & issue DD	82	-	82	-
Dividend not received	-	45	45	-
Legal matter, shares in legal dispute	1	-	1	-
Others	3	-	3	-
Non receipt of annual report/ notice	-	5	5	-
Non receipt of share cert lodged for transfer	-	1	1	-
Request for annual report	7	-	7	-
Request for bonus shares	4	-	4	-
Request for duplicate share certificates	3	-	3	-
Sebi/stock exchange	-	5	5	-
Share certificates lodged for transfer	6	-	6	-
<b>Total</b>	<b>163</b>	<b>56</b>	<b>219</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/Postal Ballot**

Year	Location	Date	Day	Time	Special Business
2012	Mapple Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110 074	July 02	Monday	0 9 : 0 0 A.M.	1. Mr. Subroto Bhattacharya, Director, who retires by rotation at the annual general meeting expressed his desire not be reappointed. 2. Re-appointment of Mr. Ashwani Puri as Director liable to retire by rotation.
2011	Parkland Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110 074	July 01	Friday	0 9 : 0 0 A.M.	NIL
2010	Parkland Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110 074	July 09	Friday	0 9 : 3 0 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
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**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, 2012 to March 31, 2013 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 6,04,850 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 2012-13. This code has been displayed on the Company's website.



#### f. Management's Discussion and Analysis

A detailed Management's Discussion and Analysis of the Company's performance and operations is provided separately as a part of this Annual Report.

#### g. Disclosure regarding appointment/re-appointment of Directors

All the Directors except the Directors in Executive capacity, are liable to retire by rotation and if, eligible, may offer themselves for reappointment. Accordingly, Mr. Vijay K Thadani & Mr. Amit Sharma, Directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

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

#### h. Unclaimed shares

As per SEBI Circular CIR/CFD/DIL/10/2010 dated December 16, 2010 read with Clause 5A of the Listing Agreement, the Company has opened Unclaimed Suspense Account i.e. "NIIT Technologies Limited - Unclaimed Suspense Account" with Alankit Assignments Limited and the unclaimed shares lying with the Company have been dematerialized and credited to "NIIT Technologies Limited - Unclaimed Suspense Account". The details of unclaimed shares of the Company for the year ended March 31, 2013 are as under:

S. No.	Particulars	No. of Shareholders	No. of Shares
i.	Aggregate number of shareholders and the outstanding shares transferred to Unclaimed Suspense Account during the year	226	36,420
ii.	Number of shareholders who approached for transfer of shares from Unclaimed Suspense Account during the year	-	-
iii.	Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year	-	-
iv.	Aggregate number of shareholders and the outstanding shares lying in Unclaimed Suspense Account at the end of the year	226	36,420

#### 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 2012-13.

##### b. Non-mandatory Requirements

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

- Compensation/Remuneration Committee: The Company has a functioning Compensation/Remuneration Committee. Please see the para on Compensation/Remuneration Committee for details.
- Whistle Blower Policy: The Company does not have a separate whistle blower policy. However, the code of conduct of the Company reflects the mechanism by which the employees may report to the Management their concerns about unethical behaviors, actual or suspected frauds or violation of the Company's code of conduct or ethics policy.

#### c. Code for prevention of Insider -Trading Practices

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

#### d. Statutory Compliance, Penalties and Strictures

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

#### e. Compliance Officer

Mr. Onkarnath Banerjee, Company Secretary is the Compliance Officer. The Compliance officer can be contacted for any investor related matter of the Company. His contact no. is +91-120-711 8400, Fax no. is +91-120-711 9150 and e-mail ID is investors@niit-tech.com.

#### MEANS OF COMMUNICATION

- 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.
- The Company had Quarterly/Annual Earnings Calls on May 04, 2012, July 19, 2012, October 16, 2012, January 15, 2013 and Press Conferences in the months of May 2012, July 2012, October 2012 and January 2013 for the investors of the Company immediately after the declaration of Quarterly/Annual results. Transcripts of the quarterly/annual earnings calls are displayed on the Company's aforementioned website, in the 'Investors' section.
- The Management Perspective, Business Review and Financial Highlights are part of the Annual Report.

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

Financial Results	Newspapers	Date of publication
Audited financial results for the quarter / Year ended March 31, 2012	Business Standard- English Business Standard- Hindi	May 05, 2012
Unaudited financial results for the quarter ended June 30, 2012	Business Standard- English Business Standard- Hindi	July 20, 2012
Unaudited financial results for the quarter ended September 30, 2012	Business Standard- English Business Standard- Hindi	October 17, 2012
Unaudited financial results for the quarter ended December 31, 2012	Business Standard- English Business Standard- Hindi	January 16, 2013

## SHAREHOLDERS' INFORMATION

### a. Annual General Meeting

Date: Monday, July 01, 2013

Time: 09.00 A.M.

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

**Book Closure Date :** 22/06/2013 to 01/07/2013 (both days inclusive)

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

Financial reporting for the first quarter ending 30th June, 2013	By 2nd week of July
Financial reporting for the second quarter ending 30th September, 2013	By 2nd week of October
Financial reporting for the third quarter ending 31st December, 2013	By 2nd week of January
Financial reporting for the year ending 31st March, 2014	By the last week of May
Annual General Meeting for the year ending 31st March, 2014	By the last week of July

### c. Dividend

The Board of Directors have recommended a dividend of Rs. 8.50 per Equity Share of Rs.10/- each, subject to approval of the shareholders' at the ensuing Annual General Meeting. The dividend, if declared, shall be paid to the shareholders within 30 days from the date of AGM as per the provisions of the Companies Act, 1956.

The dividend, if declared, would be paid to such shareholders whose names appear in the Register of Members as on 01st July, 2013 for shares held in physical form. In respect of shares held in electronic form, 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, 2013.

During the year the Company has transferred Rs. 8,01,619/- 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 Shareholders may avail this facility by sending the duly completed Form 2B as revised vide Notification No. GSR 836(E) dated 24th October 2000, issued by the Department of Company Affairs, to the Registered Office of the Company/Registrar of the Company in case shareholding is in physical forms. In case of demat holdings the request is to be submitted to the concerned Depository Participant.

### e. Listing of Shares

The Equity shares of the Company are currently listed at the Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd. Listing fees for the period April 1, 2013 to March 31, 2014 have been paid to both the Stock Exchanges.

### f. Stock Code

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

### g. Compliance certificate of the Auditors

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

### h. Stock Market Data

The monthly high and low share prices and market capitalization of Equity Shares of the Company traded on BSE and NSE from April 1, 2012 to March 31, 2013 and the comparison of share prices of the Company vis-à-vis the Sensex and Nifty Indices (end-of-month closing) are given below:

### Share price movement during the year April 1, 2012 to March 31, 2013

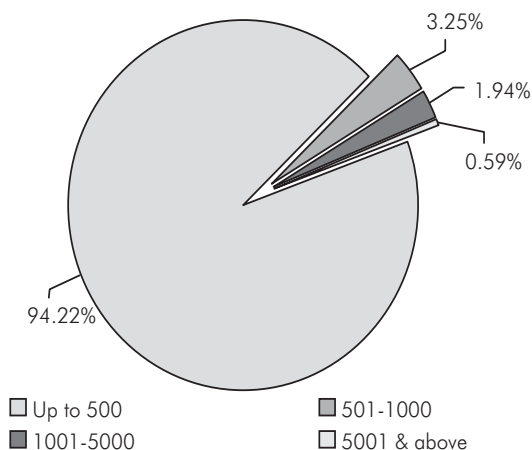
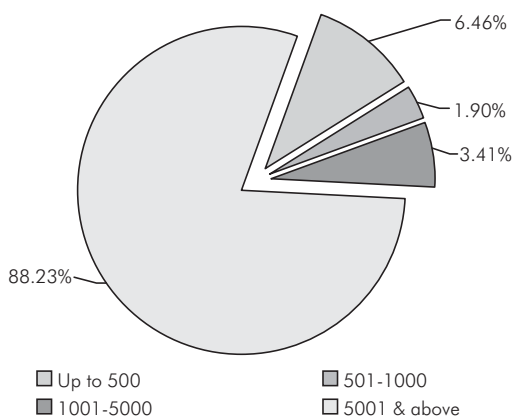
Month	Bombay Stock Exchange				National Stock Exchange			
	Sensex	High Price (Rs.)	Low Price (Rs.)	Market Cap* Rs Mn	Nifty	High Price (Rs.)	Low Price (Rs.)	Market Cap* Rs Mn
Apr-12	17319	279.40	238.50	15,498	5248	279.80	238.45	15,555
May-12	16219	317.00	227.10	18,450	4924	321.70	227.25	18,733
Jun-12	17430	314.70	275.00	17,109	5279	315.00	272.30	17,127
Jul-12	17236	301.60	272.55	17,502	5229	301.45	278.10	17,517
Aug-12	17430	300.00	250.00	16,487	5259	299.70	252.35	16,688
Sep-12	18763	324.80	266.25	17,911	5703	324.90	266.00	17,905
Oct-12	18505	307.05	270.00	17,675	5620	306.40	268.00	17,696
Nov-12	19340	301.00	268.50	16,806	5880	301.35	254.85	16,806
Dec-12	19427	288.00	240.00	14,597	5905	284.90	238.60	14,579
Jan-13	19895	285.00	242.25	15,729	6035	285.00	242.35	15,885
Feb-13	18862	289.00	245.00	15,850	5693	289.40	244.65	15,904
Mar-13	18836	287.45	252.55	16,948	5683	287.90	253.00	17,011

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



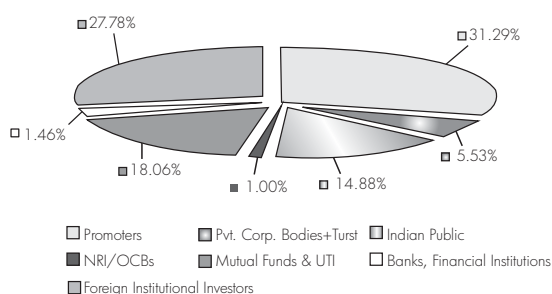
**Shareholding Distribution as on March 31, 2013**

Range (No of Shares)	No. of Shareholders	to Total Shareholders	Total no. of Shares	to Total Shares
Up to -500	46872	94.22	3,893,757	6.46
501-1000	1617	3.25	1,144,131	1.90
1001-5000	965	1.94	2,054,970	3.41
5001 & above	292	0.59	53,144,311	88.23
<b>TOTAL</b>	<b>49746</b>	<b>100.00</b>	<b>60,237,169</b>	<b>100.00</b>

**No. of Shareholders**

**No. of Shares**

**Shareholding Pattern as on March 31, 2013**

Category	No. of Shares held (face value of Rs. 10/- each)	Percentage of total shareholding
<b>Promoters Shareholding</b>		
Indian Promoters	18,847,220	31.29
Foreign Promoters	-	-
<b>Total Promoters Holding</b>	<b>18,847,220</b>	<b>31.29</b>
<b>Public Shareholding</b>		
Mutual Fund and UTI	10,881,089	18.06

Banks, Financial Institutions & Insurance Companies	878,409	1.46
Foreign Institutional Investors	16,738,398	27.78
NRI/Foreign Individuals	600764	1.00
Private Corporate Bodies & Trust	3329197	5.53
Indian Public	8962092	14.88
<b>Total Public Shareholding</b>	<b>41,389,949</b>	<b>68.71</b>
<b>Grand Total</b>	<b>60,237,169</b>	<b>100.00</b>

**Shareholding 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 scrip less trading. As on March 31, 2013, 99.46 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
2005-06	Final Dividend	17-08-2006	16-09-2013
2006-07	Final Dividend	25-07-2007	24-08-2014
2007-08	Final Dividend	28-07-2008	27-08-2015
2008-09	Final Dividend	27-07-2009	26-08-2016
2009-10	Final Dividend	09-07-2010	08-08-2017
2010-11	Final Dividend	01-07-2011	30-07-2018
2011-12	Final Dividend	02-07-2012	01-08-2019

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

**k. Li uidity 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 26 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

8, Balaji Estate, Guru Ravi Das Marg,

Kalkaji, New Delhi – 110 019

**o. Address for correspondence**

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

**The Compliance Officer**

NIIT Technologies Limited

8, Balaji Estate, Guru Ravi Das Marg,

Kalkaji, New Delhi – 110 019 Tel No. : 91 11 41675000

Fax : 91 11 41407120

e-mail – investors@niit-tech.com

**p. Subsidiaries**

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

**Acknowledgements**

Your Directors acknowledge with gratitude the co-operation and assistance provided to your Company by its bankers and government as well as non-governmental agencies. The Board wishes to place on record its appreciation to the committed services and contributions made by employees of the Company. Your Directors also thank the tenants, vendors and other business associates for their continued support. Without their commitment, inspiration and hard work, your company's consistent growth would not have been possible. Your Directors are thankful to the shareholders for their continued patronage and are confident that with their continued contributions and support, the Company will achieve its objectives and emerge stronger in the coming years.

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.

**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 2012-13.

Sd/-

Arvind Thakur

Dated : May 17, 2013

Chief Executive Officer

Place : New Delhi

& 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

8, Balaji Estate, Guru Ravi Das Marg,

Kalkaji, New Delhi – 110 019

We hereby certify that for the Financial Year 2012-13

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 2012-13 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 2012-13 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

Dated: May 17, 2013

Place: New Delhi

#### 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, 2013, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

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

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

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

For Price Waterhouse  
Firm Registration Number: FRN 301112E  
Chartered Accountants  
Sd/-  
Usha Rajeev  
Partner  
Membership No: 87191

#### Annexure A

#### Clause 49-Compliance Status relevant to the Financial Year 2012-13

##### 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 consists of independent directors.

###### Our practice

- The total strength of the Board of the Company is 6 Directors.
- Composition:
 

Executive director	: 2 (28.57%)
Non executive directors	: 4 (66.66%)
Independent directors	: 3 (50%)
- The Chairman is Executive Director and is a promoter of the Company.

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

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

###### Standard

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

###### Our Practice

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

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

###### Standard

There shall be at least four board meetings in a year with maximum time gap of not more than four months between any two meetings. Information given in Annexure-1A of clause 49 should be made available to the Board. The Board shall also review compliance report of all laws applicable to the company.

A director shall not be a member in more than 10 committees or act as a chairman of more than five committees across all companies in which he is a director. The directors should annually inform the company about the committees positions held by them in other companies.

#### Our practice

- During the year under review, the Board of the Company met 5 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.

#### Our Practice

- Company has an 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. Bhattacharya had resigned from the Board w.e.f. July 02, 2012.
- Mr. Amit Sharma is the Executive Vice President and President (Asia), of American Tower Company and is responsible for building a successful Tower leasing business in Asia. Prior to this, he led country teams in India and Southeast Asia for Motorola, and was Head of Strategy, Asia-Pacific. Prior to joining Motorola, he has been associated with Companies like GE Capital, McKinsey & Company and Unilever. He currently serves as a Director of Max Bupa Health Insurance Company Limited. He is also on the Boards of Industry Associations like Amcham India and Tower & Infrastructure Providers Association (TIPA).

Mr. Amit Sharma earned his MBA in International Business from Wharton School of Business where he was on the Deans and Directors Honours list. He also holds an MS in Computers & Information Sciences from the Moore School, University of Pennsylvania and a Bachelor of Technology in Mechanical Engineering from the Indian Institute of Technology (IIT), Kharagpur.

- Mr. Vijay K. Thadani is the Chief Executive Officer of NIIT Ltd, a leading Global Talent Development Corporation. Co-founder of the NIIT Group. Mr. Thadani has led the Group's globalization efforts since 1991, taking the NIIT flag to over 38 countries.

An acknowledged industry thought-leader, Mr. Thadani has served as President of MAIT (Manufacturers' Association for Information Technology) and as Chairman of the Indian Government's Committee on National Information Infrastructure. He has been a member of the Strategy Council of Global Alliance for ICT and Development of the United Nations Department of Economic and Social Affairs (UNDESA-GAID).

Mr. Thadani has Chaired the IT Committee of the Confederation of Indian Industry (CII) in USA, the CII National Committee on Education, India and the CII Northern Region for 2011- 2012.

Mr. Thadani served as the Chairman of the National Accreditation Board for Education and Training (NABET), and the Board of Governors of Indian Institute of Information Technology (IIIT), Allahabad.

Co-founder of NIIT University - a new model in higher education, Mr. Thadani is on Board of leading education institutions, including on the India Advisory Board of the Maastricht University, Netherlands; India Advisory Board of Project Management Institute (PMI), USA and the Governing Council of All India Management Association (AIMA). He was honored with the position of 'Economic Consultant' to Chongqing, world's largest city in the People's Republic of China.

- Mr. Ashwani Puri is a Financial Management veteran and has extensive experience in investment/acquisition advisory services, valuations and decision analysis, business and financial restructuring, dispute analysis and forensics.

He has served on various committees of the Banking Division/Ministry of Finance, Ministry of Corporate Affairs and INSOL International. He also served as a member of PWC's Global Advisory Leadership Team. He is currently the Managing Partner of Veritas Advisors LLP, which provides strategy, governance and financial advisory services.

Mr. Puri is a qualified Chartered Accountant and a Management Accountant from the Chartered Institute of Management Accountants, UK.

- Mr. Amit Sharma was appointed as the Chairman of the Audit Committee in place of Mr. Subroto Bhattacharya for the period May 04, 2012 to July 15, 2012. Mr. Ashwani Puri was appointed as the Chairman of Audit Committee w.e.f. July 16, 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 a secretary to the Audit Committee

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

##### **Standard**

There should be at least four meetings of audit committee in a year and not more 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 Six times and maximum gap between two Audit Committee meetings was less than 90 days between two consecutive Audit Committee meetings.
- Requirement as to quorum had been complied with at every Audit Committee meeting.

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

##### **Standard**

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

##### **Our practice**

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

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

##### **Standard**

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

##### **Our practice**

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

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

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

**Our practice**

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

**Clause 49 (III) Subsidiary Companies**
**Standard**

This sub clause requires representation of Company's director on the Board of its material non-listed Indian Subsidiary. It also prescribes for the review of financial statements of unlisted subsidiary by the audit committee.

The minutes of the board meeting and a statement of all significant transaction and arrangements entered into by the unlisted subsidiary company is also required to be placed at the Board meeting of the listed holding company.

**Our practice**

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

**Disclosures**
**Clause 49 (IV A) Basis of related party transactions**
**Standard**

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

**Our practice**

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

**Clause 49 (IV B) Disclosure of Accounting Treatment**
**Standard**

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

**Our practice**

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

**Clause 49 (IV C) Board Disclosures-Risk Management**
**Standard**

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

**Our practice**

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

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

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

**Our practice**

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

**Clause 49 (IV E) Remuneration of Directors**
**Standard**

All pecuniary relationships or transactions of the non-executive directors' vis-à-vis the Company shall be disclosed in the Annual Report. Annual Report should also contain all details of remuneration of directors including stock option, notice period, severance fees, etc.



