



A NEW WAY OF LEARNING

**ANNUAL REPORT 2012-2013
NIIT LIMITED**

OUR VISION

VALUES, MOTIVES AND BELIEFS

WE, NIIT, BELIEVE THAT OUR GROWTH IS THE DERIVATIVE OF THE GROWTH OF EACH ONE OF US. IT IS THE DUTY OF EACH ONE OF US TO ESPOUSE AND GIVE ACTIVE EFFECT TO THE VALUES, MOTIVES AND BELIEFS WE STATE HERE

NIIT IS PEOPLE

WE HAVE POSITIVE REGARD FOR EACH ONE OF US

WE WILL FOSTER CAREER-BUILDING BY CREATING OPPORTUNITIES THAT DEMAND LEARNING, THINKING AND INNOVATION FROM EACH ONE OF US.

WE EXPECT EACH OF US TO CONTRIBUTE TO THE PROCESS OF ORGANISATION BUILDING AND THUS DERIVE PRIDE, LOYALTY AND EMOTIONAL OWNERSHIP.

WE RECOGNISE THE NECESSITY OF MAKING MISTAKES AND RISK-TAKING WHEN IT CONTRIBUTES TO THE LEARNING, INNOVATION AND GROWTH OF EACH ONE OF US.

NIIT IS QUALITY AND VALUE

EACH OF US WILL ENSURE THAT IN ANY ASSOCIATION WITH SOCIETY, SOCIETY BENEFITS SUBSTANTIALLY MORE THAN:

- (a) WHAT SOCIETY GIVES TO US.
- (b) WHAT SOCIETY WOULD GAIN FROM ANY OTHER SIMILAR ASSOCIATION

WE WILL MEET ANY AND EVERY COMMITMENT MADE TO SOCIETY IRRESPECTIVE OF ANY COST THAT MAY HAVE TO BE INCURRED.

WE WILL ENSURE OUR PROFITABILITY, LONG-TERM GROWTH AND FINANCIAL STABILITY, THROUGH THE PROCESS OF DELIVERING THE BEST, BEING SEEN AS THE BEST AND BEING THE BEST.

WE WILL BE FAIR IN ALL OUR DEALINGS AND PROMOTE HIGH STANDARDS OF BUSINESS ETHICS.

NIIT IS A MISSION

WE WILL GROW IN THE RECOGNITION AND RESPECT WE COMMAND, THROUGH PIONEERING AND LEADING IN THE EFFECTIVE DEPLOYMENT OF TECHNOLOGY AND KNOW-HOW.

WE WILL SEEK TO PLAY A KEY-ROLE IN THE DIRECTIONS AND DEPLOYMENT OF TECHNOLOGY AND KNOW-HOW FOR THE BENEFIT OF MANKIND.

NIIT

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CHAIRMAN'S MESSAGE

Dear Shareowners,

The financial year 2012-13 continued to be a challenging period for the Indian economy, with GDP growth slipping to five percent, the lowest in the last ten years. Slow pace of reforms, policy uncertainty, foreign exchange volatility and high interest rates further dampened business sentiment and caused hiring to decline.

Impacted by the sluggish environment, the IT-BPM sector, traditionally a major recruiter generated fewer jobs, with companies even deferring the joining dates of thousands of fresh graduates hired by them.

On the more positive side, sectors such as Banking remained robust. The schools market also experienced expansion and growth, with private schools actively embracing technology solutions and demanding offerings that would give them a competitive edge.

At a global level, it was the corporate training market that demonstrated high potential. Companies, especially in the USA, enhanced their learning budgets and outsourced their training functions to organisations known for improving the efficiency and effectiveness of employee skilling.

Your Company proactively handled both the highs and the lows of the environment, taking measures to overcome the challenges and ride the wave of emerging opportunities.

NIIT continued to build traction in the four growth platforms identified last year - essentially the NIIT Cloud Campus for individuals, Managed Training Services (MTS) for corporations, nGuru solutions for schools and NIIT Yuva Jyoti for imparting vocational skills training to youth.

The Cloud in fact, became the driver of your Company's vision of ushering in a new way of learning. During the year, NIIT took its pioneering Cloud-based offerings across its four platforms of growth, making available new-age skills to students and learners across geographies.

Owing to these developments, each of the identified platforms saw growth. Based on these positives, NIIT also won several industry accolades during the year including the 'Top IT Training Company Award 2012' for the 20th year in succession by Cybermedia publications. Your Company ranked among the 'Top 10 India's Best Companies to Work for 2012', a listing brought out by Great Places to Work Institute.

FINANCIAL PERFORMANCE

The adverse economic conditions, coupled with a temporary squeeze in hiring by the IT sector, reflected in the student's sentiments, thereby leading to a lower YoY performance. For the financial year 2012-13, your Company recorded Net Revenue of Rs. 960.8 Cr, with a PAT of Rs 26.3 Cr.

Recognising that its financials were being impacted by external market conditions as well as the drop in IT training revenues, your Company responded quickly and proactively, restructuring its business to cut debt levels and undertake cost rationalisation. Your Company also exited capital-intensive models across businesses to improve cash flow.

BUSINESS OPERATIONS

Despite a drop in momentum, NIIT's **Individual Learning Solutions (ILS)** business continued to be the largest contributor to its turnover, accounting for 48 percent of the revenues for the year.

While hiring by the IT-BPM industry dropped by over 20 percent in FY13, companies showed an increasing preference for 'just-in-time' enrollment of skilled people. Your Company's campus placements therefore remained strong at over 36,000, representing a marginal decrease of four percent as compared to the previous year.



In order to further spur ILS growth, NIIT stepped up its investment in the Cloud Campus, enriching the platform and offering it in a new version from 150 centres and with 50 courses.

The wide range of higher realisation training programmes in IT, Banking, Global Finance, Management, Mobility, Digital and Social Media Marketing under the Cloud Campus™ helped transform learners into first-day first-hour industry-ready professionals.

The Cloud Campus delivery platform also enabled your Company to achieve higher scalability with available resources, lower delivery costs, and achieve better capacity utilisation.

The rise of career opportunities in verticals such as banking during 2012-13 further boosted NIIT's banking courses as well as its Management Education programmes. During the year, NIIT's banking and financial training arm, the Institute of Finance Banking and Insurance Training Limited (IFBI) continued to beef up its range of offerings for the sector, adding a course to prepare people for the role of sales officers within banks.

Your Company's Management and Leadership development programmes for working professionals, delivered through NIIT Imperia, as well as its offerings for Business Process Management/KPO training in joint venture with Genpact saw strong growth in FY13.

NIIT's Corporate Learning Solutions (CLS) business, encompassing Managed Training Services (MTS), kept your Company's flag flying. CLS grew at 19 percent on a continuing business basis during the year on the strength of its MTS business acquiring five new marquee customers in 2012-13. MTS now accounts for 72 percent of CLS' business mix.

The performance of your Company's **School Learning Solutions (SLS)** business was catalysed by its nGuru suite of products, targeted at private schools. NIIT nGuru, an identified platform for your Company's growth, helped SLS sign 817 schools in FY13. Revenues from the NGSA segment now contribute to 43 percent of the overall SLS business.

As far as NIIT's **Skills Building Solutions (SBS)** business was concerned, FY13 represented the first full year of its operation. SBS registrations crossed the 4,800 mark, with the division adding 28 new centres to its network during the year.

LOOKING INTO THE FUTURE

Going forward, your Company intends to be back on its growth trajectory building on the successes it has achieved across its four identified platforms of growth, aligned to the Cloud. Driven by these businesses, NIIT will consolidate its leadership position in the industry.

In the year ahead, your Company will continue to focus on products and services that harness the power of cloud technology to drive growth and profitability. We are already on a path of financial prudence and taking steps to reallocate capital and exit capital intensive businesses to generate superior returns for all stakeholders.

I would like to take the opportunity to thank you on behalf of the 4924 strong NIIT family for believing in the company and encouraging us to move ahead with greater verve and vigour.

From here onwards, as we get ready to 'Ride the Cloud', I look forward to your support in this transformational journey. Clearly, we see a much more optimistic future for the Company, as NIIT Cloud Campus redefines education.

Rajendra S Pawar
Chairman
NIIT Limited



CORPORATE INFORMATION

BOARD OF DIRECTORS



Rajendra S Pawar
Chairman &
Managing Director



Vijay K Thadani
Chief Executive Officer
& Whole-time Director



P Rajendran
Chief Operating Officer
& Whole-time Director



Surendra Singh
Director



Sanjay Khosla
Director



Madhabi Puri Buch
Director

COMPANY SECRETARY

RAJESH ARORA

GROUP CHIEF FINANCIAL OFFICER

ASHOK ARORA

CHIEF FINANCIAL OFFICER

ROHIT KUMAR GUPTA

AUDITORS

PRICE WATERHOUSE

BANKS

ICICI BANK

INDIAN OVERSEAS BANK

STANDARD CHARTERED BANK

CITIBANK NA

BNP PARIBAS

WELLS FARGO BANK

BANK OF THE WEST

LLYODS TSB BANK PLC

REGISTERED OFFICE

8, BALAJI ESTATE, FIRST FLOOR

GURU RAVI DAS MARG, KALKAJI

NEW DELHI 110 019, INDIA

EMAIL (INVESTOR SERVICES): investors@niit.com

PHONE: +91 11 41675000

FAX: + 91 11 41407120

CORPORATE OFFICE

85, SECTOR 32, INSTITUTIONAL

GURGAON 122 001, INDIA

EMAIL: niit.webmaster@niit.com

TEL: +91 124 4293000

FAX: +91 124 4293333

REGISTRAR AND SHARE TRANSFER AGENT

ALANKIT ASSIGNMENTS LTD.

UNIT NIIT LIMITED

ALANKIT HOUSE

2E/21, JHANDEWALAN EXTN.

NEW DELHI 110055, INDIA

TEL: +91 11 23541234, 42541234

FAX: +91 11 42541967

WEBSITE

www.niit.com



NIIT AT A

GLANCE

2012-2013

Global Learning Solutions for Individuals, Enterprises, Schools and Colleges

- Presence in 40 countries worldwide
- Impacted over 35 Million learners since inception
- Reaching out to 17,000 schools
- One of the largest learning content development facilities in the world

For Individuals

Instructor-led Training, Synchronous Learning, Computer-based Training and e-Learning programmes for IT, Banking, Finance and Insurance, Knowledge Process Outsourcing (KPO), Business Process Management (BPM) and Executive Management Education, Vocational Skills, School Learning Solutions and Communication and Professional Life Skills:

- NIIT's Individual Learning Business offerings include industry-endorsed programmes for under graduates students seeking careers in IT viz GNIIT and Edgeineers. Express Diploma and 'Post Graduate Programme in IT' programmes for graduates seeking careers in IT. Global Net Plus for IT professionals
- Introduced "India's first cloud campus" through its new-age GNIIT program
- 'NIIT Edgeineers', a range of specialized programmes to provide cutting-edge career for engineering graduates and IT professionals
- NIIT GlobalNet+, specialized programmes on Networking and Infrastructure Management
- NIIT partners Digital Marketing Institute (DMI), the global leaders in training professionals in digital marketing, to offer digital marketing education and professional certification in India
- Express Diplomas and 'Post Graduate Programme in IT' for graduates looking for a quick start to IT careers
- Degrees in alliance with Universities
- SWIFT for basic computer and internet skills
- Scholarship programs and National IT Aptitude Test

(NITAT), India's largest and most widely recognized IT Aptitude Test

- Executive Management Programmes for working professionals, from premier business schools through NIIT Imperia, Centre for Advanced Learning
- Training programs for financial services sector from NIIT Institute of Finance Banking & Insurance (IFBI)
- NIIT Institute of Process Excellence Limited, a NIIT-GENPACT venture (NIIT Uniqua), offers complete training outsourcing services to the Business Process, Knowledge and Technology Services industry, that enhance productivity and lower costs

For Corporations

Learning Solutions for Enterprise:

- Managed Training Services
- Learning Content
- Learning Administration
- Learning Delivery
- Learning Management Systems
- Learning Technology
- Advisory Services
- Virtual Labs
- Demand Generation Services
- Student Retention

For Colleges and Universities : NIIT Careers@Campus

- Employability Enhancement Programs for college students on campus
- Courses on Engineering Design, Embedded Systems and Information Technology.
- Foundation Skills in IT in association with NASSCOM
- Support for courses on Engineering Mathematics and IT courses in line with curriculum.
- Placement Preparation
- Blended Learning Delivery - Synchronous Learning, instructor-led and hands on practice



For Government and Private Schools

NIIT has provided computer-based learning to over 17,000 government and private schools across the country cumulatively impacting lives of more than 10 million kids. NIIT further strengthened its leadership position in the Govt. sector by getting new orders for IT education and IT enabled education projects as well as extension and repeat orders from governments of Assam and Maharashtra. Some of the highlights of school learning solutions by NIIT are:

- **NIIT nGuru** is a holistic School Learning Solution that comprises of **Interactive Classrooms Cloud** (an end to end Cloud-enabled Teaching Learning solution for classrooms that uses elements of interactivity, animation, videos and web links library); **Interactive Classrooms @ Home** (allows students to access lessons, submit assignments and collaborate with peers, all while sitting at home); **Math lab** (State-of-the-art Mathematics Laboratory for schools which comes with Geometer's Sketchpad Software, Multiple Teaching and Learning Aids like, Manipulative, Measuring Instruments and Theme Based Ambience); **IT Wizard** (equips the students with core computer knowledge and IT skills); **Quick School** (an Education Resource Planning solution for school management) and various training programmes aimed at professional development for teachers (including CCE and IPICT).

Hole-in-the-Wall Education Ltd. (HiWEL)

- Minimally Invasive Education kiosks to provide free and unsupervised access to computers for children belonging to economically and socially marginalized sections of the society.

Skill Building Solutions (SBS)

- Skill Building Solutions (SBS) is a new business initiative at NIIT Ltd., with a sharp focus on providing industry/job specific training to unemployed youth of India mainly from low and middle income households in semi-urban and rural areas to make them employable. SBS is the key future growth engine of NIIT towards being a truly Global Talent Transformation company.

- During the financial year, SBS forayed into new sectors like Retail, Hospitality, Auto Retail, Showroom Retail, BPO and other informal sectors.
- SBS has 34 Centres operational across six states viz. Haryana, Uttar Pradesh, Uttarakhand, Delhi, Punjab and Madhya Pradesh.
- At SBS, we envision to setup more than 1500 state of the art "NIIT Yuva Jyoti" Skill Development Centres, across tier 2/3 and smaller towns of India, covering over 1000 cities and train more than 7 million youth in the next 10 years.
- Apart from Geographical expansion, SBS also intends to strengthen its product portfolio and market creation with plans to roll out new courses addressing Service Sector requirements like Healthcare, Media & Entertainment and Education & Skills.

NIIT Foundation

- To bridge the Education-Employability gap and create talent pool in urban slums, NIIT Foundation set up Career Development Centres. 20 Centres are now operating in Delhi - NCR, Mumbai, Chennai, Hisar, Orissa, and Jaipur Slums. These Centres have impacted over 25,000 under-served youth already.
- In line with its commitment to harness talent pool from semi-urban India, NIIT Foundation has two fully functional District Learning Centres at Chhindwara and Bakuhi in MP. These Centres have impacted over 5000 students already with placements in companies like HCL, TCS, Wipro, NIIT Technologies and Aegis.
- To bridge the digital divide, NIIT Foundation empowers other NGOs across the country to increase their reach and impact. NIIT Foundation has partnered with over 90 NGOs to provide qualitative interventions and assist them in providing basic computer education to their communities.

Alliances with global IT majors

- Cisco, IBM, Microsoft, Oracle, Tally, Thomson Prometric, Pearson VUE & Zend, Digital Marketing Institute (Ireland), Google, Skill Soft & Logical Operations

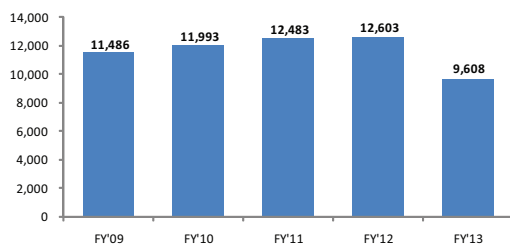
Assessed at SEI-CMM Level 5

Recent Awards and Acknowledgements

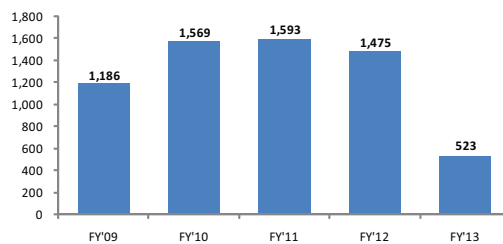
- NIIT received 'Top IT Training Company Award 2012' for the 20th year in succession by Cybermedia publications.
- NIIT featured as the 'India's Most Trusted Education Brand' in Brand Trust Report, India Study, 2013, undertaken by Trust Research Advisory for the second consecutive year.
- NIIT has been ranked among the 'Top 10 India's Best Companies to Work for 2012' by Great Places to Work Institute.
- NIIT nGuru - ICR@Home, has been acknowledged for the 2nd consecutive year at the World Education Summit 2013 for best 'Use of Assistive Technologies in Education'.
- NIIT Imperia received 'Best Telecom & Satellite Learning Providers in Education' award at the National Education Excellence Awards 2013 by leading industry body ASSOCHAM, (Associated Chambers of Commerce and Industry of India).
- NIIT IFBI recognized as 'Most Innovative Recruitment Management initiative' at the Talent & HR Leadership Conference Awards by ET Now at World HRD Congress 2013.
- NIIT MindChampions Academy (MCA) completes 10 years of developing young minds through Chess, impacting over 1.65 million children across 17,000 schools since inception.
- NIIT Foundation awarded the Shiksha Ratna Award for DLC Chhindwara in the category of 'Best Higher Education Institute of Madhya Pradesh' in 2012.
- NIIT Imperia received the "Outstanding Student Support Services" award at the Asia Learning Leadership Awards 2012.
- NIIT Vietnam was awarded the ICT Gold Medal - 2012, by Ho Chi Minh City Computer Association (HCA) for the seventh consecutive year.
- Over 1,52,000 candidates from more than 300 cities applied for NIIT's 9th National IT Aptitude Test (NITAT).
- NIIT conducts the 13th IT Scholarship Test in Nigeria.
- NIIT was adjudged as the 'Best Result Oriented ICT School' in Ghana for the third consecutive year.
- NIIT received 'Franchisor of the Year: IT' Award by Franchise Plus, India's leading business opportunity magazine.
- NIIT USA was ranked among the Top 20 Companies in Training Outsourcing, 2012 by Training Industry, Inc. for the sixth Consecutive time since 2008.
- NIIT USA was awarded the 'Brandon Hall Excellence in Learning 2012 Silver Award' in the Best in Competencies and Skill Development category jointly with Shell for Shell Standard Primavera Education.
- NIIT USA earned a silver in the 'Chief Learning Officer Learning in Practice 2012' awards in the Excellence in E-Learning category for MetLife Virtual Induction Program.
- NIIT USA ranked #3 Overall and #2 in Size of Deal in HRO Today magazine's Baker's Dozen Customer Satisfaction Ratings for Top Learning Providers, 2012.
- NIIT receives Friendship Award from Government of Chongqing, People's Republic of China for contributions to economic and social development in July 2012.

FINANCIAL HISTORY

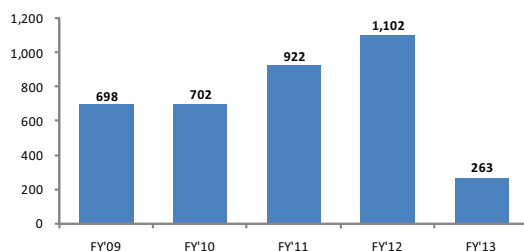
Revenue (Rs. Mn)



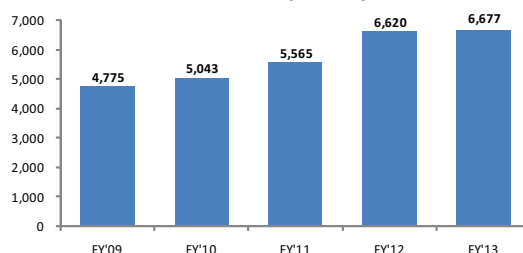
EBITDA (Rs. Mn)



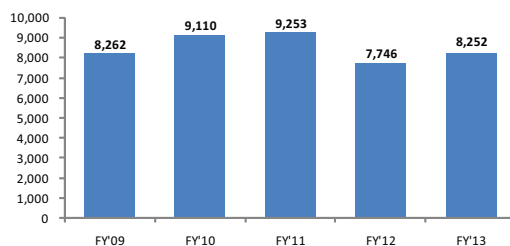
PAT (Rs. Mn)



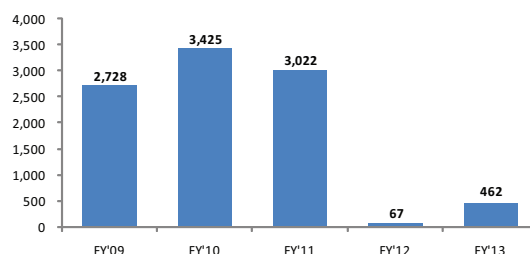
Net Worth (Rs Mn)



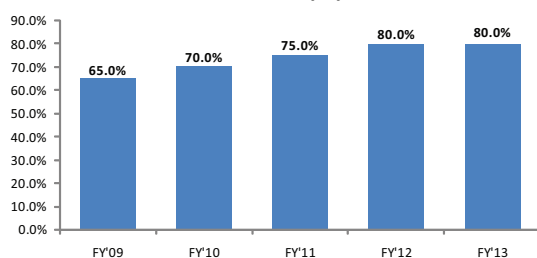
Capital Employed (Rs Mn)



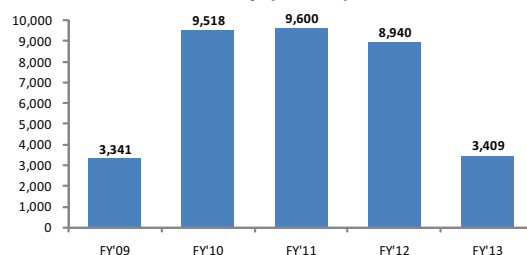
Net Debt (Rs Mn)



Dividend (%)



M-Cap (Rs Mn)



Note: Due to divestment of Element K in October 2011, exceptional items and one-time hardware revenues in both FY'12 and FY'13, the overall financials of the Company for FY'12 and FY'13 are not comparable.

NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of NIIT Limited will be held on Monday, 1st day of July, 2013, at 10:00 A.M. at Mapple Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi- 110074, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2013, Statement of Profit and Loss for the financial year ended as on that date together with the Reports of the Auditors and the Directors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Rajendra S Pawar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Surendra Singh, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s Price Waterhouse, Chartered Accountants, (Firm Registration Number FRN301112E), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By Order of the Board
For **NIIT Limited**

Place : Gurgaon
Date : May 23, 2013

Rajesh Arora
Company Secretary

NOTES:

1. 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 DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT 8, BALAJI ESTATE, FIRST FLOOR, GURU RAVI DAS MARG, KALKAJI, NEW DELHI – 110019, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ATTACHED WITH THE ANNUAL REPORT.
2. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. All the documents referred in the Notice, Annual Report as well as Annual Accounts of the subsidiary companies and Register of Directors' Shareholding are open for inspection, during the business hours, at the Registered Office of the Company.
4. Statutory Auditors' certificate 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 resolutions passed by the Members, will be available at the Meeting for inspection by the Members.
5. The Register of Members and Share Transfer Books of the Company shall remain closed during the Book Closure period, i.e., from June 22, 2013 to July 1, 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 Company's Register of Members as on July 1, 2013 for shares held in physical form and the list of beneficial owners as furnished by the Depositories (NSDL and CDSL) as of the close of business hours on June 21, 2013 for shares held in electronic form.

NOTICE (Contd.)

6. While Members holding shares in physical form may write to the Company for any change in their address and bank mandates, Members having shares in electronic form may inform any change in address and bank details to their depository participant(s) immediately so as to enable the Company to make payment of dividend.
7. The Members holding shares in the same name or same order of names under different folios are requested to send the share certificates for consolidation of such shares to the Company.
8. The Members desirous of appointing their nominees for the shares held by them may apply in the Nomination Form (Form 2B).
9. In order to provide protection against fraudulent encashment of dividend warrants, Members holding shares in physical form are requested to provide their bank account number, name and address of the bank/branch to enable the Company to incorporate the same in the dividend warrant.
10. All unclaimed / unpaid dividend up to 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 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. 4,36,806.
11. The Members desirous of obtaining any information / clarification concerning the accounts and operations of the Company are requested to address their questions 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.
12. The Ministry of Corporate Affairs ("MCA") has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by companies vide its Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 stating that the service of official documents by the companies to its members can be made through electronic mode. Considering the move taken by the MCA as a welcome step for the society at large, the Company had sent the Annual Reports for the financial year 2010-11 and 2011-12 in electronic form to the e-mail IDs made available to the Company by the depositories and/or Members. All the official documents including Annual Report of the Company, circulated to the Members of the Company through electronic mode, were made available on the Company's website www.niit.com. This year also, the Company proposes to send the Annual Report including various notices/ documents like Notices of General Meetings, Audited Financial Statements, Auditor's Report, Directors' Report and Financial Results in electronic form to the e-mail IDs provided by the Members with their depository participants. All the official documents including Annual Report of the Company, circulated to the Members of the Company through electronic mode, will be made available on the Company's website www.niit.com/investorrelations. The Members holding shares in electronic mode may update their e-mail IDs with their depository participants to ensure that the Annual Reports and other documents reach them at their preferred e-mail IDs and where the shares are held in physical form, they may get their e-mail IDs updated in the records of the Company. In this regard, the Members can also register/ update their e-mail IDs at the website of the Company www.niit.com/investorrelations.
13. SEBI vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 had mandated the companies to use any of the RBI approved electronic mode of payment such as ECS (Local ECS / Regional ECS / National ECS), NEFT, RTGS etc. for distribution of dividends and other cash benefits to investors. The Circular also mandated the companies or their registrar & share transfer agents (RTA) to maintain bank details of investors. In case the securities are held in demat mode, the companies or their RTA shall seek relevant bank details from depositories and in case the securities are held in physical mode,

NOTICE (Contd.)

the companies or their RTA shall take necessary steps to maintain updated bank details at their end. The members are requested to ensure that correct and updated particulars of their bank account are available with their respective depository participants and the Company / its RTA to facilitate necessary payments through electronic mode.

14. THE COMPANY WHOLE-HEARTEDLY WELCOMES MEMBERS / PROXIES AT THE ANNUAL GENERAL MEETING OF THE COMPANY. THE MEMBERS / PROXIES MAY PLEASE NOTE THAT NO GIFTS / GIFT COUPONS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.

15. Information pursuant to Clause 49 of the Listing Agreement pertaining to the Directors proposed to be re-appointed vide Item No. 3 and 4 of the Notice, is as follows:

Name	Rajendra Pawar	S Surendra Singh
Date of Birth	March 6, 1951	July 21, 1937
Date of Appointment	December 2, 1981	March 20, 2001
Qualifications	B. Tech	Masters in Mathematics
Expertise in specific functional area	Detailed in the Corporate Governance Report for the financial year 2012-13	Detailed in the Corporate Governance Report for the financial year 2012-13
Directorship held in other public companies (excluding Foreign Companies)	<ul style="list-style-type: none"> NIIT Technologies Limited NIIT Online Learning Limited 	<ul style="list-style-type: none"> NIIT Technologies Limited

	<ul style="list-style-type: none"> Hole-in-the-Wall Education Limited NIIT SmartServe Limited NIIT GIS Limited Scantech Evaluation Services Limited NIIT Institute of Process Excellence Limited 	<ul style="list-style-type: none"> NIIT SmartServe Limited GHCL Limited
Membership (M)/ Chairmanship (C) of Committees of other public companies (includes only Audit Committee (AC) and Shareholders'/ Investor' Grievance Committee (SIGC))	<ul style="list-style-type: none"> Scantech Evaluation Services Limited (AC - M) Hole-in-the-Wall Education Limited (AC - M) NIIT SmartServe Limited (AC - M) 	<ul style="list-style-type: none"> NIIT Technologies Limited (AC - M) NIIT SmartServe Limited (AC - M)
Number of Equity Shares held in the Company	1,55,000	NIL
Relationship with other Directors	None	None

By Order of the Board
For **NIIT Limited**

Place : Gurgaon
Date : May 23, 2013

Rajesh Arora
Company Secretary

DIRECTORS' REPORT

Dear NIIT Shareowner,

Your Directors take pleasure in presenting the 30th Annual Report along with the audited statement of accounts for the financial year ended March 31, 2013.