Criteria for making payment to non-executive directors and number of shares and other convertible instruments held by them should be disclosed in Annual Report. Non-executive directors are required to disclose their shareholding in the listed company in which they are proposed to be appointed as directors, prior to their appointment.

#### Our practice

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

#### Clause 49 (IV F) Management

##### Standard

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

#### Our practice

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

#### Clause 49 (IV G) Shareholders

##### Standard

In case of the appointment of a new director or re-appointment of a director the shareholders must be provided with brief details of the appointee. Quarterly results and presentations made by the company to analysts shall be put on company's web-site.

A Shareholders'/Investors' Grievance Committee should be formed under chairmanship of a Non-executive director.

To expedite the process, power of share transfer may be delegated and the delegated authority shall attend to share transfer formalities at least once in a fortnight.

#### Our practice

- A brief profile of directors being appointed/re-appointed has been provided in the notice convening the Annual General Meeting.

- Quarterly results are uploaded on website of the Company within 24 hours of approval by the Board. Presentation to analysts, if any, is uploaded on the website of the Company.
- Company has formed a committee named 'Shareholders'/Investors' Grievance Committee' under the chairmanship of Mr. Amit Sharma, a Non-executive & Independent director.
- The work of share transfer has been delegated to Registrar & Share Transfer Agent of the Company under the supervision of Share Transfer Committee which is a 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.

## INDEPENDENT AUDITORS' REPORT

### To the Members of NIIT Technologies Limited Report on the Financial Statements

1. We have audited the accompanying financial statements of NIIT Technologies Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), 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 give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, 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 purpose 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; and
  - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse  
 Firm Registration Number: 301112E  
 Chartered Accountants

Usha Rajeev  
 Partner  
 Membership No. 087191

Place : New Delhi  
 Date : May 17, 2013



## Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of NIIT Technologies Limited on the financial statements as of and for the year ended March 31, 2013

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) 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 the said 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. Therefore, the provisions of Clause 4(iii) (b),(c) and (d) of the said Order are not applicable to the Company.
- (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. Therefore, the provisions of Clause 4(iii) (f) and (g) of the said Order are not applicable to the Company.
- 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, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (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.
- 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, 2013 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 17,390,185	AY 2006-07	ITAT
Income-tax Act, 1961	Income-tax	87,531,007*	AY 2007-08	Commissioner of Income Taxes (Appeals)
Income-tax Act, 1961	Income-tax Interest	7,452,835 1,770,798	AY 2008-09	Commissioner of Income Taxes (Appeals)

**AUDITORS' REPORT (Contd.)**

\* Net of refund of Rs. 35,851,289 and Rs. 29,682,428 for AY 2006-07 and AY 2009-10, respectively has been adjusted by the income tax authorities against demand for the AY 2007-08

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution as at the balance sheet date. The Company does not have any borrowing from bank and also, the Company has not issued any debenture 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. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- 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. 61,245,100 for loans taken by wholly owned subsidiaries from banks during the year, are not prejudicial to 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. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis 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. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- 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 material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Usha Rajeev  
Partner  
Membership No. 087191

Place : New Delhi  
Date : May 17, 2013

**Balance Sheet****(All amounts in Rs., unless otherwise stated)**

	Note		As At March 31, 2013	As At March 31, 2012
<b><u>EQUITY AND LIABILITIES</u></b>				
<b>Shareholders' funds</b>				
Share capital	3	602,371,690	596,323,190	
Reserves and surplus	4	7,076,507,406	7,678,879,096	5,765,401,022
				6,361,724,212
<b>Non- current liabilities</b>				
Long-term borrowings	5	55,531,771	56,892,833	
Other long-term liabilities	6	-	58,847,915	
Long-term provisions	7	250,585,333	306,117,104	2,621,000
				118,361,748
<b>Current liabilities</b>				
Trade payables	8	943,212,824	586,317,993	
Other current liabilities	9	525,128,730	586,521,022	
Short term provisions	10	704,834,484	2,173,176,038	846,166,298
				2,019,005,313
<b>TOTAL</b>			<b>10,158,172,238</b>	<b>8,499,091,273</b>

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

<b>Fixed assets</b>				
Tangible assets	11	2,604,087,662	2,545,606,115	
Intangible assets	12	135,326,697	107,914,493	
Capital work-in-progress (tangible)		277,481,293	2,178,081	
			3,016,895,652	2,655,698,689
<b>Non-current investments</b>				
	13		1,234,190,419	1,195,322,849
Deferred tax assets (net)	14		70,429,185	111,120,442
Long-term loans and advances	15		186,023,899	110,839,807
Other non-current assets	16		132,200,000	217,061,853

**Current assets**

Current investments	17	750,000,000	465,000,000	
Trade receivables	18	3,176,351,263	2,344,056,631	
Cash and bank balances	19	659,938,971	826,519,101	
Short-term loans and advances	20	500,875,969	301,795,675	
Other current assets	21	431,266,880	5,518,433,083	271,676,226
				4,209,047,633
<b>TOTAL</b>			<b>10,158,172,238</b>	<b>8,499,091,273</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.301112E  
Chartered Accountants

Rajendra S Pawar  
Chairman & Managing Director  
DIN 00042516

Arvind Thakur  
CEO & Jt. Managing Director  
DIN 00042534

Usha Rajeev  
Partner  
Membership No. 087191

Ashok Arora  
Group Chief Financial Officer

Pratibha K Advani  
Chief Financial Officer

Onkarnath Banerjee  
Company Secretary  
& Legal Head

Place : New Delhi  
Date : May 17, 2013

**Statement of Profit and Loss****(All amounts in Rs., unless otherwise stated)**

	Note	Year ended March 31, 2013	Year ended March 31, 2012
Revenue from operations	25	11,083,046,208	8,274,632,878
Other income	26	328,960,012	305,992,650
<b>Total revenue</b>		<b>11,412,006,220</b>	<b>8,580,625,528</b>
<b>Expenses</b>			
Purchases of stock in trade	27	915,454,927	203,325,728
Employee benefits expense	28	5,901,464,096	4,833,098,143
Finance costs	29	25,775,116	15,547,384
Depreciation and amortization expense	30	398,423,300	243,276,759
Other expenses	31	1,906,346,321	1,627,151,013
<b>Total expenses</b>		<b>9,147,463,760</b>	<b>6,922,399,027</b>
Profit before exceptional and extraordinary items and tax		2,264,542,460	1,658,226,501
Exceptional and Extraordinary items		-	-
<b>Profit before tax</b>		<b>2,264,542,460</b>	<b>1,658,226,501</b>
<b>Tax expense</b>			
Current tax		519,049,189	360,957,722
Deferred tax		(19,137,579)	54,773,595
Minimum Alternate Tax Credit		85,952,249	111,225,502
<b>Profit for the year from continuing operations</b>		<b>1,678,678,601</b>	<b>1,131,269,682</b>
<b>Profit for the year</b>		<b>1,678,678,601</b>	<b>1,131,269,682</b>

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

	37		
Basic		27.98	19.05
Diluted		27.64	18.83

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. 301112E  
Chartered Accountants

Rajendra S Pawar  
Chairman & Managing Director  
DIN 00042516

Arvind Thakur  
CEO & Jt. Managing Director  
DIN 00042534

Usha Rajeev  
Partner  
Membership No. 087191

Ashok Arora  
Group Chief Financial Officer

Pratibha K Advani  
Chief Financial Officer

Onkarnath Banerjee  
Company Secretary  
& Legal Head

Place : New Delhi  
Date : May 17, 2013

**Cash Flow Statement**
**(All amounts in Rs., unless otherwise stated)**

	Year ended March 31, 2013	Year ended March 31, 2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	2,264,542,460	1,658,226,501
Adjustments for:		
Depreciation and amortization expense	398,423,300	243,276,759
Exchange (gain)/loss including on derivatives	77,425,642	(81,139,709)
Provision for gratuity and compensated expenses	(189,650,696)	95,025,067
Provision for doubtful debts	11,877,960	6,226,362
Provision for doubtful advances	(1,546,064)	(26,147,973)
Interest expenses	11,528,903	7,357,391
Interest income	(20,415,884)	(21,279,583)
Dividend income	(71,200,000)	-
Loss on disposal/write off of fixed assets	809,763	4,932,162
Profit on sale of investment	(49,979,227)	(24,244,021)
Operating profit before working capital changes	2,431,816,157	1,862,232,956
Add / (less) : (increase)/decrease in working capital		
Trade receivables	(922,811,658)	(462,326,031)
Long-term loans and advances	(75,184,092)	2,115,598
Other non-current assets	84,861,853	(51,169,566)
Short term loans and advances	(234,718,168)	112,971,435
Other Current assets	(133,550,282)	294,413,118
Trade payables	357,113,739	211,511,378
Other current liabilities	24,584,576	66,321,705
Other long-term liabilities	(58,847,915)	58,847,915
Short term provisions	(5,445,476)	(29,522,580)
Long term provisions	247,964,333	(102,000)
Other bank balances	306,445,833	(431,170,132)
	(409,587,257)	(228,109,160)
Net cash from operating activities before taxes	2,022,228,900	1,634,123,796
Direct Tax paid (including tax deducted at source)	(481,865,251)	(362,456,752)
<b>Net cash from/(used in) Operating Activities (A)</b>	<b>1,540,363,649</b>	<b>1,271,667,044</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of tangible and intangible assets (includes capital WIP)	(770,144,787)	(654,443,863)
Proceeds from sale of tangible and intangible assets	9,714,761	1,271,816
Investment in subsidiaries	(38,867,570)	(49,534,171)
Short term investments with mutual funds		
- Value of units purchased	(3,814,999,899)	(2,600,156,145)
- Value of units sold	3,579,979,125	2,379,400,167
Dividend income	71,200,000	
Loan received back	-	250,000,000
Interest received on fixed deposit and loan	23,827,078	12,151,555
<b>Net cash from / (used in) Investing Activities (B)</b>	<b>(939,291,292)</b>	<b>(661,310,641)</b>

**Cash Flow Statement**
**(All amounts in Rs., unless otherwise stated)**

	Year ended March 31, 2013	Year ended March 31, 2012
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital (including share premium and share application)	87,463,810	54,238,797
Term loans		
-Received	44,782,813	58,973,101
-Repaid	<u>(37,449,732)</u>	<u>(16,304,140)</u>
	7,333,081	42,668,961
Interest paid on fixed loan	(11,528,903)	(7,357,391)
Dividend paid (including dividend tax)	(544,474,642)	(496,094,846)
Net cash from/(used in) Financing Activities (C)	<u>(461,206,654)</u>	<u>(406,544,479)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A B C)</b>	<u>139,865,703</u>	<u>203,811,924</u>
Cash and Cash Equivalents at the beginning of the year (refer note 19)	385,129,162	181,317,238
<b>Cash and Cash Equivalents at the end of the year</b> (refer note 19)	524,994,865	385,129,162
Cash and Cash Equivalents represent		
Cash on hand	157,653	110,786
Cheques, drafts on hand	110,032,374	1,973,911
- Current accounts	414,804,838	323,044,465
-Fixed deposits/accounts (less than 3 months maturity)	-	60,000,000
	<u>524,994,865</u>	<u>385,129,162</u>

**Notes:**

- 1 The above Cash flow statement 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 parenthesis 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. 301112E  
Chartered Accountants

Rajendra S Pawar  
Chairman & Managing Director  
DIN 00042516

Arvind Thakur  
CEO & Jt. Managing Director  
DIN 00042534

Usha Rajeev  
Partner  
Membership No. 087191

Ashok Arora  
Group Chief Financial Officer

Pratibha K Advani  
Chief Financial Officer

Onkarnath Banerjee  
Company Secretary  
& Legal Head

Place : New Delhi  
Date : May 17, 2013



## Notes to the financial statements

### 1 General Information

NIIT Technologies Limited ("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 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 and non current classification of assets and liabilities.

#### 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 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 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 Building, Plant and Machinery, Vehicles and Patents are depreciated / amortized 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 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.

## Notes to the financial statements

### 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 Revenue Recognition

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

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

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

### 2.8 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.

### 2.9 Employee Benefits

#### Provident Fund

The Company makes contribution to the "NIIT Technologies Limited Employees' Provident Fund Trust". The above Trust has been notified on 20th March 2009, by Ministry of Labour and Employment, Government of India as an exempt trust. The Trust is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investment of the Trust and interest rate notified every year by the Government. The Company's obligation towards any shortfall is actuarially determined and provided for. The 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 recognized 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.

#### 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.

## Notes to the financial statements

### 2.10 Foreign Currency Translation

#### 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.

### 2.11 Hedge Accounting

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

### 2.12 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 capitalized.

### 2.13 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 ("MAT Credit") 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.

### 2.14 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.

## Notes to the financial statements

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.

### 2.15 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.

### 2.16 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.

### 2.17 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.

### 2.18 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, 2013	As At March 31, 2012
3 Share capital		
Authorised		
75,000,000 (Previous Year 75,000,000) Equity Shares) of Rs. 10/- each	750,000,000	750,000,000
Issued, subscribed and paid up		
60,237,169 (Previous Year 59,632,319) Equity Shares of Rs. 10/- each	602,371,690	596,323,190
a) Reconciliation of number of shares		

Particulars	Equity Shares			
	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	59,632,319	596,323,190	59,251,056	592,510,560
Shares issued during the year	604,850	6,048,500	381,263	3,812,630
Shares outstanding at the end of the year	60,237,169	602,371,690	59,632,319	596,323,190

**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, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Scantech Evaluation Services Ltd	14,493,480	24.06	14,493,480	24.30
Fidelity Management and Research Company A/c Fidelity Advisor Series 1 Fidelity Advisor Small Cap Fund	3,800,000	6.31	3,717,882	6.23

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

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

**e) Shares allotted as fully paid up pursuant to contract without payment being received in cash (during 5 years immediately preceeding March 31, 2013), 1,538,774 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, 2013	As At March 31, 2012
4 Reserves and surplus		
Capital redemption reserve	16,570,603	16,570,603
<b>Security premium reserve</b>		
Balance as at the beginning of the year	103,907,059	60,365,915
Add: Transferred from stock options outstanding	74,506,510	43,541,144
Balance as at the end of the year	178,413,569	103,907,059
<b>Employee stock options outstanding</b>		
Options granted till date	6,885,023	-
Add: Compensation for options granted during the year	15,236,377	16,660,000
Less: deferred employee stock compensation	8,327,577	9,774,977
Balance as at the end of the year	13,793,823	6,885,023
<b>General reserve</b>		
Balance as at the beginning of the year	1,349,289,551	1,236,162,583
Add: Balance Transferred from statement of profit and loss	167,867,860	113,126,968
Balance as at the end of the year	1,517,157,411	1,349,289,551
<b>Surplus in statement of profit and loss</b>		
Balance as at the beginning of the year	4,357,092,740	3,882,277,731
Profit for the year	1,678,678,601	1,131,269,682
Less: Appropriations		
Dividend paid (relating to Previous Year)	2,352,960	360,173
Corporate dividend tax on above	371,563	58,430
Proposed dividend on equity Shares	512,015,937	477,058,552
Corporate dividend tax	84,657,523	65,850,550
Transferred to general reserve	167,867,860	113,126,968
Balance as at the end of the year	5,268,505,498	4,357,092,740
<b>Hedging reserve surplus / (deficit)</b>	82,066,502	(68,343,954)
<b>Total</b>	<b>7,076,507,406</b>	<b>5,765,401,022</b>
5 Long-term borrowings		
Secured		
Vehicle loan		
From Financial Institution/ Bank	55,531,771	56,892,833
	<u>55,531,771</u>	<u>56,892,833</u>
Vehicle loans from Financial Institution/Bank are secured by way of hypothecation of the vehicles financed.		
6 Other long term liabilities		
Unearned revenue	-	58,847,915
	<u>-</u>	<u>58,847,915</u>
7 Long-term provisions		
<b>Provision for employee benefits</b>		
Provision for compensated absences	250,585,333	2,621,000
	<u>250,585,333</u>	<u>2,621,000</u>



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

	As At March 31, 2013	As At March 31, 2012
<b>8 Trade payables</b>	<b>943,212,824</b>	<b>586,317,993</b>

There are no micro and small scale enterprises to which the Company owes dues as at 31st March 2013. 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 financial institution/bank (Refer note (a) below)	31,184,587	22,490,444
Advances from customers	21,762,715	96,552,853
Unclaimed dividend [Refer note (b) below]	12,548,922	11,389,939
Income received in advance(deferred/ unearned Revenue)	65,805,150	44,703,857
Employee benefits payable	292,900,820	232,664,383
Statutory dues including provident fund and tax deducted at source	100,926,536	82,889,552
Derivative instruments fair value liability	-	95,829,994
	<u>525,128,730</u>	<u>586,521,022</u>

(a) Vehicle loans from banks/Financial Institution are secured by way of hypothecation of the vehicles financed.

(b) 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.

**10 Short-term provisions**

Provision for compensated absences	93,524,891	283,175,587
Proposed dividend on equity shares	512,015,937	477,058,552
Corporate dividend distribution tax	84,657,523	65,850,550
Provision for contract warranties	14,636,133	20,081,609
	<u>704,834,484</u>	<u>846,166,298</u>

## Notes to the financial statements

### 11 Tangible Assets

(All figures in Rs. unless otherwise stated)

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2012	Additions during the Year	Sales / Adj. during the Year	As at March 31, 2013	For the Year	Sales / Adj. during the Year	As at March 31, 2013	As at March 31, 2012
Land - Freehold	167,165	-	-	167,165	-	-	167,165	167,165
Land - Lease Hold	300,912,075	-	-	300,912,075	3,463,576	-	280,786,458	284,250,034
Buildings	1,213,977,747	36,607,964	-	1,250,585,711	20,117,038	-	1,206,143,709	1,189,652,783
Plant and Machinery								
-Computers and Peripherals	660,393,027	81,862,366	66,216,228	676,039,165	87,164,744	65,969,529	165,123,834	170,672,911
-Office Equipment	92,818,352	7,702,878	39,600	100,481,630	13,537,599	29,395	81,970,529	79,280,753
-Others	495,607,895	76,801,206	3,286,338	569,122,763	29,258,628	1,019,037	482,104,113	436,828,836
Furniture and Fixtures	338,655,746	15,701,162	3,201,592	351,155,316	31,637,193	2,842,270	251,409,263	267,704,616
Lease Hold Improvements	203,515,755	2,927,124	-	206,442,879	7,875,127	-	9,457,185	14,405,188
Vehicles	117,742,411	45,237,511	10,156,870	152,823,052	13,482,585	2,683,521	126,925,406	102,643,829
Total	3,423,790,173	266,840,211	82,900,628	3,607,729,756	198,001,788	72,543,752	2,604,087,662	2,545,606,115
Previous Year	1,538,202,718	1,898,742,352	13,154,897	3,423,790,173	152,853,211	6,950,919	2,545,606,115	

### 12 Intangible Assets

Description of Assets	GROSS BLOCK			AMORTISATION			NET BLOCK	
	As at April 1, 2012	Additions during the Year	Sales / Adj. during the Year	As at March 31, 2013	For the Year	Sales / Adj. during the Year	As at March 31, 2013	As at March 31, 2012
Software-External	759,420,410	228,001,364	348,634,592	638,787,182	200,420,413	348,466,944	135,324,417	107,911,114
Patents	23,152	-	-	23,152	1,099	-	2,280	3,379
Total	759,443,562	228,001,364	348,634,592	638,810,334	200,421,512	348,466,944	135,326,697	107,914,493
Previous Year	644,273,555	115,170,007	-	759,443,562	90,423,548	-	107,914,493	

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

	As At March 31, 2013	As At March 31, 2012
13 Non-current investments		
Trade investments (valued at cost unless stated otherwise)		
<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 Pacific Pte Ltd., Singapore	77,518,750	77,518,750
3,276,427 (Previous Year 3,276,427) Equity Shares of 1 UK Pound each fully paid-up in NIIT Technologies Ltd.,UK	204,426,821	204,426,821
890,000 (Previous Year 890,000) equity Shares of Rs 10/- each fully paid-up in NIIT GIS Ltd	8,900,000	8,900,000
537,900 (Previous Year 537,900) Equity Shares of Euro 1 each fully paid-up in 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>
	250,000,000	250,000,000
1,000,000 (Previous Year 1,000,000) Equity Shares of Euro 1 each fully paid-up in NIIT Airline Technology GmbH Germany	223,813,064	223,813,064
10 (Previous Year 10)Equity Shares of USD 5,000 each fully paid-up in NIIT Technologies Limited, Canada	1,969,500	1,969,500
5000 (Previous Year 5000) Equity Shares of 1000 AED each fully paid in NIIT Technologies FZ LLC Dubai	63,141,800	63,141,800
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
10,000 (Previous Year Nil) equity shares of Peso 100 each in NIIT Technologies Phillipines Inc	38,867,570	-
	<u>1,234,190,419</u>	<u>1,195,322,849</u>
Aggregate amount of unquoted investments	1,234,190,419	1,195,322,849
Aggregate provision for diminution in value of investments	250,000,000	250,000,000

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

	As At March 31, 2013		As At March 31, 2012
14 Deferred tax assets (net)	<u>70,429,185</u>		<u>111,120,442</u>
Deferred tax			
Break up of deferred tax assets/ liabilities is as follows:			
Deferred tax assets / liabilities			
Deferred tax assets	As at April 1, 2012	Charged / (Credited) during the year	As at March 31, 2013
a) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	-	-	-
b) Provision for doubtful debts and Advances	5,125,894	(1,958,516)	3,167,378
c) Provision for compensated absences, bonus and gratuity	108,463,507	16,809,198	125,272,705
d) Other expenses	20,909,739	33,716,548	54,626,287
Total (A)	<u>134,499,140</u>	<u>48,567,230</u>	<u>183,066,370</u>
Deferred tax liabilities			
a) Tax impact of expenses not charged in the financial statements but claimed as deduction under income tax	7,531,603	(89,843)	7,441,760
b) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	43,333,135	28,524,978	71,858,113
Total (B)	<u>50,864,738</u>	<u>28,435,135</u>	<u>79,299,873</u>
Deferred tax assets (net) (A - B)	83,634,402	20,132,095	103,766,497
Add: Deferred Tax Asset related to fair value loss on derivative instruments not charged in the Statement of Profit and Loss but taken to the Balance Sheet.	27,486,040		(33,337,312)
Net deferred tax assets	<u>111,120,442</u>		<u>70,429,185</u>

**Note :**

- (a) 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.
- (b) Amount of Rs.20,132,095 includes exchange fluctuation of Rs. 994,516 relating to deferred tax assets created for US Branch operations.

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

	As At March 31, 2013	As At March 31, 2012
<b>15 Long term loans and advances</b> (Unsecured considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
-Considered good	45,704,255	10,848,557
Security deposits		
-Considered good	77,412,938	96,023,920
-Considered doubtful	1,459,716	1,459,716
	<u>78,872,654</u>	<u>97,483,636</u>
Less -Provision for doubtful security deposits	<u>(1,459,716)</u>	<u>(1,459,716)</u>
	77,412,938	96,023,920
Capital advances	62,906,706	3,967,330
	<u>186,023,899</u>	<u>110,839,807</u>
<b>16 Other non current assets</b>		
Long term trade receivables	-	177,461,853
Margin money deposits	132,200,000	39,600,000
	<u>132,200,000</u>	<u>217,061,853</u>
<b>17 Current investments</b> At cost or market value, whichever is less		
Unquoted		
In Mutual funds	750,000,000	465,000,000
	<u>750,000,000</u>	<u>465,000,000</u>

Liquid Scheme of Mutual Fund	As at March 31 2013		As at March 31 2012	
	Units	Value	Units	Value
Tata Mutual Fund	32,538	70,000,000	20,286	40,000,000
SBI Mutual Fund	6,851,589	90,000,000	29,664	50,000,000
Birla Sun Life Mutual Fund	1,215,951	90,000,000	300,406	50,000,000
Reliance Mutual Fund	3,225,350	90,000,000	-	-
Franklin Templeton Mutual Fund	4,049,835	90,000,000	41,791	65,000,000
IDFC Mutual Fund	1,707,570	40,000,000	38,796	50,000,000
UTI Mutual Fund	26,608	50,000,000	34,219	60,000,000
HDFC Mutual Fund	5,145,149	80,000,000	2,800,807	60,000,000
Prudential ICICI Mutual Fund	430,416	70,000,000	263,153	40,000,000
KOTAK Mutual Fund	910,683	80,000,000	2,305,465	50,000,000
<b>Total</b>		<u>750,000,000</u>		<u>465,000,000</u>

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

	As At March 31, 2013	As At March 31, 2012
<b>18 Trade receivables</b>		
Unsecured considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	103,743,597	63,976,924
Others	3,072,607,666	2,280,079,707
Unsecured considered doubtful		
Outstanding for a period exceeding 6 months from the date they are due for payment	8,302,583	14,339,001
Others	-	-
Less: Provision for doubtful debts	8,302,583	14,339,001
	<u>3,176,351,263</u>	<u>2,344,056,631</u>
<b>19 Cash and bank balances</b>		
Cash and cash equivalents		
Cash on hand	157,653	110,786
Cheques, drafts on hand	110,032,374	1,973,911
Bank balances		
- Current accounts	414,804,838	323,044,465
- Fixed deposit accounts (less than 3 months maturity)"	-	60,000,000
	<u>524,994,865</u>	<u>385,129,162</u>
Other Bank Balances		
- Long term deposits with maturity more than 3 months but less than 12 months	122,395,184	430,000,000
- Unpaid dividend account	12,548,922	11,389,939
	<u>659,938,971</u>	<u>826,519,101</u>
<b>20 Short term loan and advances</b>		
(Unsecured, considered good except where otherwise stated)		
a) Other loans and advances		
Advances recoverable in cash or in kind or for value to be received		
b) -Considered good	383,461,921	172,508,579
-Considered doubtful	-	1,546,064
	<u>383,461,921</u>	<u>174,054,643</u>
Less: Provision for doubtful advances	-	1,546,064
	<u>383,461,921</u>	<u>172,508,579</u>
Security deposits (unsecured )		
-Considered good	48,464,018	23,153,128
Advance income tax	1,572,797,285	1,088,339,633
Less: Provision for income tax	1,504,111,190	982,469,600
	<u>68,686,095</u>	<u>105,870,033</u>
Advance fringe benefits tax	49,383,996	49,383,996
Less: Provision for fringe benefits tax	49,120,061	49,120,061
	<u>263,935</u>	<u>263,935</u>
	<u>500,875,969</u>	<u>301,795,675</u>



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

	As At March 31, 2013	As At March 31, 2012
<b>21 Other current assets</b>		
(Unsecured, considered good)		
Minimum Alternate Tax credit entitlement	140,172,651	226,124,900
Unbilled revenue	168,734,050	35,183,768
Interest accrued on FD's	6,956,365	10,367,558
Derivative instruments fair value assets	115,403,814	-
	<u>431,266,880</u>	<u>271,676,226</u>
<b>22 Proposed dividend</b>		
On equity shares of Rs. 10 each		
Amount of dividend proposed	512,015,937	477,058,552
Dividend per equity share	8.50	8.00
<b>23 Contingent liabilities</b>		
Claims against the company not acknowledged as debts		
Income tax matters	299,325,686*	205,987,472
*Includes refund of Rs. 35,851,289 and Rs. 29,682,428 for AY 2006-07 and AY 2009-10, respectively which has been adjusted by the income tax authorities against demand for the AY 2007-08.		
Claims made by customers - pending under arbitration	3,230,000	6,230,000
<b>24 Capital and other commitments</b>		
(a) Capital commitments		
Estimated value of contracts in capital account remaining to be executed	597,664,754	275,124,626
(b) Other commitments		
Guarantees to banks against lines of credit sanctioned to wholly owned overseas subsidiaries	61,245,100	463,901,280
Guarantees on behalf of wholly owned overseas subsidiaries	1,879,016,550	1,659,867,450
	Year ended March 31, 2013	Year ended March 31, 2012
<b>25 Revenue from operations</b>		
Sales of products		
Traded goods	1,000,677,507	264,683,853
Sale of services	10,082,368,701	8,009,949,025
	<u>11,083,046,208</u>	<u>8,274,632,878</u>
<b>26 Other income</b>		
Net gain on sale of investments	49,979,227	24,244,021
Recovery from subsidiaries for common corporate expenses	51,741,901	41,300,763
Interest on :		
- Loans	-	10,027,396
-Bank deposits	20,415,884	11,252,187
	<u>20,415,884</u>	<u>21,279,583</u>
Miscellaneous income	41,822,731	8,727,169
Dividend Income from subsidiary	71,200,000	-
Gain on exchange fluctuations (net)	93,800,269	210,441,114
	<u>328,960,012</u>	<u>305,992,650</u>

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

	Year ended March 31, 2013	Year ended March 31, 2012
27 Purchases of stock in trade		
Bought out items	915,454,927	203,325,728
	<u>915,454,927</u>	<u>203,325,728</u>
28 <b>Employee benefits expense</b>		
Salaries and benefits	5,640,250,600	4,590,899,615
Contribution to provident and other funds (Refer Note a below)	127,563,395	104,593,025
Employee stock option scheme (Refer Note 43)	7,104,123	6,885,023
Staff welfare expenses	126,545,978	130,720,480
	<u>5,901,464,096</u>	<u>4,833,098,143</u>

**Employee Benefits**
**a) Defined Contribution Plans**

The Company makes contribution towards Provident Fund, Superannuation Fund and Pension scheme, being defined contribution plans for eligible employees. The Company has charged the following costs in the Statement of Profit and Loss

Employer's Contribution	Year Ended March 31, 2013	Year Ended March 31, 2012
Employer's Contribution to Provident Fund	92,150,568	72,114,125
Employer's Contribution to Superannuation Fund	10,287,661	9,279,604
Employer's Contribution to Overseas Plan	25,125,166	23,199,296

**b) Defined Benefit Plans**

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

**(1) 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 more than the statutory requirement and accordingly, there is no additional liability of employer on account of interest shortfall.

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.

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

Description	March 31, 2013	March 31, 2012
Present value of obligation as at the beginning of the year	3,514,560	-
Interest cost	302,252	-
Current service cost	1,171,520	906,470
Benefits paid	-	-
Actuarial (gain) / loss on obligation	3,828,008	2,608,090
Present value of obligation as at the end of the year*	8,816,340	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)****(ii) Change in Plan Assets :**

Description	March 31,2013	March 31,2012
Plan assets at beginning at fair value	5,477,710	-
Expected return on plan assets	492,994	-
Contribution	-	-
Benefits paid	-	-
Actuarial gain / (loss) on plan assets	10,069,287	5,477,710
Plan assets at year end at fair value	16,039,991	5,477,710

**(iii) Amount of the obligation recognised in Balance Sheet :**

Description		
Present value of the defined benefit obligation as at the end of the year	8,816,340	3,514,560
Fair value of plan assets at the end of the year	16,039,991	5,477,710
Liability/(Assets) recognized in the Balance Sheet	-	-

**(iv) Amount of expense recognised in the Statement of Profit and Loss**

Description		
Current service cost	1,171,520	906,470
Interest cost	302,252	-
Expected return on plan assets	(492,994)	-
Actuarial (gain) / loss recognized during the year	(6,241,279)	(2,869,620)

**(v) Principal actuarial assumptions at the Balance Sheet date**

Discount Rate	8.10%	8.60%
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%

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

Year	Rate	Rate
2012-13	9.12%	9%
2014-16	9.12%	8.75%
2016 and thereafter	9.12%	8.60%

**Long term EPFO Rate**

Year	Rate	Rate
2012-13	-	8.60%
2013-14	8.50%	-
2014 and thereafter	8.50%	8.60%

**(vi) Amount recognised in current year**

Present value of the defined benefit obligation as at the end of the year	8,816,340	3,514,560
Fair value of plan assets at the end of the year	16,039,991	5,477,710
(Liability)/Assets recognized in the Balance Sheet	-	-
Experience Gain/(Loss) adjustments on Plan Liabilities	(3,828,008)	(2,608,090)
Experience Gain/(Loss) adjustments on Plan assets	10,069,287	5,477,710

**Note:**

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

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

Disclosures as per actuarial report of independent actuary:

**(i) Amount of obligation as at the year end is determined as under :**

Description	At at March 31, 2013	At at March 31, 2012
Present value of obligation as at the beginning of the year	101,168,000	93,869,000
Interest cost	8,341,810	7,411,930
Current service cost	23,149,750	16,165,480
Benefits paid	(8,180,840)	(4,727,420)
Actuarial (gain) / loss on obligation	12,755,380	(11,550,990)
Present value of obligation as at the end of the year	137,234,100	101,168,000

**(ii) Change in Plan Assets :**

Plan assets at beginning at fair value	116,531,512	94,594,112
Expected return on plan assets	11,938,140	9,502,340
Contribution	29,120,900	17,716,620
Benefits paid	(8,180,840)	(4,727,420)
Actuarial gain / (loss) on plan assets	(1,261,260)	(554,140)
Plan assets at year end at fair value	148,148,452	116,531,512

**(iii) Amount of the obligation recognised in Balance Sheet :**

Present value of the defined benefit obligation as at the end of the year	137,234,100	101,168,000
Fair value of plan assets at the end of the year	148,148,452	116,531,512
Liability/(Assets) recognized in the Balance Sheet	(10,914,350)	(15,363,512)

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

Current service cost	23,149,750	16,165,480
Interest cost	8,341,810	7,411,930
Expected return on plan assets	(11,938,140)	(9,502,340)
Actuarial (gain) / loss recognized during the year	14,016,640	(10,996,850)
Total	33,570,060	3,078,220

**(v) Amount recognised in current year and previous four years**

Description	March 31,2013	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	(137,234,100)	(101,168,000)	(93,869,000)	(82,052,240)	(76,661,844)
Fair value of plan assets at the end of the year	148,148,452	116,531,512	94,594,112	92,988,702	75,540,152
(Liability) /assets recognized in the balance sheet	10,914,352	15,363,512	725,112	10,936,462	(1,121,692)
Experience gain/(loss) adjustments on plan liabilities	(12,755,000)	11,550,990	492,330	9,749,204	(1,326,000)
Experience gain/(loss) adjustments on plan assets	(1,261,260)	(554,140)	88,740	(277,310)	233,956

**Notes to the financial statements**
**(All amounts in Rs., unless otherwise stated)**
**Investment details of plan assets :**

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

(vi) Principal actuarial assumptions at the Balance Sheet date

	2012-13	2011-12
Discount rate	8.10%	8.60%
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 takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**(c) Other Benefit Plan**
**Compensated Absences**

(i) Change in present value of obligation	March 31, 2013	March 31, 2012
Present value of obligation as at the beginning of the period	285,796,587	190,771,520
Interest cost	21,925,463	15,815,381
Current service cost*	125,373,090	103,493,278
Benefits paid	(10,886,932)	(461,130)
Actuarial (gain) / loss on obligation	(78,097,984)	(23,822,462)
Present value of obligation as at the end of the period	344,110,224	285,796,587

\*Inclusive of Exchange difference on opening liability related to US branch Rs. 2,628,723/-(Previous year Rs. 4,699,268/-.)

<b>(ii) Amount of the obligation recognised in Balance Sheet :</b>		
Present value of the defined benefit obligation as at the end of the year	344,110,224	285,796,587
Fair value of plan assets at the end of the year	-	-
Liability/(Assets) recognized in the Balance Sheet	344,110,224	285,796,587
Non Current Liability (Refer note 7)	250,585,333	2,621,000
Current liability (Refer note 10)	93,524,891	283,175,587

<b>(iii) Amount recognised in the Statement of Profit and Loss:</b>		
Current service cost	125,373,090	103,493,278
Interest cost	21,925,463	15,815,381
Expected return on plan assets	-	-
Actuarial (gain) / loss recognized during the year	(78,097,984)	(23,822,462)
Amount recognised in Statement of Profit and Loss *	69,200,569	95,486,197

\*Inclusive of Exchange difference on opening liability related to US branch Rs. 2,628,723/-(Previous year Rs. 4,699,268/-.)