Financial Highlights

The highlights of your Company's financial results for the financial year April 1, 2012 to March 31, 2013 are as follows:

(Rs. Mn.)

Particulars	NIIT Limited-Group (Consolidated)		NIIT Limited (Standalone)	
	2012-13	2011-12	2012-13	2011-12
Net Sales (Income from operations)	9,608	12,603	6,415	7,381
Other Income	94	76	666	463
Total Income	9,702	12,678	7,081	7,844
Total Expenditure	9,344	11,411	6,219	6,873
Profit before depreciation and taxes	358	1,267	861	971
Depreciation and Amortisation	864	874	782	684
Exceptional Items (Net)	(174)	1,636	2	857
Net tax provision	(433)	1,408	69	181
Net profit before share of Associates' Profit & Minority Interest	(247)	621	12	963
Share of Associates' Profit and Minority Interest	509	481	-	-
Net Profit	263	1,102	12	963
Basic EPS (Rs.)	1.59	6.67	0.07	5.83
Diluted EPS (Rs.)	1.59	6.67	0.07	5.83

Due to divestment of Element K in October 2011, exceptional items and one-time hardware revenues in both FY'12 and FY'13, the overall financials of the Company for FY'12 and FY'13 are not comparable.

During the year, your Company's consolidated income from operations is Rs. 9,608 million as against Rs. 12,603 million in the previous year and Net Profit (after Associates' Profit) is Rs. 263 million as against Rs. 1,102 million in the previous year.

The income from operations for the year under review for the Company on a stand-alone basis is Rs. 6,415 million as compared to Rs. 7,381 million in the previous year and Net Profit reached Rs. 12 million as against Rs. 963 million in the previous year.

Business Operations

In the financial year 2012-13, the Global Economy faced fresh downside risks that continue in light of renewed setbacks in the Euro area and continued risks of excessive fiscal consolidation in the United States.

Current state of Indian economy makes it necessary for the government to put in place a robust and implementable plan of action for its revival. The economy has experienced a consistent fall in GDP growth, alarmingly high levels of

twin deficits i.e. Current Account Deficit (CAD) and Fiscal Deficit as well as worrying volatility in the inflow of foreign investments. Though inflationary pressure has receded in the last quarter of 2012, it still remains above the target level. This along with other worrying economic indicators has put the Indian economy in a challenging pathway in the short term.

The Individual Learning Solutions offerings included training and career building services in IT, BFSI, Management, BPO and English & Professional life skills. For this, your Company leverages its global presence across India, China and other developing countries for reaching out to the students as well its alliances with large technology companies in USA and Europe to provide the requisite solutions. During the year under review, the deceleration in growth of the IT Industry impacted the enrollment in IT courses, whereas non-IT training showed encouraging growth. Though the hiring in IT Industry dropped by 20% over the previous year, your Company's placement of students was lower than the previous year by only 4%.

In the School Learning Solutions business, your Company provided solutions and services for IT training and technology enabled learning & teaching for schools, teachers' training and learning for underserved children. The Company offered NIIT nGuru solution comprising of 'Interactive Classrooms', 'Math lab' and 'IT Wizard' for students and 'Quick School' an Education Resource Planning solution for school management. During the year, 817 schools signed up with the Company for its various offerings.

In the Corporate Learning Solutions business, your Company focused on the Managed Training Services business and achieved traction with acquisition of five new customers providing a total revenue visibility of USD 143 million. This growth was backed by aggressive sales and engagement management teams with robust delivery performance. Corporate Learning Solutions continued to register a healthy growth of 19% year over year and achieved a profitability level of 11%, up from 6% in the previous year.

In Skill Building Solutions, your Company has an objective of enhancing skills and employability of youth across India, with emphasis to offer job oriented training to applicants mainly from low and middle income households in semi-urban and rural areas. The Company has developed skills development curriculum for new sectors like Retail, Hospitality, Auto Retail, Showroom Retail, BPO and other informal sectors. The Company has 34 centers operational across six states viz. Haryana, Uttar Pradesh, Uttarakhand, Delhi, Punjab and Madhya Pradesh. The Company has

DIRECTORS' REPORT (Contd.)

also entered into industry tie-ups in aforesaid sectors enabling placement of its trained students.

Future Plans

Given the current uncertain economic environment, your Company will aggressively focus on improving its profitability through higher productivity, better working capital management, reduction in fixed expenses and further streamlining of processes.

Your Company is well diversified, both in terms of its service offerings and geographic spread. The judicious mix of revenue from the different business lines ensures that your Company is well positioned to manage slowdowns in a particular product category or in a specific geography.

The Company will remain focused on the four platforms of growth i.e. 1) Individual: Cloud Campus, 2) Schools: nGuru, 3) Corporate: Managed Training Services and 4) Skills: Yuva Jyoti. At the same time, in the School Learning Solutions, due to the continuing delay in collections and increased capital intensity in the Government Schools BOOT Projects, your Company has decided to de-emphasise this area of business.

The Company has created the Cloud Campus™, the outcome of extreme innovation which is set to redefine education. All businesses now have a strategy to 'Ride the Cloud' thus once again differentiating the high value provided by the Company to its corporate, institutional and individual customers.

Your Company's future plans include building on the Cloud Campus advantage, creating domain capability for skills training, expand B2B business in the banking domain, target corporate mid-market segment for comprehensive deals, reduce delivery costs, upgrade the product management capability and rationalise existing structure to enhance the speed of doing business and reduce costs.

Registered Office

The Registered Office of the Company has been shifted from B – 234, Okhla Industrial Area, Phase – I, New Delhi – 110020 to 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi – 110019 w.e.f. January 1, 2013.

Dividend

Your Directors have recommended a dividend of Rs. 1.60 per equity share of Rs. 2 each for approval of the Members at the ensuing Annual General Meeting.

Transfer to Reserves

In accordance with the statutory provisions, your Company has transferred a sum of Rs. 1,157,873 to the General Reserve.

Awards and Accolades

During the year, the NIIT brand received accolades from

across the world recognising and commending various aspects of the Company. Some of them are listed below:

- 'Top IT Training Company Award 2012' for the 20th year in succession by Cybermedia publications;
- 'India's Most Trusted Education Brand' in Brand Trust Report, India Study, 2013, undertaken by Trust Research Advisory for the second consecutive year;
- Among the 'Top 10 India's Best Companies to Work for 2012' by Great Places to Work Institute;
- The ShikshaRatna Award for Chhindwara centre of NIIT Foundation in the category of 'Best Higher Education Institute of Madhya Pradesh' in 2012;
- NIIT USA was ranked among the Top 20 Companies in Training Outsourcing, 2012 by Training Industry, Inc. for the sixth Consecutive time since 2008.

Subsidiary Companies

During the year under review, NIIT China (Shanghai) Limited, an overseas step down subsidiary of your Company has incorporated four overseas step down subsidiaries, namely, Qingdao NIIT Information Technology Co. Limited, Chongqing An Dao Education Consulting Limited, Zhangjiagang NIIT Information Services Limited and Chengmai NIIT Information Technology Co. Limited.

As per the provisions of Section 212 of the Companies Act, 1956 ('the Act'), your Company is required to attach the Directors' Report, Auditors' Report, Balance Sheet, Statement of Profit and Loss and other information of the subsidiary companies to its Balance Sheet. However, the Ministry of Corporate Affairs vide its General Circular No. 2/2011 dated February 8, 2011, has granted a general exemption under Section 212(8) of the Act to all the companies from annexing the annual accounts and other documents/statements of subsidiary companies with the Annual Report of the holding company subject to certain conditions. As the Company complies with all the specified conditions of the abovementioned Circular, it is not required to attach the audited accounts and other documents of the subsidiary companies to the Annual Report of your Company for the financial year 2012-13.

A statement of the Company's interest in the subsidiaries and a summary of the financials of the subsidiaries are given along with the consolidated accounts. The annual accounts of the subsidiaries, along with the related detailed information, will be made available to the Members of the Company/subsidiary Companies seeking such information at any point of time. The annual accounts of the subsidiaries are also available for inspection for any Member, during the business hours, at the Registered Office of the Company and subsidiary companies and the same can be accessed

DIRECTORS' REPORT (Contd.)

from the website of the Company www.niit.com/investorrelations/pages/subsidiaries_financials.aspx.

Consolidated Financial Statements

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

Corporate Governance

Your Company's philosophy on Corporate Governance envisages the highest level of transparency, accountability and equity in all facets of its operations as well as in all interactions with its Stakeholders including Shareholders, NIITians, Lenders and Regulatory Authorities. In order to enhance customer satisfaction and stakeholder's value, your Company continues to benchmark its Corporate Governance practices with the best in the world in line with international norms.

Your Company has complied with all the requirements relating to Corporate Governance as stipulated in Clause 49 of the Listing Agreement. The report of the Directors on Corporate Governance is given as a separate section titled 'Corporate Governance Report', which forms part of the Annual Report. The Auditors' Certificate confirming the compliance to the conditions of the Corporate Governance stipulated in Clause 49 of the Listing Agreement is annexed to the Corporate Governance Report.

Management Discussion and Analysis Report

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

Directors

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

The Board recommends the re-appointment of Mr. Rajendra S Pawar and Mr. Surendra Singh as Directors, liable to retire by rotation. The resolutions seeking your approval on these items along with the requisite disclosures are included in the Notice convening the Annual General Meeting.

Directors' Responsibility Statement

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

- That in preparation of Annual Accounts for the financial year, applicable Accounting Standards have been followed along with the proper explanations relating to material departures;
- That they have selected the accounting policies described in the notes to accounts, which have been consistently applied, except where otherwise stated and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for that year;
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- That the Annual Accounts have been prepared on the historical cost convention, as a going concern basis and on accrual basis.

Information relating to Conservation of energy, Technology Absorption, Research and Development, Exports, Foreign exchange earnings and Outgo and other information forming part of the Directors' Report in terms of Section 217(1)(e) of the Act, and the Rules made thereunder

a) Conservation of energy

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

b) Technology absorption

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

DIRECTORS' REPORT (Contd.)

c) Research and Development

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature and size of operations of your Company.

d) Foreign exchange earnings and outgo

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

The Company exports customized learning content to its overseas clients to meet their varying learning needs. The Company develops content in a range of subjects for widely varied audience. The Company will continue to strengthen its presence in USA, UK, China, South Africa, Nigeria, Malaysia, Vietnam, Bhutan, Norway, Maldives etc. with a view to increase exports.

ii) Total foreign exchange earned and used

The details of foreign exchange earnings and outgo are mentioned in Notes Nos. 31 to 34 contained in the Notes to Accounts forming part of the Balance Sheet and Statement of Profit and Loss for the financial year ended March 31, 2013.

Public Deposits

In terms of the provisions of Section 58A of the Act read with the Companies (Acceptance of Deposits Rules), 1975, your Company has not accepted any fixed deposits from public and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

Particulars of Employees

As required by Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975, the particulars of employees form part of this report. However, as permitted by Section 219(1)(b)(iv) of the Act, the report and accounts are being sent excluding the statement containing the particulars to be provided under Section 217(2A) of the Act. Any member interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary of the Company for a copy thereof.

Auditors and Auditors' Report

M/s. Price Waterhouse, Chartered Accountants (Firm Registration Number FRN 301112E), the Statutory Auditors of your Company, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

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

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

Human Resources and Employees' Stock Option Scheme

NIITians are the key resource for your Company. Your Company has been able to create and continuously improve a favourable work environment that encourages innovation and meritocracy at all levels.

Employees' relations remained cordial at all the Company's locations. The Directors take this opportunity to record their appreciation for the outstanding contribution of all NIITians.

During the financial year 2005-06, your Company had launched NIIT Employee Stock Option Plan 2005 (ESOP-2005) with the objective of attracting and motivating employees by rewarding performance and retaining the best talent. The aim was to develop a sense of ownership among the employees within the organisation and to align your Company's stock option scheme with the best practices in the Industry.

As per the provisions of SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the particulars of the options granted, vested, exercised and allotted under the ESOP-2005 are appended as Annexure-I and form part of this report.

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

Acknowledgements

Your Directors take this opportunity to thank all investors, clients, licensees, technology partners, vendors, financial institutions, banks, regulatory and governmental authorities, media and stock exchanges for their continued support during the year under review. We place on record our appreciation of the contribution made by our employees at all levels.

For and on behalf of the Board

Rajendra S Pawar

Chairman &

Managing Director

DIN - 00042516

Place : Gurgaon

Date : May 23, 2013

Annexure I to the Directors' Report

Information relating to NIIT ESOP-2005 under SEBI (Employee Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999 (As on March 31, 2013)

(a) Options granted	Grant I – 555,350*	FY 2005-06																										
	Grant II – 46,200*	FY 2005-06																										
	Grant III – 115,000*	FY 2007-08																										
	Grant IV – 1,282,050**	FY 2008-09																										
	Grant V – 5,597,410**	FY 2009-10																										
	Grant VI – 543,720**	FY 2009-10																										
	Grant VII – 156,060**	FY 2010-11																										
	Grant VIII – 100,000**	FY 2012-13																										
*The options were granted prior to the issuance of bonus shares and the split in the face value of the share from Rs. 10 per share to Rs. 2 per share																												
** The options are granted on shares of face value of Rs. 2 per share																												
(b) Pricing formula	At a price not less than the then existing face value of the share of the Company:																											
	<table> <tr> <th></th><th>Grant Price Rs.</th><th>Market Price Rs. #</th></tr> <tr> <td>Grant I *</td><td>180.00</td><td>235.15</td></tr> <tr> <td>Grant II **</td><td>237.00</td><td>237.00</td></tr> <tr> <td>Grant III **</td><td>912.15</td><td>912.15</td></tr> <tr> <td>Grant IV **</td><td>88.70</td><td>88.70</td></tr> <tr> <td>Grant V **</td><td>72.20</td><td>72.20</td></tr> <tr> <td>Grant VI **</td><td>69.20</td><td>69.20</td></tr> <tr> <td>Grant VII **</td><td>67.65</td><td>67.65</td></tr> <tr> <td>Grant VIII ***</td><td>2.00</td><td>45.05</td></tr> </table>			Grant Price Rs.	Market Price Rs. #	Grant I *	180.00	235.15	Grant II **	237.00	237.00	Grant III **	912.15	912.15	Grant IV **	88.70	88.70	Grant V **	72.20	72.20	Grant VI **	69.20	69.20	Grant VII **	67.65	67.65	Grant VIII ***	2.00
	Grant Price Rs.	Market Price Rs. #																										
Grant I *	180.00	235.15																										
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Grant V **	72.20	72.20																										
Grant VI **	69.20	69.20																										
Grant VII **	67.65	67.65																										
Grant VIII ***	2.00	45.05																										
# Closing price on the National Stock Exchange of India Limited.																												
* at approx. 23.45% discount to market price.																												
** at market price.																												
***at approx.96% discount to market price.																												
(c) options vested	No of shares																											
	Pre bonus & split	Post bonus & spit																										
	Grant I	519,050																										
	Grant II	26,350																										
	Grant III	-																										
	Grant IV	-																										
	Grant V	456,581																										
	Grant VI	1,237,050																										
	Grant VII	4,236,727																										
	Grant VIII	308,010																										
	Grant VII	49,530																										
	Grant VIII	-																										
	Total	545,400																										
		6,287,898																										
(d) options exercised	No of shares																											
	Pre bonus & split	Post bonus & spit																										
	Grant I	413,357																										
	Grant II	453,002																										
	Grant III	21,800																										
	Grant IV	34,125																										
	Grant V	-																										
	Grant VI	-																										
	Grant VII	-																										
	Grant VIII	-																										
	Total	435,157																										
		487,127																										

DIRECTORS' REPORT (Contd.)

(e) the total number of shares arising as a result of exercise of option	No of shares		
	Pre bonus & split	Post bonus & spit	
	Grant I	413,357	453,002
	Grant II	21,800	34,125
	Grant III	-	-
	Grant IV	-	-
	Grant V	-	-
	Grant VI	-	-
	Grant VII	-	-
	Grant VIII	-	-
Total	435,157	487,127	
(f) options lapsed (includes options not vested based on performance parameter)	No of shares		
	Pre bonus & split	Post bonus & spit	
	Grant I	40,300	309,696
	Grant II	19,850	-
	Grant III	-	862,500
	Grant IV	-	1,282,050
	Grant V	-	2,210,324
	Grant VI	-	331,120
	Grant VII	-	94,530
	Grant VIII	-	-
Total	60,150	5,090,220	
(g) variation of terms of options	Nil		
(h) money realized by exercise of options	Rs. 91,521,258 /-		
(i) total number of options in force	3,761,216 (post bonus and split)		
(j) employee wise details of options granted to:			
(i) senior managerial personnel	Summary ^ of options granted to senior managerial personnel* are as under: No. of employees covered : 12 No. of options granted to such personnel: 238,450 (Pre Bonus and Split) 485,590 (Post Bonus and Split) ^ Only summary given because of sensitive nature of information *includes directors (excluding promoter directors) and employees who are one level below the Board of Directors.		
(ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil		
(iii) identified employees who were granted options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil		
(k) diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard(AS) 20 'Earnings Per Share']	0.07		

DIRECTORS' REPORT (Contd.)

(l) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	Please refer to Notes Nos. 2.3 (ix) and 26 contained in the Notes to Accounts forming part of the Balance Sheet and Profit and Loss Account for the financial year ended on 31 March, 2013.
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

(m) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Grant (Rs.)	I *	II *	III *	IV	V	VI	VII	VIII
Weighted average exercise price		24.00	31.60	121.62	88.70	72.20	69.20	67.65	2.00
Weighted average fair value		13.15	9.63	37.23	32.09	34.47	32.71	31.57	40.17
Note: *the prices are adjusted for the bonus and split									

(n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:

	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI	Grant VII	Grant VIII
I. risk-free interest rate	7%	7%	7.93%	9.24%	6.89%	6.50%	7.55%	8.19%
II. expected life	2.5 years	2.5 years	2.5 years	2.5 years	3.5 years	3.5 years	3.5 years	4 years
III. expected volatility	14%	14%	45.47%	51.81%	66.48%	66.23%	63.20%	44.02%
IV. expected dividends	Not considered	Not considered	2.79%	2.04%	1.76%	1.76%	1.76%	2.55%
V. the price of the underlying share in market at the time of option grant	Rs. 235.15	Rs. 237.00	Rs. 912.15	Rs. 88.70	Rs. 72.20	Rs. 69.20	Rs. 67.65	Rs. 45.05

MANAGEMENT DISCUSSION AND ANALYSIS

Environment

The financial year 2012–13 was a very challenging period for the Indian economy. GDP growth slipped to 5%, which is the slowest pace of growth in the last 10 years, impacting job creation. Economic growth was impacted by the slow pace of reforms, political and policy uncertainty, foreign exchange volatility, and high interest rates. Global economic headwinds created further uncertainty for businesses and lowered business confidence.

Hiring sentiment witnessed a sharp decline across sectors during the year. IT companies reduced hiring, deferred joining dates of thousands of fresh graduates recruited by them, and focused on improving utilization, as growth in business volume remained subdued. Hiring in the banking sector, however, remained robust.

K-12 schools are entering a phase of mass adoption of technology solutions. Schools are demanding innovative offerings to increase differentiation and gain competitive edge in the market.

The corporate training market continues to see a surge in corporate spending which increased at fastest pace in the last decade. Companies are demanding greater efficiency and effectiveness from their training function, and are increasing outsourcing to specialist training firms.

Company Performance

NIIT started the year with moderate expectations of growth. However, the business environment, especially in IT training market turned weak in India and other emerging countries. Student sentiment towards IT training was affected by the temporary squeeze in hiring and continuing delays in joining dates of fresh graduates with job offers. Despite robust performance by Corporate Learning Solutions (CLS) and School Learning Solutions (SLS), NIIT's financials were affected by the weak performance of Individual Learning Solutions (ILS), due to decline in revenue from IT training. The decline in revenues in ILS impacted margins due to high operating leverage in the business.

The Company responded to the adverse environment by accelerating efforts of business restructuring and cost rationalization, which helped the Company to moderate the overall impact.

The Company's performance for FY'13 is reflected in the table below:

Rs. Million	FY'13	FY'12	YoY (%)
System wide Revenues	15,435	19,960	(23%)
Net Revenues	9,608	12,603	(24%)
Operating expenses	9,085	11,128	(18%)
EBITDA	523	1,475	(65%)
EBITDA%	5%	12%	(626 bps)
Depreciation	864	874	(1%)
Net Other Income	(339)	1,429	(1,768 mn)
Tax	(433)	1,409	1,842 mn
Share of Profits from Associates	509	481	6%
PAT	263	1,102	(76%)
Basic EPS (Rs.)	1.6	6.7	(76%)

The consolidated financials of the Company for FY'12 and FY'13 are not comparable due to divestment of Element K in October 2011, exceptional items in both FY'12 and FY'13, and one-time hardware revenues.

For comparison purposes, the financials based on continuing business basis and excluding one-time hardware revenue are as follows:

Rs. Million	FY'13	FY'12	YoY (%)
System wide Revenues	15,260	17,293	(12%)
Net Revenues	9,433	9,935	(5%)
Operating expenses	8,910	8,737	2%
EBITDA	523	1,198	(56%)
EBITDA%	6%	12%	(651 bps)

A detailed discussion of the NIIT's performance is given in subsequent paragraphs.

Organization Overview

NIIT, a leading Global Talent Development Corporation, offers lifelong learning to students, with education and training solutions for Individuals, Corporate Customers, and Schools.

School Learning Solutions	Individual Learning Solutions	Skills Building Solutions	Corporate Learning Solutions
19%	49%	New Business	32%
Academics	Employability		Productivity
<ul style="list-style-type: none"> Multimedia Teaching & Learning Content IT Learning Teacher Training School Management Services 	<ul style="list-style-type: none"> IT, Business Process Management, Banking & Finance, Management Education Professional Life Skills 	<ul style="list-style-type: none"> Vocational Skills 9 Service Sectors including IT/ITES, Retail Finance, Hospitality etc. 	<ul style="list-style-type: none"> Managed Training Services Learning Delivery Custom Learning Solutions

Percentages reflect share of Net Revenue for the business, on continuing business basis (rounded to nearest integer)

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

➤ **Individuals:** NIIT is one of the largest providers of vocational and professional skills training to young adults worldwide, and is the acknowledged market leader in India.

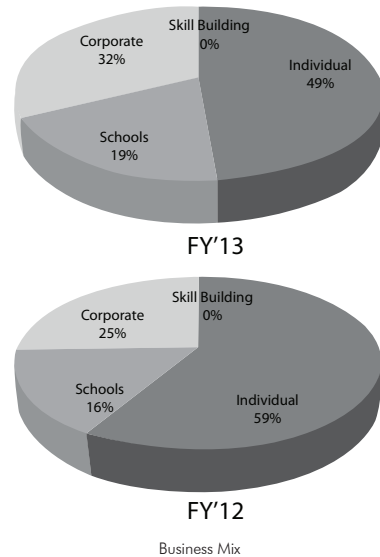
- **College Students and Graduates:** NIIT is Asia's premier IT trainer, and has been the dominant provider of IT training in India over the last 3 decades. NIIT's Individual Learning Solutions (ILS) business offers training for IT, Banking & Finance, KPO and Business Process Management (BPM), and Management Education. ILS addresses college graduates in India, China and other emerging economies.

- **Non-college-going Students:** NIIT's Skill Building Solutions (SBS) business, launched in FY'12 in a 90:10 equity partnership with National Skills Development Corporation (NSDC), aims to address the non-college going student population in India, across 9 selected areas in the Service sector such as IT/ITES, Finance, Retail, Hospitality, etc., offering both career and career foundation courses.

➤ **Corporations:** NIIT is one of the few companies in the world having end-to-end capability for comprehensive learning solutions. Skills development is increasingly being seen by corporations as a key arsenal in business success, and they are demanding both greater efficiency and effectiveness from their training functions. Companies are increasing outsourcing to specialist training firms to achieve their goals. NIIT's Corporate Learning Solutions (CLS) business provides end-to-end training services to global corporates through its Managed Training Services offering.

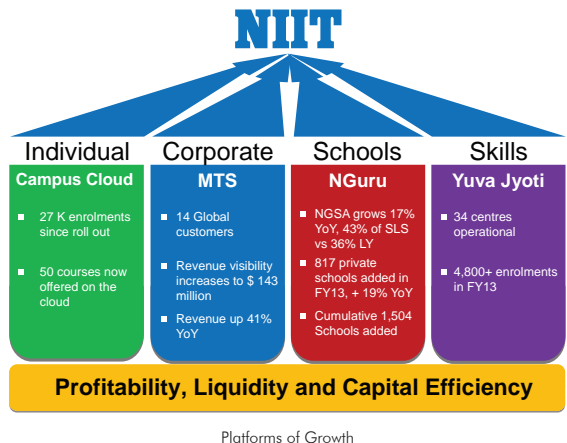
➤ **Schools:** NIIT is one of the leading players in the Schools Education segment in India, and offers the widest range of products and solutions for K-12 schools. Outsourcing of specific services by schools is increasing rapidly and NIIT's School Learning Solutions (SLS) business is uniquely positioned to take advantage of this trend. The nGuru suite of offerings provided by SLS includes a comprehensive set of technology based products to improve the effectiveness of school education, and solutions for school management.

The businesswise split of net revenues, on a continuing business basis and excluding one-time hardware revenues, is provided for both FY'13 and FY'12.



Business Overview

In FY'13, NIIT continued its focus on strengthening the four identified platforms of growth, which were launched last year, and on improving capital efficiency of the business through reallocation of capital, and increasing balance sheet strength. While parts of the business were impacted by the environment, each of the identified platforms continues to show strength and is poised for continuing growth.



The management believes that these four platforms would help the Company to return to the path of growth. The company also exited capital intensive business models across businesses that had dragged company's cash flows over the last few years. The company has reduced its debt levels substantially in the last two years, through business restructuring. As these capital-intensive projects

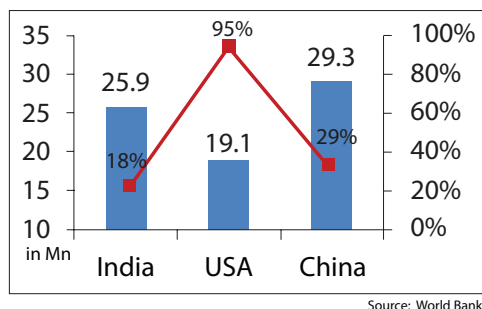
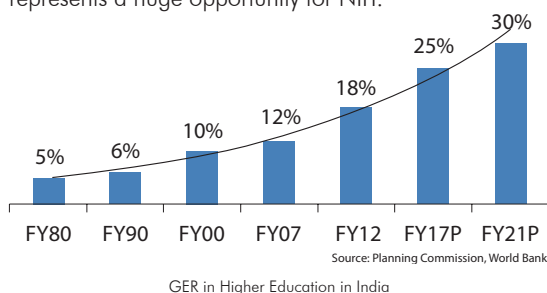
MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

get over, the working capital tied up in these projects would get released and would help the company return to being cash-positive. This would also help the Company to improve the ROCE profile of the business.

Individual Learning Solutions

NIIT's offerings for Individuals include training for IT, Business Process Management, Banking & Finance, Management Education and Professional Life Skills. For this, NIIT leverages its global presence across India, China and other developing countries for improving skills and employability of college-going students and graduates.