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

(iv) Principal Actuarial Assumption used in accounting for Compensated Absences	March 31,2013	March 31,2012
For India ( Excluding US Branch)		
Discounting Rate	8.10%	8.60%
Future Salary Increase	0-4 Years 9%	0-4 Years 9%
	5-9 Years 7%	5-9 Years 7%
	10 and above 5%	10 and above 5%
For USA Branch		
Discounting Rate	8.10%	8.60%
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%

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

Description	March 31,2013	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	(344,110,224)	(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 recognized in the balance sheet	(344,110,224)	(285,796,587)	(190,771,520)	(162,396,480)	(149,829,705)
Experience gain/ (loss) adjustments on plan liabilities	78,097,984	23,822,462	77,418,038	86,821,598	87,152,805
Experience gain/ (loss) adjustments on plan assets	-	-	-	-	-

	Year ended March 31, 2013	Year ended March 31, 2012
29 Finance costs		
Interest on long term borrowings	10,073,761	5,948,956
Other borrowing costs	1,455,142	1,408,435
Bank and financial charges	14,246,213	8,189,993
	<u>25,775,116</u>	<u>15,547,384</u>
30 Depreciation and amortisation expense		
Depreciation on tangible assets	198,001,788	152,853,211
Amortisation on intangible assets	200,421,512	90,423,548
	<u>398,423,300</u>	<u>243,276,759</u>



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

	Year ended March 31, 2013	Year ended March 31, 2012
<b>31 Other expenses</b>		
Rent	173,919,532	171,093,983
Rates and taxes	3,697,130	596,939
Electricity and water	92,752,609	85,433,881
Communication	90,287,706	70,599,615
Legal and professional [refer note (a) below]	105,425,601	73,953,102
Travelling and conveyance	409,516,319	381,777,030
Insurance premium	26,899,331	16,206,384
Repairs and maintenance		
- Plant and machinery	59,305,369	37,102,665
- Buildings	828,106	1,026,663
- Others	87,309,373	76,967,660
Bad debt and provision for doubtful debt	11,877,960	6,226,362
Loss on sales of assets (Net)	809,763	4,932,162
Donation	50,100,000	50,517,128
Advertisement and publicity	13,056,729	23,769,282
Business promotion	46,659,072	36,436,333
Professional charges	579,820,650	450,268,381
Equipment hiring	13,656,644	6,333,895
Consumables	40,869,958	36,905,731
Other production expenses	33,688,257	32,516,549
Miscellaneous expenses	65,866,212	64,487,268
	<u>1,906,346,321</u>	<u>1,627,151,013</u>

**Notes**

a) Payment to auditors ( excluding service tax)

-As Auditor	9,384,000	7,160,000
-For reimbursement of expenses	731,451	480,500

b) Expenses during the year are net of recoveries towards common services at cost from domestic subsidiaries amounting to Rs. 44,702,425/- (Previous Year Rs. 29,934,338/-).

**32 Earning in foreign currency**

IT and Related Services	9,442,328,195	7,433,128,770
Other income - Recovery of Shared Services from overseas subsidiaries	62,242,309	35,077,166

**33 CIF value of imports**

Capital Goods	50,137,580	86,034,680
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**34 Expenditure in foreign currency**

Travel	123,342,341	135,024,654
Professional Fees	16,362,163	5,616,696
Branch Office Expenses	2,811,444,675	2,273,519,954
Others	3,607,363	49,690,577

## Notes to the financial statements

### 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 NIIT Technologies S.A., (erstwhile Proyecta Sistemas de Informacion S.A.)
- 21 NIIT Media Technologies LLC (Held by NIIT Technologies Inc, USA)
- 22 NIIT Technologies Phillipines Inc w.e.f September 4, 2012

#### 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 Ltd

##### 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  
 NIIT University

**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)	4,173,529	1,158,173	-	-	5,331,702
	-	-	-	-	-
Rendering of Services (Note 3)	9,169,772,211	23,871,370	-	-	9,193,643,581
	(7,268,981,672)	(9,787,688)	-	-	(7,278,769,360)
Receiving of Services (Note 4)	8,523,604	4,961,033	-	4,542,150	18,026,787
	(3,905,355)	(6,898,270)	-	(690,000)	(11,493,625)
Recovery of Expenses by the company (Including those from Overseas Subsidiaries) (Note 5)	147,699,019	-	-	-	147,699,019
	(160,425,630)	(143,000)	-	-	(160,568,630)
Recovery of Expenses from the company (Note 6)	44,362,005	21,463,547	-	-	65,825,552
	(36,624,932)	(22,519,829)	-	-	(59,144,761)
Donation given ( Note 7)	-	-	-	50,000,000	50,000,000
	-	-	-	(50,000,000)	(50,000,000)
Finance:					
Investments made (Note 8)	38,867,570	-	-	-	38,867,570
	(49,534,171)	-	-	-	(49,534,171)
Loans Given Received back (Note 9)	-	-	-	-	-
	-	-	-	(250,000,000)	(250,000,000)
Interest received (Note 10)	-	-	-	-	-
	-	-	-	(10,027,396)	(10,027,396)
Remuneration / Commission	-	-	44,769,109	-	44,769,109
Sitting Fees (Note 11)	-	-	(42,814,039)	-	(42,814,039)
Other Income (Note 12)	71,138,931	-	-	-	71,138,931
	(43,141,063)	(300,000)	-	-	(43,441,063)
Other Expenses (Note 13)	-	-	-	758,077	758,077
	-	-	-	(535,063)	(535,063)
Dividend paid to Scantech Evaluation Services Ltd	-	123,194,580	-	-	123,194,580
	-	(115,947,840)	-	-	(115,947,840)
Dividend received from NIIT GIS Limited	71,200,000	-	-	-	71,200,000
	-	-	-	-	-

**Notes :**

- Figures in parenthesis represent previous year's figure.
- Transactions in purchase of Fixed Assets for the year with;  
NIIT Limited Rs. 1,158,173/-(Previous year Rs.Nil)  
NIIT GIS Limited Rs. 1,403,675/-(Previous year Rs.Nil)  
NIIT Smart Serve Limited Rs. 2,769,855/-(Previous year Rs.Nil)
- Includes transactions in Rendering of Services for the year mainly with;  
\*NIIT Technologies Inc USA Rs.5,439,289,539/- (Previous year Rs. 4,516,892,871/-)  
\*NIIT Technologies Ltd, UK Rs. 2,095,175,317/-(Previous year Rs.1,217,745,852/-)  
NIIT Limited Rs 23,871,370/- (Previous year Rs. 9,787,688/-)  
\* 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. 2,967,058/- (Previous year Rs. 4,144,258/-)  
NIIT Smart Serve Limited Rs. 5,429,206/-(Previous year Rs.Nil)  
NIIT GIS Ltd Rs 3,094,398/-(Previous year Rs. 3,905,355/-)  
Evolve Services Limited Rs. 1,962,476/-(Previous year Rs. 2,754,012/-)  
NIIT University Rs. 4,542,150/- (Previous year Rs.Nil)

**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. 43,440,900/- (Previous year 32,299,715/-)  
NIIT SmartServe Limited Rs. 1,180,852/- (Previous year Rs. 3,079,247/-)  
NIIT Technologies Ltd, UK Rs.35,086,927/- (Previous year Rs. 65,696,764/- )  
NIIT Technologies Inc USA Rs.36,258,752/- (Previous year Rs.30,792,791/-)
- 6 Includes transactions in recovery of expenses from the company for the year mainly with;  
NIIT SmartServe Limited Rs. 20,179,144/- (Previous year Rs. 19,933,290/- )  
NIIT Limited Rs. 15,013,276/- (Previous year Rs. 10,205,340/-)  
NIIT USA Inc Rs. 6,450,271/- (Previous year Rs. 12,314,489/-)  
NIIT Technologies Inc Rs. 23,809,228/- (Previous year Rs. 9,740,332/-)
- 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 Investments made for the year mainly with;  
Sabre International, Philippines Rs.38,867,570/- (Previous year Rs. Nil)  
NIIT Technologies, Dubai Rs Nil (Previous year Rs. 49,534,171/-)
- 9 Transactions in loans given received back for the year with;  
NIIT Institute of Information Technology Rs. Nil (Previous year Rs. 250,000,000/-)
- 10 Transactions in interest received for in the year with;  
NIIT Institute of Information Technology Rs Nil (Previous year Rs. 10,027,396/-)
- 11 Remuneration of:  
Rajendra S Pawar – Rs.19,032,897/- (Previous year Rs. 14,662,086/-)  
Arvind Thakur – Rs.24,836,212/- (Previous year Rs. 27,351,953/-)  
Vijay K Thadani Rs.900,000/- (Previous year Rs. 800,000/-)
- 12 Includes transactions in other income for the year mainly with;  
NIIT GIS Limited Rs. 5,598,036/- (Previous year Rs. 5,104,175/-)  
NIIT SmartServe Ltd Rs. 3,287,273/- (Previous year Rs.2,929,555/-)  
NIIT Technologies Ltd, UK Rs. 9,444,220/- (Previous year Rs. 6,922,551/-)  
NIIT Technologies Inc USA Rs.6,706,988/- (Previous year Rs. 6,442,289/-)  
NIIT Limited Rs. Nil ( Previous year Rs. 300,000/-)  
NIIT Technologies Ltd, Thailand Rs. 20,652,850/- (Previous year Rs.2,430,678/-)  
NIIT Insurance Technologies Ltd, UK Rs. 9,748,860/- (Previous year Rs.7,797,160/-)
- 13 Includes transactions in other expenses for the year mainly with;  
Naya Bazaar Novelties P Ltd Rs.758,077/- (Previous year Rs.535,063/-)

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

	Receivable As at March 31, 2013	Payable As at March 31, 2013	Receivable As at March 31, 2012	Payable As at March 31, 2012
Subsidiaries	1,826,638,326	9,207,569	1,776,126,051	14,946,298
Associates	18,122,358	4,980,771	3,962,897	6,803,144
Parties in which Key Managerial Personnel are interested	-	64,272	7,998	-
Key Managerial Personnel	188,828	-	519,313	-

- 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 customers		Carrying amount of segment assets by location of the assets		Addition to fixed assets	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
India	2,062,090,660	972,507,998	9,878,884,307	8,055,975,898	494,841,575	2,013,912,359
America*	5,398,580,446	4,532,898,359	-	-	-	-
Europe*	3,163,045,358	2,069,970,716	-	-	-	-
Asia Pacific (including Australia)*	459,329,744	699,255,805	-	-	-	-
<b>Total</b>	<b>11,083,046,208</b>	<b>8,274,632,878</b>	<b>9,878,884,307</b>	<b>8,055,975,898</b>	<b>494,841,575</b>	<b>2,013,912,359</b>

\*Net of Hedging loss of Rs.212,698,646/- (Previous Year Rs.131,003,890/-). This includes derivate instruments matured during the year for America Rs.170,671,048/- (Previous Year Rs. 86,811,250/-), Europe Rs. 42,027,598/-(Previous Year Rs.40,204,440/-) and Australia Rs. Nil (Previous Year Rs. 3,988,200/-)

**37 Earning Per Share :**

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
<b>Basic</b>		
Profit after tax (A)	1,678,678,601	1,131,269,682
Weighted Average number of Equity shares Outstanding during the year - (B)	60,004,077	59,388,622
Basic Earning per share (A)/(B)	27.98	19.05
<b>Diluted</b>		
Profit after tax	1,678,678,601	1,131,269,682
Weighted Average number of Equity shares Outstanding during the year (B)	60,004,077	59,388,622
Add : Weighted average number of potential equity shares on account of employee stock options. (Refer Note 43)	733,877	685,302
Weighted average number of shares outstanding for dilutive EPS (C)	60,737,954	60,073,924
Diluted EPS (A)/(C)	27.64	18.83
Face value per share	10.00	10.00

The Company has issued 604,850 (Previous year 381,263) 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	Year ended March 31, 2013	Year ended March 31, 2012
Profit Attributable to Equity shareholders (D)	1,658,542,682	1,093,903,026
Basic Earning per share (Rs) (D / B)	27.64	18.42
Diluted Earning per share (Rs) (D / C)	27.31	18.21

**38 Current Income Tax**

- The Company determines taxes on income in accordance with the applicable provisions of Income Tax Act, 1961 ("Act"). The Company also claims deduction under sections 10AA and 80IAB in respect of its unit and developer operations, respectively, in Special Economic Zone (SEZ). The payments under MAT can be carried forward and can be set off against future tax liability. Accordingly, a sum of Rs. 140,172,651 (Previous year Rs. 226,124,900) has been shown under "Other current assets" (Refer Note 21). Further, during the year the Company has utilized Minimum Alternate Tax of Rs.85,952,249/- (Previous Year Rs. 111,225,502).
- In addition to Indian operations, the Company has accounted for the tax liability/reliefs in respect of its branch having operations in the United States of America (USA) in accordance with the tax legislations applicable in the USA.
- The current tax expense includes Rs. 9,652,893/- (Previous Year Rs. Nil) relating to earlier years adjustments.

**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 :

	Year ended March 31, 2013	Year ended March 31, 2012
<b>Profit before taxation as per Statement of profit and loss</b>	2,264,542,460	1,658,226,501
Add : Net Increase/(Decrease) in Provision for Doubtful Debts	11,877,960	6,226,362
Add : Depreciation as per Books of Accounts	398,423,300	243,276,759
Less : Depreciation as per Sec. 350 of the Companies Act, 1956	301,471,189	261,204,223
<b>Net Profit under Section 349 of the Companies Act, 1956</b>	2,373,372,531	1,646,525,399
Add : Directors Remuneration	46,753,218	44,964,039
<b>Net Profit under Section 198 of the Companies Act, 1956</b>	2,420,125,749	1,691,489,438
Maximum remuneration allowable under Sec. 198 of the Companies Act, 1956 restricted to 11% of Net Profit	266,213,832	186,063,838
Maximum Commission allowable to Non-Executive directors under Sec. 309 of the Companies Act, 1956 restricted to 1% of Net Profit	24,201,257	16,914,894

**Directors' remuneration :**

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

	Year ended March 31, 2013	Year ended March 31, 2012
Executive Director's Remuneration:		
Salary and Allowances	18,938,840	14,237,600
Performance Linked Bonus	20,500,000	20,511,500
Contribution to provident fund and other funds	3,473,838	2,739,197
Value of Perquisites	956,431	4,525,742
Sub Total (A)	43,869,109	42,014,039
Non executive Director's Remuneration:		
Commission to Non Executive Directors (B)	2,884,109	2,950,000
Total Director's Remuneration (A+B)	46,753,218	44,964,039
Non executive Director's Sitting Fees	820,000	680,000

**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.

	Year ended March 31, 2013	Year ended March 31, 2012
a) With respect to all opeating leases		
Lease payments recognised in the statement of profit and loss during the year	173,919,532	171,093,983
b) With respect to non- cancellable operating leases, the future minimum lease payments are as follows:		
Not later than one year	91,481,750	65,370,000
Later than one year and not later than five years	9,456,228	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 is 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	As at March 31, 2013		As at March 31, 2012	
		Amount in Respective currency	Amount in INR	Amount in Respective currency	Amount in INR
Forward covers to sell	USD	48,250,000	2,619,251,250	49,585,000	2,524,026,925
	GBP	8,550,000	705,743,505	9,025,500	734,582,685
	EURO	4,500,000	313,231,050	4,905,000	339,223,160

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

Particulars	Currency	As at March 31, 2013		As at March 31, 2012	
		Amount in Respective currency	Amount in INR	Amount in Respective currency	Amount in INR
Trade receivable	AED	190,229	2,814,246	170,692	2,363,965
	AUD	4,764,985	267,826,427	9,526,364	501,543,069
	CHF	270,029	15,765,736	215,651	12,159,355
	HKD	335,909	2,345,114	4,091,873	26,803,814
	JPY	-	-	186,434	114,452
	SGD	391,447	17,179,079	377,896	15,284,059
	THB	97,164	177,363	265,761	438,931
Trade payable	USD	22,164	1,177,361	207,245	10,542,535
	GBP	-	-	5,544	451,590

### 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, 2013

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Balance as at the beginning of the year (Gross of deferred tax)	68,343,954	(25,447,462)
Add : Unrealized (gain) / loss on cash flow hedging derivatives during the year	28,948,596	252,281,346
Less : Net losses transferred to Revenue on occurrence of hedged items	212,696,364	131,003,890
<b>Balance as at the end of the year</b>	<b>(115,403,814)</b>	<b>95,829,994</b>
Deferred Tax Liability/( Assets)	33,337,312	(27,486,040)
<b>Balance as at the end of the year (Net of Deferred Tax )</b>	<b>(82,066,502)</b>	<b>68,343,954</b>

At March 31, 2013 the estimated net amount of existing gain that is expected to be reclassified into the revenue statement within the next twelve months is Rs. 115,403,814/-(Previous Year loss in Rs. 95,829,994/-).

- 42 Working capital limits of Rs. 1,700,000,000 (Previous Year Rs. 1,700,000,000) 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 utilized the fund based limit as at the year-end (Previous Year Rs. Nil).

### 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 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 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.



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

The Company granted option in seventeen Grants, out of the same grant I, II, III, IV and VI 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)	
						2012-13	2011-12
Grant III	20-Jun-07	20-Jun-08	349.00	-	112.07	-	-
Grant IV	28-Jul-08	28-Jul-09	108.00	-	43.78	-	119
Grant V							
Tranche I	19-Oct-09	19-Oct-10	127.20	-	53.19	202	567
Tranche II	19-Oct-09	19-Oct-11	127.20	-	53.19	567	932
Grant VI							
Tranche I	19-Jul-10	19-Jul-11	182.15	-	75.39	475	840
Tranche II	19-Jul-10	19-Jul-12	182.15	-	75.39	840	1,205
Grant VII							
Tranche I	18-Oct-10	18-Oct-11	223.75	-	83.29	566	931
Tranche II	18-Oct-10	18-Oct-12	223.75	-	83.29	931	1,296
Grant VIII							
Tranche I	18-Jan-11	18-Jan-12	206.20	-	76.65	658	1,023
Tranche II	18-Jan-11	18-Jan-13	206.20	-	76.65	1,023	1,388
Grant IX							
Tranche I	6-May-11	6-May-12	188.25	-	67.21	766	1,131
Tranche II	6-May-11	6-May-13	188.25	-	67.21	1,132	1,497
Grant X							
Tranche I	9-Jun-11	9-Jun-12	10.00	176.05	160.58	800	1,165
Tranche II	9-Jun-11	9-Jun-13	10.00	176.05	160.58	1,166	1,531
Tranche III	9-Jun-11	9-Jun-14	10.00	176.05	160.58	1,531	1,896
Grant XI							
Tranche I	19-Jul-11	19-Jul-12	206.15	-	71.15	840	1,205
Tranche II	19-Jul-11	19-Jul-13	206.15	-	71.15	1,206	1,571
Grant XII							
Tranche I	17-Oct-11	17-Oct-12	10.00	201.40	182.15	930	1,295
Tranche II	17-Oct-11	17-Oct-13	10.00	201.40	182.15	1,296	1,661
Tranche III	17-Oct-11	17-Oct-14	10.00	201.40	182.15	1,661	2,026
Grant XIII							
Tranche I	17-Jan-12	17-Jan-13	198.00	-	53.89	1,022	1,387
Tranche II	17-Jan-12	17-Jan-14	198.00	-	53.89	1,388	1,753
Grant XIV							
Tranche I	3-May-12	3-May-13	256.60	-	71.93	1,129	-
Tranche II	3-May-12	3-May-14	256.60	-	71.93	1,494	-
Grant XV							
Tranche I	2-Jul-12	2-Jul-13	285.80	-	76.26	1,189	-
Tranche II	2-Jul-12	2-Jul-14	285.80	-	76.26	1,554	-
Grant XVI							
Tranche I	2-Jul-12	2-Jul-13	10.00	275.80	232.18	1,189	-
Tranche II	2-Jul-12	2-Jul-14	10.00	275.80	232.18	1,554	-
Tranche III	2-Jul-12	2-Jul-15	10.00	275.80	232.18	1,919	-
Grant XVII							
Tranche I	14-Jan-13	14-Jan-14	274.85	-	66.95	1,385	-
Tranche II	14-Jan-13	14-Jan-15	274.85	-	66.95	1,750	-

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

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

In Nos.

Description	Year Ended March 31, 2013	Year Ended March 31, 2012
Live options at beginning of the year	1,676,351	2,148,489
Options granted during the year	234,000	161,250
Options Forefeited / lapsed during the year till vesting period	22,500	85,500
Net Exercisable options	1,887,851	2,224,239
Options vested	147,125	977,750
Options forefeited post vesting	82,850	166,625
Options Exercised	604,850	381,263
Exercisable /outstanding options at the end of the year	1,200,151	1,676,351

During the year, the Compensations / Remuneration Committee at its meetings held on May 3, 2012 has approved issue of 33,000 Options (Grant XIV), on July 3, 2012 has approved an issue of 153,000 Options (Grant XV), on July 3, 2012 has approved issue of 33,000 options (Grant XVI), and on January 14, 2013 has approved issue of 15,000 options (Grant XVII) out of the options 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 are 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), 46.78% (Grant XIII Tranche II), 36.38% (Grant XIV Tranche I), 43.54% (Grant XIV Tranche II), 36.72% (Grant XV Tranche I), 45.16% (Grant XV Tranche II), 36.72% (Grant XVI Tranche I), 42.86% (Grant XVI Tranche II), 52.55% (Grant XVI Tranche III), 36.43% (Grant XVII Tranche Pa I) and 38.26% (Grant XVII 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, Grant VIII Tranche I, Grant IX Tranche I, Grant X Tranche I, Grant XI Tranche I, Grant XII Tranche I, Grant XIII Tranche I, Grant XIV Tranche I, Grant XV Tranche I, Grant XVI Tranche I and Grant XVII Tranche I 3.5 years for Grant V Tranche II, Grant VII Tranche II, Grant VIII Tranche II, Grant IX Tranche II, Grant X Tranche II, Grant XI Tranche II, Grant XII Tranche II, Grant XIII Tranche II, Grant XIV Tranche II, Grant XV Tranche II, Grant XVI and Tranche II Grant XVII 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, Grant XII Tranche III and Grant XVI 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, 8.17% Grant XIII Tranche II 8.27% Grant XIV Tranche I, 8.33% Grant XIV Tranche II, 8.10% Grant XV Tranche I, 8.15% Grant XV Tranche II, 8.10% Grant XVI Tranche I, 8.15% Grant XVI Tranche II, 8.21% Grant XVI Tranche III, 7.74% Grant XVII Tranche I, 7.76% and Grant XVII 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 are 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	
		2012-13	2011-12	2012-13	2011-12
Grant V	- Tranche I	-	-	-	-
	- Tranche II	-	-	-	19,979,046
Grant VI	- Tranche I	-	-	-	577,784
	- Tranche II	-	-	-	1,922,445
Grant VII	- Tranche I	-	-	-	1,966,873
	- Tranche II	-	-	1,628,262	3,581,470
Grant VIII	- Tranche I	-	-	-	1,534,047
	- Tranche II	-	-	1,538,250	1,916,250
Grant IX	- Tranche I	-	-	43,088	455,871
	- Tranche II	-	-	504,075	455,871
Grant X	- Tranche I	687,556	2,952,444	-	2,606,134
	- Tranche II	1,365,000	1,107,167	2,408,700	1,954,601
	- Tranche III	910,000	738,111	2,408,700	1,954,601
Grant XI	- Tranche I	-	-	225,146	899,289
	- Tranche II	-	-	747,075	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	-	-	414,953	111,811
	- Tranche II	-	-	545,636	111,811
Grant XIV	- Tranche I	-	-	931,860	-
	- Tranche II	-	-	1,227,222	-
Grant XV	- Tranche I	-	-	3,716,366	-
	- Tranche II	-	-	4,979,098	-
Grant XVI	- Tranche I	2,259,034	-	1,998,738	-
	- Tranche II	1,129,520	-	1,902,584	-
	- Tranche III	753,013	-	1,811,185	-
Grant XVII	- Tranche I	-	-	95,916	-
	- Tranche II	-	-	113,188	-
		7,104,123	6,885,023	27,240,042	44,251,679

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. 7,104,123/- expenses accounted based on intrinsic value of the option as all other options were issued at market price only.

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

For Price Waterhouse  
Firm Registration No.301112E  
Chartered Accountants

Rajendra S Pawar  
Chairman and Managing Director  
DIN 00042516

Arvind Thakur  
CEO & Jt. Managing Director  
DIN 00042534

Usha Rajeev  
Partner  
Membership No. 087191

Ashok Arora  
Group Chief Financial Officer

Pratibha K Advani  
Chief Financial Officer

Onkarnath Banerjee  
Company Secretary  
& Legal Head

Place : New Delhi  
Date : May 17, 2013

Statement pursuant to exemption received under Section 212(8) of the Companies Act 1956, relating to subsidiaries companies as on 31st March 2013

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	-73,927,459	476,022,740	476,022,740	0	427,105,275	40,168,980	11,768,676	28,400,304	0
NIIT GIS Ltd	INR	10,000,700	534,715,575	750,715,603	750,715,603	0	771,817,935	47,172,882	2,538,594	44,634,288	15,601,092
NIIT Technologies Services Ltd.	INR	50,000,000	-23,576,910	26,675,057	26,675,057	0	587,937	1,401,481	188,693	1,212,788	0
NIIT Technologies Ltd. UK	GBP	3,276,427	13,153,338	16,429,765	16,429,765	0	45,074,922	2,538,482	256,359	2,282,123	0
NIIT Insurance Technologies Ltd. UK	INR	270,446,442	1,085,711,294	1,356,163,735	1,356,163,735	0	3,874,414,921	218,195,220	22,035,338	196,159,882	0
NIIT Insurance Technologies Ltd. UK	GBP	12,557	3,395,097	3,407,654	3,407,654	0	17,066,051	1,814,570	116,308	1,668,262	0
NIIT Insurance Technologies Ltd. UK	GBP	280,241,831	281,278,325	281,278,325	281,278,325	0	1,468,631,514	101,819,714	9,997,254	91,822,460	0
NIIT Technologies B.V. Netherland	EURO	18,151	1,059,295	1,497,078	1,497,078	0	3,279,076	196,633	40,077	156,556	0
NIIT Technologies B.V. Netherland	INR	1,263,449	73,734,221	104,206,958	104,206,958	0	229,514,364	13,763,059	2,805,134	10,957,926	0
NIIT Technologies N.V. Belgium	EURO	61,973	229,796	580,196	580,196	0	1,420,520	21,510	9,248	12,262	0
NIIT Technologies N.V. Belgium	INR	4,313,775	15,995,400	40,385,671	40,385,671	0	99,427,331	1,505,567	647,314	858,253	0
NIIT Technologies Inc. USA	USD	2,837,887	12,577,645	27,406,350	27,406,350	0	120,417,520	1,279,589	1,418,695	1,391,061	0
NIIT Technologies Inc. USA	INR	154,054,696	682,777,459	1,487,753,710	1,487,753,710	163	6,521,873,092	69,303,180	76,837,231	(7,534,051)	0
NIIT Technologies PTE Ltd. Singapore	SGD	2,989,375	5,599,787	11,505,188	11,505,188	0	11,008,989	(324,978)	(313,974)	(313,974)	0
NIIT Technologies PTE Ltd. Singapore	INR	130,774,693	244,971,082	503,311,707	503,311,707	0	480,081,098	(14,171,692)	(479,864)	(13,691,828)	0
NIIT Technologies Ltd. Thailand	THB	15,000,000	94,027,928	172,892,118	172,892,118	0	323,103,669	(320,568)	0	(182,618)	0
NIIT Technologies Ltd. Thailand	THB	27,819,000	174,384,195	320,645,722	320,645,722	0	567,176,180	(320,568)	0	(320,568)	0
NIIT Technologies Pty Ltd. Australia	AUD	1,002	2,356,646	18,405,173	18,405,173	0	18,545,443	(115,331)	(25,479)	(89,852)	0
NIIT Technologies Pty Ltd. Australia	INR	56,651	133,238,590	1,040,587,990	1,040,587,990	0	1,036,046,747	(6,442,978)	(1,425,392)	(5,019,586)	0
NIIT Technologies Co. Ltd. JAPAN	JPY	408,870,475	-404,233,336	28,703,885	28,703,885	0	47,585,566	(35,767,132)	1,453,325	(37,220,457)	0
NIIT Technologies Co. Ltd. JAPAN	INR	235,591,168	-232,919,248	16,539,179	16,539,179	0	31,420,749	(23,617,037)	959,630	(24,576,668)	0
NIIT Technologies GmbH Germany	EURO	537,900	120,357	2,396,544	2,396,544	0	5,089,949	311,358	108,484	202,874	0
NIIT Technologies GmbH Germany	INR	37,441,552	8,377,644	166,816,023	166,816,023	0	356,263,921	21,793,067	7,583,174	14,199,894	0
NIIT Technologies AG Switzerland	CHF	250,000	-103,609	973,643	973,643	0	2,641,111	(324,273)	(2,963)	(321,310)	0
NIIT Technologies AG Switzerland	INR	14,301,325	-5,926,980	55,697,554	55,697,554	0	153,065,852	(18,793,271)	(171,712)	(18,621,558)	0
NIIT Technologies GmbH Austria	EURO	35,000	-33,182	1,818	1,818	0	0	524	0	524	0
NIIT Technologies GmbH Austria	INR	2,436,242	-2,309,709	126,533	126,533	0	0	36,653	0	36,653	0
NIIT Airlines Technologies GmbH, Germany	EURO	1,000,000	670,413	2,094,038	2,094,038	0	1,800,741	208,237	53,678	154,559	0
NIIT Airlines Technologies GmbH, Germany	INR	69,606,900	46,665,371	145,759,494	145,759,494	0	126,040,345	14,575,257	3,757,116	10,818,141	0
NIIT Technologies Ltd. CANADA	CAD	49,101	84,160	141,131	141,131	0	352,197	20,994	4,948	16,046	0
NIIT Technologies Ltd. CANADA	INR	2,619,862	4,490,491	7,530,270	7,530,270	0	19,033,325	1,134,551	267,398	867,153	0
NIIT Technologies FZ-LLC DUBAI	AED	5,000,000	2,554,965	17,715,979	17,715,979	0	45,134,953	1,317,010	0	19,419,312	0
NIIT Technologies FZ-LLC DUBAI	INR	73,903,500	37,764,171	261,864,571	261,864,571	0	665,514,882	19,419,312	0	19,419,312	0
NIIT Healthcare Technologies Inc., USA****	USD	0	0	0	0	0	9,000	(266,697)	0	(266,697)	0
NIIT Healthcare Technologies Inc., USA****	INR	0	0	0	0	0	487,445	(14,444,443)	0	(14,444,443)	0
NIIT Media Technologies LLC, USA	USD	5,366,671	351,972	7,123,017	7,123,017	0	21,199,849	11,444,443	0	11,444,443	0
NIIT Media Technologies LLC, USA	INR	291,329,733	19,108,800	386,672,978	386,672,978	0	1,148,194,422	115,366,503	0	115,366,503	0
Proyecto Systems de Informacion SA	EURO	198,900	2,085,321	5,033,797	5,033,797	0	8,114,043	502,344	125,619	376,635	0
Proyecto Systems de Informacion SA	INR	13,844,812	145,152,288	350,387,004	350,387,004	0	567,931,080	35,160,852	8,792,523	26,368,330	0
NIIT Technologies Philippines Inc.	PHP	1,000,000	6,882,868	28,429,038	28,429,038	0	90,891,862	(5,455,654)	(340,514)	(5,115,140)	0
NIIT Technologies Philippines Inc.	INR	1,329,500	9,150,010	37,796,406	37,796,406	0	119,170,048	(7,153,011)	(44,654)	(6,706,557)	0

\* Exclude Other Income

Investment in Mutual Fund

\*\*\* Details of Investment

\*\*\*\*\* Entity Wound up on 31 March 2013

Entity wound up on 3/1, March 2013.

(1) 199,145 Common Shares in Relativity Technologies Inc., USA  
(2) 052,265 Common Shares in Computer Logic Inc., USA

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

iii) 500,000 Preference shares and 189,655 Common shares.

### 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	185.46	1.7524	1-USD	54.2850	54.1605	1-EURO	69.6069	69.9836
1-AUD	56.5378	55.9653	1-SGD	43.7465	43.6081	1-CHF	57.2053	57.9551
1-PHP	1.3286	1.3111						
						1-JPY	0.5762	0.6603
						1-GBP	82.5431	85.9550
						1-CAD	53.3666	54.0417
						1-AED	14.7607	14.7450

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

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of NIIT Technologies Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of NIIT Technologies Limited ("the Company") and its subsidiaries; hereinafter referred to as the "Group" (refer Note 34 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

### Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. 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 Section 211(3C) of the Companies Act, 1956.
7. 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 in paragraph 8 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying 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, 2013;
  - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matter

8. We did not audit the financial statements of 20 subsidiaries included in the consolidated financial statements, which constitute total assets of Rs 6,661 million and net assets of Rs.4, 924 million as at March 31, 2013, total revenue of Rs. 10,648 million, net profit of Rs.381 million and net cash flows amounting to Rs 262 million 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.

For and on behalf of  
Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Usha Rajeev  
Partner  
Membership Number 087191

Place : New Delhi  
Date : May 17, 2013

**Consolidated Balance Sheet****(All amounts in Rs. unless otherwise stated)**

	Note		As At March 31, 2013	As At March 31, 2012
<b>EQUITY AND LIABILITIES</b>				
Shareholder's funds				
Share capital	3	602,371,690	596,323,190	
Reserves and surplus	4a	10,338,828,204	8,502,579,724	
Minority Interest	4b	173,000,226	11,114,200,120	123,096,651
Non- current liabilities				
Long-term borrowings	5	60,033,956	63,480,773	
Other long-term liabilities	6	-	58,847,915	
Long-term provisions	7	278,622,218	338,656,174	3,247,440
Current liabilities				
Short term borrowings	8	-	423,017,075	
Trade payables	9	1,797,476,630	1,284,062,358	
Other current liabilities	10	1,358,085,312	1,257,791,174	
Short term provisions	11	779,798,252	3,935,360,194	949,105,000
<b>TOTAL</b>			<b>15,388,216,488</b>	<b>13,261,551,300</b>
<b>ASSETS</b>				
Non-current assets				
Fixed assets				
Tangible assets	12	2,949,591,397	2,866,243,374	
Intangible assets	13	1,433,496,769	1,365,190,271	
Capital work-in-progress (tangible)		277,481,293	2,178,080	
			4,660,569,459	4,233,611,725
Non-current investments	14		120	120
Deferred tax assets (net)	15		122,438,408	207,016,925
Long-term loans and advances	16		192,692,992	118,398,858
Other non-current assets	17		175,905,448	276,560,694
Current assets				
Current investments	18	820,000,000	548,746,957	
Inventories		3,763,824	7,389,884	
Trade receivables	19	4,538,450,797	3,314,916,987	
Cash and bank balances	20	2,329,324,542	2,222,736,150	
Short-term loans and advances	21	933,401,868	655,383,448	
Other current assets	22	1,611,669,030	10,236,610,061	1,676,789,552
<b>TOTAL</b>			<b>15,388,216,488</b>	<b>13,261,551,300</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. 301112E  
Chartered Accountants

Rajendra S Pawar  
Chairman & Managing Director

Arvind Thakur  
CEO & Jt. Managing Director

Usha Rajeev  
Partner  
Membership No. 087191

Ashok Arora  
Group Chief Financial Officer

Pratibha K Advani  
Chief Financial Officer

Onkarnath Banerjee  
Company Secretary  
& Legal Head

Place : New Delhi  
Date : May 17, 2013

**Consolidated Statement of Profit and Loss****(All amounts in Rs. unless otherwise stated)**

	Note	Year ended March 31, 2013	Year ended March 31, 2012
Revenue from operations	26	20,213,588,343	15,764,759,678
Other income	27	227,505,931	303,667,637
<b>Total revenue</b>		<b>20,441,094,274</b>	<b>16,068,427,315</b>
<b>Expenses</b>			
Purchases of stock in trade	28	1,120,274,916	426,633,481
Employee benefits expense	29	11,151,008,072	8,911,223,415
Finance costs	30	53,103,050	38,400,021
Depreciation and amortization expense	31	566,856,011	364,230,425
Other expense	32	4,615,319,695	3,725,962,643
<b>Total Expenses</b>		<b>17,506,561,744</b>	<b>13,466,449,985</b>
Profit before exceptional and extraordinary items and tax		2,934,532,530	2,601,977,330
Exceptional and Extraordinary Items		-	-
<b>Profit before tax</b>		<b>2,934,532,530</b>	<b>2,601,977,330</b>
<b>Tax expense</b>			
Current tax		643,701,124	602,975,539
Deferred tax		27,579,275	(22,157,782)
Minimum Alternate Tax Credit		79,164,112	56,733,066
<b>Profit after tax before share of results of associates and minority interest</b>		<b>2,184,088,019</b>	<b>1,964,426,507</b>
Less:- Minority interest		51,899,222	(7,987,993)
Profit for the year from continuing operations		2,132,188,797	1,972,414,500
<b>Profit for the year</b>		<b>2,132,188,797</b>	<b>1,972,414,500</b>
Earnings per equity share: [Nominal value per share: Rs.10 (Previous year Rs.10)]	36		
Basic		35.53	33.21
Diluted		35.10	32.83

The notes are an integral part of these financial statements.

This is the consolidated statement of profit & loss referred to in our report of even date.