The market for skills training for improving employability is hugely underpenetrated in India and other emerging economies. India has over 25 million students enrolled in higher education, which is second highest in the world after China. India is followed by USA. However, India's Gross Enrollment Ratio (GER) in Higher Education is only 18%, which is much lower than either China (29%) or USA (95%). As per the latest National Sample Survey Office (NSSO) survey, less than 2% of Indians in the working age-group have formal vocational training compared with much higher levels across the world. To realize its demographic dividend, India needs to focus on increasing GER and encourage people for vocational training. Government has set a target to increase GER to over 30% by 2020-21 and also to provide vocational skills to over 500 million youth by the year 2022. This represents a huge opportunity for NIIT.



GER and Enrollment Comparison, 2012

During the year, the Individual Learning Solutions business faced a challenging environment due to adverse student sentiment toward IT training, as IT companies deferred joining dates for fresh graduates. However, banking sector hiring remained robust. The Company also saw higher demand for Management Education programs as well as increased outsourcing of training from companies in KPO/Business Process Management sector.

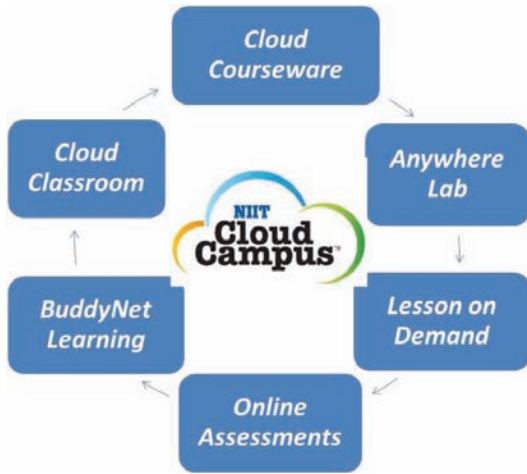
To address this environment, NIIT took the following actions:

- Continued investment in Cloud Campus to enrich the platform.
- Increased number of courses offered on Cloud Campus.
- Expanded Non-IT product portfolio.
- Rationalized capacity for IT training and cost structures.
- Launched new age courses in IT, including Business Analytics, Cloud Computing, Mobility and Digital Marketing.

Cloud Campus is the identified platform of growth in the Individual Learning Solutions business. Over 27,000 students have been enrolled on the Cloud Campus since launch. Cloud Campus harnesses the power of Cloud technology to provide unique features such as the following:

- **Cloud Classroom** – where students can interact and learn not only from the at-location faculty but more importantly from expert faculty from wherever they are.
- **Cloud Courseware** – the digital and dynamic courseware enables students to make notes, highlight, and review at their convenience.
- **Anywhere Lab** – providing 24×7 access for hands-on practice on their devices.
- **Lesson on Demand** – ensuring that students do not miss a lesson, even if they miss a class.
- **Online Assessments** – enabling students take practice tests besides taking industry-level assessments.
- **Buddynet Learning** – a learning feature that enables collaboration with other students as well as expert faculty, thereby making learning lot more fun.

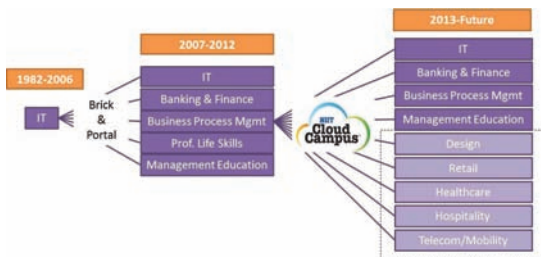
MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)



NIIT Cloud Campus – Current Feature Set

Long Term Career Programs for college students seeking new-age careers, Accelerated Programs in IT & Banking & Global Finance domains for graduates, New Technology & Advanced skills courses for working professionals in IT, Marketing and General Management will be offered through Cloud Campus.

Cloud Campus is NIIT's investment into the future and provides a revolutionary new way of learning. With growth in service sectors, there has been an explosion of diverse skill needs. Students are looking for greater flexibility in schedules, devices, and want On-Demand learning. Cloud Campus platform would help NIIT address the above needs, achieve higher scalability with available resources, lower delivery cost, and achieve better capacity utilization.



Besides offerings in domains currently addressed, Cloud Campus would help the company to rapidly expand reach in other service domains that the Company may add in the future. New areas under consideration include Design, Retail, Healthcare, Hospitality, etc.

➤ India

○ ILS - IT

IT continues to be an aspirational career choice for students as is evident from the record participation in NITAT (National IT Aptitude Test). Over 152,000 students appeared in NITAT, which was conducted in February 2013, across the country. Number of test takers increased by 22% versus last year, representing latent demand. However, IT enrolments have been impacted over the last one year, as IT companies have been cautious in hiring, focused on improving capacity utilization, and also deferred joining dates of fresh graduates hired since late last year.



NIIT is using the opportunity to rationalize its product portfolio and launch new age IT programs including Business Analytics, Cloud Computing and Mobility, Digital Marketing, etc., which have a higher realization and address up skilling needs of IT professional. New version of the Cloud Campus has been launched with improved features. Over 50 programs are now offered on the Cloud Campus platform in over 150 centers.

Although hiring by IT sector dropped over 20% during the year (source: NASSCOM), companies are increasing preference for hiring of skilled workforce, just-in-time. In FY'13, NIIT's overall placements remained strong at over 36,000, representing a marginal decline of 4% versus last year. The increasing share of NIIT's campus placements is a continuing positive trend and is further endorsement of NIIT's training.



○ NIIT Institute of Finance Banking and Insurance (IFBI)

During FY'13, IFBI continued to strengthen its portfolio of offerings for the banking sector. During the year, the Company started to offer training for the role of Sales Officers in banks. Banks hire Sales Officers in large numbers every year, and this is another area in which IFBI has a natural advantage, owing to its national reach.

IFBI started in equity partnership with ICICI Bank in FY'07 has emerged as the leading training provider for

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

skills in banking sector. Over the last six years, IFBI has placed more than 21,000 students and trained more than 90,000 professionals.

BECOME A BANK OFFICER IN 90 DAYS
Enroll for Post Graduate Diploma in Banking Operations, fast-track program, today
IFBI's Post Graduate Diploma in Banking Operations (PGDIBO) gives you all the confidence and skills to be placed as a bank officer in India's leading banks, on successful completion of the program.

PROGRAM HIGHLIGHTS:

- 90 days classroom training
- 3-month paid internship with ICICI Bank*
- Experienced bankers as faculty
- Over 17,500 placed in ICICI Bank
- Placement as Bank Officer on Program Completion

Key Recruiters at IFBI: ICICI Bank, Karur Vysya Bank, Axis Bank, Kotak Mahindra Bank, City Union Bank & many more.

ELIGIBILITY:

- Minimum of 50% marks in graduation, class XII and X
- The applicant should be born on or after September 1, 1988

Call (toll free) 1800 206 0000 or Log on to www.ifbi.com

To apply, walk-in between 1st - 4th May, 2013.

o NIIT Imperia - Centre for Advanced Learning

NIIT Imperia offers Management and Leadership development programs to working professionals. Imperia had strong growth in FY'13. NIIT Imperia now offers over 15 courses in association with leading institutions, including IIMs and companies such as Google and KPMG.



o NIIT Institute of Process Excellence (NIIT Uniqua)

Uniqua is NIIT's offering for Business Process Management/ KPO training, in joint venture with Genpact. Uniqua focuses on the B2B training and increased its offerings as well as the customer base during the year. The business had robust growth and profitability during the year.



➤ China and Other Emerging Economies

In FY'13, NIIT China continued its strategy to focus on growth through own centers in Public Private Partnership model and through NIIT Inside Universities. This resulted in robust growth in Wuxi, Suzhou, Changzhou, and Chengdu markets, while new centers were launched in Qingdao, Zhangjiagang and Haikou through the public private partnership model.

Jiangsu Provincial Department of Education signed a Memorandum of Understanding (MOU) with NIIT, to renew and expand its cooperation for NIIT Inside model in universities and vocational schools. A large-scale cooperation agreement was reached with Qingdao University for a jointly operated degree program in software engineering major starting from the academic year 2013. As part of India-China cooperation projects supported by National Development Reforms Commission of China and Planning Commission

of India, NIIT signed an MOU with Hainan Resort Software Community software park to open a Global Talent Development Center for China in Haikou.



Signing MOU on Hainan IT Knowledge Park Project between RSTC & NIIT

NIIT's key strategy of investing in Africa to achieve rapid scale, gathered substantial momentum in FY'13 by successful sign-up of a Joint Alliance Agreement between NIIT and Neotel (one of the leading Telecom Service Providers in South Africa) with an objective to address the growing need of skilled manpower in IT, Business Process Management, Finance & Banking, and School Solutions in the SADC (South African Development Community) Region.

FY'13 was also an eventful year as the Company established the first International IFBI Center in Nigeria. NIIT also established its footprint in D R Congo and South Sudan. Besides this, NIIT successfully launched the new Cloud Campus Curriculum in Vietnam and Bangladesh. NIIT has been awarded the 'ICT Gold Medal' by Ho Chi Minh City Computer Association (HCA) for the seventh consecutive year. NIIT Ghana was recognized as 'Best Result-Oriented ICT School in Ghana', for the third consecutive year. In China, NIIT received the Friendship Award from Government of Chongqing, for contributions to economic and social development.



Signing of NIIT & Neotel joint Alliance Agreement

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Financials for Individual Learning Solutions

Rs. Million	FY'13	FY'12	Change
Net Revenues	4,582	5,829	(21%)
EBITDA	119	936	(87%)
OM%	3%	16%	(1,345 bps)

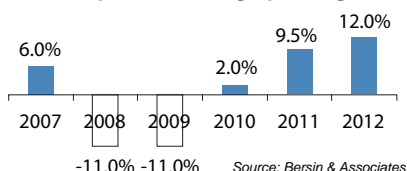
Lower enrolments for IT training programs led to 21% decline in revenues for ILS in FY'13. Margins were down 87% due to impact of operating leverage in the business. However, enrolments in Non-IT programs increased 48% over last year. Share of revenues from Non-IT programs in ILS increased to 17% from 11% last year.

The closing order book stood at Rs. 1,733 million, of which 66% is executable over the next 12 months.

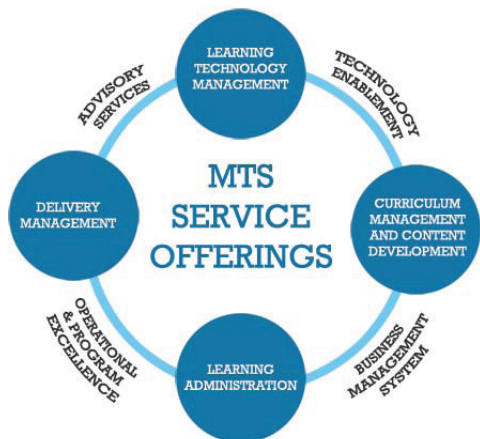
Corporate Learning Solutions

FY'13 saw continued surge in spending by companies on training. According to industry reports, the total spending by corporates in USA in calendar year 2012 was close to USD 75 billion, which is an increase of 12% over last year. Skill development expertise is being seen as the new arsenal for business success and organizations are increasingly relying on specialists for training, to increase efficiency and effectiveness.

US Corporate Training Spending



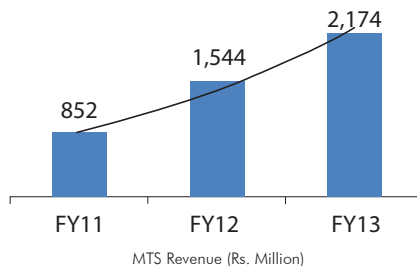
Corporate Training Market, 2012



NIIT Managed Training Services

NIIT's Corporate Learning Solutions business delivers

innovative solutions that help clients accelerate business impact. NIIT Managed Training Services are a suite of best-in-class training processes that enable customers to reduce costs, sharpen their business focus, and drive quantifiable results. Our Managed Training Services deliver more relevant training to organizations, bring proven best practices into business processes, and redirect surplus training capital into core business functions.



During the year, CLS continued its focus on MTS business. MTS achieved further traction with addition of 5 customers, taking the total number of global clients to 14. The customer set includes large companies from a variety of sectors including Oil and Gas, Technology, Telecom, Financial Services, etc., many of whom are market leaders in respective segments.

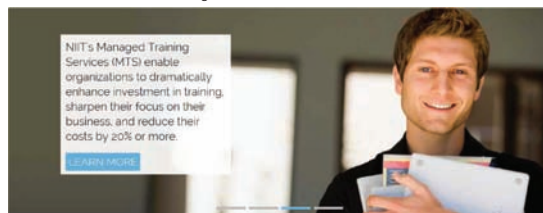
CLS revenues increased 19% year over year, driven by 41% growth in MTS. MTS now contributes 72% to CLS business mix. During the year, the margins improved by 485 basis points to 11% due to better leveraging of enabling expenses over a higher business volume.

In FY'13, the business had an order intake of USD 62.5 million, an increase of 16% year over year. The closing order book stood at USD 53.6 million. Of this, 66% is executable during FY'14. CLS ended the year with a total revenue visibility of USD 143 million.

Financials for Corporate Learning Solutions

Rs. Million	FY'13	FY'12	Change
Net Revenues	3,037	2,543	19%
EBITDA	339	160	111%
OM%	11%	6%	485 bps

Financials on a continuing business basis



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

School Learning Solutions

The School Learning Solutions business provides technology-based teaching and learning solutions to private schools, ICT solutions in government schools and professional development for teachers.

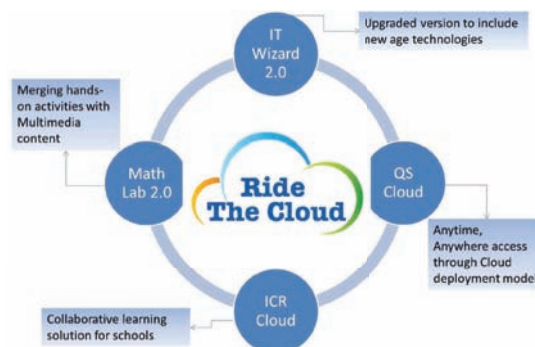
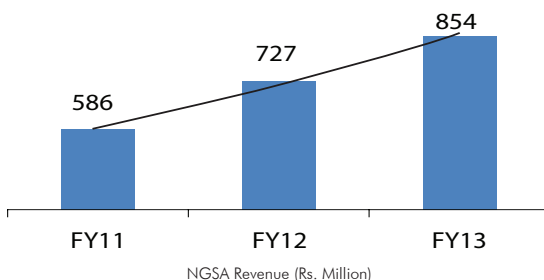
NIIT offers a comprehensive suite of products for private schools under the brand name of nGuru. The nGuru suite includes innovative products such as 'ICR Cloud' for teachers, 'Math lab' and 'IT Wizard' for improving education in schools, and, 'Quick School Cloud' an Education Resource Planning solution for school management.



India has over 1.2 million schools in the country. Of these, approximately 1 million schools are funded by the government. The remaining are owned and operated by private institutions. Technology-based solutions are entering a phase of mass adoption in private schools representing a large and growing opportunity for the Company.

In schools, nGuru offerings are the identified platform for growth for the Company. SLS signed 817 schools in FY'13, which is 19% growth over last year. Revenues from NGS segment in SLS grew 17% year over year and now contribute 43% to SLS business mix.

During FY'13 NIIT continued to enhance the nGuru platform. nGuru offerings are leveraging cloud technology to offer next-generation products to help schools improve learning and to increase their competitiveness in the market.



The Company continues to de-emphasize Government Build Own Operate Transfer (BOOT) contracts, in line with the stated objective of reducing the capital intensity of the business. While this impacted overall revenue, it helped the Company to conserve capital and improve cash flow.

In FY'13, the Company recorded an order intake of Rs. 916 million. At the end of the year, the order book for this business stood at Rs. 5,059 million. Of this, 27% is executable during FY'14.

Financials for School Learning Solutions

Rs. Million	FY'13	FY'12	Change
Net Revenues	1,805	1,560	16%
EBITDA	156	146	7%
OM%	9%	9%	(72 bps)

Financials excluding one-time hardware revenues

Skills building Solutions

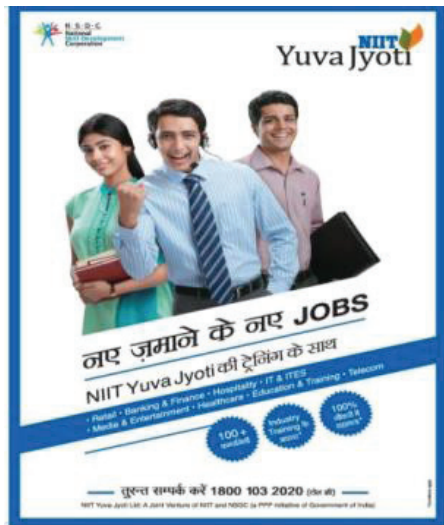
FY'13 was the first full year of operations for NIIT's Skills Building Solutions business.



Last year, NIIT entered into a joint venture with the National Skills Development Corporation (NSDC) to form the NIIT Yuva Jyoti Limited. This subsidiary was incorporated to engage in the business of education and training through setting up of skill development centers, to build an inclusive, enabled and skilled society, by vocationally skilling youth in to employable professionals in various sectors.

Skill building presents a large opportunity, given low penetration of formal vocational training in the country. India plans to train over 500 million people by the year 2022, while the annual capacity to train is less than 5 million a year representing a 10x gap in demand and supply.

While there is a large potential, low awareness of the benefits of skills training and willingness to pay is an equally big challenge.



During the year, SBS added 28 new centers to its network to take total reach to 34 locations in key cities across 5 states in North India. To reduce cost of delivery, the company has been tuning center specifications to reduce setup cost and is working on innovative methods for lowering cost of student mobilization and training delivery. The Company also established large number of local tie-ups for placement of trained students.

SBS now offers 17 courses including foundation and career programs. SBS had over 4,800 registrations in FY'13.

Awards and Acknowledgements

- NIIT received 'Top IT Training Company Award 2012' for the 20th year in succession by Cybermedia publications.
- NIIT featured as the 'India's Most Trusted Education Brand' in Brand Trust Report, India Study, 2013, undertaken by Trust Research Advisory for the second consecutive year.
- NIIT has been ranked among the 'Top 10 India's Best Companies to Work for 2012 by Great Places to Work Institute.
- NIIT NGuru – ICR@Home, has been acknowledged for the second consecutive year at the World Education Summit 2013 for best 'Use of Assistive Technologies in Education'.
- NIIT Imperia received 'Best Telecom & Satellite Learning Providers in Education' award at the

National Education Excellence Awards 2013 by leading industry body ASSOCHAM (Associated Chambers of Commerce and Industry of India).

- NIIT IFBI is recognized as 'Most Innovative Recruitment Management initiative' at the Talent & HR Leadership Conference Awards by ET Now at World HRD Congress 2013.
- NIIT MindChampions Academy (MCA) completes 10 years of developing young minds through Chess, impacting over 1.65 million children across 17,000 schools since inception.
- NIIT Foundation awarded the Shiksha Ratna Award for DLC Chhindwara in the category of 'Best Higher Education Institute of Madhya Pradesh' in 2012.
- NIIT Imperia received the 'Outstanding Student Support Services' award at the Asia Learning Leadership Awards 2012.
- NIIT Vietnam was awarded the ICT Gold Medal – 2012, by Ho Chi Minh City Computer Association (HCA) for the seventh consecutive year.
- Over 1,52,000 candidates from more than 300 cities applied for NIIT's ninth National IT Aptitude Test.
- NIIT announced the 13th IT Scholarship in Nigeria, to reward meritorious students seeking a global career in IT.
- NIIT was adjudged as the 'Best Result-Oriented ICT School' in Ghana for the third consecutive year.
- NIIT received 'Franchisor of the Year: IT' Award by Franchise Plus, India's leading business opportunity magazine.
- NIIT USA was ranked among the Top 20 Companies in Training Outsourcing, 2012 by Training Industry, Inc. for the sixth Consecutive time since 2008.
- NIIT USA was awarded the Brandon Hall Excellence in Learning 2012 Silver Award in the Best in Competencies and Skill Development category jointly with Shell for Shell Standard Primavera Education.
- NIIT USA earned a silver in the Chief Learning Officer Learning in Practice 2012 awards in the Excellence in E-Learning category for MetLife Virtual Induction Program.
- NIIT USA ranked #3 Overall and #2 in Size of

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Deal in HRO Today magazine's Baker's Dozen Customer Satisfaction Ratings for Top Learning Providers, 2012.

Consolidated Financial Review of the Company

The financial summary for FY'13 is as follows:

Rs. Million	FY'13	FY'12	YoY (%)
Systemwide Revenues	15,435	19,960	(23%)
Net Revenues	9,608	12,603	(24%)
Operating Expenses	9,085	11,128	(18%)
- Personnel Cost	2,634	3,189	(17%)
- Professional and Technical Outsourcing Expenses	2,419	2,347	3%
- Purchase of Stock in Trade	1,189	1,607	(26%)
- Other Expenses excluding Finance Costs	2,843	3,985	(29%)
EBITDA	523	1,475	(65%)
EBITDA%	5%	12%	(626 bps)
Depreciation & Amortization	864	874	(1%)
Net Other Income (including Exceptional Items)	(339)	1,429	(1,768 mn)
Taxes	(433)	1,409	1,842 mn
Share of Associate Profits/Profits attributable to Minority shareholders	509	481	6%
Profit After Taxes Attributable to Equity Holders	263	1,102	(76%)
Basic EPS (in Rs.)	1.6	6.7	(76%)

Due to divestment of Element K in October 2011, exceptional items and one-time hardware revenues in both FY'12 and FY'13, the overall financials of the Company for FY'12 and FY'13 are not comparable.

Revenues

In FY'13, the Company recorded revenue of Rs. 9,608 million, which was lower by 24% as compared to last year. This decline is primarily on account of divestment of Element K and subdued performance by Individual Learning Solutions business. On a continuing business basis and excluding one-time hardware revenues, the revenue in FY'13 was Rs. 9,433 million versus Rs. 9,935 million in FY'12, representing a decline of 5%.

Net Other Income

The net other income in FY'13 reflects:

- Interest expenses net of income from deposits and mutual funds
- Foreign exchange gains/(losses)
- Miscellaneous income
- Exceptional items

The net interest and financial expense for FY'13 stood at Rs. 164 million compared to Rs. 262 million for FY'12. During the year, the Company recorded a net

foreign exchange loss of Rs. 77 million compared to the gain of Rs. 27 million in FY'12. Miscellaneous income for FY'13 stood at Rs. 76 million (previous year Rs. 18 million) and includes interest on statutory refunds.

Exceptional items for FY'13, amounting to Rs. 174 million, include expenses related to divestment in Element K and related indemnity provisions.

In FY'12, exceptional items of Rs. 1,636 million included:

- A one-time income (post transaction-related expenses) from the divestment of Element K amounting to Rs. 2,094 million.
- Rs. 63 million of Corpus given to The NIIT Institute/NIIT University in accordance with the approvals received from the shareholders.
- Rs. 351 million as provision against specific receivables.
- Rs. 36 million as Service tax on rent for immovable properties rented by the company for its operations in India.
- Rs. 9 million toward impairment of intangibles.

Expenses

On an overall basis, the operating expenses decreased 18% year over year. However, due to the divestment of Element K, the overall expenses are not comparable. On a continuing basis and excluding impact of one-time hardware revenues, the operating expenses were Rs. 8,910 million versus Rs. 8,737 million in FY'12, up 2%. Expenses as a proportion of revenue have increased versus last year due to change in business mix, which has been partially offset by cost rationalization.

Taxes

During FY'13, the Company has filed tax return for FY'12 and deposited the due amount with the authorities. Based on revised computation of tax, the Company has reversed provision amounting to Rs. 425 million primarily on account of Element K divestment. The Company had provided for an amount of Rs. 839 million in FY'12 relating to divestment of Element K. In addition to above, Deferred Tax Assets amounting to Rs. 89 million were created in FY'13. Tax expense for FY'13 stood at Rs. 81 million.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Detailed Analysis of Consolidated Balance Sheet as on March 31, 2013

	Rs. Million	
	31-Mar-13	31-Mar-12
Sources of Funds		
Share Capital	330	330
Minority Interest	49	39
Reserves & Surplus	6,347	6,290
Net Worth	6,726	6,659
Secured Loans	1,451	1,009
Unsecured Loans	74	78
Loan funds	1,525	1,087
Total	8,252	7,746
Application of Funds		
Fixed Assets		
Gross Block	7,001	6,321
Depreciation	4,797	4,041
Net Block	2,204	2,281
Capital Work in Progress	126	192
Investment	2,357	1,950
Net Current Assets	3,411	3,257
Deferred Tax Assets	153	67
Total	8,252	7,746

Totals may differ due to rounding

The analysis in this MDA does not conform specifically to the new Schedule VI format and has been regrouped for analysis.

Share Capital

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

Reserves and Surplus

For the purposes of consolidation, while converting the financial statements of foreign subsidiaries into the Group Currency (INR), the Company followed the Indian Accounting Standard - AS 11 "The Effects of changes in Foreign Exchange rates" for translation of balances of non-Indian subsidiaries. Assets and liabilities of non-Indian subsidiaries are translated at the year-end exchange rate. Income and Expenditure items are translated at predetermined rates that approximate the exchange rate prevailing on the date of the transaction. The resultant translation adjustment is reflected as a separate component of Shareholders' funds as "Currency Translation Reserve". During the year, the Company has taken currency interest rate swap to hedge the currency and interest rate risk in respect of foreign currency term loan for the entire tenure of the loan. The interest rate has been fully hedged at a fixed rate of 11% p.a.. The mark to market impact has been reflected under "Hedging Reserve".

Loan Funds

At the year end, the gross debt of the Company stood at Rs. 1,525 million compared to Rs. 1,087 million in March'12.

As of March 31, 2013, the Company had a net debt of Rs. 462 million as compared to a net debt of Rs. 67 million as of March 31, 2012.

As per the new balance sheet format, Rs. 1,102 million is reflected as long-term borrowings, Rs. 20 million as short-term borrowings, and Rs. 403 million as current maturities of long-term borrowing (grouped under Other Current Liabilities).

Fixed Assets

As of the beginning of the year, the Net block stood at Rs. 2,281 million. During the year, the Company invested Rs. 807 million in fixed assets, including capitalization of the opening capital work in progress. The addition was for the following:

- a) New initiatives and products: Rs. 247 million
- b) Project-related capital expenditure Rs. 336 million
- c) Capacity expansion and upgradation: Rs. 36 million
- d) Normal capital expenditure: Rs. 188 million

In addition, the Capital work in progress stood at Rs. 126 million as of March'13 versus Rs. 192 million as of March'12. This includes intangible assets under development as well as capital advances (now regrouped under long-term loans and advances). The Net block stood at Rs. 2,204 million on March 31, 2013.

Investments

At the year end, the investments stood at Rs. 2,357 million, which represents the holding value of NIIT Technologies Limited. While investments in NIIT Technologies Limited have been classified as non-current investments, investments in mutual funds are reflected as current assets.

Deferred Tax Assets

At the year end, the net deferred tax assets were Rs. 153 million on account of the tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.

Net Current Assets

The elements of net current assets were as follows:

➤ Inventories

Inventories mainly included training material, including educational software used by the Company for imparting IT-ITES and schools education. Over the year, due to streamlining of operations, the value of the inventory held by the Company decreased from Rs. 119 million to Rs. 96 million.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

➤ Trade Receivables

The total receivables of the Company were at Rs. 4,069 million, up marginally from Rs. 3,932 million as on March 31, 2012. The increase is attributable to longer collection cycles in government and international collections.

Of the total, an amount of Rs. 370 million has been classified as non-current based on the due dates of debtors.

➤ Cash and Bank

The cash and bank balances as on March 31, 2013 stood at Rs. 1,059 million compared to Rs. 1015 million as on March 31, 2012. Including mutual fund investments, the cash balance of the Company stood at Rs. 1,063 million as compared to Rs. 1,020 million as of March 31, 2012. During the year the Company:

- Generated Rs. 464 million from operations,
- Utilized Rs. 520 million for investment activities including sale/purchase of fixed assets and mutual funds, and
- Utilized Rs. 5 million in financing activities of paying interest and dividend, repaying debt and proceeds for new debt.

Cash generated from Operations includes impact of Rs. 8 million, excluded from Cash Flow under Schedule VI on account of classification of Other bank balances. Ending cash balance includes favourable impact of Rs. 105 million due to change in exchange rates.

➤ Other Current Assets

Other current assets include interest receivable and unbilled revenues. The balance as of March 31, 2013 stood at Rs. 768 million, as compared to Rs. 870 million in the previous year. Of this, based on the invoicing pattern of the unbilled revenue, Rs. 167 million has been classified as non-current.

➤ Loans and Advances

Loans and Advances include advances to suppliers, deferred expenses, rent advances, security deposits given for premises as well as advance tax paid. As of March 31, 2013 the total Loans and Advances stood at Rs. 1,247 million compared to Rs. 1,152 million in March 31, 2012. Based on the realization time horizon of the loans and advances, an amount of Rs. 565 million has been classified as non-current. Capital advances of Rs. 1 million in FY'13 and Rs. 16 million in FY'12 have been included in Loans and Advances as per revised Schedule VI.

➤ Sundry Creditors

Sundry Creditors, including Other Payables as reflected under Other Liabilities, decreased from Rs. 2,291 million in FY'12 to Rs. 2,246 million in FY'13.

➤ Other Current Liabilities

Other Current Liabilities increased from Rs. 675 million in FY'12 to Rs. 900 million in FY'13. Other Current Liabilities consists of advances from customers, security deposits, deferred revenue and other liabilities but excluding Current Maturities of Long Term Borrowing and Other Payables.

➤ Provisions

The total provisions reduced from Rs. 870 million in FY'12 to Rs. 685 million in FY'13. The outstanding amount included Rs. 308 million for the proposed Dividend of Rs. 1.60 per equity share of Rs. 2 and the Dividend Distribution Tax thereon, compensated absences provision of Rs. 113 million and gratuity provision of Rs. 10 million. In addition, there is Rs. 254 million as provision for indemnity provided to the buyers of Element K.

Accounting Policies

The Company has selected the accounting policies described in the notes to accounts, which have been consistently applied, 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.

Related Party Transactions

Related Party transactions are defined as transactions of the Company of a material nature with Promoters, Directors or the Management, their subsidiaries or other related parties who may have a potential conflict with the interest of the Company at large. There were no material transactions during the year under review that were prejudicial to the interests of the Company.

All transactions covered under related party transactions were regularly ratified and/or approved by the Board, the guiding principles being arm's length, fairness and transparency. The details of related party transactions are given in the Notes to Accounts.

Revenue Recognition Policy

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

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Reserves

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

Human Resources

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

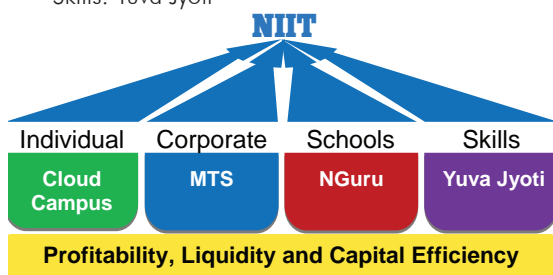
During FY'13, the Company continued to focus on improving people productivity, through training and development of its people. There were a lot of focussed actions on intensive training of the Sales cadre and on developing the managers on people leadership skills. NIIT launched Mobility Facilitation center to give a fillip to job rotation. The company also revisited the process of individual goal-setting and established practices and systems to have stronger linkages between organization, business and individual goals. NIIT was recognized by Great Place to Work institute as the 10th best companies to work for in India for inspiring trust amongst NIITians, for instilling pride in them, and, for creating an environment within the workplace that promotes camaraderie.

In the financial year, the Company's headcount decreased by 403 as the company rationalized operations across its businesses. As of the year end, the headcount stood at 3,324 with 57% in direct roles, 19% in Sales and Marketing, and the balance in indirect roles.

Future Outlook

The Company remains focused on its four platforms of growth

- Individual: Cloud Campus
- Corporate: Managed Training Services
- Schools: nGuru
- Skills: Yuva Jyoti



- Individual: During FY'13, the business has been impacted by a temporary squeeze in hiring by IT sector. The company is focusing on its Non-IT portfolio and New Age IT programs with higher realization, to help recover growth. The Cloud Campus platform will help the company to expand reach and drive efficiency in the business.
- Corporate : Growth is expected to continue on strength of significant order book and strong growth in Managed Training Services business. Volume growth and leverage of enabling expenses would drive margin improvement.
- Schools: Continued selectivity on Government BOOT contracts and focus on nGuru solutions for private schools will result in significant improvement in business mix in favor of NGSA. In addition, the Company expects improved liquidity due to release of working capital tied up in receivables in government contracts.
- Skills: Focus on capacity utilization and on introduction of new products.

Strengthening of Balance Sheet

- Despite a challenging business environment, the Company has been able to deleverage its balance sheet over the last couple of years.
- Most of the investments in growth platforms have been completed.
- The Company is exiting capital-intensive business models.
- Focus on free cash flow generation.

Overall

- Consistent pursuit of the four Platforms of growth in the context of market realities would help to consolidate NIIT's leadership position in the industry.
- Products and Services are leveraging cloud technology to drive growth and profitability.
- Steps taken to exit capital intensive businesses to help in improving ROCE profile of the Company and improved returns for all stakeholders.

Risks and Concerns

As a global enterprise, NIIT is exposed to a wide variety of risks across its different lines of businesses. The Company perceives risks as a major hindrance in achieving its financial, operative and strategic goals, but through timely mitigation there is an opportunity to minimize impact and turn risks into opportunities. NIIT has a comprehensive and robust Enterprise-wide Risk

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Management (ERM) structure in place, to enable all the businesses to recognize their risks in advance, so that appropriate and adequate mitigation plans can be put in place to counter the same. This is based on three pillars: a) Business Risk Assessment, b) Operational Controls Assessment, and c) Policy Compliance processes.

The risk management mechanism is an integral part of the Company's core process and involves recording, monitoring, and controlling of the internal functions of enterprise and the associated business risks, via a comprehensive risk reporting framework. Through the said mechanism, the Company aims to achieve an optimum balance between risk and reward, with the underlying objective of maximizing value for all stakeholders. While the external environment in FY'13 remained challenging, application of ERM has resulted in real, tangible benefits for the company. The risk management process is continuously reviewed, discussed and improved to adapt toward change of risks parameter based on global risk scenario.

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

NIIT's risk matrix framework addresses all the significant risks of the businesses as envisaged by the management from time to time based on past experience and existing environment surrounding the business activity, along with a mitigation strategy for the same. The mitigation strategy is simultaneously addressed by the respective business group for each of the identified risks while finalizing strategic and operational parameters of the business. The compliances and assurance of the risk mitigation strategies are addressed by the Internal Audit and Assurance Group.

The major and significant risks identified by the Company in two broad categories, namely External Risks and Internal Risks, with mitigation strategies of each in place are:

External Risks: Political, Environment, Macroeconomic, Exchange Fluctuation, Competition, Legal and Technology Obsolescence; and

Internal Risks: Business Concentration, Investment Process, Human Resource, Research and development,

Regulatory compliances and Financial Reporting.

The Company is well diversified, both in terms of its service offerings and geographic spread. The judicious mix of revenue from the different business lines, that is, Individual, Schools and Corporates, ensure that the Company is well positioned to manage any downturn or slowdowns in a particular product portfolio or in a specific geography. The Company believes that with the ERM process in place, it has a robust mechanism for risk management, and the strategies for risk management are reviewed by the Board of Directors at regular intervals.

Internal Control Systems and Its Adequacy

The Company has adopted world-class practices for internal controls, based on its extensive global operational experience. It has also implemented one of the leading ERP solutions in its global operations, to integrate various facets of business operations, including Human Resource, Finance, Logistics, and Sales. This has enabled the Company to control and monitor its worldwide operations online and strengthen the ability of internal controls to function most optimally.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are regularly reviewed and certified by Statutory as well as Internal Auditors during the year and it covers all key business areas. Significant audit observations along with auditee response and implementation action plan thereon are reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control system and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

Disclaimer

Statements in this management discussion and analysis describing the Company's views about the industry, objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. The Company undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Readers are cautioned as not to place undue reliance on the forward-looking statements as they speak only as of their dates. The MD&A should be read in conjunction with the Company's financial statements included herein and the notes thereto. Information provided in this MD&A pertains to NIIT Limited and its subsidiaries on a consolidated basis, unless otherwise stated.

CORPORATE GOVERNANCE REPORT

Your Company believes that strong companies are built on the foundation of good governance practices. Corporate Governance encompasses the effective management of relationships among constituents of the ecosystem - shareholders, management, staff members, customers, vendors, governments, regulatory authorities and community at large. These relationships can be strengthened through corporate fairness, transparency, empowerment and compliance with the law in letter and spirit. Your Company takes proactive approach and revisits its governance practices from time to time so as to meet business and regulatory needs.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's philosophy on Corporate Governance is aimed at optimizing the balance between stakeholders' interests and corporate goals through the efficient conduct of its business and meeting their obligation in a manner that is guided by transparency, accountability and integrity. It has always been believed

that an independent Board following international practices, transparent disclosures and empowerment of stakeholders are as necessary as solid financial results for creating and sustaining shareholder's value. Your Company is conscious of its responsibility as a good corporate citizen and is committed to a high standard of Corporate Governance practices.

At NIIT, value creation is a philosophy that is ubiquitous across the organisation. Stakeholders are the focus of Company's growth strategy. The Company has ensured stability and growth in a dynamic environment and in competitive times. This has been the Company's commitment since inception.

BOARD OF DIRECTORS

Composition of Board

The composition of the Board of Directors is in conformity with the stipulation laid down in the code of Corporate Governance recommended by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchanges.

The Names and Categories of the Directors on the Board, their attendance at Board Meetings held during the Financial Year 2012-13 and at the Last Annual General Meeting and the number of Directorship and Committees Chairmanship/ Membership held by them are given hereunder:

Name of Director & DIN	Designation	Category	No. of Board Meetings during the Financial Year 2012-13		No. of Directorships in other Indian Companies*	No. of Membership/ Chairmanship in other Board Committees**		Whether attended last AGM
			Held	Attended		Member	Chairman	
Mr. Rajendra S Pawar (00042516)	Chairman and Managing Director	Promoter & Executive Director	5	5	7	3	0	Yes
Mr. Vijay K Thadani (00042527)	Chief Executive Officer and Whole-time Director	Promoter & Executive Director	5	5	7	3	3	Yes
Mr. P Rajendran (00042531)	Chief Operating Officer and Whole-time Director	Executive Director	5	5	5	2	1	Yes
Mr. Surendra Singh (00003337)	Director	Non-Executive Independent Director	5	5	3	2	0	Yes
Mr. Sanjay Khosla (00981819)	Director	Non-Executive Independent Director	5	2	0	0	0	No
Ms. Madhabi Puri Buch (00016299)	Director	Non-Executive Independent Director	5	5	1	0	0	Yes

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

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

Note:

1. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956.
2. Mr. Subroto Bhattacharya (DIN: 00009524) ceased to be Director of the Company w.e.f July 2, 2012. Mr. Bhattacharya had not attended any Board/Committee meeting during his association as Independent Director during the financial year 2012-13.

CORPORATE GOVERNANCE REPORT (Contd.)

Your Company is managed and guided by a professional Board comprising six Directors out of which three are Independent Directors, constituting half of the Board's total strength. The Directors are eminent persons with considerable professional expertise and experience. The Independent Directors of the Company meet all the criteria mandated by Clause 49 of the Listing Agreement. The Board's role, functions, responsibilities and accountability are clearly defined. In addition to its primary role of monitoring corporate performance, the functions of the Board include:

- Articulating the corporate philosophy and mission;
- Formulating strategic plans;
- Reviewing and approving financial plans and budgets;
- Monitoring corporate performance against strategic plans including overseeing operations;
- Ensuring ethical behaviour and compliance with laws and regulations;
- Reviewing and approving borrowing/lending, investment limits and exposure limits etc.;
- Keeping Shareholders informed about plans, strategies and performance; and
- Ensuring 100% investors satisfaction.

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

Mr. Rajendra S Pawar

Designation: Chairman and Managing Director

Profile: Mr. Rajendra S Pawar is Chairman and Co-Founder of the NIIT Group, comprising NIIT Limited, the leading Global Talent Development Corporation, which pioneered the computer education market in India in the 80's, and NIIT Technologies Limited the software and services arm, catering to clients across North America, Europe, Asia and Australia.

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

By pioneering NIIT's innovative franchising model, he enabled the company to unleash a wave of entrepreneurship across the globe, providing young people with the opportunity to create viable businesses centered on IT learning.

Mr. Pawar is a member on the Prime Minister's National Council on Skill Development and has served on the PM's National Taskforce (1998), commissioned to develop India into an IT Superpower.

Actively involved in India's key Chambers of Commerce, Mr. Pawar has led several ICT industry fora, including NASSCOM (National Association of Software & Service Companies) as its Chairman in 2011-12, giving voice to the sector's aspirations and goals.

A member of the International Business Council of the World Economic Forum, Mr. Pawar has been an advisor to the Hunan province of China and a member of PIAC (Presidential International Advisory Council) of the Government of South Africa for IT.

Global Business Intelligence firm, Ernst & Young conferred on Mr. Pawar its prestigious Master Entrepreneur of the Year Award in 1999. He has also been named the IT man of the Year by IT industry journal, Dataquest. Mr. Pawar has been awarded 'The Global India Splendor Award' on the occasion of 60th year of India's independence, for his work on developing human resource potential. He is a Fellow of the Computer Society of India and the Institution of Electronics & Telecom Engineers.

Known for promoting industry-academia alliances, Mr. Pawar has been working closely with the country's well-known educational institutions. He is on the Board of Governors of India's premier institutions- IIT Delhi, Country's first global business school- the Indian School of Business (ISB) Hyderabad, IIM Bangalore, IIM Udaipur and the Scindia School.

Mr. Pawar studied at the Scindia School, Gwalior and graduated from the country's prestigious engineering institution, IIT, Delhi in 1972 where he pursued the B.Tech programme in electrical engineering and received the Distinguished Alumnus Award of IIT in 1995. He has also been awarded an Honorary Doctoral Degree by the Rajiv Gandhi Technical University in 2005.

Having revolutionized the IT Training industry, Mr. Pawar is involved in shaping a new model in Higher Education, the not-for-profit NIIT University. He is currently chairing the Committee on Policy Framework for Technology Based Education, Government of India.

In recognition of his contribution towards changing the IT landscape in India, in 2011, Mr. Pawar was awarded the Padma Bhushan, one of the highest civilian awards given by the Government of India.

CORPORATE GOVERNANCE REPORT (Contd.)

Roles and Responsibilities: Mr. Pawar plays a major role in providing thought leadership and strategic inputs to the Company in addition to helping shape new business and driving the strategic HR program in the Company.

Mr. Vijay K Thadani

Designation: Chief Executive Officer and Whole-time Director

Profile: Mr. Vijay K. Thadani is the Chief Executive Officer of NIIT Limited, a leading Global Talent Development Corporation. As a Co-founder of the NIIT Group, he serves on the Board of NIIT Technologies Limited, its software and services arm. 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).

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

Roles and Responsibilities: As the Chief Executive Officer of the Company, Mr. Thadani provides strategic direction and oversight to the Chief Executives and Heads of the Company's global businesses namely Career Building solutions, Corporate Learning solutions,

School Learning solutions and Skill Building solutions. His responsibilities include leading the Company's Strategic Alliance and Technology partnership initiatives and in addition to oversee the Finance, Investor Relations and Corporate Communications functions. He also serves as the Chairman, Board of Directors of NIIT USA Inc, NIIT Institute of Finance Banking and Insurance Training Limited, NIIT Yuva Jyoti Limited and Evolv Services Limited.

Mr. P Rajendran

Designation: Chief Operating Officer and Whole-time Director

Profile: Mr. P. Rajendran, Chief Operating Officer and Co-founder of NIIT Limited, is part of the core team that has developed the organisation and brought it to its present position of international standing, since its inception in 1981. He is an alumnus of Indian Institute of Technology, Delhi.

Today, Mr. Rajendran leads the People, Infrastructure & Technology initiatives and the School Solutions Business at NIIT. A people-person and a believer in leveraging Information Technology for Human Resources competitiveness, he has helped NIIT emerge as one of the most exciting places to work.

Under his leadership, the Company has received many awards in recognition of its innovative HR practices, including 'Top 10 India's Best Companies to Work for-2012' by Great Places to Work Institute.

Actively associated with industry associations like CII and FICCI, Mr. Rajendran takes keen interest in the area of innovative deployment of ICT for human development and creation of new jobs.

Roles and Responsibilities: Mr. Rajendran assists the CEO in the management of the operations of the Company. In addition, he leads the corporate teams engaged in Human Resources, Commercial Services, Legal Services and provides oversight for the School Learning solutions business.

Mr. Surendra Singh

Designation: Independent Director

Profile: Mr. Surendra Singh is an IAS Officer (Retd.). He has a Masters degree in Mathematics from the University of Allahabad. He has held very senior positions in the Central and State Governments. Starting his public service in 1959, Mr. Singh has held positions like Special Secretary to the Prime Minister of

CORPORATE GOVERNANCE REPORT (Contd.)

India, Cabinet Secretary to the Government of India, Secretary to the Council of Ministers and Secretary, Ministry of Industry. He was an Executive Director on the Board of the World Bank, representing India, Bangladesh, Sri Lanka and Bhutan. He was Director on the Boards of the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). Mr. Surendra Singh was invited to NIIT's Board as an Independent Director in 2001.

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

Roles and Responsibilities: Mr. Singh advises the Company on internal controls, audit systems, compensation structure and investor relations. He is the chairman of the Shareholders'/ Investors' Grievance Committee and Compensation/Remuneration Committee and is member of Audit Committee of the Company.

Mr. Sanjay Khosla

Designation: Independent Director

Profile: Mr. Sanjay Khosla was the President of Kraft's Developing Markets and was responsible for the company's almost US \$ 16 billion business in over 60 countries covering Asia Pacific, Latin America, Central and Eastern Europe, Middle East and Africa. This included management of the Cadbury business which was acquired by Kraft in 2010. Before joining Kraft Foods in January 2007, he was the Managing Director of Fonterra Brands, New Zealand's largest multinational company and one of the world's biggest dairy companies. Prior to this, Mr. Khosla was Senior Vice President, Global Beverages, Unilever and Chairman of that company's Global Board for the beverages category. During his 27 year career with Unilever, Mr. Khosla held senior positions in India, Europe and the United Kingdom. He has also led lectures on managing international brands and business at Columbia University in New York, University of Chicago, Northwestern University and IMD in Lausanne, Switzerland.

Mr. Khosla is an alumnus of the premier IIT, Delhi, and has completed an Advanced Management Programme from Harvard University. In 1998, he was named as "Marketing Superstar" by the prominent marketing industry publication, "Advertising Age". Mr. Khosla was invited to NIIT's Board as an Independent Director in 2002.

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

Ms. Madhabi Puri Buch

Designation: Independent Director

Profile: Ms. Madhabi Puri Buch is the CEO of Agora Partners Pte Ltd, a consulting firm specializing in the area of consumer and technology trends. Prior to this, she was the head of Greater Pacific Capital Singapore Pte Ltd., a fund management company that is part of the Greater Pacific Capital Group, a Private Equity Group that invests in the high growth markets of India and China. Prior to this, she was with the ICICI Group for over 15 years. She was the Managing Director and CEO of ICICI Securities Limited (ISEC) from February 2009 to July 2011. She spearheaded ISEC's initiatives in Equity Capital Markets, Advisory Services, Institutional Equities and Retail Equities including ICICIdirect.com. Prior to that, she was an Executive Director on the board of ICICI Bank. During her tenure in the bank, she looked after various businesses including home loans, bonds and treasury solutions as well as customer service, back office operations and compliance. She is a Non Executive Director on the board of Idea Cellular Limited and a founder of the trust "Toofless Foundation" that undertakes a variety of initiatives for raising funds for grassroot NGOs.

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

Roles and Responsibilities: Ms. Madhabi Puri Buch advises the Company on financial and investment matters. She guides the corporate teams on finance related matters and helps in formulating beneficial investment strategies for the Company. She is member of Audit Committee and Compensation/ Remuneration Committee of the Company.

Board Meetings

Five (5) Board Meetings were held during the Financial Year 2012-13 and gap between two meetings did not exceed four months. Board Meetings were held on May 9, 2012, July 25, 2012, October 19, 2012, January 18, 2013 and March 20, 2013.

The Company holds at least four Board meetings in a year, one in each quarter to review the financial

CORPORATE GOVERNANCE REPORT (Contd.)

results. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address the specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation. All Directors on the Board are free to suggest any item for inclusion in the agenda for the consideration of the Board.

The necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for their consideration. The Board and/or Committees have, inter-alia, addressed the following key items:

- Three years perspective plan & vision of the Company for global eminence;
- Annual business plan;
- Investments and/or loans made by the Company;
- Formation of subsidiary companies (including overseas subsidiary companies);
- Review of operations (including operations of subsidiary companies);
- Strategic acquisitions of companies and critical assets;
- Strategic decisions relating to new ventures;
- Statutory matters;
- Review of payment of remuneration to Directors;
- New alliances;
- Review of minutes of Committee Meetings;
- Review of minutes of Board Meetings of the subsidiary companies;
- Review of foreign exchange exposures;
- Review of annual budgets, capital budgets and utilization of funds;
- Review and adoption of accounts, quarterly and annual financial results;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and Company Secretary;
- Materially important litigations, show cause notice, demand, prosecution, and penalty notices;
- Any material default in financial obligations to and by Company, or substantial non-payment for goods/services sold/rendered by Company;
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property;

- Any significant development on the human resource matters ;
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business;
- Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement; and
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as nonpayment of dividend, delay in share transfer etc.

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

BOARD COMMITTEES

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

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

Audit Committee

In line with the statutory provisions of Listing Agreement entered into with Stock Exchanges read with Section 292A of the Companies Act, 1956 and as a measure of good Corporate Governance with a view to provide assistance to the Board in fulfilling its oversight responsibilities, an Audit Committee of the Directors was constituted. Majority of the Members of the Committee are Independent Directors and every Member has rich experience in the financial sector. The Company Secretary acts as Secretary to the Committee. Statutory Auditors, Internal Auditors and Senior Management Personnel of the Company also attend the meetings by invitation. The recommendations of the Audit Committee are placed before the Board for its consideration and approval. The Audit Committee comprises of the following Directors:

Chairperson: Independent Director nominated by Audit Committee members.

Members: Mr. Vijay K. Thadani, Mr. Surendra Singh and Ms. Madhabi Puri Buch*.

*Ms. Madhabi Puri Buch was inducted as member of the Audit Committee w.e.f. April 10, 2012.

CORPORATE GOVERNANCE REPORT (Contd.)

Functions and Terms of Reference

The terms of reference of Audit Committee are as per Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956 and includes such other functions as may be assigned to it by the Board from time to time. The main functions of the Audit Committee, inter-alia, include:

- Supervision of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Management Discussion and Analysis of financial condition and results of operations;
- Recommending the appointment, re-appointment and termination of Statutory Auditors, fixation of audit fee and approval of payment for any other services;
- Reviewing the annual financial statements with the CFO and the Management before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement forming part of the Directors' Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and rationale for the same;
 - Significant changes, if any, in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Draft Auditors' Report including qualifications/ observations, if any.
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the Management, performance of statutory and internal auditors, the adequacy of internal control systems;
- Reviewing the internal audit function, including the structure of the Internal Audit Organization, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- Discussions with Internal Auditors, on any significant findings and follow up thereon;
- Reviewing the findings of any Internal Audit Report by the Internal Auditors into matters concerning fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussions with Statutory Auditors, before the audit commences, about the nature and scope of the audit as well as having post-audit discussions to ascertain any area of concern;
- Reviewing the Company's financial and risk management policies; and
- To look into substantial defaults, if any, in the payment to the Shareholders (in case of non-payment of declared dividends), debentureholders and creditors.

The particulars of the meetings attended by the Members of the Audit Committee and the dates of the meetings held during the financial year 2012-13 are given below:

Name of Members*	No. of Meetings during the Financial Year 2012-13		Date of Meetings
	Held	Attended	
Mr. Vijay K. Thadani	4	4	May 8, 2012 July 24, 2012
Mr. Surendra Singh	4	4	October 19, 2012
Ms. Madhabi Puri Buch (w.e.f. April 10, 2012)	4	4	January 17, 2013

*Mr. Subroto Bhattacharya ceased to be member of the Audit Committee w.e.f July 2, 2012.

Ms. Madhabi Puri Buch chaired the Audit Committee Meeting held on May 8, 2012 for approval of Annual Accounts for the financial year ended on March 31, 2012 and she attended the Annual General Meeting of the Company held on July 2, 2012.

Compensation / Remuneration Committee

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

CORPORATE GOVERNANCE REPORT (Contd.)

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

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

Chairman: Mr. Surendra Singh

Members: Mr. Sanjay Khosla and Ms. Madhabi Puri Buch*

*Ms. Madhabi Puri Buch was inducted as member of Compensation / Remuneration Committee w.e.f. April 10, 2012.

Functions and Terms of Reference

The broad terms of reference of the Compensation/ Remuneration Committee of the Company are as follows:

- To institute and guide global employees compensation and benefit policies;
- To appraise of the performance of the Executive Directors;
- To determine and recommend to the Board, compensation payable to Executive Directors;
- To formulate and administer the Company's Employees Stock Option Plans from time to time;
- To make recommendation for nomination of new Directors on the Board; and
- To review the strength, structure, size and composition of the Board and such other matter related to appointment of director.

The particulars of the meetings attended by the Members of the Compensation / Remuneration Committee and the dates of the meetings held during the financial year 2012-13 are given below:

Name of Members*	No. of Meetings during the Financial Year 2012-13		Date of Meetings
	Held	Attended	
Mr. Surendra Singh	2	2	May 8, 2012
Mr. Sanjay Khosla	2	0	July 2, 2012
Ms. Madhabi Puri Buch (w.e.f. April 10, 2012)	2	2	

*Mr. Subroto Bhattacharya ceased to be member of Compensation / Remuneration Committee w.e.f July 2, 2012.

Remuneration Policy

The Compensation/Remuneration Committee has the

powers to determine and recommend to the Board the amount of remuneration, including performance-linked bonus and perquisites, payable to the Managing Director and Whole-time Directors. The recommendations of the Committee are based on the evaluation of the performance of Managing Director and Whole-time Directors on certain parameters, as laid down by the Board as part of the evaluation process and Company's Rules/Policies. In terms of the guidelines, the Company ensures that the remuneration payable to Managing Director and Whole-time Directors by way of salary including other allowances and monetary value of perquisites should be within the overall limit as specified under the Companies Act, 1956 and approved by the Shareholders.

Remuneration to Executive Directors

Details of Remuneration paid/payable to Managing Director and Whole-time Directors (Executive Directors) for the financial year 2012-13.

Name of Executive Directors	Salary (in Rs.)	Perquisites and Allowances (in Rs.)	Contribution to Provident Fund, Superannuation Fund or Annuity Fund (in Rs.)	Total (in Rs.)
Mr. Rajendra S Pawar	2,169,000	2,738,018	1,232,258	6,139,276
Mr. Vijay K Thadani	3,612,000	4,035,742	2,051,836	9,699,578
Mr. P. Rajendran	2,514,000	2,401,422	1,390,449	6,305,871

Notes:

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

Remuneration to Non-Executive Directors

The Non- Executive Directors play an important role in the Governance of the Company and in advising the Board in critical domains like finance, marketing, remuneration, planning and legal matters. Non-Executive Directors do not have any pecuniary relationship or transactions with the Company, its Promoters, its Directors, its Senior Management, its subsidiary companies and associate companies, except the remuneration paid to Non-Executive Directors by way of commission (based on the net profits of the Company and within the limits approved by the Shareholders) and sitting fees (for attending the meetings of the Board, Audit Committee and Compensation/ Remuneration Committee).

CORPORATE GOVERNANCE REPORT (Contd.)

Remuneration in the form of annual commission is paid to all Non-Executive Directors and in addition, based on their contribution of time for Board meetings and Committee meetings, sitting fees is also paid to them. Further, based on the performance of the Company, Stock options had also been granted to them.