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants

Rajendra S Pawar  
Chairman & Managing Director

Arvind Thakur  
CEO & Jt. Managing Director

Usha Rajeev  
Partner  
Membership No. 087191

Ashok Arora  
Group Chief Financial Officer

Pratibha K Advani  
Chief Financial Officer

Onkarnath Banerjee  
Company Secretary  
& Legal Head

Place : New Delhi  
Date : May 17, 2013



**Consolidated Cash Flow Statement**
**(All amounts in Rs. unless otherwise stated)**

	Year ended March 31, 2013	Year ended March 31, 2012
<b>A. Cash flow from operating activities:</b>		
Net profit before tax	2,934,532,530	2,601,977,330
Adjustments for :		
Depreciation and amortization expense	566,856,011	364,230,425
Provision for gratuity & compensated expenses	75,285,677	117,187,122
Interest expense	21,246,444	21,211,925
Interest income	(42,720,035)	(35,929,275)
Loss on disposal / write off of fixed assets	2,110,478	6,936,102
Provision for doubtful advances	-	(26,147,973)
Provision for doubtful debts	55,472,832	22,547,680
Profit on sale of Investments	(58,128,156)	(37,690,568)
<b>Operating profit before working capital changes</b>	<b>3,554,655,781</b>	<b>3,034,322,768</b>
Add / (less) : (increase) / decrease in working capital		
Trade receivables	(1,279,006,642)	(483,001,570)
Long-term loans and advances	(44,387,178)	91,372,219
Other non-current assets	100,655,246	(85,530,702)
Other Current assets	(199,269,600)	(436,815,001)
Short term loans and advances	104,474,167	(51,401,120)
Other bank balances	264,113,464	(474,540,507)
Inventories	3,626,060	(1,785,038)
Trade payables	461,120,324	350,435,898
Other current liabilities	174,829,660	265,938,756
Other long-term liabilities	(58,847,915)	57,682,602
Short term provision	(5,445,476)	(29,522,579)
Long term borrowing	(2,779,949)	(3,759,635)
Net cash from operating activities before taxes	3,073,737,942	2,233,396,091
Income tax paid (including tax deducted at source)	(722,449,944)	(590,664,280)
<b>Net cash from operating activities (A)</b>	<b>2,351,287,998</b>	<b>1,642,731,811</b>
<b>B. Cash flow from Investing activities:</b>		
Purchase of fixed assets (includes capital WIP)	(930,081,233)	(931,122,203)
Proceeds from sale of fixed assets	11,593,238	5,279,860
Investment in subsidiary	(38,867,570)	(265,807,319)
Investments with mutual funds:		
-Purchases during the year	(4,024,156,214)	(3,066,012,452)
-Sales during the year	3,811,031,327	2,997,753,641
Loan to NIITian Welfare Trust (given) / received back	-	250,000,000
Interest received	37,279,108	25,026,609
<b>Net cash used in investing activities (B)</b>	<b>(1,133,201,344)</b>	<b>(984,881,864)</b>

**Consolidated Cash Flow Statement**
**(All amounts in Rs. unless otherwise stated)**

		Year ended March 31, 2013	Year ended March 31, 2012
<b>C. Cash flow from financing activities:</b>			
Term loans			
- Received	47,493,038	433,367,008	
- Repaid	<u>(446,023,875)</u>	<u>(398,530,837)</u>	<u>(93,431,886)</u>
Short term loan from bank		(15,739,075)	(29,124,372)
Proceeds from issue of share capital (Including share premium)		87,463,810	54,238,797
Interest paid		(21,246,444)	(21,211,925)
Dividend paid (Including corporate dividend tax)		<u>(566,259,150)</u>	<u>(511,326,741)</u>
<b>Net cash used in financing activities</b>	<b>(C)</b>	<b><u>(914,311,696)</u></b>	<b><u>(167,489,119)</u></b>
 Net increase in cash & cash equivalents	 <b>(A B C)</b>	 303,774,958	 490,360,828
 Adjustment on account of exchange rate		56,216,618	115,467,419
Cash acquired on acquisition of subsidiary		8,383,296	3,086,412
Cash and cash equivalents as at the beginning of the year		1,654,018,616	1,045,103,957
Total cash and cash equivalents at the close of the year		<u>2,022,393,488</u>	<u>1,654,018,616</u>
 Cash and Cash Equivalents represent			
Cash on hand		247,439	280,611
Cheques, drafts on hand		178,114,943	52,377,829
- Current accounts		1,821,298,757	1,369,752,594
- Fixed deposit accounts (less than 3 months maturity)		22,732,349	176,969,877
- Call money accounts		-	54,637,705
		<u>2,022,393,488</u>	<u>1,654,018,616</u>

**NOTES :-**

- 1 The above Consolidated Cash Flow Statement has been prepared under the indirect method set out in AS-3 notified u/s 211(3C) of the Companies Act, 1956.
- 2 The enclosed notes 1 to 41 form an integral part of the cash flow statement
- 3 Figures in parenthesis indicate cash outgo.
- 4 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. 301112E  
Chartered Accountants

Rajendra S Pawar  
Chairman & Managing Director

Arvind Thakur  
CEO & Jt. Managing Director

Usha Rajeev  
Partner  
Membership No. 087191

Ashok Arora  
Group Chief Financial Officer

Pratibha K Advani  
Chief Financial Officer

Onkarnath Banerjee  
Company Secretary  
& Legal Head

Place : New Delhi  
Date : May 17, 2013

## Consolidated Notes to the financial statements

### 1 General Information

NIIT Technologies Limited (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, 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 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 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 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.



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

As At  
March 31, 2013

As At  
March 31, 2012

**3 SHARE CAPITAL**
**Authorised**

75,000,000 (Previous Year  
75,000,000) Equity Shares of Rs.  
10/- each

750,000,000

750,000,000

**Issued, Subscribed and Paid up**

60,237,169 (Previous Year 59,632,319)  
Equity Shares of Rs. 10/- each

602,371,690

596,323,190

**(a) Reconciliation of Number of Shares**

Particulars	Equity Shares			
	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	59,632,319	596,323,190	59,251,056	592,510,560
Shares Issued during the year	604,850	6,048,500	381,263	3,812,630
Shares outstanding at the end of the year	60,237,169	602,371,690	59,632,319	596,323,190

**(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, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Scantech Evaluation Services Ltd	14,493,480	24.06	14,493,480	24.30
Fidelity Management and Research Company A/c Fidelity Advisor Series 1 Fidelity Advisor Small Cap Fund	3,800,000	6.31	3,717,882	6.23

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

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

**e) Shares allotted as fully paid up pursuant to contract without payment being received in cash (during 5 years immediately preceding March 31, 2013), 1,538,774 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)**

	As At March 31, 2013	As At March 31, 2012
<b>4 a Reserves and surplus</b>		
Capital Reserves		
Balance as at the beginning of the year	10,630,919	10,630,919
	<u>10,630,919</u>	<u>10,630,919</u>
Capital redemption reserve	16,570,603	16,570,603
Security premium reserve		
Balance as at the beginning of the year	103,907,059	60,365,915
Add: Transferred from stock options outstanding	<u>74,506,510</u>	<u>43,541,144</u>
Balance as at the end of the year	178,413,569	103,907,059
Employee stock options outstanding		
Options granted till date	6,885,023	-
Add: Compensation for options granted during the year	15,236,377	16,660,000
Less: deferred employee stock compensation	<u>8,327,577</u>	<u>9,774,977</u>
Balance as at the end of the year	13,793,823	6,885,023
General reserve		
Balance as at the beginning of the year	1,530,302,758	1,394,758,801
Add: Balance Transferred from statement of profit and loss	172,331,289	135,543,957
Balance as at the end of the year	<u>1,702,634,047</u>	<u>1,530,302,758</u>
<b>Surplus in statement of profit and loss</b>		
Balance as at the beginning of the year	6,513,728,651	5,231,736,233
Profit for the year	2,132,188,797	1,972,414,500
Less: Appropriations		
Dividend paid (relating to previous year)	2,352,960	360,173
Corporate dividend tax on above	371,563	58,430
Proposed dividend on equity shares	512,015,937	477,058,552
Corporate dividend tax	86,909,855	77,400,970
Transferred to general reserve	172,331,289	135,543,957
Balance as at the end of the year	7,871,935,844	6,513,728,651
<b>Hedging reserve surplus / (deficit)</b>	<u>82,066,502</u>	<u>(68,343,954)</u>
<b>Total</b>	<u><b>9,876,045,307</b></u>	<u><b>8,113,681,059</b></u>

The General Reserve is as per the requirements of Companies Act, 1956 in respect of companies incorporated in India. 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)**

	As At March 31, 2013	As At March 31, 2012
Cumulative translation reserve		
Balance as at the beginning of the year	388,898,665	154,327,172
Increase/(decrease) during the year	79,765,142	234,571,493
Add: Transferred to expenses on closure of subsidiary	(5,880,910)	-
	<u>462,782,897</u>	<u>388,898,665</u>
<b>Total</b>	<u><b>10,338,828,204</b></u>	<u><b>8,502,579,724</b></u>
<b>4 bMinority interest</b>		
Balance as at the beginning of the year	123,096,651	42,990,469
Add : Minority share in the results for the year	51,899,222	(7,987,993)
Add : 40% Minority share of Reserve	-	98,328,263
Less : Minority share in dividend declared by subsidiary	(1,717,092)	(8,805,600)
Less : Minority share of corporate dividend tax on dividend declared by subsidiary	(278,555)	(1,428,488)
	<u>173,000,226</u>	<u>123,096,651</u>
<b>5 Long-term borrowings</b>		
Secured		
Vehicle loan		
From Financial Institution/Bank	58,942,373	59,609,241
Unsecured		
Other Loans and Advances		
Finance lease obligations	1,091,583	3,871,532
	<u>60,033,956</u>	<u>63,480,773</u>
Vehicle loans from financial institution/bank are secured by way of hypothecation of the vehicles financed.		
<b>6 Other long term liabilities</b>		
Unearned revenue	-	58,847,915
	<u>-</u>	<u>58,847,915</u>
<b>7 Long-term provisions</b>		
Provision for employee benefits		
Provision for compensated absences	278,622,218	3,247,440
	<u>278,622,218</u>	<u>3,247,440</u>
<b>8 Short term borrowings</b>		
Secured		
Working capital loan repayable on demand from banks	-	407,278,000
Holding company has provided guarantee to the banker for providing short term loan facility to one of its subsidiary		
Unsecured		
Loans		
From banks	-	15,739,075
	<u>-</u>	<u>423,017,075</u>

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

	As At March 31, 2013	As At March 31, 2012
9 Trade payables	<u>1,797,476,630</u>	<u>1,284,062,358</u>
(There are no micro and small scale enterprises to which the Company owes dues as at 31st March 2013. 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 financial institution/bank (Refer Note (a) below)	32,903,681	23,489,649
Current maturities of finance lease obligations;	4,415,059	7,402,893
Advances from customers	24,560,174	102,030,403
Unclaimed dividend [Refer note (b) below]	12,548,922	11,389,939
Income received in advance(deferred / unearned Revenue)	426,169,126	343,106,749
Employee benefits payable	366,569,412	271,724,535
Statutory dues including provident fund and tax deducted at source	490,918,938	402,817,012
Derivative instruments fair value liability	-	95,829,994
	<u>1,358,085,312</u>	<u>1,257,791,174</u>
(a) Vehicle loans from financial institution/bank are secured by way of hypothecation of the vehicles		
(b) 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	162,340,779	364,021,310
Provision for gratuity	1,899,901	308,471
Proposed dividend on equity shares	513,733,029	485,864,152
Corporate dividend distribution tax	87,188,410	78,829,458
Provision for contract warranties	14,636,133	20,081,609
	<u>779,798,252</u>	<u>949,105,000</u>

## 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, 2012	Addition pursuant to acquisition of subsidiary during the year	Additions during the Year	Sales / Adj. during the Year	Translation Adjustment	As at March 31, 2013	As at March 31, 2012	As at March 31, 2012
Land - Freehold	167,165	-	-	-	-	-	167,165	167,165
Land - Leasehold	300,912,075	-	-	-	-	20,125,617	280,786,458	284,250,034
Buildings	1,216,143,303	-	36,607,964	-	(2,165,556)	44,442,002	1,206,143,709	1,191,796,546
Plant and Machinery								
Computers and Peripherals :								
Own	915,290,954	-	191,554,633	83,231,961	165,223,087	-	860,097,050	134,319,049
Lease Financed	174,027,358	-	1,788,401	12,058,965	-	-	7,501,458	161,988,393
Office Equipment	161,594,159	-	7,938,837	1,632,366	7,796,346	-	2,688,932	127,630,934
Others	605,342,808	14,745,352	81,966,347	4,163,260	(3,490,978)	10,334,205	42,067,407	130,859,567
Furniture and Fixtures	418,005,422	11,127,000	35,164,528	7,091,182	(10,025,303)	8,177,117	153,054,720	500,664,778
Lease Hold Improvements	253,064,504	28,041,790	3,495,726	-	658,757	20,498,851	166,124,919	298,672,249
Vehicles	140,462,371	-	49,133,746	16,869,917	-	15,212,067	251,382,756	43,665,474
Total	4,185,010,119	53,914,143	407,651,182	112,988,686	12,582,317	39,010,173	15,084,744	119,860,118
Previous Year	2,303,638,062	13,438,921	2,128,007,541	331,497,613	71,423,208	8,159,334	1,318,766,745	2,866,243,374

### 13. Intangible Assets

Description of Assets	GROSS BLOCK			AMORTISATION			NET BLOCK	
	As at April 1, 2012	Addition pursuant to acquisition of subsidiary during the year	Additions during the Year	Sales / Adj. during the Year	Translation Adjustment	As at March 31, 2013	As at March 31, 2012	As at March 31, 2012
Acquired Software	1,068,822,344	-	274,078,738	350,659,172	10,929,282	811,364,524	191,806,668	152,722,118
Internally developed Software	31,080,006	-	-	-	414,944	27,820,540	3,674,409	9,842,001
Patents	8,168,872	-	-	-	207,108	1,998,881	6,377,099	6,606,514
Goodwill	1,393,697,848	21,736,808	21,736,808	-	15,274,959	199,071,022	1,231,638,593	1,196,019,638
Total	2,501,769,070	295,815,546	295,815,546	350,659,172	26,826,292	1,040,254,967	1,433,496,769	1,365,190,271
Previous Year	2,068,814,569	10,463,779	427,683,895	178,883,824	173,690,651	53,804,680	1,136,578,799	1,365,190,271

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

	As at March 31, 2013		As at March 31, 2012
14. Non-current investments			
Trade Investments (valued at cost unless stated otherwise)			
Unquoted equity instruments			
199,145 (Previous Year 199,145) Common shares in Relativity Technologies Inc., USA	40		40
953,265 (Previous Year 953,265) Common Shares in Computer Logic Inc., USA	40		40
500,000 (Previous Year 500,000) Preference shares and 189,655 (Previous Year 189,655) Common Shares in Co kinetic Systems Inc., USA	40		40
	<u>120</u>		<u>120</u>
Aggregate amount of unquoted investments	120		120
15. Deferred tax assets (net)	<u>122,438,408</u>		<u>207,016,925</u>
Deferred Tax			
Break up of deferred tax assets/ liabilities is as follows:	As at April 1, 2012	Charged/Credited during the year	As at March 31, 2013
Deferred Tax Assets / Liabilities			
Deferred Tax Assets			
a) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.			
b) Tax impact of expenses charged in the financial statements but allowable as per deduction in the future year under income tax	42,042,272	(24,138,290)	17,903,982
c) Provision for doubtful debts and Advances	93,008,583	(73,171,460)	19,837,123
d) Provision for Compensated Absences, Bonus and Gratuity	9,663,510		3,442,750
e) Other Expenses	127,780,530		152,937,578
	29,587,230		73,712,943
f) Carry forward losses/ unabsorbed depreciation	162,775,862	25,691,029	188,466,891
Total (A)	464,857,987		456,301,267
Deferred Tax Liabilities			
a) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation	277,795,499	15,288,288	293,083,787
b) Tax impact of expenses not charged in the financial statements but claimed as deduction under income tax	7,531,603	(89,843)	7,441,760
Total (B)	285,327,102	15,198,445	300,525,547
Deferred Tax Assets (net) (A - B)	<u>179,530,885</u>	(23,755,165)	<u>155,775,720</u>
Add: Deferred Tax Asset related to fair value loss on derivative instruments not charged in the Statement of Profit and Loss but taken to the Balance Sheet.	27,486,040		(33,337,312)
Net Deferred Tax Assets	<u>207,016,925</u>		<u>122,438,408</u>

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

(i) 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.

(ii) The movement of Deferred tax asset/liability above includes that on account of currency translation of balance of overseas subsidiaries/branch of Rs. 3,824,110/- (Previous year Rs. 6,429,398)

	As at March 31, 2013	As at March 31, 2012
<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	46,022,922	11,582,513
Security deposits		
-Considered good	83,763,364	102,849,015
-Considered doubtful	1,459,716	1,459,716
	<u>85,223,080</u>	<u>104,308,731</u>
Less -Provision for doubtful deposits	<u>(1,459,716)</u>	<u>(1,459,716)</u>
	83,763,364	102,849,015
Capital advances	<u>62,906,706</u>	<u>3,967,330</u>
	<u>192,692,992</u>	<u>118,398,858</u>
<b>17 Other non-current assets</b>		
Long term trade receivables	-	177,461,853
Margin Money deposits	172,562,668	73,834,826
"Long Term Deposits with Banks maturity 12 months old"	<u>3,342,780</u>	<u>25,264,015</u>
	<u>175,905,448</u>	<u>276,560,694</u>
<b>18 Current Investments</b>		
At cost of market value, whichever is less:		
Mutual Funds (Unquoted)		
In Mutual Funds	<u>820,000,000</u>	<u>548,746,957</u>
	<u>820,000,000</u>	<u>548,746,957</u>

Scheme/Fund	As on 31st March 2013		As on 31st March 2012	
	Units	Value	Units	Value
<b>Liquid Scheme of Mutual Fund</b>				
Tata Mutual Fund	32,538	70,000,000	20,286	40,000,000
SBI Mutual Fund	6,851,589	90,000,000	29,664	50,000,000
Birla Sun Life Mutual Fund	1,215,951	90,000,000	300,406	50,000,000
Franklin Templeton Mutual Fund	4,049,835	90,000,000	41,791	65,000,000
IDFC Mutual Fund	1,707,570	40,000,000	38,796	50,000,000
UTI Mutual Fund	26,608	50,000,000	34,219	60,000,000
HDFC Mutual Fund	5,145,149	80,000,000	2,800,807	60,000,000
Prudential ICICI Mutual Fund	430,416	70,000,000	263,153	40,000,000
KOTAK Mutual Fund	910,683	80,000,000	4,866,514	90,000,000
Reliance Mutual Fund	3,225,350	90,000,000	3,018,864	43,746,957
Templeton Ultra Short Bond	1,404,922	20,000,000	-	-
Templeton Low Duration Fund	810,333	10,000,000	-	-
Reliance Liquid Fund	3,539	10,000,000	-	-
HDFC Cash Management Fund	1,257,218	30,000,000	-	-
<b>Total</b>		<b>820,000,000</b>		<b>548,746,957</b>



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

19 Trade Receivables	As at March 31, 2013	As at March 31, 2012
Unsecured Considered Good		
Outstanding for a period exceeding 6 months from the date they are due for payment	187,773,951	72,980,663
Others	4,350,676,846	3,241,936,324
Unsecured considered doubtful		
Outstanding for a period exceeding 6 months from the date they are due for payment	42,489,188	78,789,997
Others	-	-
Less: Provision for doubtful debts	42,489,188	78,789,997
	<u>4,538,450,797</u>	<u>3,314,916,987</u>
20 Cash and bank balances		
Cash and cash equivalents		
Cash on Hand	247,439	280,611
Cheques, drafts on hand	178,114,943	52,377,829
Bank balances		
- Current accounts	1,821,298,757	1,369,752,594
- Fixed deposit accounts (less than 3 months maturity)	22,732,349	176,969,877
- Call money accounts	-	54,637,705
	<u>2,022,393,488</u>	<u>1,654,018,616</u>
Other bank balances		
- Long term deposits with maturity more than 3 months but less than 12 months"	294,382,132	557,327,595
- Unpaid dividend account	12,548,922	11,389,939
	<u>2,329,324,542</u>	<u>2,222,736,150</u>
21 Short term loans & advances		
(Unsecured, considered good unless otherwise stated)		
Others		
Advances recoverable in cash or in kind or for value to be received		
-Considered good	677,619,813	508,854,529
-Considered doubtful	-	1,546,064
	677,619,813	510,400,593
Less: Provision for doubtful advances	-	1,546,064
	<u>677,619,813</u>	<u>508,854,529</u>
Security deposits		
-Considered good	94,182,193	63,677,877
Advance income tax	2,160,827,064	1,495,041,530
Less: Provision for income tax	1,999,709,714	1,412,673,000
	161,117,350	82,368,530
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
	<u>933,401,868</u>	<u>655,383,448</u>

**Consolidated Notes to the financial statements****(All amounts in Rs. unless otherwise stated)****22 Other current assets**

(Unsecured, considered good)

Unbilled revenue	1,222,568,095	1,327,042,262
Interest receivable on FD's	20,583,238	17,469,295
Minimum Alternate Tax credit entitlement	253,113,883	332,277,995
Derivative instruments fair value assets	115,403,814	-
	<u>1,611,669,030</u>	<u>1,676,789,552</u>

**23 Proposed dividend**

On equity shares of Rs. 10 each

Amount of dividend proposed	512,015,937	477,058,552
Dividend per equity share	8.50	8.00

**24 Contingent liabilities**

Claims against the company not acknowledged as debts

Income tax matters	455,048,809*	359,110,358
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\*Includes refund of Rs. 35,851,289 and Rs. 29,682,428 for AY 2006-07 and AY 2009-10 for holding company, respectively which has been adjusted by the income tax authorities against demand for the AY 2007-08.