Details of Remuneration paid/payable to Non- Executive Directors for the financial year 2012-13 and shares held by them in the Company are given below:

Name of Non-Executive Directors	Commission (in Rs.)	Sitting Fees (in Rs.)	No. of shares held in the Company
Mr. Surendra Singh	8,50,000	1,80,000	NIL
Mr. Sanjay Khosla	6,50,000	40,000	56,250
Ms. Madhabi Puri Buch	8,50,000	1,80,000	NIL

No Stock Options were granted to Non-Executive Directors under ESOP 2005 during the financial year ended March 31, 2013.

Disclosures regarding re-appointment of Directors

The resume of the Directors who are retiring by rotation, being eligible and proposed to be re-appointed, is provided in the Notice to the Annual General Meeting.

Employees Stock Option Plans

The remuneration policy is directed towards rewarding performance of the employees of the Company. It is aimed at attracting and retaining high caliber talent. The stock option plan, inter-alia, authorizes the Company to grant stock options in pursuit of these goals.

Details of options granted under NIIT Employee Stock Option Scheme

The details of the options granted under 'NIIT Employee Stock Option Scheme, 2005 (ESOP-2005) is provided in the Directors' Report.

Shareholders'/Investors' Grievances Committee

The Shareholders'/Investors' Grievances Committee was constituted to ensure that all commitment to Shareholders and Investors are met and thus strengthen their relationship with the Company.

The composition of the Shareholders'/Investors' Grievances Committee is as below:

Chairman: Mr. Surendra Singh

Members: Mr. Vijay K Thadani and Mr. P Rajendran

Functions and Terms of Reference

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

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

The particulars of the meetings attended by the Members of the Shareholders'/Investors' Grievances Committee and the dates of the meetings held during the financial year 2012-2013 are given below:

Name of Members	No. of Meetings during the financial year 2012-13		Date of Meetings
	Held	Attended	
Mr. Surendra Singh	4	4	May 8, 2012
Mr. Vijay K Thadani	4	4	July 24, 2012
Mr. P Rajendran	4	4	October 19, 2012
			January 17, 2013

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

During the financial year 2012-13, the Company has received request/queries/complaints from various Shareholders/Investors relating to non-receipt of declared dividend/ bonus shares/Annual Report, change of bank account details, transfer of shares/dematization, etc. The same were addressed and resolved to the satisfaction of the Shareholders/Investors. The break-up of the letters received from the Shareholders/Investors are provided in Shareholders' Information section at the end of this Report. As on March 31, 2013, no request / query / complaint was pending for redressal.

Other Committees of the Board of Directors

Apart from above Committees, the Board has constituted the following Committees of the Directors for efficient and quick decision-making on the affairs of the Company:

- The Operations Committee which approves the opening/closing of bank accounts, modification in operation of bank accounts, grant of power of attorney/authorisation, etc.

CORPORATE GOVERNANCE REPORT (Contd.)

- b) The Share Allotment Committee, which approves allotment, split, consolidation, rematerialisation and issue of new and duplicate shares.
- c) The Debenture Allotment Committee which approves the matters related to issue and allotment of Debentures and matters related thereto.
- d) The Borrowing Committee which approves the borrowing upto prescribed limit on behalf of the Company.

CODE OF CONDUCT

NIIT's Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on the Company's website www.niit.com/investorrelations. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct during the financial year 2012-13. A declaration signed by the Chief Executive Officer (CEO) to this effect is annexed to this report.

CEO AND CFO CERTIFICATION

In terms of Clause 49 (V) of the Listing Agreement, Certificate issued by Chief Executive Officer and Chief Financial Officer confirming that the financial statement presents the true and fair view of the Company's affairs and are in compliance with existing accounting standards, internal control and disclosures, is annexed to this report.

SUBSIDIARY COMPANIES

Clause 49 of the Listing Agreement defines a "material non-listed Indian subsidiary" as an unlisted subsidiary company, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20 percent of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiary companies in the immediately preceding accounting year. As per this provision, the Company does not have a 'material non-listed Indian subsidiary' company.

GENERAL MEETINGS

Details of the last three Annual General Meetings (AGM) and the Special Resolutions passed there at are given as follows:

Financial Year	Date & Time	Location	Special Resolution(s)
2011-12	July 2, 2012 10:00 A.M.	Mapple Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110074	No Special Resolution passed in the AGM

2010-11	July 1, 2011 10.00 A.M.	Parkland Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110074	Re-appointment of Mr. Rajendra S. Pawar as Managing Director of the Company.
2009-10	July 9, 2010 11.30 A.M.	Parkland Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110074	Payment of Commission to Non- Executive Directors of the Company.

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

Postal Ballot

During the preceding financial year, no resolution was passed through postal ballot and presently no resolution has been proposed to be passed through postal ballot.

DISCLOSURES

a) Related Party Transactions

There is no Related Party Transaction that may have potential conflict with the interest of the Company at large. The Company's major Related Party Transactions are generally with its subsidiary and associate companies. The Related Party Transactions are entered into based on the considerations of various business exigencies and Company's long term strategy. All the transactions entered during the financial year 2012-13 with Related Parties were on arms' length basis and the same are reported under Notes to the Financial Statements.

All transactions covered under Related Party Transactions are regularly / periodically ratified and / or approved by the Board / Audit Committee. For details please refer Note No. 36 of the Annual Accounts of the Company.

b) Compliance

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

c) Risk Management

The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures. The online risk management system is introduced through which all the designated officials submit quarterly reports

CORPORATE GOVERNANCE REPORT (Contd.)

which are reviewed periodically to ensure effective risk management.

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

There was no fresh public issue/right issue/preferential issues etc. during the financial year 2012-13.

e) Remuneration of Non- Executive Directors

The Company has defined its criteria of making payment of remuneration to its Non-Executive Directors. The details are stated in the section 'Remuneration Policy' of the report.

f) Management Discussion and Analysis

There is a separate part on Management Discussion and Analysis in the Annual Report.

g) Inter-se relationships between Directors

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

COMPLIANCE OF THE REQUIREMENT OF CLAUSE 49 OF THE LISTING AGREEMENT

A. Mandatory Requirements

The Company has complied with all the applicable mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges.

B. Non-mandatory Requirements

The Company has adopted following non mandatory requirements of Clause 49 of the Listing Agreement:

- 1) **Remuneration Committee:** The Company has setup a Remuneration Committee, details of which has been given earlier in this report.
- 2) **Shareholders' Rights:** The Company sends financial statements along with Directors' report and Auditors' report to all the Shareholders every year.
- 3) **Training of Board Members:** Board Members participate in relevant conferences and industry forums as part of their training.
- 4) **Mechanism for evaluating Non-Executive Board Members:** The key parameters are contributions to the strategy for growth of the Company, setting directions for improvement in governance and participating in the relevant meetings on a regular basis.

- 5) **Whistle Blower Policy:** The culture of openness with easy access to the Senior Management provides an environment for easy and free exchange of ideas and issues faced by people in the Company. A formal whistle blower policy is not in place. Employees may report to the Management concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

C. Code for prevention of Insider -Trading Practices

In compliance with the SEBI's regulations on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for its Promoters, Directors and Designated Employees. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of NIIT and cautioning them of the consequences of violations.

D. Accounting Treatment in preparation of financial statements

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

E. Statutory Compliance

The Company has a system in place whereby all business heads/ unit heads provide Compliance Certificates to the Board of Directors through the Compliance Officer of the Company relating to compliance of laws, rules, regulations and guidelines applicable to their areas of operation. The Company takes appropriate steps after consulting internally and if necessary, with independent legal counsels to ensure that the business operations are not in contravention of any laws. The Company takes all measures to register and protect Intellectual Property Rights including tradenames / service marks / trademarks / patents / copyrights etc., belonging to the Company.

F. Corporate Governance - Voluntary Guidelines 2009

The Ministry of Corporate Affairs has issued the 'Corporate Governance -Voluntary Guidelines 2009', for voluntary adoption by the Corporate Sector

CORPORATE GOVERNANCE REPORT (Contd.)

for further improvement of corporate governance standards and practices. These Guidelines intends to provide corporate sector a framework to govern themselves voluntarily as per the highest standards of ethical and responsible conduct of business.

In this reference, the Company has authorized Compensation/ Remuneration Committee to determine and set the criteria for induction of new directors on the Board of the Company, review the strength, structure, size and composition of the Board and such other matter related to appointment of Directors.

The other clauses of the said voluntary guidelines are being reviewed by the management and are being implemented in a phased manner.

MEANS OF COMMUNICATION

- a. The quarterly/half yearly/annual results during the year were published in the national English and Hindi Newspapers and displayed on the website of the Company www.niit.com/investorrelations and official news releases, financial results, consolidated news releases, consolidated financial highlights and presentations etc. are also displayed at the Company's website.
- b. During the financial year 2012-13, the Company published its financial results in the following newspapers:

Financial Results	Newspapers	Date of publication
Audited financial results for the quarter/year ended March 31, 2012	Financial Express (English) Jansatta (Hindi)	May 10, 2012
Unaudited financial results for the quarter ended June 30, 2012	Financial Express (English) Jansatta (Hindi)	July 26, 2012
Unaudited financial results for the quarter ended September 30, 2012	Financial Express (English) Jansatta (Hindi)	October 20, 2012
Unaudited financial results for the quarter ended December 31, 2012	Financial Express (English) Jansatta (Hindi)	January 19, 2013

- c. The Company had quarterly Investors teleconferences and press conferences on May 9, 2012, July 25, 2012, October 19, 2012 and January 18, 2013 for the Investors of the Company immediately after the declaration of quarterly / annual results. In addition, an Annual Investor Meet (for institutional investors) was also organized in Mumbai on May 10, 2012.

- d. The management perspective, business review and financial highlights are part of the Annual Report.
- e. The quarterly distribution of shareholding is also displayed on the Company's website.

GREEN INITIATIVE IN THE CORPORATE GOVERNANCE BY MINISTRY OF CORPORATE AFFAIRS

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

Considering the move taken by the MCA as a welcome step, the Company had sent the Annual Report for the financial year 2011-12 in electronic form to the e-mail IDs made available to the Company by the depositories and/or Members. All official documents including Annual Report of the Company, circulated to the Members of the Company through electronic mode, were made available on the Company's website i.e. www.niit.com/investorrelations/pages/subsidiaries_financials.aspx.

This year also, the Company will send the Annual Report including various notices/documents like Notices of General Meetings, Audited Financial Statements, Auditor's Report, Directors' Report, and Financial Results in electronic mode.

The members are requested to provide their email IDs with their depository participants in case shares are held in electronic mode to ensure that the Annual Reports and other documents reach them at their preferred email IDs and where the shares are held in physical form, please get their email IDs updated in the records of the Company

SHAREHOLDERS' INFORMATION

a. Company Registration Details

The Company is registered in the National Capital Territory of Delhi. The Corporate Identity Number (CIN) allotted to the Company by the MCA is L74899DL1981PLC015865.

b. Annual General Meeting

Date : Monday, July 1, 2013

Time : 10:00 A.M.

CORPORATE GOVERNANCE REPORT (Contd.)

Venue : Mapple Exotica, Khasra No. 123
Chattarpur Mandir Road, Satbari,
New Delhi- 110074

Book Closure Dates: June 22, 2013 to July 1,
2013 (both days inclusive)

c. Financial Year : April 1 to March 31

Financial Calendar (tentative and subject to change):

Financial reporting for the first quarter ending June 30, 2013	By August 14, 2013
Financial reporting for the second quarter ending September 30, 2013	By November 14, 2013
Financial reporting for the third quarter ending December 31, 2013	By February 14, 2014
Financial reporting for the year ending March 31, 2014	By May 30, 2014
Annual General Meeting for the year ending March 31, 2014	By September 30, 2014

d. Dividend

The Board of Directors has recommended a dividend of Rs. 1.60 per equity share of Rs. 2 each, subject to approval of the Shareholders' at the ensuing Annual General Meeting. The dividend shall be paid to the Shareholders within 30 days from the date of approval at the Annual General Meeting and as per the provisions of the Companies Act, 1956. The dividend, if declared, would be paid to such shareholders whose names appear in the Register of Members as on July 1, 2013, holding shares in physical form. In respect of shares held in electronic mode, the dividend will be paid on the basis of list of beneficial owners as furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of the business hours on June 21, 2013.

e. Furnishing updated bank account particulars with Company / Depository Participant for facilitating electronic payments

SEBI vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 had mandated the companies to use any of the RBI approved electronic mode of payment such as ECS (Local ECS / Regional ECS / National ECS), NEFT, RTGS etc. for distribution of dividends and other cash benefits to investors. The Circular also mandated the companies or their Registrar & Share Transfer

Agents (RTA) to maintain bank details of investors. In case the securities are held in demat mode, the companies or their RTA shall seek relevant bank details from depositories and in case the securities are held in physical mode, the companies or their RTA shall take necessary steps to maintain updated bank details at their end.

In view of above, the Company's RTA has sent letters to various depository participants seeking updated bank details of the investors of the Company. The investors are also requested to ensure that correct and updated particulars of their bank account are available with their respective depository participants and the Company / its RTA. This would facilitate the Company for making payments through electronic mode.

f. Unclaimed / Unpaid Dividend

All unclaimed/unpaid dividends due for the financial year ended up to March 31, 2005 have been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government pursuant to Section 205A of the Companies Act, 1956.

The Shareholders are requested to apply for revalidation/issue of demand drafts for the dividend for the financial year ending March 31, 2006 on or before September 16, 2013 after which any unpaid dividend amount for the financial year 2005-2006 will be transferred to IEPF by the Company and no claim shall lie against the Company or IEPF after the said transfer.

g. 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 Limited - Unclaimed Suspense Account" with Alankit Assignments Limited and the unclaimed shares lying with the Company have been dematerialized and credited to "NIIT Limited - Unclaimed Suspense Account". The details of unclaimed shares of the Company for the year ended March 31, 2013 are as under:

CORPORATE GOVERNANCE REPORT (Contd.)

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	195	133,438
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	-	-
vi	Aggregate number of shareholders and the outstanding shares lying in Unclaimed Suspense Account at the end of the year	195	133,438

h. Nomination Facility

The Companies (Amendment) Act, 1999, has provided for a nomination facility to the Shareholders of the Company. The Company is pleased to offer the facility of nomination to Shareholders and Shareholders may avail this facility by sending the duly completed Form 2B to the Registered Office of the Company/ Registrar and Transfer Agent of the Company in case the shareholding is in physical form. The shareholders can obtain a copy of Form 2B from the Registered Office of the Company or can download it from the website of the Company at www.niit.com/investorrelations. In case of demat holdings the request may be submitted to the Depository Participant.

i. Listing of Equity Shares and Debentures

The Equity Shares of the Company are listed at the National Stock Exchange of India Limited (NSE), Mumbai and Bombay Stock Exchange Limited (BSE), Mumbai. The listing fees for the financial year 2013-14 have been paid to the Stock Exchanges.

The Debentures issued by the Company on private placement basis are listed at the NSE. The listing fees for the financial year 2013-14 have been paid to NSE.

j. Compliance Certificate of the Auditors

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

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

Annual General Meeting	Date when held	Book Closure (both days inclusive)
29th AGM	Monday, July 2, 2012	Friday, June 22, 2012 to Monday, July 2, 2012
28th AGM	Friday, July 1, 2011	Friday, June 24, 2011 to Friday, July 1, 2011
27th AGM	Friday, July 9, 2010	Friday, July 2, 2010 to Friday, July 9, 2010

l. Stock Code

Trading symbol on the NSE : NIITLTD

Trading symbol on the BSE (Scrip Code) : NIIT (500304)

ISIN No. of Equity Shares at NSDL/CDSL : INE 161A01038

m. Stock Market Data

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

Share price movement during the year April 1, 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	54.45	43	7256	5248	54.50	43.15	7264
May-12	16219	47.70	38.25	6992	4924	48	38.25	7017
Jun-12	17430	44.85	40.15	6918	5279	44.90	37.80	6901
Jul-12	17236	45.50	36.90	6109	5229	45.45	36.80	6092
Aug-12	17430	37.40	30.10	5035	5259	38.90	29.90	4978
Sep-12	18763	34.55	29.55	5267	5703	34.50	29.75	5291
Oct-12	18505	36.65	31.90	5489	5620	36.70	31.70	5498
Nov-12	19340	34.75	31.05	5159	5880	34.70	31	5143
Dec-12	19427	34.20	28.15	4689	5905	34.20	28.20	4697
Jan-13	19895	32.30	26.10	4466	6035	32.30	22.40	4458
Feb-13	18862	27.40	23.00	3814	5693	27.45	22.90	3805
Mar-13	18836	24.85	19.50	3409	5683	24.90	19.50	3409

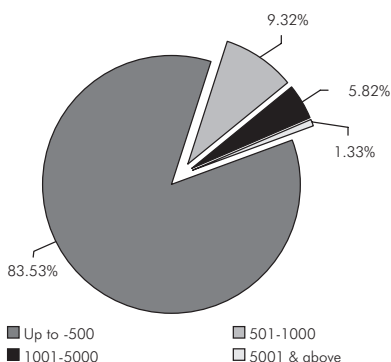
* Market capitalization at closing price of the month
Source: BSE & NSE website

Shareholding Distribution as on March 31, 2013

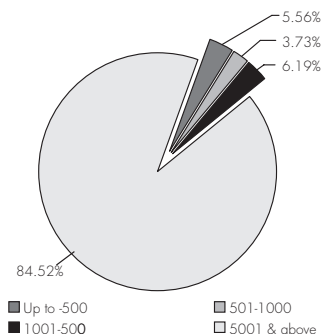
Range (No. of Shares)	No. of Shareholders	% to Total Shareholders	Total No. of Shares	% to Total Shares
Up to 500	68,719	83.53	9,177,430	5.56
501-1000	7,666	9.32	6,158,051	3.73
1001-5000	4,785	5.82	10,215,500	6.19
5001 & above	1,094	1.33	139,544,616	84.52
TOTAL	82,264	100	165,095,597	100

CORPORATE GOVERNANCE REPORT (Contd.)

No. of Shareholders



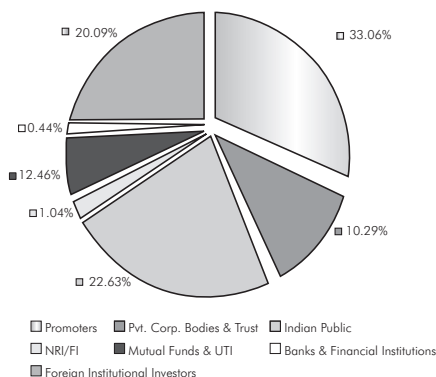
Total No. of Shares



Shareholding Pattern as on March 31, 2013

Category	No. of shares held (face value of Rs. 2 each)	Percentage of total shareholding
Promoters' Holding		
Indian Promoters	54,577,604	33.06
Foreign Promoters	-	-
Total Promoters' Holding	54,577,604	33.06
Public Shareholding		
Mutual Funds and UTI	20,568,276	12.46
Banks, Financial Institutions & Insurance Companies	723,883	0.44
Foreign Institutional Investors	33,168,575	20.09
NRI/Foreign Individuals	1,714,697	1.04
Private Corporate Bodies & Trust	16,981,633	10.29
Indian Public	37,360,929	22.63
Total Public Shareholding	110,517,993	66.94
Grand Total	165,095,597	100.00

Shareholding Pattern



n. Details of requests/queries/complaints received and resolved during the financial year 2012-13.

Nature of Query	Request/queries received	Complaints Received	Resolved	Unresolved
Change of address	24	-	24	-
Change of bank details	26	-	26	-
Correction in dividend warrant & issue DD	95	-	95	-
Dividend not received	-	33	33	-
Legal matter, shares in legal dispute	3	-	3	-
Non receipt of annual report/notice	-	5	5	-
Non receipt of share certificate lodged for transfer	-	1	1	-
Others	2	-	2	-
Request for annual report	15	-	15	-
Request for bonus shares	8	-	8	-
Request for duplicate share certificates	5	-	5	-
Request for share holding details	3	-	3	-
SEBI/stock exchange	-	9	9	-
Share certificates lodged for transfer	6	-	6	-
Shareholding details requested	3	-	3	-
TOTAL	190	48	238	-

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 15 days from the date of receipt. The exceptions have been for cases constrained by procedural issue or disputes / legal impediments etc. There is no request/query/complaint pending at the end of the financial year.

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

As on date there are no outstanding warrants / bonds/ other instruments (except Stock Options

CORPORATE GOVERNANCE REPORT (Contd.)

granted under NIIT ESOP 2005, the details of which are given in Directors Report) which are convertible into equity shares.

p. Dematerialisation of Shares and Liquidity

The Shares of the Company are compulsorily traded in dematerialised form. The Company has arrangements with both the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of its shares for scripless trading. As on March 31, 2013, 99.38% shares of the Company were held in a dematerialised form.

q. Consolidate multiple folios

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

r. Liquidity of Shares

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

s. Share Transfer System

The Company has appointed a common Registrar for the physical share transfer and dematerialisation of shares. The shares lodged for physical transfer/ transmission/ transposition are registered normally within a period of fortnight, if the documents are complete in all respects. For this purpose, the Share Transfer Committee meets as often as required. During the financial year under review, the Committee met 19 times. Adequate care is taken to ensure that no transfers are pending for more than a fortnight. Requests for demat/remat were confirmed mostly within a fortnight. The Company obtains from a Company Secretary in Practice half-yearly certificates of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

t. Permanent Account Number for transfer of shares in physical form

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

shares. Accordingly, shareholders are requested to please furnish copy of PAN card to the Company's RTA for registration of transfer of shares in their name.

u. Compliance Officer

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

v. Designated exclusive email-id :

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

w. Registrar for Dematerialisation and Physical Transfer of Shares

The Company has appointed a Registrar for dematerialisation (Electronic Mode) and physical transfer of shares whose detail is given below:-

Alankit Assignments Limited

Unit: NIIT Limited

2E/21, Jhandewalan Extension, New Delhi-110055.

Phone Nos. : +91 11 42541234, 23541234

Fax Nos. : +91 11 42541967,

e-mail : rta@alankit.com

x. Registered Office:

NIIT Limited,

8, Balaji Estate, First Floor, Guru Ravi Das Marg,

Kalkaji, New Delhi - 110 019, India

Tel Nos. : +91 11 41675000

Fax : +91 11 41407120

e-mail : investors@niit.com

y. Address for Correspondence

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

The Compliance Officer

NIIT Limited

Investors Services

8, Balaji Estate, First Floor, Guru Ravi Das Marg,

Kalkaji, New Delhi - 110 019, India

Tel Nos. : +91 11 41675000

Fax : +91 11 41407120

e-mail : investors@niit.com

The Corporate Governance Report was adopted by the Board of Directors at their meeting held on May 23, 2013.

CORPORATE GOVERNANCE REPORT (Contd.)**CERTIFICATES UNDER CORPORATE GOVERNANCE REPORT****A. Declaration regarding compliance with the Code of Conduct by Board Members and Senior Management Personnel pursuant to Clause 49(1)(D)(ii) of the Listing Agreement**

This is to certify that as per Clause 49 of the Listing Agreement:

1. The Code of Conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
2. The Code of Conduct has been posted on the website of the Company.
3. The Board Members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year 2012-13.

Place : Gurgaon

Date : May 23, 2013

Vijay K Thadani

CEO and Whole-time Director

B. Certificate by Chief Executive Officer and Chief Financial Officer on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To,

The Board of Directors,

NIIT Limited

8, Balaji Estate, First Floor,

Guru Ravi Das Marg,

Kalkaji, New Delhi- 110019

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:
 - significant changes, if any, in internal control over financial reporting during this year;
 - 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
 - instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Gurgaon

Date : May 23, 2013

Vijay K Thadani

CEO and Whole-time Director

Rohit Kumar Gupta

Chief Financial Officer

CORPORATE GOVERNANCE REPORT (Contd.)

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of NIIT Limited,

We have examined the compliance of conditions of Corporate Governance by NIIT Limited, for the year ended March 31, 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 : 301112E
Chartered Accountants

Place : Gurgaon
Date : May 23, 2013

Usha Rajeev
Partner
Membership No. 087191

INDEPENDENT AUDITORS' REPORT**To the Members of NIIT Limited****Report on the Financial Statements**

1. We have audited the accompanying financial statements of NIIT 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.

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;
- (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 are 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

Place : Gurgaon
Date : May 23, 2013

Membership No. 087191

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of NIIT 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 are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) The Company has granted unsecured loans to two subsidiaries covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to Rs. 36.45 Million and Rs. 29.70 Million, respectively. The company had also granted loan to NIIT Foundation (a Society) and NIIT Institute of Information Technology (a Society) aggregating to Rs. 3 Million and Rs. 25 Million respectively which was received back during the year. The provisions of Sec 297, 299 and 301 of the Act are not considered to be applicable to a Society
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable. An Amount of Rs 29.70 Million due from a wholly owned subsidiary is considered doubtful of recovery and has been provided in the previous years.
- (d) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
- (e) The Company has taken unsecured loans from one wholly owned subsidiary covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to Rs. 177.6 Million and Rs. 175.5 Million, respectively.
- (f) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (g) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts, as stipulated, and is also regular in payment of interest, as applicable.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory 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 generally regular in depositing undisputed statutory dues in respect of service tax and income tax (tax deducted at source), though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, wealth tax, customs duty, and other material statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, work contract tax, sales tax, service 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	Unpaid Amount (Rs millions)	Period to which the amount relates	Forum where the dispute is pending
Andhra Pradesh General Sales tax Act, 1957	Works contract tax	31.32	2001 - March 2004	High Court of Andhra Pradesh
Central Sales Tax Act, 1956	Sales tax	44.57	June 2005 to November 2011	Appellate Deputy Commissioner
Finance Act, 1994	Service tax	20.98	2004-05	Customs, Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	0.41	2004-05	Income Tax Appellate Tribunal
		92.56	2005-06	
		90.40	2006-07	
		72.62	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 or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. 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 Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. In our opinion, the charge, and according to the information and explanations given to us, the terms and conditions of charge on the assets of the Company given by the Company for loans taken by its subsidiaries from banks during the year and the undertaking to support NIIT Institute of Information Technology to meet shortfall, if any, in repayment of loans taken by it from a bank are not considered prejudicial to the interests of the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that 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 created charge in respect of debentures issued and outstanding at the year-end.
- xx. The Company has not raised any money by public issues during the year. 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

Place : Gurgaon
Date : May 23, 2013

Usha Rajeev
Partner
Membership No. 087191

BALANCE SHEET as at March 31, 2013

	Note	As At March 31, 2013 (Rs. Million)	As At March 31, 2012 (Rs. Million)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	330.20	330.20
Reserves and Surplus	4	4,194.13	4,503.20
		<u>4,524.33</u>	<u>4,833.40</u>
Non-Current Liabilities			
Long-Term Borrowings	5	1,010.37	751.94
Other Long-Term Liabilities	8	130.75	139.98
Long-Term Provisions	9	4.76	5.35
		<u>1,145.88</u>	<u>897.27</u>
Current Liabilities			
Short-Term Borrowings	6	175.50	131.84
Trade Payables	7	1,160.06	1,416.59
Other Current Liabilities	8	1,748.73	1,535.13
Short-Term Provisions	9	377.75	378.54
		<u>3,462.04</u>	<u>3,462.10</u>
TOTAL		<u>9,132.25</u>	<u>9,192.77</u>
ASSETS			
Non-Current Assets			
Fixed Assets	10		
-Tangible Assets		1,186.62	1,496.30
-Intangible Assets		709.63	563.30
-Intangible Assets under Development		116.90	167.14
Non-Current Investments	11	2,071.28	2,044.28
Deferred Tax Assets (net)	12	103.78	103.78
Long-Term Loans and Advances	13	489.49	584.05
Trade Receivables	14	369.61	361.96
Other Non-Current Assets	16	110.64	257.98
		<u>5,157.95</u>	<u>5,578.79</u>
Current assets			
Inventories	17	87.17	112.66
Trade Receivables	14	2,554.01	2,700.00
Cash and Bank Balances	18	555.64	182.77
Short-Term Loans and Advances	13	383.29	340.80
Other Current Assets	16	394.19	277.75
		<u>3,974.30</u>	<u>3,613.98</u>
TOTAL		<u>9,132.25</u>	<u>9,192.77</u>