Claims made by customers - pending under arbitration	3,230,000	13,661,915
Commissioner, Central Excise	241,164,898	241,164,898

As at  
March 31, 2013

As at  
March 31, 2012

**25 Capital and other commitments****(a) Capital commitments**

Estimated value of contracts in capital account remaining to be executed	613,136,469	282,456,907
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**(b) Other commitments**

Guarantees to banks against lines of credit sanctioned to wholly owned overseas subsidiaries	61,245,100	463,901,280
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Guarantees on behalf of wholly owned overseas subsidiaries	1,879,016,550	1,659,867,450
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**Consolidated Notes to the financial statements****(All amounts in Rs. unless otherwise stated)**

	Year ended March 31, 2013	Year ended March 31, 2012
<b>26 Revenue from operations</b>		
Sales of products		
Traded Goods	1,286,591,284	264,683,853
Sale of services	18,926,997,059	15,500,075,825
	<u>20,213,588,343</u>	<u>15,764,759,678</u>
<b>27 Other income</b>		
Net gain on sale of investments	58,128,156	37,690,568
Interest on :		
- Loans	558,628	10,100,219
- Bank Deposits	42,161,407	25,829,056
	<u>42,720,035</u>	<u>35,929,275</u>
Miscellaneous income	59,312,352	35,797,917
Gain on exchange fluctuations (net)	67,345,388	194,249,877
	<u>227,505,931</u>	<u>303,667,637</u>
<b>28 Purchases of stock in trade</b>		
Bought out items	1,120,274,916	426,633,481
	<u>1,120,274,916</u>	<u>426,633,481</u>
<b>29 Employee benefits expense</b>		
Salaries and benefits	10,378,856,481	8,232,756,637
Contribution to provident and other funds (Refer Note (a) below)	541,526,214	434,218,984
Employee stock option scheme (Refer note 40)	10,548,800	6,885,023
Staff welfare expenses	220,076,577	237,362,771
	<u>11,151,008,072</u>	<u>8,911,223,415</u>

**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.

Employer's Contribution	Year ended March 31, 2013	Year ended March 31, 2012
Employers Contribution to Provident Fund Trust	103,448,085	86,921,751
Employers Contribution to Superannuation Fund	11,152,098	10,124,693
Employers Contribution to Overseas Plan	426,926,031	337,172,540

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

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

**(1) 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

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

Description	March 31, 2013	March 31, 2012
Present value of obligation as at the beginning of the year	3,514,560	-
Interest cost	302,252	-
Current service cost	1,171,520	906,470
Benefits paid	-	-
Actuarial (gain) / loss on obligation	3,828,008	2,608,090
Present value of obligation as at the end of the year*	8,816,340	3,514,560

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

**(ii) Change in Plan Assets :**

Plan assets at beginning at fair value	5,477,710	-
Expected return on plan assets	492,994	-
Contribution	-	-
Benefits paid	-	-
Actuarial gain / (loss) on plan assets	10,069,287	5,477,710
Plan assets at year end at fair value	16,039,991	5,477,710

**(iii) Amount of the obligation recognised in Balance Sheet :**

Present value of the defined benefit obligation as at the end of the year	8,816,340	3,514,560
Fair value of plan assets at the end of the year	16,039,991	5,477,710
Liability/(Assets) recognized in the Balance Sheet	-	-

**(iv) Amount of expense recognised in the Statement of Profit and Loss**

Current service cost	1,171,520	906,470
Interest cost	302,252	-
Expected return on plan assets	(492,994)	-
Actuarial (gain) / loss recognized during the year	(6,241,279)	(2,869,620)
Total	-	-

**(v) Principal actuarial assumptions at the Balance Sheet date**

Description	March 31, 2013	March 31, 2012
Discount Rate	8.10%	8.60%
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%

**Consolidated Notes to the financial statements**
**(All amounts in Rs. unless otherwise stated)**
**Expected Return on Assets for Exempt PF Fund**

Year	Rate	Rate
2012-13	9.12%	9%
2014-16	9.12%	8.75%
2016 and thereafter	9.12%	8.60%

**Long term EPFO Rate**

Year	Rate	Rate
2012-13	-	8.60%
2013-14	8.50%	-
2014 and thereafter	8.50%	8.60%

**Amount recognised in current year**

Description	March 31, 2013	March 31, 2012
Present value of the defined benefit obligation as at the end of the year	8,816,340	3,514,560
Fair value of plan assets at the end of the year	16,039,991	5,477,710
(Liability)/Assets recognized in the Balance Sheet	-	-
Experience Gain/(Loss) adjustments on Plan Liabilities	(3,828,008)	(2,608,090)
Experience Gain/(Loss) adjustments on Plan assets	10,069,287	5,477,710

**Note:**

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

**(2) 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, 2013	March 31, 2012
(i) Present value of obligation as at the beginning of the year	109,366,002	100,609,512
Interest cost	8,988,898	7,935,870
Current service cost	25,574,400	18,363,100
Benefits paid	(9,589,450)	(5,270,710)
Actuarial (gain)/loss on obligations	14,796,370	(12,271,750)
Present value of obligation as at the end of the year	149,136,240	109,366,022

**(ii) Change in Plan Assets:**

Plan assets at beginning at fair value	124,456,980	101,407,950
Expected return on plan assets	12,727,420	10,147,920
Contributions	31,939,440	18,744,010
Benefits paid	(9,589,450)	(5,270,710)
Actuarial (gain)/loss on plan assets	(1,383,680)	(572,190)
Plan assets at year end at fair value	158,150,710	124,456,980

**(iii) Amount of the obligation recognised in the Balance Sheet:**

Description	March 31, 2013	March 31, 2012
Present value of the defined benefit obligation at the end of the year	149,136,240	109,366,022
Fair value of plan assets at the end of the year	158,150,710	124,456,980
Liability/ (Assets) recognised in the Balance sheet	(9,014,470)	(15,090,958)

**Consolidated Notes to the financial statements**
**(All amounts in Rs. unless otherwise stated)**
**(iv) Amount of gratuity expense recognised in the Statement of Profit and Loss.**

Description		
Current service cost	25,574,400	18,363,100
Interest cost	8,988,898	7,935,870
Expected return on plan assets	(12,727,420)	(10,147,920)
Actuarial (gain)/loss recognized during the year	16,180,092	(4,451,490)
Total	38,016,070	11,699,560

Amount recognised in current year and previous four years

Description	March 31,2013	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	(149,136,240)	(109,366,022)	(100,609,512)	(87,885,162)	(83,020,512)
Fair value of plan assets at the end of the year	158,150,710	124,456,980	101,407,950	99,795,280	82,208,520
(Liability) / assets recognized in the balance sheet	9,014,470	15,090,958	798,438	11,910,118	(811,992)
Experience gain / (loss) adjustment on plan liabilities	(14,796,370)	12,271,750	995,000	10,150,910	(960,375)
Experience gain / (loss) adjustment on plan assets	(1,261,260)	(572,190)	89,720	(324,100)	190,810

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.

(v) Principal actuarial assumptions at the Balance Sheet date:

Description	March 31,2013	March 31,2012
Discounting rate	8.10%	8.60%
Expected rate of return on plan assets	9.40%	9.40%

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

**c) Other Benefit Plan**

Compensated absences

(i) Change in present value of obligation

Description	Year ended March 31,2013	Year ended March 31,2012
Present value of the obligation at the beginning of the year	318,493,202	214,773,348
Interest cost	23,956,155	17,638,428
Current service cost	141,185,265	124,581,452
Benefits paid	(15,040,857)	(481,720)
Actuarial (gain)/loss on the obligation	(86,429,650)	(38,018,306)
Present value of obligation as at the end of the year (A)	382,164,115	318,493,202
Liability for entities where actuarial is not performed (B)	58,798,882	48,775,548
Grand Total (A+B)	440,962,997	367,268,750

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

(ii) Amount of the obligation recognised in Balance Sheet:

Particulars	March 31, 2013	March 31, 2012
Present Value Of The Obligation at the end of the year	382,164,115	318,493,202
Fair value of plan assets at the end of the year	-	-
Liability/ (Assets) recognized in the Balance sheet	382,164,115	318,493,202
Non Current Liability	278,622,218	3,247,440
Current Liability	103,541,897	315,245,762

**(iii) Amount recognised in the Statement of Profit and Loss:**

Particulars		
Current service cost	141,185,265	124,581,452
Interest cost	23,956,155	17,638,428
Expected return on plan assets	-	-
Actuarial (gain)/loss recognized during the year	(86,429,650)	(38,018,306)
Amount recognized in the Statement of Profit and Loss	78,711,770	104,201,574

(iv) Principal actuarial assumptions used in accounting for compensated absences

Description		
<u>For entities in India</u>		
Discount rate	8.10%	8.60%
Future salary increase		
For first 4 years	9.00%	9.00%
next 5 years	7.00%	7.00%
Thereafter	5.00%	5.00%
<u>For NIIT Technologies Limited, USA Branch</u>		
Discount rate	8.10%	8.60%
Future salary increase		
For first year	0.00%	0.00%
Thereafter	4.00%	4.00%
<u>For NIIT Technologies Inc., USA</u>		
Discount rate	3.10%	3.10%
Future salary increase		
For first year	0.00%	0.00%
Thereafter	4.00%	4.00%

Description	March 31,2013	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	(382,164,115)	(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	(382,164,115)	(318,493,202)	(214,773,346)	(182,377,257)	(169,303,135)
Experience gain/(loss) adjustment on plan liabilities	86,429,650	38,018,306	90,162,524	102,671,682	94,812,356
Experience gain/(loss) adjustment on plan assets	-	-	-	-	-



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

	Year ended March 31, 2013	Year ended March 31, 2012
<b>30 Finance costs</b>		
Interest on long term borrowings	19,135,486	15,719,406
Other borrowing costs	2,110,958	5,492,519
Bank and financial charges	<u>31,856,606</u>	<u>17,188,096</u>
	<u>53,103,050</u>	<u>38,400,021</u>
<b>31 Depreciation and amortisation</b>		
Depreciation on tangible assets	323,215,857	240,267,897
Amortisation on intangible assets	<u>243,640,154</u>	<u>123,962,528</u>
	<u>566,856,011</u>	<u>364,230,425</u>
<b>32 Other expense</b>		
Rent	487,707,224	428,890,078
Rates and taxes	11,378,522	7,307,801
Electricity and water	136,220,826	112,827,983
Communication	242,189,279	172,527,528
Legal and professional [refer note (a) below]	408,420,007	507,121,095
Travelling and conveyance	722,505,430	648,921,866
Insurance premium	58,349,656	43,327,985
Repairs and maintenance		
- Plant and machinery	181,416,592	119,248,241
- Buildings	3,134,253	2,962,269
- Others	267,666,709	152,500,564
Bad debt and provision for doubtful debt	55,472,832	22,547,680
Lease rentals	1,391,256	1,619,749
Loss on sales of assets	2,110,478	6,936,102
Donation	51,010,247	50,660,399
Advertisement and publicity	74,967,906	77,204,716
Business promotion & others	142,979,675	112,560,985
Professional charges	1,241,216,670	849,355,958
Equipment hiring	26,338,743	13,542,420
Consumables	175,631,175	150,702,327
Other production expenses	194,580,163	140,159,886
Miscellaneous expenses	<u>130,632,052</u>	<u>105,037,011</u>
	<u>4,615,319,695</u>	<u>3,725,962,643</u>

**a) Payment to auditors (excluding service tax)**

-As auditor	12,742,172	9,819,418
-For reimbursement of expenses	1,083,491	717,948

Payment to other auditors amount to Rs 22,968,599/- (Previous Year Rs. 20,738,276/- ).

**33 Working Capital Limits of the Parent Company of Rs.1,700,000,000/- (Previous Year Rs. 1,700,000,000/-) 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:

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

Subsidiary	Percentage of ownership Interest as at March 31, 2013	Percentage of ownership Interest as at March 31, 2012	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
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 Company – 60% by NIIT Technologies Inc., USA)	60	60	United States
NIIT Technologies S.A., (erstwhile Proyecta Systemas de Informacion S.A.)	100	100	Spain
NIIT Technologies Philippines INC.	100	-	Philippines

\* Wound up during the year

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

NIIT Technologies Philippines INC: NIIT Technologies Limited, acquired 100% stake in Saber International Philippines Managment ,INC(NIIT Technologies Philippines INC) with effect from Sept 4, 2012 for a consideration of Rs 38,867,570. The assets and liabilities on the date of acquisition and the resultant goodwill on consolidation included in these financial statements are as follows:

Assets	(Rs)
Fixed Assets	14,903,969
Other Current/non-current Assets	29,906,956
Bank Balances	8,383,296
<b>Total (A)</b>	<b>53,194,221</b>
 Less: Liabilities	
Creditors	25,334,087
Other Liabilities	10,729,420
<b>Total (B)</b>	<b>36,063,507</b>
<b>Net Assets (A-B) C</b>	<b>17,130,714</b>
<b>Purchase Consideration (D)</b>	<b>38,867,570</b>
<b>Resultant Goodwill on Consolidation (E D - C)</b>	<b>21,736,856</b>

**Consolidated Notes to the financial statements**
**(All amounts in Rs. unless otherwise stated)**
**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. 79,164,112/- [Previous year 56,733,066/- (accumulation to MAT credit)] has been utilized.

In addition to Indian operations, the Company has accounted for the tax liability/reliefs in respect of its overseas subsidiaries and overseas branch in accordance with the tax legislations applicable in respective countries.