The accompanying Notes form an integral part of these Financial Statements.
This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board

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

Rajendra S Pawar
Chairman & Managing Director
DIN – 00042516

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

Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Officer

Rohit Kumar Gupta
Chief Financial Officer

Rajesh Arora
Company Secretary

Place : Gurgaon
Date : May 23, 2013

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2013

	Note	Year ended March 31, 2013 (Rs. Million)	Year ended March 31, 2012 (Rs. Million)
Income			
Revenue from Operations	22	6,414.67	7,381.28
Other Income [includes prior period income Rs. 21.56 Million (Previous year Rs. Nil)]	23	666.12	462.59
Total Revenue		7,080.79	7,843.87
Expenses			
Purchase of Traded Goods		985.88	1,319.99
(Increase)/ Decrease in Inventory	17	25.49	23.72
Employee Benefits Expense	24	1,737.02	1,782.56
Professional & Technical Outsourcing Expenses		1,239.78	1,286.18
Other Expenses	27	2,064.72	2,242.50
Finance Costs	29	166.51	217.90
Depreciation and Amortisation Expense	10	782.40	684.03
Total Expenses		7,001.80	7,556.88
Profit before Exceptional items and Tax		78.99	286.99
Exceptional items	30	1.92	856.51
Profit before Tax		80.91	1,143.50
Tax expense:	12		
-Current Tax		56.16	297.41
-Deferred Tax (credit)		-	(76.72)
-MAT Credit Entitlement		-	(40.13)
-Provision for Tax relating to earlier years		13.18	0.40
Profit for the year		11.57	962.54
Earnings per Equity Share (Face Value Rs. 2/- each):	35		
-Basic		0.07	5.83
-Diluted		0.07	5.83

The accompanying Notes form an integral part of these Financial Statements.
This is the Statement of Profit and Loss referred to in our report of even date

For and on behalf of the Board

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

Rajendra S Pawar
Chairman & Managing Director
DIN – 00042516

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

Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Officer

Rohit Kumar Gupta
Chief Financial Officer

Rajesh Arora
Company Secretary

Place : Gurgaon
Date : May 23, 2013

CASH FLOW STATEMENT for the year ended March 31, 2013

	Year ended March 31, 2013 (Rs. Million)	Year ended March 31, 2012 (Rs. Million)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax and after Exceptional Items	80.91	1,143.50
Add/ (Less):		
Depreciation and Amortisation	782.40	684.03
Provision for Doubtful Debts	17.43	300.04
Provision for Doubtful Advances	10.22	6.80
Provision for Slow/ Non-moving Inventory (Net)	0.95	(1.35)
Inventory written off	7.75	10.20
Provision for Investment and Doubtful Loan	-	40.20
Advances written off	-	0.11
Unrealised Foreign Exchange (Gain)/ Loss	49.60	(29.70)
Finance Cost	166.51	217.90
Interest Income	(51.36)	(21.01)
Dividend Income from subsidiaries	(470.02)	(1,288.23)
(Profit)/ Loss on sale of Fixed Assets	2.83	(220.80)
Dividend Income from Current Investments	(0.55)	-
Liabilities Written Back	(20.79)	(1.60)
Employee Stock Option Expense	2.90	-
Operating Profit before Working Capital Changes	578.78	840.09
Add/ (Less): Changes in Operating Working Capital:		
Increase/ (Decrease) in Trade Payables	(245.75)	440.01
Increase/ (Decrease) in Short-Term Provisions	(1.45)	8.65
Increase/ (Decrease) in Long-Term Provisions	(0.59)	(0.79)
Increase/ (Decrease) in Other Current Liabilities	21.57	273.98
Increase/ (Decrease) in Other Long-Term Liabilities	(9.23)	65.02
(Increase)/ Decrease in Current Trade Receivables	85.61	(94.53)
(Increase)/ Decrease in Non Current Trade Receivables	(25.08)	(584.40)
(Increase)/ Decrease in Inventories	16.79	14.86
(Increase)/ Decrease in Short-Term Loans and Advances	(59.46)	(280.00)
(Increase)/ Decrease in Long-Term Loans and Advances	36.55	(14.72)
(Increase)/ Decrease in Other Current Assets	(5.68)	352.39
(Increase)/ Decrease in Other Bank Balances	3.13	(13.44)
(Increase)/ Decrease in Other Non-current Assets	145.28	107.39
Cash generated from operations	540.47	1,114.51
Direct Tax-(paid)/ refund received (including TDS)	15.34	(159.66)
Net Cash from Operating activities (A)	555.81	954.85
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including Capital Work-in-progress, internally developed intangibles and Capital Advances)	(563.03)	(1,036.95)
Proceeds from sale of Fixed Assets	24.26	274.83
Loans given to Subsidiaries	-	(60.96)
Loans given to Subsidiaries received back	6.75	217.11
Loans given to Others	(28.00)	(15.00)
Loans given to Others received back	28.00	15.00
Interest Received	37.81	19.49
Dividend Received	374.88	1,371.48
Tax on Dividend Received	(42.56)	(191.61)
Purchase of Mutual Funds	(420.00)	(2,389.00)
Sale of Mutual Funds	420.55	2,494.90
Investment in Equity Shares in Subsidiary Companies	(27.00)	(130.12)
Proceeds from Sale of Investments in Subsidiary	-	233.90
Net Cash from/ (used) in Investing activities (B)	(188.34)	803.07

CASH FLOW STATEMENT for the year ended March 31, 2013

Contd..

	Year ended March 31, 2013 (Rs. Million)	Year ended March 31, 2012 (Rs. Million)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Redemption of Non Convertible Debentures	(200.00)	(100.00)
Short Term Loan from Banks		
-Raised during the year	800.00	400.00
-Repaid during the year	(800.00)	(1,000.00)
Short Term Loan from Others		
-Repaid during the year	(32.10)	-
Term Loan raised/ (repaid) during the year	650.40	(500.00)
Working Capital Loan raised/ (repaid) in Foreign Currency	-	(155.38)
Proceeds/ (Payments) relating to Cash Credits (Net)	(5.84)	5.84
Interest Paid on Fixed Loan	(162.23)	(210.36)
Dividend Paid	(263.14)	(246.85)
Dividend Tax Paid	(28.06)	(26.68)
Receipt of Inter Corporate Deposits	175.50	127.00
Repayment of Inter Corporate Deposits	(126.00)	(116.50)
Net Cash from/ (used) in Financing activities (C)	8.53	(1,822.93)
Net Increase/ (Decrease) in Cash & Cash Equivalents (A) + (B) + (C)	376.00	(65.01)
Cash and Cash Equivalents as at the beginning of the year (Footnote 1)	136.67	201.68
Cash and cash Equivalents as at the end of the year (Footnote 1)	512.67	136.67

Notes:

1 Cash and Cash Equivalents

Balance with banks

Current Accounts

418.75

75.72

*[Include Rs. 9.12 Million (Previous year Rs. 6.56 Million) pertaining to amount earmarked for specific contract]

Exchange Earners' Foreign Currency Account

-

0.87

Cash on hand

10.28

10.16

Cheques, drafts on hand

83.64

49.92

Cash and Cash Equivalents as at the end of the year

512.67

136.67

2 The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 as notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

3 Figures in parenthesis indicate cash outgo.

4 Previous year figures, to the extent feasible, have been regrouped/ recast wherever necessary to conform to the current year's classification. The accompanying Notes form an integral part of these Financial Statements.

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

For and on behalf of the Board

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

Rajendra S Pawar
Chairman & Managing Director
DIN - 00042516

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

Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Officer

Rohit Kumar Gupta
Chief Financial Officer

Rajesh Arora
Company Secretary

Place : Gurgaon

Date : May 23, 2013

NOTES to the Financial Statements for the year ended March 31, 2013

1 CORPORATE INFORMATION

NIIT is a global talent development company which was set up in 1981. NIIT ('the Company') currently offers learning and knowledge solutions across globe to Individuals, Enterprises and Institutions in Information Technology, Business Process Outsourcing, Banking Finance and Insurance, Executive Management Education, School Education, Communication & Professional Life Skills and Vocational Skills Training.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Accounts

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

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

2.2 Other significant accounting policies adopted by the Company are detailed below:

i) Tangible Fixed Assets and Depreciation

Fixed Assets are stated at acquisition cost except where they are taken over pursuant to an acquisition at a consolidated price. Individual fixed assets taken over pursuant to acquisition are recorded at their fair value on the date of acquisition based on valuation carried out by independent valuers.

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

Buildings	58 years
Plant and Equipment including:	
- Computers, Printers and related accessories	2-5 years
- Electronic Equipments	8 years
- Air Conditioners	10 years
Office Equipment	8 years
Furniture & Fixtures	7-10 years
Leasehold Improvements	3-5 years or lease period, whichever is lower
Assets under employee benefits scheme except vehicles	3 years
Assets acquired under lease (Included under Plant & Equipment and Furniture & Fixtures)	Lease Period
All other assets (including Vehicles)	Rates prescribed under Schedule XIV to the Companies Act, 1956

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

ii) Intangible Fixed Assets and Amortisation

Expenses incurred on internal development of educational content and products are capitalised either individually or as a knowledge bank in the form of software, once their technical feasibility and ability to generate future economic benefits is established in accordance with the requirements of Accounting Standard 26, "Intangible Assets" as notified under section 211(3C) of the Companies Act, 1956. Expenses incurred during the research phase till the establishment of commercial feasibility is charged to the Statement of Profit and Loss.

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

a) Internally Generated (Software, Contents and Products)	
- School based non - IT content	10 Years
- Others	3-5 Years
b) Acquired (Software, Contents and Products)	3-5 Years
c) Patents	3-5 years

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

iii) Impairment of Assets

All assets other than inventories, investments and deferred tax asset are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

iv) Investments

Long-term investments are valued at their acquisition cost. Any decline in the value of the said investment, other than a temporary decline, is recognised and charged to Statement of Profit and Loss. Short-term investments are carried at cost or market value, whichever is lower.

v) Inventory Valuation – Traded Goods

Inventories are valued at lower of cost or net realisable value. Cost is determined using weighted average method and includes applicable costs incurred in bringing inventories to their present location and condition.

vi) Revenue Recognition

The revenue in respect of sale of courseware, technical information and reference material and other goods are recognised on dispatch/ delivery of the material to the customer whereas the revenue from the tuition activity/ training is recognised over the period of the course programs or as per the terms of agreement, as the case may be.

The revenue from time and material contracts is recognized on a man month basis. In respect of fixed price contracts, including certain contracts requiring significant usage of contents capitalized as education software relating to courseware and products (Intellectual Property Rights), revenue is recognized based on the technical evaluation of utilization of courseware and products and as per the proportionate completion method. The foreseeable losses on completion of contract, if any, are provided for.

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

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

vii) Other Income

a) Dividend income is recognised when the right to receive dividend is established.

b) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

viii) Employee Benefits**Gratuity**

NIIT provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Company's liability is actuarially determined (using projected unit credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company with Life Insurance Corporation of India (LIC) is additionally provided for.

The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with LIC is provided for in the books.

Actuarial losses/ gains are charged/ credited to the Statement of Profit and Loss in the year in which such losses/ gains arise.

Compensated Absences

Liability in respect of compensated absences is provided both for encashable leave and those expected to be availed. The Company has defined benefit plans for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation (using projected unit credit method) at the end of the year. Any gain or loss arising out of such valuation is recognised in the Statement of Profit and Loss.

Superannuation

The Company makes defined contribution to the Trust established for the purpose by the Company towards superannuation fund maintained with Life Insurance Corporation of India. Contribution made during the year is charged to Statement of Profit and Loss.

Provident Fund

The Company makes contribution to the "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST", which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is actuarially determined (using projected unit credit method) and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. The Company's contribution towards Provident Fund is charged to Statement of Profit and Loss.

Pension Fund

The Company makes defined contribution to a government administered pension fund on behalf of its employees. The Company's contribution towards Employee Pension Scheme is charged to Statement of Profit and Loss.

ix) Employees Stock Option Plan (ESOP)

Equity settled stock options granted under "NIIT Employee Stock Option Plan 2005" are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India, whereby the intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expense equal to the un-amortised portion. The balance in employee stock option outstanding account, net of any un-amortised deferred employee compensation, is shown separately as part of reserves and surplus.

x) Foreign Currency Transactions

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

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

xi) Derivative Instruments and Hedge Accounting

In accordance with its risk management policies and procedures, the Company uses derivative instruments to hedge its risks associated with foreign currency fluctuations. 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 is recognised directly in Shareholders' Funds under hedging reserve to the extent considered highly effective. Gain or loss on derivative instruments that either does not qualify for hedge accounting or not designated as cash flow hedges or designated cash flow hedges to the extent considered ineffective are recognised in the Statement of Profit and Loss.

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

xii) Leases

The Company has taken assets, vehicles as well as premises on lease. Lease rental in respect of operating lease arrangements are charged to expense in the Statement of Profit and Loss on a straight line basis as per the terms of the related agreement. Finance lease transactions are considered as financing arrangements in accordance with Accounting Standard 19 and the leased asset is capitalised at an amount equal to the present value of future lease payments and a corresponding amount is recognised as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to the leased asset.

xiii) Borrowing Cost

Borrowing costs are recognised in the Statement of Profit and Loss for the period in which they are incurred except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use, in which case, it is capitalised.

xiv) Taxation

Tax expense, comprising of both current tax and deferred tax is included in determining the net results for the year. Deferred Tax reflects the effect of timing differences between the assets and liabilities recognised for financial reporting purposes and the amounts that are recognised for current tax purposes. As a matter of prudence, deferred tax assets are recognised and carried forward only to the extent, there is reasonable/ virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Current Tax is determined based on the provisions of Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in excess of normal income tax is recognised as asset (MAT Credit entitlement) only to the extent, there is reasonable certainty that company shall be liable to pay tax as per the normal provisions of the Act in future. MAT Credit is utilised in the year when normal income tax is higher than the Minimum Alternate Tax (MAT).

xv) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

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

xvi) Earnings Per Share

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

xvii) Cash and Cash Equivalents

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

	As At March 31, 2013	(Rs. Million) As At March 31, 2012
3 SHARE CAPITAL		
Authorised		
250,000,000 Equity Shares of Rs. 2/- each (Previous year 250,000,000 Equity Shares of Rs. 2/- each)	500.00	500.00
2,500,000 Redeemable Preference Shares of Rs.100/- each (Previous year 2,500,000 Redeemable Preference Shares of Rs.100/- each)	250.00	250.00
	<u>750.00</u>	<u>750.00</u>
Issued		
165,101,597 Equity Shares of Rs. 2/- each (Previous year - 165,101,597 Equity Shares of Rs. 2/- each)	330.20	330.20
	<u>330.20</u>	<u>330.20</u>
Subscribed and Paid up		
165,095,597 Equity Shares of Rs. 2/- each (Previous year - 165,095,597 Equity Shares of Rs. 2/- each)	330.19	330.19
Add: Forfeited Shares (amount originally paid-up)	0.01	0.01
	<u>330.20</u>	<u>330.20</u>

3.1 Reconciliation of the number of shares outstanding

Equity Shares	As at			
	March 31, 2013		March 31, 2012	
	No. of shares	(Rs. Million)	No. of shares	(Rs. Million)
Shares outstanding at the beginning of the year	165,095,597	330.19	165,095,597	330.19
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	165,095,597	330.19	165,095,597	330.19

3.2 Rights, preferences and restrictions attached to shares:-

Equity Shares: The Company has one class of equity shares having a par value of Rs. 2/- 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 the 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.

3.3 Shares held by each shareholder holding more than 5% shares in the Company

	As at			
	March 31, 2013		March 31, 2012	
	No. of shares	% of holding	No. of shares	% of holding
Pace Services Limited	22,557,547	13.66%	22,557,547	13.66%
Global Solutions Private Limited	21,580,980	13.07%	21,580,980	13.07%
FID Funds Mauritius Limited	10,139,408	6.14%	10,139,408	6.14%
Total	54,277,935	32.87%	54,277,935	32.87%

3.4 Shares reserved for issue under Employee Stock Option Plan (ESOP)

	As at			
	March 31, 2013		March 31, 2012	
	No. of shares	(Rs. Million)	No. of shares	(Rs. Million)
Equity shares (For details refer Note 26)	3,761,216	7.52	5,355,002	10.71
	3,761,216	7.52	5,355,002	10.71

3.5 Aggregate number of Equity shares issued as bonus shares during the immediately preceding five years

	As at	
	March 31, 2013	March 31, 2012
Allotted as fully paid up by way of bonus shares (No. of shares)	54,869,490	54,869,490
	54,869,490	54,869,490

(Rs. Million)

4 RESERVES AND SURPLUS

	March 31, 2013	As at	March 31, 2012
Securities Premium Reserve	517.70		517.70
Debenture Redemption Reserve			
Opening balance	174.92	156.19	
Less: Amount transferred to General Reserve	(50.00)	(25.00)	
Add: Amount transferred from/ (to) Surplus in Statement of Profit and Loss	31.23	43.73	174.92
Employees Stock Option Outstanding			
Opening balance	-	-	
Add: Employees Stock Option granted during the year	4.31	-	
Less: Deferred Compensation Expense	(1.41)	-	
Hedging Reserve Account (Debit balance) [Refer Note 41]			
Hedging Reserve	(30.66)	-	
General Reserve			
Opening balance	827.89	706.64	
Add: Amount transferred from Debenture Redemption Reserve	50.00	25.00	
Add : Amount transferred from Surplus in Statement of Profit and Loss	1.16	96.25	827.89
Surplus in Statement of Profit and Loss			
Balance Brought Forward from Previous year	2,982.69	2,452.35	
Add : Profit for the year	11.57	962.54	
Less: Appropriations			
Proposed Dividend on Equity Shares	(264.16)	(264.16)	
Corporate Dividend Tax on above*	(28.72)	(28.06)	
Amount transferred to General Reserve	(1.16)	(96.25)	
Amount transferred to/ (from) Debenture Redemption Reserve	(31.23)	(43.73)	2,982.69
Total	4,194.13		4,503.20

* The Company's wholly owned domestic subsidiary Scantech Evaluation Services Limited has declared interim dividend amounting to Rs. 95.14 Million for financial year 2012-13 in respect of which dividend distribution tax would be paid by the subsidiary. In terms of provisions of sub-section 1A of section 115O of the Income Tax Act 1961, dividend distribution tax payable by the Company, is net of the dividend distribution tax to be paid by the subsidiary company amounting to Rs. 15.43 Million.

(Rs. Million)

5 LONG-TERM BORROWINGS

	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Non-Current Portion		Current Maturities	
A) SECURED				
i) Non Convertible Debentures	333.34	700.00	366.66	200.00
ii) Term Loans from Banks				
- Foreign Currency Term Loan	651.42	-	-	-
Sub Total (A)	984.76	700.00	366.66	200.00
B) UNSECURED				
i) Loans from Subsidiary	-	-	-	32.10
ii) Finance Lease Obligation	25.61	51.94	26.74	22.39
Sub Total (B)	25.61	51.94	26.74	54.49
Amount disclosed under the head "Other Current Liabilities" (Refer Note 8) (C)	-	-	(393.40)	(254.49)
Total (A+B+C)	1,010.37	751.94	-	-

5.1 Details of Security Given Against Loans

- i) 12% Non Convertible Debentures issued to Life Insurance Corporation of India and 11.25% Non Convertible Debentures issued to Indian Overseas Bank are secured by way of first charge on pari-passu basis on the immovable and movable fixed assets of the Company. The Company had maintained sufficient asset cover to discharge the principal amount of these debentures at all times during the financial year 2012-13.
- ii) During the current year, the Company has availed Foreign Currency Term Loan of USD 12 Million from Citi Bank N.A., India Branch. The loan is secured by way of company's tangible and intangible movable fixed assets both present and future. Necessary formalities to create the security have been initiated as per the terms and conditions of the said loan. The rate of interest on the loan is LIBOR with the margin of 2.2%.

5.2 Terms of Repayment

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

Redemption Date	(Rs. Million)
20th October 2015	166.67
20th October 2014	166.67
20th October 2013	166.66
	<u>500.00</u>

- (ii) 11.25% Non Convertible Debentures to Indian Overseas Bank amounting to Rs. 200 Million are redeemable at par as follows:

Redemption Date	(Rs. Million)
17th March 2014	200.00
	<u>200.00</u>

- (iii) Foreign Currency Term Loan from Citi Bank, N.A., India Branch, is repayable as below:

Repayment Date	(Rs. Million)
March 25, 2017	217.14
September 25, 2016	217.14
April 25, 2016	217.14
	<u>651.42</u>

- (iv) Finance Lease Obligation is repayable in Equated Monthly Installments during the tenure of lease.

6 SHORT-TERM BORROWINGS	(Rs. Million)	
	As at March 31, 2013	As at March 31, 2012
A) SECURED		
Cash Credit from Banks	-	5.84
Sub Total (A)	<u>-</u>	<u>5.84</u>
B) UNSECURED		
Inter Corporate Deposits from Subsidiary	175.50	126.00
Sub Total (B)	<u>175.50</u>	<u>126.00</u>
Total (A+B)	<u>175.50</u>	<u>131.84</u>

6.1 Details of Security given against Loans

Cash Credit Limits of the Company and sub limits of certain subsidiaries are secured by hypothecation of stocks and book debts of the Company.

(Rs. Million)
7 TRADE PAYABLES

	As at	
	March 31, 2013	March 31, 2012
	Current	
- Due to Micro, Small and Medium Enterprises	2.76	0.10
- Due to Others	1,157.30	1,416.49
	1,160.06	1,416.59

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

(Rs. Million)

Particulars	As at March 31, 2013	As at March 31, 2012
a) The principal amount and the interest due thereon remaining unpaid to any supplier		
i) Principal amount	2.65	0.05
ii) Interest thereon	0.01	0.01
b) The amount of payment made to the supplier beyond the appointed day and the interest thereon, during an accounting year		
i) Principal amount	10.26	1.30
ii) Interest thereon	-	-
c) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	0.10	0.04
d) The amount of interest accrued and remaining unpaid at the end of accounting year	-	0.01
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	-	-

(Rs. Million)
8 OTHER LIABILITIES

	As at			
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Long-Term		Current	
Current Maturities of Long-Term Borrowings (Refer Note 5)	-	-	393.40	254.49
Interest Accrued but not due on Borrowings	-	-	24.81	21.58
Unpaid Dividend*	-	-	8.00	6.98
Unclaimed Fractional Share Payment	-	-	0.10	0.10
Security Deposits Payable	0.17	0.85	-	-
Payable to Subsidiaries	-	-	117.47	54.81
Deferred Revenue	2.99	5.95	68.40	38.28
Advances from Customers	103.14	133.18	760.40	927.36
Statutory Dues	-	-	82.91	74.75
Derivative Instrument Fair Value Liability (Refer Note 41)	-	-	30.70	-
Other Payables**	24.45	-	262.54	156.78
	130.75	139.98	1,748.73	1,535.13

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

** includes capital creditors and payable to employees

(Rs. Million)

9 PROVISIONS

	As at			
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Long-Term		Short-Term	
Provision for Employee Benefits				
(Refer Note 25)				
-Provision for Gratuity	-	-	7.90	4.51
-Provision for Compensated Absences	4.76	5.35	76.97	81.81
Others				
-Proposed Dividend	-	-	264.16	264.16
-Provision for Corporate Dividend Tax	-	-	28.72	28.06
	4.76	5.35	377.75	378.54

10. FIXED ASSETS

10. FIXED ASSETS										
Description of Assets	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK		(Rs. Million)	
	Cost As on 01.04.2012	Additions during the year	Sales / Adj. during the year	Total as on 31.03.2013	As on 01.04.2012	For the year	Sales / Adj. during the year	Total as on 31.03.2013	As on 31.03.2013	As on 31.03.2012
Tangible										
Land-Freehold {Refer Footnote (ii)}	20.51	-	-	20.51	-	-	-	-	20.51	20.51
Buildings {Refer Footnotes (i) & (iii)}	209.32	-	-	209.32	33.94	3.43	-	37.37	171.95	175.38
Plant & Equipment										
-Owned	1,988.05	145.82	67.84	2,066.03	1,202.03	330.21	60.25	1,471.99	594.04	786.02
-Leased	5.04	-	0.68	4.36	4.60	0.07	0.52	4.15	0.21	0.44
Leasehold Improvements	555.03	18.90	42.15	531.78	281.60	96.10	36.42	341.28	190.50	273.43
Furniture & Fixtures										
-Owned	262.05	8.20	14.57	255.68	136.03	40.77	13.08	163.72	91.96	126.02
-Leased	3.02	-	2.91	0.11	2.64	0.13	2.66	0.11	-	0.38
Vehicles	35.54	8.90	16.09	28.35	13.22	2.63	5.45	10.40	17.95	22.32
Office Equipment										
-Owned	230.07	50.85	3.57	277.35	138.27	41.92	2.34	177.85	99.50	91.80
-Leased	0.04	-	-	0.04	0.04	-	-	0.04	-	-
Sub Total (a)	3,308.67	232.67	147.81	3,393.53	1,812.37	515.26	120.72	2,206.91	1,186.62	1,496.30
Previous Year (b)	2,830.19	726.18	247.70	3,308.67	1,587.82	451.97	227.42	1,812.37	1,496.30	
Intangible										
Intellectual Property Rights										
- Acquired	185.13	1.34	-	186.47	114.70	24.01	-	138.71	47.76	70.43
- Internally generated {Refer Footnote (iv)}	631.87	226.97	-	858.84	327.27	120.76	-	448.03	410.81	304.60
- Leased	119.65	-	-	119.65	54.22	31.37	-	85.59	34.06	65.43
Software Acquired	834.29	185.16	0.01	1,019.44	713.72	89.88	0.01	803.59	215.85	120.57
Patents	16.14	-	-	16.14	13.87	1.12	-	14.99	1.15	2.27
Sub Total (c)	1,787.08	413.47	0.01	2,200.54	1,233.78	267.14	0.01	1,490.91	709.63	563.30
Previous Year (d)	1,443.35	396.38	52.65	1,787.08	1,010.62	232.06	18.90	1,223.78	563.30	
Total (a+c)	5,095.75	646.14	147.82	5,594.07	3,036.15	782.40	120.73	3,697.82	1,896.25	2,059.60
Previous Year (b+d)	4,273.54	1,122.56	300.35	5,095.75	2,598.44	684.03	246.32	3,036.15	2,059.60	
Intangible assets under development {Refer Footnote (iv)}									116.90	167.14

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

(ii) Out of the total land as above, 25 acres of land amounting to Rs. 6.52 Million at Tehsil Behror, District Alwar is allotted for education purpose. This land cannot be transferred without the approval of the allotment authority.

(iii) Refer Note 40 (iii) for Building given on Operating Lease.

(iv) Refer Note 37 for cost incurred during the year on internally generated intangible assets.

(v) Depreciation includes impairment of intangibles aggregating to Rs. 33.29 Million (Previous year Rs. Nil)

(Rs. Million)

11 INVESTMENTS

Particulars

As at
March 31, 2013 March 31, 2012
Non - Current

A. TRADE [UNQUOTED]

(Valued at cost)

In Subsidiary Companies

-Equity

24,162,113 (Previous year 24,162,113) Shares of 1 US

\$ each fully paid-up in NIIT (USA) Inc., USA

Less: Provision for diminution in value of Investment

1,083.57 1,083.57

(398.42) (398.42)

685.15 685.15

500,000 (Previous year 500,000) Equity Shares of 1 US

\$ or Rp. 2,297/- each fully paid-up in PT NIIT Indonesia, Indonesia

Less: Provision for diminution in the value of investment

17.56 17.56

(17.56) (17.56)

- -

35,056,000 (Previous year 35,056,000) Equity Shares of

1 US \$ each fully paid-up in NIIT Antilles NV, Netherlands Antilles

Less: Provision for diminution in value of Investment

1,628.69 1,628.69

(773.53) (773.53)

855.16 855.16

3,949,175 (Previous year 3,949,175) Equity Shares of

Re 1/- each fully paid-up in NIIT Online Learning Limited

Less: Provision for diminution in value of Investment

3.95 3.95

(3.95) (3.95)

- -

1,000,000 (Previous year 1,000,000) Equity Shares of

Rs 10/- each fully paid-up in Hole-in-the-Wall Education Limited

Less: Provision for diminution in value of Investment

10.50 10.50

(10.50) (10.50)

- -

9,910,000 (Previous year 9,910,000) Equity Shares

of Rs. 10/- each fully paid-up in Scantech Evaluation Services Limited

99.06 99.06

155,000 (Previous year 155,000) Equity Shares of 1 GBP

each fully paid-up in NIIT Limited-UK

13.10 13.10

8,050,000 (Previous year 8,050,000) Equity Shares of Rs.