**36 Earning per share :**

Basic	Year ended March 31, 2013	Year ended March 31, 2012
Profit attributable to equity shareholders (Rs.) - (A)	2,132,188,797	1,972,414,500
Weighted average number of equity shares outstanding during the year - (B)	60,004,077	59,388,622
Basic earning per share Rs.	35.53	33.21
Diluted		
Profit attributable to equity shareholders (Rs.) - (A)	2,132,188,797	1,972,414,500
Weighted average number of equity shares outstanding during the year - (B)	60,004,077	59,388,622
Add : Weighted average number of potential equity shares on account of employee stock options	733,877	685,302
Weighted average number of shares outstanding for dilutive EPS (C)	60,737,954	60,073,924
Diluted EPS	35.10	32.83
Face value per share	10.00	10.00

The Company has issued 604,850 (Previous Year 381,263) 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	Year ended March 31, 2013	Year ended March 31, 2012
Profit Attributable to Equity shareholders ( Rs.) - (D)	2,109,281,998	1,935,047,844
Basic Earning per share (Rs) (D / B)	35.15	32.58
Diluted Earning per share (Rs) (D / C)	34.73	32.21

**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

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

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

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)	29,754,876	-	-	29,754,876
	(35,867,611)	-	-	(35,867,611)
Recovery by NIIT Limited Group ( Note 3)	-	-	-	-
	(13,741,593)	-	-	(13,741,593)
Receiving of Services / Goods ( Note 4)	11,821,682	-	4,573,650	16,395,332
	(8,561,568)	-	(690,000)	(9,251,568)
Rendering of Services ( Note 5)	33,705,542	-	-	33,705,542
	(11,453,943)	-	-	(11,453,943)
Remuneration ( Note 6)		44,769,109	-	44,769,109
		(42,814,039)	-	(42,814,039)
Other Income ( Note 7)	4,818,914	-	-	4,818,914
	(9,520,452)	-	-	(9,520,452)
Other Expenses ( Note 8)	82,750	-	772,961	855,711
	-	-	(535,063)	(535,063)
Dividend Paid to Scantech Evaluation Services Limited	123,194,580	-	-	123,194,580
	(115,947,840)	-	-	(115,947,840)
Loans Given Received back ( Note 9)	-	-	-	-
	-	-	(250,000,000)	(250,000,000)
Interest Received ( Note 10)	-	-	-	-
	-	-	(10,027,396)	(10,027,396)
Donation ( Note 11)	-	-	50,000,000	50,000,000
	-	-	(50,000,000)	(50,000,000)
Fixed Assets Purchased ( Note 12)	1,221,606	-	-	1,221,606
	-	-	-	-

**Notes:**

- Figures in parenthesis represent previous year's figures
- Includes transactions for the year mainly with;
  - NIIT Limited Rs.15,926,907/- (Previous Year: Rs.10,205,340/-)
  - NIIT (USA) Inc Rs.13,827,969/-(Previous Year: Rs. 25,662,271/-)
- Includes transactions for the year mainly with;
  - NIIT Limited Rs. Nil (Previous Year: Rs.2,021,958/-)
  - NIIT (USA) Inc Rs. Nil (Previous Year: Rs 11,576,635/-)
  - NIIT Institute of Finance Banking and Insurance Training Ltd Rs. Nil (Previous Year Rs.143,000/-)
- Includes transactions for the year mainly with;

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

- NIIT Limited Rs 2,967,957/- (Previous Year Rs. 5,807,556/-)
  - NIIT US Rs. 3,828,711/- (Previous Year Rs. Nil)
  - Evolve Services Limited Rs. 1,987,720/- (Previous Year Rs. 2,754,012/-)
  - NIIT China INR 3,037,294/- (Previous Year Rs. Nil)
  - NIIT University INR 4,542,150/- (Previous Year Rs. Nil)
  - Indian School of Business Rs. 31,500/- (Previous Year Rs. 690,000/-)
- 5 Includes transactions for the year mainly with;
- NIIT Limited Rs. 26,589,172/- (Previous Year Rs. 9,787,688/-)
  - NIIT (USA) Inc Rs. 7,116,370/- (Previous Year: Rs. 1,021,881/-)
  - NIIT UK Rs. Nil (Previous Year: Rs. 644,374/-)
- 6 Remuneration to Key Managerial Personnel includes those paid to
- Rajendra S Pawar – Rs. 19,032,897/- (Previous year Rs. 14,662,086/-)
  - Arvind Thakur – Rs. 24,836,212/- (Previous year Rs. 27,351,953/-)
  - Vijay K Thadani Rs. 900,000/- (Previous year Rs. 800,000/-)
- 7 Includes transactions for the year mainly with;
- NIIT Limited Rs. Nil (Previous Year Rs. 300,000/-)
  - NIIT UK Rs. 4,818,914 /- (Previous Year Rs. 4,958,015/-)
  - NIIT(USA) Inc Rs. Nil (Previous Year: Rs. 4,262,437/-)
- 8 Includes transactions for the year with
- Naya Bazar Rs. 772,961/- ( Previous year Rs. 535,063/-)
  - NIIT China Rs. 82,750/- ( Previous year Rs. Nil)
- 9 Transactions in loan given received for the year with
- NIIT Institute of Information Technology, Rs. Nil (Previous year Rs. 250,000,000/-)
- 10 Transactions in interest received for the year with
- NIIT Institute of Information Technology, Rs. Nil (Previous year Rs. 10,027,396/-)
- 11 Transactions in donation for the year with
- NIIT Institute of Information Technology, Rs. 50,000,000/- (Previous year Rs. 50,000,000/-)
- 12 Transaction in Purchased of Fixed Assets
- NIIT Ltd. Rs. 1,158,173/- (Previous year Rs. Nil)
  - NIIT USA Inc. Rs. 63,433/- (Previous year Rs. Nil)

**Outstanding balances with related parties:**

	Receivable As at March 31, 2013	Payable As at March 31, 2013	Receivable As at March 31, 2012	Payable As at March 31, 2012
Parties of whom the group is an associate and its subsidiaries	21,805,726	7,440,227	8,491,123	11,507,756
Parties in which Key Managerial Personnel are interested	-	64,272	7,998	-
Key Managerial Personnel	-	-	519,313	-

- 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:

**Consolidated Notes to the financial statements**

(All amounts in Rs. unless otherwise stated)

Particulars	Revenue from external customers by location of customers		Carrying amount of segment assets by location of the assets		Additions to fixed assets	
	Year ended March 31, 2013	Year ended March 31, 2012	As at March 31, 2013	As at March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
India	2,545,657,249	1,863,959,720	7,843,495,271	6,364,105,821	532,982,696	2,070,874,042
Rest of Asia Pacific* (including Australia)	2,242,800,676	2,081,235,404	1,730,138,302	1,663,028,816	51,090,809	23,114,644
Europe*	7,826,175,908	5,985,952,781	3,723,664,631	3,612,195,936	36,805,536	344,532,753
America*	7,598,954,510	5,833,611,773	1,554,248,643	1,332,352,756	82,587,687	117,169,997
<b>Total</b>	<b>20,213,588,343</b>	<b>15,764,759,678</b>	<b>14,851,546,847</b>	<b>12,971,683,329</b>	<b>703,466,728</b>	<b>2,555,691,436</b>

\*Net of Hedging loss of Rs.212,698,646/- (Previous Year Rs.131,003,890/-). This includes derivate instruments matured during the year for America Rs.170,671,048/- (Previous Year Rs. 86,811,250/-), Europe Rs. 42,027,598/-(Previous Year Rs.40,204,440/-) and Australia Rs. Nil (Previous Year Rs. 3,988,200/-)

**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	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Amount payable within the next 1 year	268,703,986	114,960,516	16,721,274	25,105,245
Amount payable in the next 2 to 5 years	367,960,479	257,478,751	10,098,048	25,721,767

Aggregate payments during the period under operating leases amount to Rs.487,707,224 (Previous Year Rs 428,890,078).

**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	4,633,154 (8,031,896)	218,096 (629,003)	4,415,059 (7,402,893)
Amount payable in the next 2 to 5 years	1,136,825 (3,995,852)	45,242 (124,320)	1,091,583 (3,871,532)
<b>Total</b>	<b>5,682,637 (12,027,748)</b>	<b>263,338 (753,323)</b>	<b>5,419,300 (11,274,425)</b>

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 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.

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

The Company granted option in seventeen Grants, out of the same grant I, II, III, IV and VI 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)	
						As at March 31, 2013	As at March 31, 2012
Grant III	20-Jun-07	20-Jun-08	349.00	-	112.07	-	-
Grant IV	28-Jul-08	28-Jul-09	108.00	-	43.78	-	119
Grant V							
Tranche I	19-Oct-09	19-Oct-10	127.20	-	53.19	202	567
Tranche II	19-Oct-09	19-Oct-11	127.20	-	53.19	567	932
Grant VI							
Tranche I	19-Jul-10	19-Jul-11	182.15	-	75.39	475	840
Tranche II	19-Jul-10	19-Jul-12	182.15	-	75.39	840	1,205
Grant VII							
Tranche I	18-Oct-10	18-Oct-11	223.75	-	83.29	566	931
Tranche II	18-Oct-10	18-Oct-12	223.75	-	83.29	931	1,296
Grant VIII							
Tranche I	18-Jan-11	18-Jan-12	206.20	-	76.65	658	1,023
Tranche II	18-Jan-11	18-Jan-13	206.20	-	76.65	1,023	1,388
Grant IX							
Tranche I	6-May-11	6-May-12	188.25	-	67.21	766	1,131
Tranche II	6-May-11	6-May-13	188.25	-	67.21	1,132	1,497
Grant X							
Tranche I	9-Jun-11	9-Jun-12	10.00	176.05	160.58	800	1,165
Tranche II	9-Jun-11	9-Jun-13	10.00	176.05	160.58	1,166	1,531
Tranche III	9-Jun-11	9-Jun-14	10.00	176.05	160.58	1,531	1,896
Grant XI							
Tranche I	19-Jul-11	19-Jul-12	206.15	-	71.15	840	1,205
Tranche II	19-Jul-11	19-Jul-13	206.15	-	71.15	1,206	1,571
Grant XII							
Tranche I	17-Oct-11	17-Oct-12	10.00	201.40	182.15	930	1,295
Tranche II	17-Oct-11	17-Oct-13	10.00	201.40	182.15	1,296	1,661
Tranche III	17-Oct-11	17-Oct-14	10.00	201.40	182.15	1,661	2,026
Grant XIII							
Tranche I	17-Jan-12	17-Jan-13	198.00	-	53.89	1,022	1,387
Tranche II	17-Jan-12	17-Jan-14	198.00	-	53.89	1,388	1,753
Grant XIV							
Tranche I	3-May-12	3-May-13	256.60	-	71.93	1,129	-
Tranche II	3-May-12	3-May-14	256.60	-	71.93	1,494	-
Grant XV							
Tranche I	2-Jul-12	2-Jul-13	285.80	-	76.26	1,189	-
Tranche II	2-Jul-12	2-Jul-14	285.80	-	76.26	1,554	-
Grant XVI							
Tranche I	2-Jul-12	2-Jul-13	10.00	275.80	232.18	1,189	-
Tranche II	2-Jul-12	2-Jul-14	10.00	275.80	232.18	1,554	-
Tranche III	2-Jul-12	2-Jul-15	10.00	275.80	232.18	1,919	-
Grant XVII							
Tranche I	14-Jan-13	14-Jan-14	274.85	-	66.95	1,385	-
Tranche II	14-Jan-13	14-Jan-15	274.85	-	66.95	1,750	-

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



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

Description	Year ended March 31, 2013	Year ended March 31, 2012
Live options at beginning of the year	1,676,351	2,148,489
Options granted during the year	234,000	161,250
Options Forfeited / lapsed during the year till vesting period	22,500	85,500
Net Exercisable options	1,887,851	2,224,239
Options vested	147,125	977,750
Options forfeited post vesting	82,850	166,625
Options Exercised	604,850	381,263
Exercisable /outstanding options at the end of the year	1,200,151	1,676,351

During the year, the Compensations / Remuneration Committee at its meetings held on May 3, 2012 has approved issue of 33,000 Options (Grant XIV), on July 3, 2012 has approved an issue of 153,000 Options (Grant XV), on July 3, 2012 has approved issue of 33,000 options (Grant XVI), and on January 14, 2013 has approved issue of 15,000 options (Grant XVII) out of the options 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) 46.78% (Grant XIII Tranche II) 36.38% (Grant XIV Tranche I) 43.54% (Grant XIV Tranche II) 36.72% (Grant XV Tranche I) 45.16% (Grant XV Tranche II) 36.72% (Grant XVI Tranche I) 42.86% (Grant XVI Tranche II) 52.55% (Grant XVI Tranche III) 36.43% (Grant XVII Tranche Part I) and 38.26% (Grant XVII 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, Grant XIV Tranche I, Grant XV Tranche I, Grant XVI Tranche I, Grant XVII Tranche I 3.5 years for Grant V Tranche II, Grant VII Tranche II Grant VIII Tranche II, Grant IX Tranche II, Grant X Tranche II, Grant XI Tranche II, Grant XII Tranche II, Grant XIII Tranche II, Grant XIV Tranche II, Grant XV Tranche II, Grant XVI Tranche II and Grant XVII 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, Grant XII Tranche III and Grant XVI 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 8.27% Grant XIV Tranche I 8.33% Grant XIV Tranche II 8.10% Grant XV Tranche I 8.15% Grant XV Tranche II 8.10% Grant XVI Tranche I 8.15% Grant XVI Tranche II 8.21% Grant XVI Tranche III, 7.74% Grant XVII Tranche I 7.76% Grant XVII Tranche II based on long term government bonds of ten year residual maturity che I)

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	
		2012-13	2011-12	2012-13	2011-12
Grant V	- Tranche I	-	-	-	-
	- Tranche II	-	-	-	19,979,046
Grant VI	- Tranche I	-	-	-	577,784
	- Tranche II	-	-	-	1,922,445
Grant VII	- Tranche I	-	-	-	1,966,873
	- Tranche II	-	-	1,628,262	3,581,470
Grant VIII	- Tranche I	-	-	-	1,534,047
	- Tranche II	-	-	1,538,250	1,916,250
Grant IX	- Tranche I	-	-	43,088	455,871
	- Tranche II	-	-	504,075	455,871
Grant X	- Tranche I	687,556	2,952,444	-	2,606,134
	- Tranche II	1,365,000	1,107,167	2,408,700	1,954,601
	- Tranche III	910,000	738,111	2,408,700	1,954,601
Grant XI	- Tranche I	-	-	225,146	899,289
	- Tranche II	-	-	747,075	899,289
Grant XII	- Tranche I	1,334,177	1,122,823	1,297,507	1,080,458
	- Tranche II	1,228,500	561,411	2,367,950	1,080,458
	- Tranche III	882,000	403,067	2,550,100	1,163,570
Grant XIII	- Tranche I	-	-	414,953	111,811
	- Tranche II	-	-	545,636	111,811
Grant XIV	- Tranche I	-	-	931,860	
	- Tranche II	-	-	1,227,222	
Grant XV	- Tranche I	-	-	3,716,366	
	- Tranche II	-	-	4,979,098	
Grant XVI	- Tranche I	2,259,034	-	1,998,738	
	- Tranche II	1,129,520	-	1,902,584	
	- Tranche III	753,013	-	1,811,185	
Grant XVII	- Tranche I	-	-	95,916	
	- Tranche II	-	-	113,188	
		10,548,800	6,885,023	33,455,599	44,251,679

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. 10,548,800/- expenses accounted based on intrinsic value of the option as all other options were issued at market price only.

41 Previous year figures have been reclassified to conform to this years classification

For Price Waterhouse  
Firm Registration No 301112E

Rajendra S Pawar

Arvind Thakur

Usha Rajeev  
Partner

Ashok Arora  
Group Chief Financial Officer

Pratibha K Advani  
Chief Financial Officer

Onkarnath Banerjee  
Company Secretary

0 7

Place : New Delhi  
Date : May 17, 2013

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## 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: 8, Balaji Estate, Guru Ravi Das Marg, Kalkaji, New Delhi - 110 019. 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 |
| 8. Overall Rating             | <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 Bank Account details/email address in your Demat Account?  
If not, please update

☐ Yes☐ No

Any Other comments / suggestions.



## NIIT Technologies Ltd.

Regd. Office : 8, Balaji Estate, First Floor Guru Ravi Das Marg, Kalkaji, New Delhi - 110 019

### PROXY FORM

**21<sup>st</sup> Annual General Meeting July 01, 2013**

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  
1<sup>st</sup> day of July, 2013.

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 Ltd.

Regd. Office : 8, Balaji Estate, First Floor Guru Ravi Das Marg, Kalkaji, New Delhi - 110 019

### ATTENDANCE SHEET

**21<sup>st</sup> Annual General Meeting July 01, 2013**

(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 1<sup>st</sup> day of July, 2013

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  
Fax: +1 (770) 551 9229

**NIIT Technologies Inc.,**  
1100 Cornwall Road, Suite 202  
Monmouth Junction, NJ 08852  
Ph: 732-821-6405  
Fax: 732-821-7575

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

### Belgium

**NIIT Technologies NV**  
Culliganlaan 1B,  
Vendôme - Suite 119,  
1831, Diegem, Belgium  
Ph: +32 2403 1140  
Fax: +32 2403 1141

### Germany

**NIIT Technologies GmbH**  
An der Dammheide 10  
60486 Frankfurt am Main  
Germany  
Ph: + 49 (0) 69 43 05 33 0  
Fax: + 49 (0) 69 43 05 33 150

**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, 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 70020700  
Fax: +44 (0) 20 70020701

**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 8601

### Spain

**NIIT Technologies 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**  
Dubai Internet City, Office No. 304,  
EIB, Building No. 04, 3<sup>rd</sup> Floor,  
Dubai,  
United Arab Emirates (UAE)  
Post Box No. 500822  
Ph: +971 4 4355748

## ASIA

### India

**Delhi/NCR**  
**Corporate Office**  
**NIIT Technologies Limited**  
Corporate Heights (Tapasya)  
Plot No. 5, EFGH, Sector 126  
Noida-Greater Noida Expressway  
Noida - 201301, U.P., India  
Ph: +91 (120) 711 8400  
Fax: +91 (120) 711 9150

### Gurgaon

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

### NIIT GIS 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) 428 5000  
Fax: +91 (120) 428 5333

### Bangalore

**NIIT Technologies Limited**  
No. 31/2, Roopena Agrahara,  
Begur Hobli, Hosur Main Road,  
Bangalore - 560068, India  
Ph: +91 (33) 3028 9500  
Fax: +91 (33) 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, (Asoko) Klongtoey Nua,  
Wattana, Bangkok 10110  
Ph: +66 (0)2 664-3036-8  
Fax: +66 (0)2 664-3039

### Philippines

**NIIT Technologies Philippines Inc.,**  
Erstwhile Sabre International Philippines  
Management, Inc.  
5<sup>th</sup> Floor, North Tower,  
Rockwell Business Centre,  
Ortigas Avenue, Pasig City,  
Metro Manila, Philippines

### Japan

**NIIT Technologies K.K.**  
Yokohama Landmark Tower 20F  
2-2-1 Minatomirai Nishi-ku  
Yokohama 220-8120

## AUSTRALIA

### Sydney

**NIIT Technologies Pty. Limited**  
Level 1, 51 Walker Street  
North Sydney, NSW 2060  
PO Box 1806, 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 Ltd.  
8, Balaji Estate, First Floor,  
Guru Ravi Das Marg, Kalkaji,  
New Delhi - 110019  
Tel: +91 11 41675000  
Fax: +91 11 41407120

June 05, 2013

The Secretary  
**Bombay Stock Exchange Limited**  
Corporate Relationship Department  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai-400 001

The Secretary  
**National Stock Exchange of India Ltd.**  
Exchange Plaza  
5<sup>th</sup> Floor, Plot no C/1, G Block  
Bandra Kurla Complex  
Bandra (East)  
Mumbai 400 051.

Dear Sir,

**Sub.: FORM A – NIIT Technologies Limited for the financial year ended March 31, 2013**

1.	Name of the Company:	<b>NIIT Technologies Ltd.</b>
2.	Annual financial statements for the year ended	<b>March 31, 2013</b>
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable

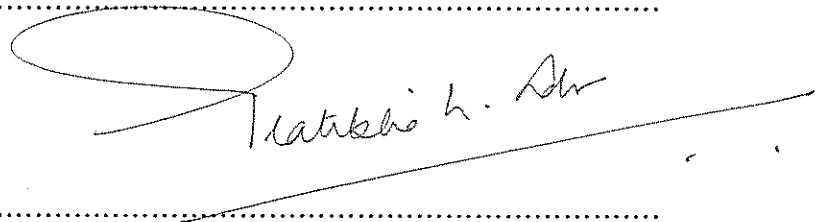
.....  
**Rajendra S Pawar**  
**Chairman & Managing Director**  
**NIIT Technologies Limited**



.....  
**Ashwani Puri**  
**Chairman – Audit Committee**  
**NIIT Technologies Limited**



.....  
**Pratibha K Advani**  
**Chief Financial Officer**  
**NIIT Technologies Limited**



.....  
**Usha Rajeev**  
**Partner**  
**Price Waterhouse (Statutory Auditors)**  
**FRN 301112E**