10/- each fully paid-up in NIIT Institute of Finance Banking and Insurance Training Limited

80.50 80.50

1,475,096 (Previous year 1,475,096) Equity Shares of

Rs. 10/- each fully paid-up in Evolv Services Limited

66.82 66.82

16,500,000 (Previous year 16,500,000) Equity Shares of

Rs. 10/- each fully paid-up in NIIT Institute of Process Excellence Limited

165.00 165.00

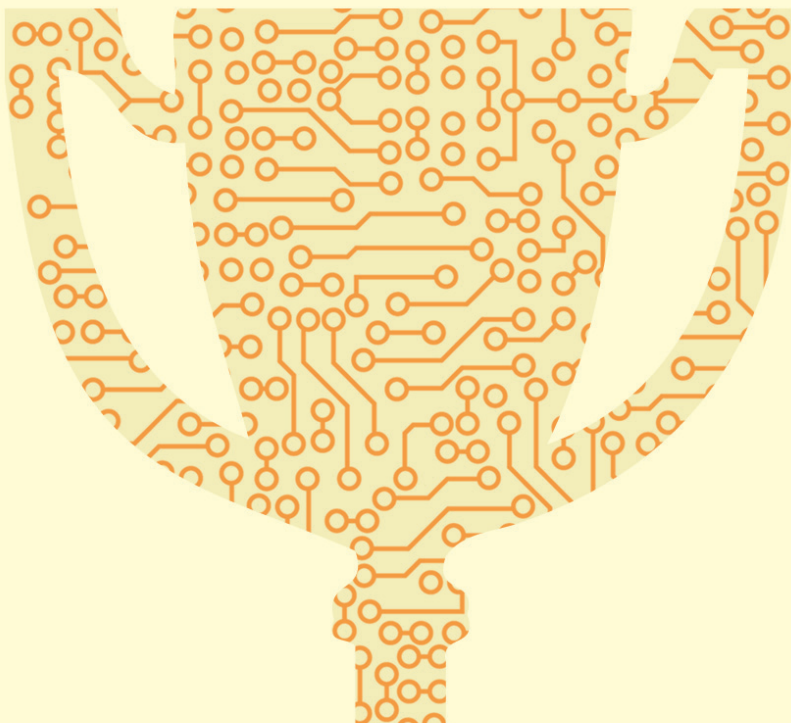
Rs. Million)

	As at	
	March 31, 2013	March 31, 2012
	Non - Current	
7,949,155 (Previous year 7,949,155) Equity Shares of Rs. 10/- each fully paid-up in NIIT Yuva Jyoti Limited [Refer Footnote (i) & (ii)]	79.49	79.49
Share Application money for equity shares of NIIT Yuva Jyoti Limited [Refer Footnote (i) & (ii)]	27.00	-
- Preference		
5,600,000 (Previous year 5,600,000) Non Convertible Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid-up in Hole-in-the-Wall Education Limited [Investment of Rs. 100/- (Previous year Rs. 100/-)]	-	-
Sub Total (A)	2,071.28	2,044.28
B. LONG TERM, OTHERS [UNQUOTED]		
In Other Companies		
240 Equity Shares of Rs.10/- each fully paid-up in Hinduja HCL Singtel Communication Private Limited	-	-
Less: Provision for diminution in the value of Investment [Investment of Rs. 2400/- (Previous year Rs. 2400/-)]	-	-
Sub Total (B)	-	-
TOTAL (A+B)	2,071.28	2,044.28
Aggregate amount of Unquoted Investments	3,275.24	3,248.24
Less:- Aggregate Provision for diminution in the value of Investments	(1,203.96)	(1,203.96)
Total	2,071.28	2,044.28

Notes:

- The Company is required to hold a minimum of 51% of the total paid-up Equity Share Capital of NIIT Yuva Jyoti Limited (NYJL), during the term of the agreement with National Skill Development Corporation (NSDC).
- During the year, the Company has made further investment of Rs. 27 Million as share application money for equity shares of subsidiary company NIIT Yuva Jyoti Limited. The equity shares against the application money have been allotted to the Company subsequent to the year end. The initial investment of Rs. 79.49 Million can not be sold, pledged or otherwise encumbered wholly or in part for a period of four years from December 8, 2011 to December 7, 2015.

AWARDS AND HIGHLIGHTS

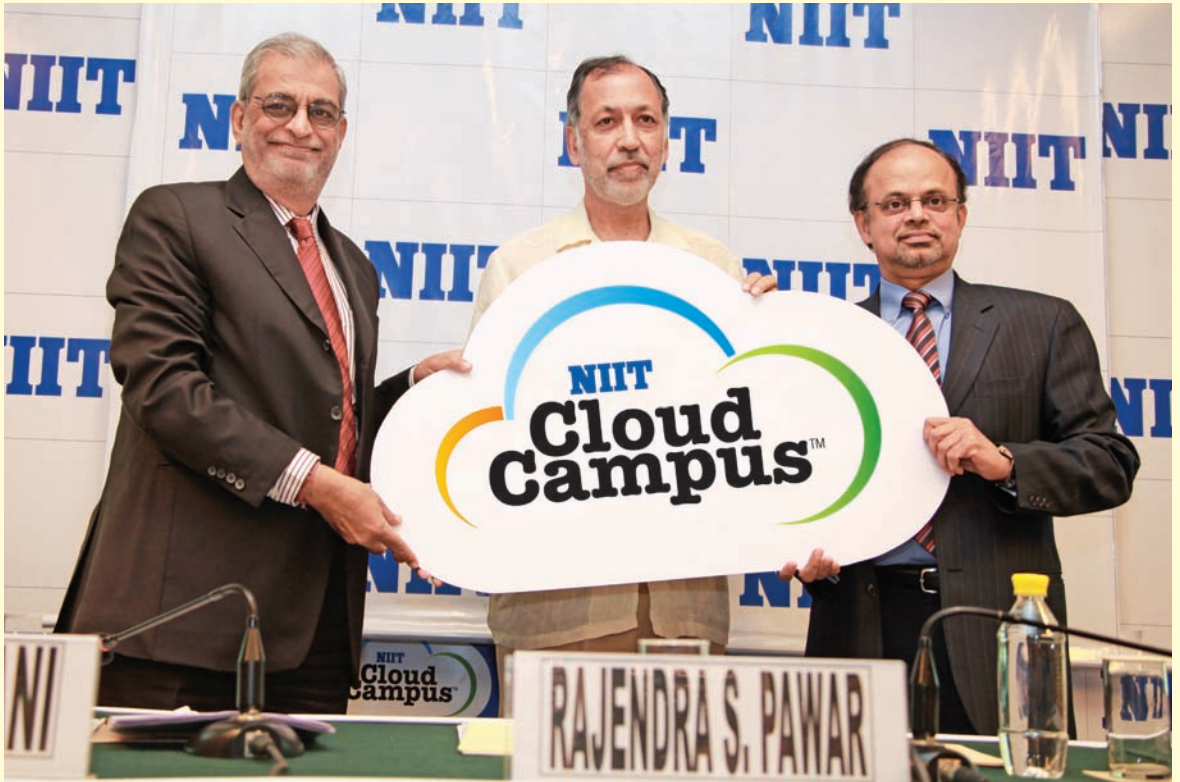


Awards:

- NIIT received 'Top IT Training Company Award 2012' for the 20th year in succession by Cybermedia publications
- NIIT featured as the 'India's Most Trusted Education Brand' in Brand Trust Report, India Study, 2013, undertaken by Trust Research Advisory for the second consecutive year
- NIIT nGuru - ICR@Home, has been acknowledged for the 2nd consecutive year at the World Education Summit 2013 for best 'Use of Assistive Technologies in Education'
- NIIT Imperia received "Best Telecom & Satellite Learning Providers in Education" award at the National Education Excellence Awards 2013 by leading industry body ASSOCHAM, (Associated Chambers of Commerce and Industry of India)
- NIIT IFBI recognized as the 'Most Innovative Recruitment Management initiative' at the Talent & HR Leadership Conference Awards by ET Now at World HRD Congress 2013
- NIIT has been ranked among the 'Top 10 India's Best Companies to Work for-2012' by Great Places to Work Institute
- NIIT USA was ranked among the Top 20 Companies in Training Outsourcing, 2012 by Training Industry, Inc. for the sixth consecutive time since 2008
- NIIT USA was awarded the 'Brandon Hall Excellence in Learning 2012 Silver Award' in the Best in Competencies and Skill Development category jointly with Shell for Shell Standard Primavera Education
- NIIT USA earned a silver in the 'Chief Learning Officer Learning in Practice 2012' awards in the Excellence in E-Learning category for MetLife Virtual Induction Program
- NIIT USA ranked #3 Overall and #2 in Size of Deal in HRO Today magazine's Baker's Dozen Customer Satisfaction Ratings for Top Learning Providers, 2012
- NIIT receives Friendship Award from Government of Chongqing, People's Republic of China for contributions to economic and social development in July 2012.

Highlights:

- NIIT announced a breakthrough initiative 'Cloud Campus', for redefining the education landscape by making available new-age skills, to students across the breadth of the country and to offer over 100 courses across 300 locations by the end of 2013, thus enabling a coverage of over 500,000 students by 2014
- NIIT partners with NASSCOM to enhance skill development of graduates through its in-campus training initiative, across colleges in the country
- NIIT MindChampions Academy (MCA) completes 10 years of developing young minds through Chess, impacting over 1.65 million children across 17,000 schools since inception
- NIIT strengthened its partnership with the Department of Income Tax, to create a pool of trained and certified Tax Return Preparers (TRPs) across the country as part of the Tax Return Preparers Scheme (TRPS).
- Over 1,52,000 candidates from more than 300 cities applied for NIIT's 9th National IT Aptitude Test (NITAT)
- NIIT conducts the 13th IT Scholarship Test in Nigeria
- NIIT Careers@Campus completes one year at SSM College, Komarapalayam and World Chess Champion and NIIT MindChampion Viswanathan Anand felicitates the students
- NIIT foundation partners with Hindustan Coca-Cola Beverages Pvt. Ltd (HCCBPL) and actor Salman Khan's Being Human foundation to scale up Career Development Centre (CDC), an initiative to empower rural, educated and underserved youth.
- NIIT partners with Digital Marketing Institute (DMI), the global leaders in training professionals in digital marketing, to offer digital marketing education and professional certification in India
- NIIT District Learning Centre, Chhindwara completes 5 years of empowering local talent to chart successful careers and launches industry-aligned training program in Banking & Finance in presence of Hon'ble Union Minister for Finance, Mr. P. Chidambaram and Hon'ble Union Minister for Urban Development & Parliamentary Affairs, Mr. Kamal Nath.



*From L to R: Mr Vijay Thadani, CEO, NIIT Ltd., Mr Rajendra S Pawar, Chairman, NIIT Ltd. & Mr G Raghavan, Chief Executive, Career Building Solutions, NIIT Ltd. during the **NIIT Cloud Campus Launch**.*



Panel Discussion on Cloud – Changing the face of education From L to R: Dr Samir Brahmachari, Director General of the Council of Scientific & Industrial Research (CSIR), Dr Shashi Tharoor, Hon'ble Minister of State for HRD, Govt. of India, Mr Rajendra S Pawar, Chairman NIIT and Prof. Deepak Phatak, IIT Mumbai.

NIIT announced a breakthrough initiative 'Cloud Campus', for redefining the education landscape by making available new-age skills, to students across the breadth of the country and to offer over 100 courses across 300 locations by the end of 2013, thus enabling a coverage of over 500,000 students by 2014.



- ▶ NIIT conducts the 13th IT Scholarship Test in Nigeria.

NIIT partners with Digital Marketing Institute (DMI), the global leaders in training professionals in digital marketing, to offer digital marketing education and professional certification in India.



- ▶ NIIT Careers@Campus completes one year at SSM College, Komarapalayam and World Chess Champion and NIIT MindChampion Viswanathan Anand felicitates the students.

NIIT District Learning Centre, Chhindwara completes 5 years of empowering local talent to chart successful careers and launches industry-aligned training programme in Banking & Finance in presence of Hon'ble Union Minister for Finance, Mr P Chidambaram and Hon'ble Union Minister for Urban Development & Parliamentary Affairs, Mr Kamal Nath.





NIIT strengthened its partnership with the Department of Income Tax, to create a pool of trained and certified Tax Return Preparers (TRPs) across the country as part of the Tax Return Preparers Scheme (TRPS).

NIITU SA was ranked among the Top 20 Companies in Training Outsourcing, 2012 by Training Industry, Inc. for the sixth consecutive time since 2008.



NIIT receives Friendship Award from Government of Chongqing, People's Republic of China for contributions to economic and social development in July 2012.



A NEW WAY OF LEARNING

12 TAXATION

- (a) Upon finalization of Income Tax Return of financial year ended March 31, 2012 an amount of Rs. 13.18 Million (Previous year Rs. 0.40 Million) has been charged to the Statement of Profit and Loss.
- (b) Detailed break-up of Deferred Tax Assets/ Liabilities and reconciliation of current year deferred tax credit is as follows:-

(Rs. Million)

Deferred Tax (Assets)/ Liabilities	Opening Balance As on 01.04.2012	Charged/ (Credited) to the Statement of Profit and Loss	Closing Balance As on 31.03.2013
Deferred Tax Liabilities:			
Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	78.63	(70.53)	8.10
Total (A)	78.63	(70.53)	8.10
Deferred Tax (Assets):			
Tax impact of expenses charged in the Statement of Profit and Loss but allowable as deductions in future years under tax laws:			
-Provision for doubtful debts and advances	(138.49)	(17.38)	(155.87)
-Provision for non-moving inventories	(1.67)	(0.40)	(2.07)
-Provision for Compensated Absences, Bonus, Gratuity and other timing differences	(29.54)	(1.10)	(30.64)
-Others	(12.71)	1.49	(11.22)
Total (B)	(182.41)	(17.39)	(199.80)
Timing differences not recognised on account of prudence (C)	-	87.92	87.92
Net Deferred Tax (Assets)/ Liabilities (A+B+C)	(103.78)	-	(103.78)
<i>Previous year</i>	<i>(27.06)</i>	<i>(76.72)</i>	<i>(103.78)</i>

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

(Rs. Million)

13 LOANS AND ADVANCES

	As at			
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Long-Term		Short-Term	
i) Capital Advances				
Unsecured, considered good	0.22	16.10	-	-
(A)	0.22	16.10	-	-
ii) Security Deposits Receivable				
Unsecured, considered good	266.40	298.66	47.31	75.31
Unsecured, considered doubtful	5.05	5.05	-	-
Less: Provision for doubtful security deposits	(5.05)	(5.05)	-	-
(B)	266.40	298.66	47.31	75.31
iii) Loans to related parties				
Unsecured, considered good	-	-	-	6.75
Unsecured, considered doubtful	29.70	29.70	-	-
Less: Provision for doubtful Loans	(29.70)	(29.70)	-	-
(C)	-	-	-	6.75
iv) Other recoverable from related parties				
Unsecured, considered good	-	-	15.11	7.84
Unsecured, considered doubtful	13.34	6.21	-	-
Less: Provision for doubtful advances	(13.34)	(6.21)	-	-
(D)	-	-	15.11	7.84
v) Advances recoverable in cash or in kind*				
Unsecured, considered good	10.56	14.85	320.87	250.90
Unsecured, considered doubtful	8.37	1.19	-	-
Less: Provision for doubtful advances	(8.37)	(1.19)	-	-
(E)	10.56	14.85	320.87	250.90
vi) Other Advances				
a) Advance payment of Fringe Benefit Tax	88.11	88.11	-	-
Less: Provision for Fringe Benefit Tax	(87.40)	(87.40)	-	-
	0.71	0.71	-	-
b) Advance Income Tax	964.81	1,173.52	-	-
Less : Provision for Income Tax	(821.55)	(996.10)	-	-
	143.26	177.42	-	-
c) MAT Credit Entitlement				
- Opening Balance	76.31	36.18	-	-
- Additions/ (reversal) during the Year	(7.97)	40.13	-	-
	68.34	76.31	-	-
(F)	212.31	254.44	-	-
Total (A+B+C+D+E+F)	489.49	584.05	383.29	340.80

* Maximum amount due from Directors or Other officers during the year Rs. 0.99 Million (Previous year Rs. 1.30 Million)

(Rs. Million)

14 TRADE RECEIVABLES

	As at			
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Non - Current		Current	
a) Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	1,910.69	881.60
Unsecured, considered doubtful	430.49	413.79	-	-
Less: Provision for doubtful debts	(430.49)	(413.79)	-	-
	-	-	1,910.69	881.60
b) Others				
Unsecured, considered good	369.61	361.96	643.32	1,818.40
Unsecured, considered doubtful	1.33	0.60	-	-
Less: Provision for doubtful debts	(1.33)	(0.60)	-	-
	369.61	361.96	643.32	1,818.40
	369.61	361.96	2,554.01	2,700.00

15 MOVEMENT OF PROVISION FOR DOUBTFUL DEBTS

(Rs. Million)

Provision for Doubtful Debts

	As at	
	March 31, 2013	March 31, 2012
Opening Provision	414.39	114.46
Add: Additional Provision created*	56.34	300.04
Less: Provision written back**	(38.91)	-
Less: Bad Debts written off	-	(0.11)
Closing Provision	431.82	414.39

* Provision for doubtful debts amounting to Rs. Nil (Previous year Rs. 247.43 Million) shown as exceptional item, Refer Note 30.

** Provision for doubtful debts written back amounting to Rs. 38.91 Million (Previous year Rs. Nil) shown as exceptional item, Refer Note 30.

(Rs. Million)

16 OTHER ASSETS

	As at			
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Non - Current		Current	
Non Current Bank Balances (Refer Note 18)	-	16.96	-	-
Unbilled Revenue	110.64	238.96	282.67	276.99
Interest Receivable	-	2.06	16.38	0.76
Dividend receivable from subsidiary	-	-	95.14	-
	110.64	257.98	394.19	277.75

(Rs. Million)

17 INVENTORIES (Valued at lower of
Cost or Net Realisable Value)
As at the end of the year
Traded Goods

a) Education and Training Material*

b) Software

As at the beginning of the year
Traded Goods

a) Education and Training Material

b) Software

(Increase)/ Decrease in Inventory

As at	
March 31, 2013	March 31, 2012
86.00	109.64
1.17	3.02
87.17	112.66
109.64	134.93
3.02	1.45
112.66	136.38
25.49	23.72

* Net of provision for non-moving inventories of Rs. 6.10 Million (Previous year Rs. 5.15 Million).

(Rs. Million)

18 CASH AND BANK BALANCES
Cash and Cash Equivalents:

Balance with Banks

-Current Accounts*

-Exchange Earners' Foreign Currency Account

Cash on hand

Cheques, Drafts on hand

*[Include Rs. 9.12 Million (Previous year Rs. 6.56 Million) pertaining to amount earmarked for specific contract]

Sub Total (A)
Other Bank Balances:

Bank Deposits*

With original maturity of more than 3 months and upto 12 months

With original maturity of more than 12 months

Dividend Accounts

* Pledged as Margin money

Sub Total (B)
Total (A+B)

Amount disclosed under "Other Non Current Assets" (Note 16) (C)

Total (A+B+C)

As at			
March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Non - Current		Current	
-	-	418.75	75.72
-	-	-	0.87
-	-	10.28	10.16
-	-	83.64	49.92
-	-	512.67	136.67
-	-	18.01	39.12
-	16.96	16.96	-
-	-	8.00	6.98
-	16.96	42.97	46.10
-	16.96	555.64	182.77
-	(16.96)	-	-
-	-	555.64	182.77

19 CONTINGENT LIABILITIES

(a) Claims against the Company not acknowledged as debts Rs. 5.80 Million (Previous year Rs. 9.20 Million)

(b) Guarantees

- i. Guarantees issued by bankers outstanding at the end of the year Rs. 74.38 Million (Previous year Rs. 464.91 Million).
- ii. Corporate Guarantee of Rs. 597.13 Million (USD 11 Million) [Previous year Rs. 559.57 Million (USD 11 Million)] issued to Skill Soft Corporation, USA & Skill Soft Ireland Limited to secure them against any indemnification obligations of NIIT Ventures Inc. (a step down subsidiary of the Company) and NIIT (USA) Inc., with respect to sale of certain assets of Element K Corporation (erstwhile step down subsidiary of the Company) and investment in Element K Corporation by NIIT Ventures Inc., USA.
- iii. Corporate Guarantee of Rs. 79.64 Million (Previous year Rs. 79.64 Million) given to National Skill Development Corporation to secure the loan of Rs. 79.64 Million availed by NIIT Yuva Jyoti Limited, subsidiary of the Company.

(c) Other money for which the company is contingently liable

- i. Security given for working capital limits on behalf of Evolv Services Limited Rs. 10 Million (Previous year Rs. 10 Million) [Amount outstanding at year end Rs 2.47 Million (Previous year Rs. 6.43 Million)], NIIT Institute of Finance Banking and Insurance Training Limited Rs. 10 Million (Previous year Rs. 10 Million) [Amount Outstanding at year end Rs. Nil (Previous year Rs. Nil)] and Hole-in-the-Wall Education Limited of Rs. 21 Million (Previous year Rs. 20 Million) [Amount Outstanding at year end Rs. 17.66 Million (Previous year Rs. 16.70 Million)].
- ii. Andhra Pradesh works contract tax Rs. 31.32 Million (Previous year Rs. 101.96 Million). Management does not foresee any financial implication based on the advice of the legal consultant.
- iii. Sales Tax amounting to Rs. 44.57 Million (Previous year Rs. Nil). Management does not foresee any financial implication based on the advice of the legal consultant.
- iv. Service Tax demand amounting to Rs. 10.49 Million (Previous year Rs. 10.49 Million) and equal amount of penalty i.e. Rs. 10.49 Million (Previous year Rs. 10.49 Million) raised by Commissioner of Service Tax, Delhi. Management does not foresee any financial implication based on the advice of the legal consultant.
- v. Income Tax demand for Rs. 293.39 Million including interest (Previous year Rs. 230.77 Million). Management does not foresee any financial implication based on the advice of the legal consultant.
- vi. The Company had received Show Cause Notices under section 263 of the Income Tax Act, 1961, issued by the Commissioner of Income Tax for the Assessment years 1999-00 to 2005-06, who later issued Orders directing the Assessing Officer for re-assessment on certain items. The quantum of Income Tax demand, if any, has neither been quantified nor ascertained and thus, indeterminable at this stage. These orders have been challenged by the Company in the Income Tax Appellate Tribunal. Based on legal opinion obtained by the Company, the Company is confident that the matter as above shall be decided in its favour.

20 CAPITAL AND OTHER COMMITMENTS

- (a) Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for Rs. 18.66 Million (Previous year Rs. 193.82 Million).
- (b) For commitments related to lease arrangements, refer Note 40.
- (c) There are certain contracts with State Governments under which the Company is required to transfer ownership of the fixed assets and equipments under leasing arrangement at the written down value (which will be nil), at the end of the contract term.
- (d) The company has issued a letter of support to provide need based financial support to its subsidiaries NIIT Institute of Finance Banking and Insurance Training Limited, Hole-in-the-Wall Education Limited, NIIT Yuva Jyoti Limited and NIIT Antilles NV, Netherlands Antilles.
- (e) Commitment to support NIIT Institute of Information Technology to meet the shortfall, if any, in repayment of loan taken by it from a bank.
- (f) For commitment in respect of non-disposal of investment in subsidiary, refer note 11 [footnote (i) and (ii)].

21 PROPOSED DIVIDEND

The Final Dividend proposed for the year is as follows:-

	As at	
	March 31, 2013	March 31, 2012
On equity Shares of Rs. 2/- each		
Amount of Dividend Proposed (Rs. Million)	264.16	264.16
Dividend per Equity Share	Rs. 1.60/- Per Share	Rs. 1.60/- Per Share

(Rs. Million)

22 REVENUE FROM OPERATIONS

	Year ended	
	March 31, 2013	March 31, 2012
Sale of Products :		
-Courseware	1,660.09	2,855.19
-Subscription	-	36.31
-Hardware & Accessories	456.53	660.82
Sale of Services	<u>4,298.05</u>	<u>3,828.96</u>
	<u>6,414.67</u>	<u>7,381.28</u>

(Rs. Million)

23 OTHER INCOME

	Year ended	
	March 31, 2013	March 31, 2012
Interest Income (Refer Note 23.1 below)	51.36	21.01
Dividend Income from Long Term	470.02	-
Investments in Subsidiaries		
Dividend Income from Current Investments	0.55	10.85
Provision/ Other Liabilities Written Back	20.79	1.60
Profit on Sale of Fixed Assets	-	220.80
Gain on Foreign Currency Translation and Transaction (Net)	-	62.11
Recovery from Subsidiaries for Management Services	106.55	117.72
Other Non-Operating Income	<u>16.85</u>	<u>28.50</u>
	<u>666.12</u>	<u>462.59</u>

23.1 Other income includes interest income amounting to Rs. 21.56 Million pertaining to the previous year. Tax expense thereon amounting to Rs. 7.20 Million has also been recognised during the year ended March 31, 2013.

(Rs. Million)

24 EMPLOYEE BENEFITS EXPENSE

	Year ended	
	March 31, 2013	March 31, 2012
Salaries and Benefits	1,601.31	1,634.56
Contribution to Provident and other Funds	71.68	79.20
Employees Stock Option Expense	2.90	-
Staff Welfare	<u>61.13</u>	<u>68.80</u>
	<u>1,737.02</u>	<u>1,782.56</u>

25 EMPLOYEE BENEFITS

A) Defined Contribution Plans

The Company makes contribution towards 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 under "Employee Benefits Expense" in Note 24:-

Particulars	(Rs. Million)	
	Year ended	
	March 31, 2013	March 31, 2012
- Employers' Contribution to Superannuation Fund	10.49	12.29
- Employers' Contribution to Employees Pension Scheme	18.40	19.29
- Employers' Contribution towards Social Security Schemes in foreign territories	1.34	1.46

Contribution towards Superannuation Fund to the defined contribution plans includes following cost for Key Managerial Personnel:

Particulars	(Rs. Million)	
	Year ended	
	March 31, 2013	March 31, 2012
- Employers' Contribution to Superannuation Fund	1.08	2.16

B) Defined Benefit Plans

I. Provident Fund

The Company makes contribution to the "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" ("the Trust"), which is a defined benefit plan. The Company contributed Rs. 30.33 Million (Previous year Rs. 33.42 Million) including Rs. 1.00 Million (Previous year Rs. 1.99 Million) in respect of Key Managerial personnel during the year to the Trust.

The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Company's obligation in this regard is actuarially determined and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

The guidance on implementing AS 15 Employee Benefits (revised 2005), issued by Accounting Standards Board (ASB) of The Institute of Chartered Accountants of India, states that benefits involving employer established provident fund trust, which require interest shortfall to be compensated by the employer is required to be considered as Defined Benefits Plans. The actuary has provided a valuation and based on the below mentioned assumptions, determined that there is no short fall as at March 31, 2013.

The details of fund and plan assets of the Trust as at March 31, 2013 (limited to the extent provided by the actuary):

(i) Change in Defined Benefit Obligation	(Rs. Million)	
	As at	
	March 31, 2013	March 31, 2012
Present value defined benefit obligation as at the beginning of the year	3.56	-
Current service cost	0.76	0.63
Interest Cost	0.31	-
Actuarial (gain)/ loss on obligations	(0.67)	2.93
Present Value Defined Benefit Obligations at the end of the year	3.96	3.56

	(Rs. Million)	
(ii) Change in Fair Value of Assets	As at	
	March 31, 2013	March 31, 2012
Fair value of plan assets as at the beginning of the year	30.86	16.35
Actuarial (loss)/ gain on plan assets	17.90	14.51
Fair value of Plan Assets as at the end of the year	48.76	30.86

(iii) Estimated Net Asset/ Liability recognised in Balance Sheet as on March 31, 2013	(Rs. Million)	
Present value of defined benefit obligation	3.96	3.56
Fair Value of plan assets	48.76	30.86
Funded Status [surplus/ (deficit)]	44.80	27.30
Net Asset/ (Liability) recognised in Balance Sheet	-	-

	Year ended	
(iv) Assumptions used in accounting for provident Fund:-	March 31, 2013	March 31, 2012
Discount Rate (Per Annum)	8.25%	8.60%
Expected return on Plan Assets	8.60%	8.60%
Expected guaranteed interest rate	8.60%	8.60%

II. Compensated Absences

	(Rs. Million)	
i) Change in Present value of Obligation:-	As at	
	March 31, 2013	March 31, 2012
Present value of obligation as at the beginning of the year	87.16	82.37
Past Service cost	-	-
Current service cost*	24.45	20.98
Interest Cost	7.46	6.54
Benefits Paid	(0.73)	(0.99)
Actuarial (gain)/ loss on obligations	(36.61)	(21.74)
Present value of obligation as at the end of the year	81.73	87.16
Classification		
Short-Term	76.97	81.81
Long-Term	4.76	5.35
Total	81.73	87.16

* Current service cost is gross of recoveries/ (net of credits) from/ to Associates & Subsidiaries [Current year Rs. 0.59 Million, Previous year Rs. 0.22 Million]

	Year ended	
(ii) Assumptions used in accounting for Compensated Absences:-	March 31, 2013	March 31, 2012
Discount Rate (per annum)	8.25%	8.60%
Future Salary Increase		
-For First 5 Years	10.00%	10.00%
-Thereafter	7.00%	7.00%

III. Gratuity Fund

	(Rs. Million)	
i) Change in Present value of Obligation:-	As at	
	March 31, 2013	March 31, 2012
Present value of obligation as at the beginning of the year	94.04	88.44
Interest cost	7.38	6.52
Current service cost	11.49	10.96
Benefits paid	(16.54)	(13.83)
Actuarial (gain)/ loss on obligations	0.30	1.95
Present value of obligation as at the end of the year	96.67	94.04

ii) Change in Plan Assets:-		
Fair value of Plan Assets as at the beginning of the year	89.53	87.00
Expected return on Plan Assets	8.01	7.93
Contributions*	7.81	9.95
Benefits Paid	(16.54)	(13.83)
Actuarial (loss)/ gain on Plan Assets	(0.04)	(1.52)
Fair value of Plan Assets as at the end of the year	88.77	89.53

* Contributions include Recoveries from Associates and Subsidiaries.

*Actuary's estimates of contributions for the next financial year is Rs. 18.83 Million.

iii) Amount of Asset / (obligation) recognised in the Balance Sheet:-	(Rs. Million)				
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009
Fair value of Plan Assets as at the end of the year	88.77	89.53	87.00	74.68	66.59
Present value of obligation as at the end of the year	96.67	94.04	88.44	75.78	72.44
Asset/ (obligation) recognised in Balance Sheet	(7.90)	(4.51)	(1.44)	(1.10)	(5.85)

	(Rs. Million)	
	Year ended	
	March 31, 2013	March 31, 2012
iv) Net Gratuity Cost recognised in Statement of Profit and Loss:-		
Current service cost	11.49	10.96
Interest Cost	7.38	6.52
Expected return on Plan Assets	(8.01)	(7.93)
Net Actuarial (gain)/ loss recognised during the year	0.34	3.48
Expense recognised in the Statement of Profit and Loss*	11.20	13.03
Actual return on plan assets	7.89	7.72

*Gross of Recoveries from Associates & Subsidiaries (Current year Rs. 0.08 Million, Previous year Rs. 0.29 Million) and also includes Rs. 2.60 Million (Previous year Rs. 2.89 Million) towards contribution for Key Managerial Personnel.

*The above cost is included under "Employee Benefits Expense" in Note 24.

	Year ended	
	March 31, 2013	March 31, 2012
v) Assumptions used in accounting for gratuity plan:-		
Discount Rate (Per annum)	8.25%	8.60%
Future Salary Increase	5.00%	5.00%
Expected Rate of return on plan assets	9.40%	9.40%

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

vi) Investment details of Plan Assets:-

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

The expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management, historical result of the return on plan assets.

26 EMPLOYEES STOCK OPTION SCHEME

During the year 2005-06, the Company had established NIIT Employee Stock Option Plan 2005 "ESOP 2005" and the same was approved at the General Meeting of the Company held on May 18, 2005. The plan was set up so as to offer and grant, for the benefit of employees (excluding promoters) of the Company, who are eligible under "Securities and Exchange Board of India (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999", options of the Company in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board, in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard.

As per the plan, each option is exercisable for one equity share of face value of Rs. 2/- each (Rs. 10/- each pre bonus and split) fully paid up on payment to the Company, at a price to be determined in accordance with ESOP 2005. ESOP information is given for the number of shares after sub-division and Bonus issue.

The summary of options granted is as follows:

[illegible]

Particulars	Grant VI						Grant VII						Grant VIII	
	Vest 1		Vest 2		Vest 3		Vest 1		Vest 2		Vest 3		Vest 1	Vest 2
	2012-13 23-Jan-10	2011-12 23-Jan-10	2012-13 23-Jan-10	2011-12 23-Jan-10	2012-13 23-Jan-10	2011-12 23-Jan-10	2012-13 22-Oct-10	2011-12 22-Oct-10	2012-13 22-Oct-10	2011-12 22-Oct-10	2012-13 22-Oct-10	2011-12 22-Oct-10	2012-13 8-May-12	2012-13 8-May-12
Date of Grant														
Date of Vesting														
Live options at the beginning of the year (Nos.)	105,080	135,770	102,300	129,460	97,380	129,460	29,020	29,020	29,020	29,020	29,020	29,020	8-May-12	8-May-12
Granted during the year (Nos.)	-	-	-	-	-	-	-	-	-	-	-	-	50,000	50,000
Forfeited/ lapsed till vesting period (Nos.)	-	-	-	27,160	27,440	32,080	-	-	8,510	-	8,510	-	-	-
Options Vested (Nos)	-	-	-	102,300	69,940	-	-	29,020	20,510	-	-	-	-	-
Forfeited/ lapsed post vesting (Nos)	33,750	30,690	30,970	-	-	-	8,510	-	-	-	-	-	-	-
Options exercised (Nos)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding/ exercisable at the end of the year (Nos)	71,330	105,080	71,330	102,300	69,940	97,380	20,510	29,020	20,510	29,020	20,510	29,020	50,000	50,000
Exercise Price (Rs.)	69.20	69.20	69.20	69.20	69.20	69.20	67.65	67.65	67.65	67.65	67.65	67.65	2.00	2.00
Remaining Contractual Life (Days)	297	662	662	1,027	1,028	1,393	569	934	935	1,300	1,300	1,665	1134	1499
Fair value of the options based on Black and Scholes Model (Rs.)	30.47	30.47	32.91	32.91	34.74	34.74	28.35	28.35	32.00	32.00	34.35	34.35	40.64	39.71
Intrinsic Value of the options granted (Rs.)	-	-	-	-	-	-	-	-	-	-	-	-	43.05	43.05

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

Particulars	Grant III		Grant IV		Grant V			Grant VI			Grant VII			Grant VIII	
	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2
Market price considered	121.62	88.7	72.2	72.2	72.2	72.2	72.2	69.2	69.2	69.2	67.65	67.65	67.65	45.05	45.05
Exercise price	121.62	88.7	72.2	72.2	72.2	72.2	72.2	69.2	69.2	69.2	67.65	67.65	67.65	2.00	2.00
Dividend yield	2.79%	2.04%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	2.55%	2.55%
Volatility	45.47%	51.81%	71.63%	66.14%	61.68%	61.68%	61.68%	71.56%	65.68%	61.44%	65.49%	63.40%	60.71%	35.20%	52.84%
Average life of the options (in years)	2.5	2.5	2.5	3.5	4.5	4.5	4.5	2.5	3.5	4.5	2.5	3.5	4.5	2.5	3.5
Risk free rate	7.93%	9.24%	6.55%	6.92%	7.19%	7.19%	7.19%	6.19%	6.51%	6.80%	7.36%	7.56%	7.73%	8.15%	8.22%

(Rs. Million)

Other information regarding employee share based payment is as below:

Particulars	Grant III		Grant IV		Grant V			Grant VI			Grant VII			Grant VIII	
	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2
Additional expense had the Company recorded the ESOP Expense based on fair value of the options*	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2012-13	2011-12	2012-13	2012-13	2011-12	2012-13	2012-13	2012-13
	-	-	-	-	-	-	-	-	-	-	10.40	5.25	12.29	-	-

Particulars	Grant III		Grant IV		Grant V			Grant VI			Grant VII			Grant VIII	
	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2
Additional expense had the Company recorded the ESOP Expense based on fair value of the options*	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2012-13	2011-12	2012-13	2012-13	2011-12	2012-13	2012-13	2012-13
	-	-	-	-	-	-	-	-	-	-	0.18	0.46	0.23	-	-

*Net of amount attributable to the employees of the subsidiaries Rs. 2.98 Million (Previous year Rs. 8.70 Million).

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

	Year ended March 31, 2013 (Rs. Million)	Year ended March 31, 2012 (Rs. Million)
27 OTHER EXPENSES		
Equipment Hiring	181.28	133.77
Royalties	15.92	34.62
Freight and Cartage	47.32	54.93
Rent (net of recoveries)	380.07	411.66
Rates and Taxes	3.25	3.36
Power & Fuel	93.03	94.43
Communication	102.49	95.33
Legal and Professional (Refer Note 28 below)	90.79	113.61
Traveling and Conveyance	249.49	270.56
Provision for Doubtful Debts	56.34	52.61
Provision for Doubtful Advances	10.22	0.59
Advances Written off	-	0.11
Insurance	6.77	9.68
Repairs and Maintenance		
- Plant and Machinery	21.09	18.04
- Buildings	2.40	1.67
- Others	59.46	53.61
Consumables	95.18	139.23
Loss on Sale of Fixed Assets (Net)	2.83	-
Loss on Foreign Currency Translation and Transaction (Net)	12.57	-
Security and Administration Services	41.39	51.77
Bank Charges	16.72	15.36
Marketing & Advertising Expenses	469.14	540.54
Discounts & Rebates	75.75	112.88
Sundry Expenses	31.22	34.14
	2,064.72	2,242.50
28 PAYMENT TO AUDITORS		
	Year ended March 31, 2013 (Rs. Million)	Year ended March 31, 2012 (Rs. Million)
As auditor	7.13	7.13
For other services	0.71	0.23
For reimbursement of expenses (including service tax)	1.89	1.37
	9.73	8.73
29 FINANCE COSTS		
	Year ended March 31, 2013 (Rs. Million)	Year ended March 31, 2012 (Rs. Million)
Interest Expense	166.51	217.69
Other Borrowing Costs	-	0.21
	166.51	217.90

30 EXCEPTIONAL ITEMS	(Rs. Million)	
	Year ended March 31, 2013	March 31, 2012
Income:		
Dividend Income from Subsidiary	-	1,277.38
Expenses:		
Provision for Doubtful Debts	38.91	(247.43)
Performance Linked Incentive	(36.99)	(28.90)
Service Tax (including interest)	-	(35.63)
Provision for Doubtful Advances	-	(6.21)
Provision for Investment & Doubtful Loan	-	(40.20)
Donations	-	(62.50)
	<u>1.92</u>	<u>856.51</u>

- (i) During the previous year, the Company received a dividend of Rs. 1,277.38 Million from its subsidiary NIIT (USA) Inc., USA upon the sale of Element K Corporation, USA, a step down erstwhile subsidiary of NIIT (USA) Inc., USA.
- (ii) Provision for doubtful debts comprises provision made in respect of dues from government and other customers aggregating to Rs. 247.43 Million during the previous year. The Company has realised an amount of Rs. 38.91 Million against the provision made in the previous year which has been reversed during the year.
- (iii) During the year, the Company has paid an amount of Rs. 36.99 Million (Previous year Rs. 28.90 Million) towards variable compensation as additional incentive on account of profits earned from the sale of step down erstwhile subsidiary Element K Corporation, USA.
- (iv) Service tax on rent represents amounts provided by the Company in respect of landlords who have not claimed service tax on rent on their immovable property given on lease. In view of the decisions of Honorable High Courts of Delhi, Mumbai & Chennai, these amounts were provided for during the previous financial year.
- (v) Due to losses in its subsidiary, Hole-in-the-Wall Education Limited, the Company had made provision aggregating to Rs. 29.70 Million for loans, Rs. 10.50 Million in respect of carrying value of investment in the subsidiary during the previous financial year.
- (vi) During the previous year the Company has contributed an amount of Rs. 62.50 Million towards donations in the corpus of The NIIT Institute of Information Technology, a society registered under the Societies Registration Act, 1860 which was within the overall limits approved by the shareholders.

31. CIF VALUE OF IMPORTS		(Rs. Million)
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Purchase of Traded Goods	201.13	291.04
Capital Goods	31.36	10.82

32. EXPENDITURE IN FOREIGN CURRENCY (Net of taxes)		(Rs. Million)
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Employees Benefits Expense	69.10	67.17
Professional and Technical Outsourcing Expense	167.58	151.80
Legal & Professional	7.85	14.01
Traveling and Conveyance	28.78	55.71
Others	34.72	21.35

33. DIVIDEND REMITTED IN FOREIGN CURRENCY

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Number of Non-residents to whom dividend is paid (Nos.)	2	2
Number of Shares held by Non-residents (Nos.)	97,806	97,806
Amount remitted (Rs. Million)	0.16	0.15
Year to which the dividend relates (Financial Year)	2011-12	2010-11

34. EARNINGS IN FOREIGN CURRENCY
(Rs. Million)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Export of Services & Products	1,148.97	1,311.43
Interest (Net of Taxes)	-	5.43
Recovery from Overseas Subsidiaries	79.56	134.79
Sale of Fixed Assets	-	252.40
Dividend Income (Net of Taxes)	241.16	1,085.77

35. EARNINGS PER SHARE

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Profit attributable to Equity Shareholders (Rs. Million) - (A)	11.57	962.54
Weighted average number of Equity Shares outstanding during the year (Nos.) - (B)	165,095,597	165,095,597
Nominal Value of Equity Shares (Rs.)	2/-	2/-
Basic Earnings per Share (Rs.) (A/B)	0.07	5.83
Add : Effect of Potential Dilutive Shares (being employee stock options) (Nos.)	83,680	-
Weighted average shares outstanding considered for determining Diluted Earnings per Share (Nos.) - (C)	165,179,277	165,095,597
Profit after considering increased earnings of Dilutive Shares (Rs. Million) (D)	11.57	962.54
Diluted Earnings per Share (Rs.) (D/C)	0.07	5.83

EARNINGS PER SHARE {had fair value method been employed for accounting of employee stock options (Refer Note 26)}

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Profit attributable to Equity Shareholders (Rs. Million) -(E)	5.75	937.95
Profit attributable to Equity Shareholders with diluted equity shares (Rs. Million) -(F)	5.75	937.95
Basic Earnings per Share (Rs.) (E/B)	0.03	5.68
Diluted Earnings per Share (Rs.) (F/C)	0.03	5.68

36 RELATED PARTY TRANSACTIONS AS PER ACCOUNTING STANDARD 18:

A. Related party relationship where control exists:

Subsidiaries

- 1 NIIT Online Learning Limited
- 2 Hole-in-the-Wall Education Limited
- 3 Scantech Evaluation Services Limited
- 4 NIIT Yuva Jyoti Limited (w.e.f. May 25, 2011)
- 5 NIIT Institute of Finance Banking and Insurance Training Limited
- 6 NIIT Institute of Process Excellence Limited
- 7 Evolv Services Limited
- 8 NIIT Limited, UK
- 9 NIIT Antilles NV, Netherlands Antilles
- 10 NIIT Malaysia Sdn. Bhd, Malaysia
- 11 NIIT GC Limited, Mauritius
- 12 NIIT China (Shanghai) Limited, Shanghai, China
- 13 NIIT Wuxi Service Outsourcing Training School, China
- 14 Chongqing NIIT Education Consulting Limited, China
- 15 Wuxi NIIT Information Technology Consulting Limited, China
- 16 Changzhou NIIT Information Technology Consulting Limited, China
- 17 Su Zhou NIIT Information Technology Consulting Limited, China
- 18 NIIT (USA) Inc., USA
- 19 NIIT Ventures Inc., USA
- 20 Element K Corporation, USA (ceased to be subsidiary company w.e.f. October 14, 2011)
- 21 Element K India Private Limited, India (ceased to be subsidiary company w.e.f. October 14, 2011)
- 22 Element K (UK) Limited, United Kingdom (ceased to be subsidiary company w.e.f. October 14, 2011)
- 23 Element K, Canada (ceased to be subsidiary company w.e.f. October 14, 2011)
- 24 PT NIIT Indonesia, Indonesia (Under liquidation)
- 25 NIIT West Africa Limited, Nigeria (w.e.f April 1, 2011)
- 26 Qingdao NIIT Information Technology Company Limited (w.e.f. May 14, 2012), China
- 27 Chongqing An Dao Education Consulting Limited (w.e.f. June 5, 2012), China
- 28 Zhangjiagang NIIT Information Services Limited (w.e.f. September 1, 2012), China
- 29 Chengmai NIIT Information Technology Company Limited (w.e.f. December 19, 2012), China

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

a) Associates (Parties in which Company has substantial interest)

1. NIIT Technologies Limited
2. NIIT GIS Limited
3. NIIT Smart Serve Limited

b) Key Managerial Personnel

1. Rajendra S Pawar (Chairman and Managing Director)
2. Vijay K Thadani (Chief Executive Officer and Whole-time Director)
3. P Rajendran (Chief Operating Officer and Whole-time Director)

c) Relatives of Key Managerial Personnel

1. Renuka Thadani (Wife of Vijay K Thadani)
2. Veena Oberoi (Sister of Vijay K Thadani)

d) Parties in which the Key Managerial Personnel of the Company are interested

1. NIIT Institute of Information Technology
2. NIIT Foundation (formerly known as NIIT Education Society)
3. Pace Industries Private Limited
4. NIIT Network Services Limited

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

(Rs. Million)

Nature of Transactions	Subsidiaries	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel	Parties in which Key Managerial Personnel of the Company are interested	Total
Purchase of Goods {Footnote (ii)}	9.66 (11.91)	- (0.38)	- (-)	- (-)	- (0.05)	9.66 (12.34)
Sale of Goods {Footnote (iii)}	0.91 (1.10)	- (0.02)	- (-)	- (-)	0.16 (1.03)	1.07 (2.15)
Purchase of Fixed Assets (including services received for development of intangible assets) {Footnote (iv)}	39.52 (17.14)	- (-)	- (-)	- (-)	- (-)	39.52 (17.14)
Sale of Fixed Assets {Footnote (v)}	- (258.68)	- (1.03)	- (-)	- (-)	- (-)	- (259.71)
Rendering of Services {Footnote (vi)}	918.71 (1,017.25)	2.31 (5.39)	- (-)	- (-)	2.30 (4.46)	923.32 (1,027.10)
Receiving of Services {Footnote (vii)}	77.97 (56.25)	2.86 (15.94)	- (-)	- (-)	0.37 (0.29)	81.20 (72.48)
Recovery of expenses from {Footnote (viii)}	50.98 (77.48)	10.59 (12.56)	- (-)	- (-)	15.13 (14.38)	76.70 (104.42)
Recovery of expenses by {Footnote (ix)}	29.34 (63.42)	23.80 (10.43)	- (-)	- (-)	1.20 (-)	54.34 (73.85)
Investments made {Footnote (x)}	27.00 (109.49)	- (-)	- (-)	- (-)	- (-)	27.00 (109.49)
Loans Given {Footnote (xi)}	- (60.96)	- (-)	- (-)	- (-)	28.00 (15.00)	28.00 (75.96)
Loans Given Received Back {Footnote (xii)}	6.75 (227.07)	- (-)	- (-)	- (-)	28.00 (15.00)	34.75 (242.07)
Loans/ Inter Corporate Deposits Taken {Footnote (xiii)}	175.50 (127.00)	- (-)	- (-)	- (-)	- (-)	175.50 (127.00)
Repayment of Loan/ Inter Corporate Deposits taken {Footnote (xiv)}	158.10 (116.50)	- (-)	- (-)	- (-)	- (-)	158.10 (116.50)
Interest Income {Footnote (xv)}	3.61 (15.42)	- (-)	- (-)	- (-)	0.68 (0.47)	4.29 (15.89)
Interest expenditure {Footnote (xvi)}	15.63 (14.34)	- (-)	- (-)	- (-)	- (-)	15.63 (14.34)
Remuneration {Footnote (xvii)}	- (-)	- (-)	22.14 (68.62)	- (-)	- (-)	22.14 (68.62)
Other Expenses {Footnote (xviii)}	- (-)	- (-)	- (-)	1.66 (1.66)	0.66 (63.16)	2.32 (64.82)
Other Income {Footnote (xix)}	108.71 (120.90)	- (-)	- (-)	- (-)	0.21 (-)	108.92 (120.90)
Dividend Income {Footnote (xx)}	470.02 (1,277.38)	- (-)	- (-)	- (-)	- (-)	470.02 (1,277.38)
Provision for Doubtful Debts and Advances {Footnote (xxi)}	4.13 (8.95)	- (-)	- (-)	- (-)	- (-)	4.13 (8.95)
Guarantees and Collaterals {Footnote (xxii)}	1.00 (679.21)	- (-)	- (-)	- (-)	- (-)	1.00 (679.21)

Footnotes:-

i) Previous year figures are given in parenthesis.

ii) Includes Purchase of Goods from:

NIIT (USA) Inc. Rs. Nil (Previous year Rs. 2.77 Million)

Evolv Services Limited Rs. 3.27 Million (Previous year Rs. Nil)

Hole-in-the-Wall Education Limited Rs. 1.86 Million (Previous year Rs. 2.46 Million)

NIIT Institute of Finance Banking and Insurance Training Limited Rs. 4.27 Million (Previous year Rs. 5.18 Million)

NIIT Institute of Process Excellence Limited Rs. 0.26 Million (Previous year Rs. 1.49 Million)

iii) Includes Sale of Goods to:

NIIT Institute of Information Technology Rs. Nil (Previous year Rs. 1.03 Million)

NIIT Institute of Finance Banking and Insurance Training Limited Rs. Nil (Previous year Rs. 0.27 Million)

NIIT Yuva Jyoti Limited Rs. 0.91 Million (Previous year Rs. 0.19 Million)

NIIT Foundation Rs. 0.16 Million (Previous year Rs. Nil)

NIIT Technologies Limited Rs. Nil (Previous year Rs. 0.02 Million)

NIIT Antilles NV, Netherlands Antilles Rs. Nil (Previous year Rs. 0.64 Million)

iv) Includes Purchase of Fixed Assets (including services received for development of intangible assets) from:

NIIT (USA) Inc. Rs. 39.52 Million (Previous year Rs. 14.71 Million)

NIIT Institute of Process Excellence Limited Rs. Nil (Previous year Rs. 2.43 Million)

v) Includes Sale of Fixed Assets to:

NIIT Technologies Limited Rs. Nil (Previous year Rs. 1.03 Million)

NIIT (USA) Inc. Rs. Nil (Previous year Rs. 252.40 Million)

vi) Includes Rendering of Services to:

NIIT (USA) Inc. Rs. 750.28 Million (Previous year Rs. 617.73 Million)

NIIT Antilles NV, Netherlands Antilles Rs. 70.34 Million (Previous year Rs. 273.02 Million)

NIIT Limited, UK Rs. 85.75 Million (Previous year Rs. 102.67 Million)

NIIT Technologies Limited Rs. 2.31 Million (Previous year Rs. 5.39 Million)

NIIT Institute of Finance Banking and Insurance Training Limited Rs. 7.68 Million (Previous year Rs. 9.44 Million)

vii) Includes Receiving of Services from:

NIIT (USA) Inc. Rs. 10.15 Million (Previous year Rs. 9.96 Million)

NIIT GIS Limited Rs. Nil (Previous year Rs. 1.17 Million)

NIIT Smart Serve Limited Rs. 2.79 Million (Previous year Rs. 14.33 Million)

Evolv Services Limited Rs. 22.44 Million (Previous year Rs. 23.33 Million)

NIIT Institute of Finance Banking and Insurance Training Limited Rs. 3.83 Million (Previous year Rs. 9.73 Million)

NIIT Institute of Process Excellence Limited Rs. 12.73 Million (Previous year Rs. 10.23 Million)

NIIT Limited, UK Rs. 23.89 Million (Previous year Rs. Nil)

viii) Includes Recovery of Expenses from:

Hole-in-the-Wall Education Limited Rs. 4.43 Million (Previous year Rs. 4.27 Million)

NIIT (USA) Inc. Rs. 6.94 Million (Previous year Rs. 42.99 Million)

NIIT Institute of Finance Banking and Insurance Training Limited Rs. 24.92 Million (Previous year Rs. 19.23 Million)

NIIT Technologies Limited Rs. 9.61 Million (Previous year Rs. 10.30 Million)

NIIT GIS Limited Rs. 0.85 Million (Previous year Rs. 2.01 Million)

NIIT Institute of Information Technology Rs. 13.43 Million (Previous year Rs. 14.38 Million)

NIIT Institute of Process Excellence Limited Rs. 1.13 Million (Previous year Rs. 1.44 Million)

NIIT Yuva Jyoti Limited Rs. 10.79 Million (Previous year Rs. 7.86 Million)

ix) Includes Recovery of Expenses by:

NIIT Technologies Limited Rs. 23.80 Million (Previous year Rs. 10.43 Million)

NIIT (USA) Inc. Rs. 20.68 Million (Previous year Rs. 19.59 Million)

NIIT Limited, UK Rs. Nil (Previous year Rs. 43.55 Million)

NIIT Institute of Finance Banking and Insurance Training Limited Rs. 7.83 Million (Previous year Rs. Nil)

x) Represents Investments made in:

NIIT Institute of Process Excellence Limited Rs. Nil (Previous year Rs. 30.00 Million)

NIIT Yuva Jyoti Limited Rs. 27.00 Million (Previous year Rs. 79.49 Million)

xi) Loans Given relates to:

NIIT (USA) Inc. Rs. Nil (Previous year Rs. 36.71 Million)

NIIT Institute of Information Technology Rs. 25.00 Million (Previous year Rs. 15.00 Million)

NIIT Foundation Rs. 3.00 Million (Previous year Rs. Nil)

Evolv Services Limited Rs. Nil (Previous year Rs. 6.75 Million)

NIIT Institute of Process Excellence Limited Rs. Nil (Previous year Rs. 17.50 Million)

xii) Loans Given Received Back relates to:

NIIT (USA) Inc. Rs. Nil (Previous year Rs. 146.57 Million)

NIIT Foundation Rs. 3.00 Million (Previous year Rs. Nil)

NIIT Institute of Information Technology Rs. 25.00 Million (Previous year Rs. 15.00 Million)

Evolv Services Limited Rs. 6.75 Million (Previous year Rs. 15.50 Million)

NIIT Institute of Process Excellence Limited Rs. Nil (Previous year Rs. 32.50 Million)

NIIT Institute of Finance Banking and Insurance Training Limited Rs. Nil (Previous year Rs. 26.00 Million)

xiii) Loans/ Inter Corporate Deposits Taken from:

Scantech Evaluation Services Limited Rs. 175.50 Million (Previous year Rs. 127.00 Million)

xiv) Repayment of Loans/ Inter Corporate Deposits taken:

Scantech Evaluation Services Limited Rs. 158.10 Million (Previous year Rs. 116.50 Million)

xv) Interest Income from:

NIIT (USA) Inc. Rs. Nil (Previous year Rs. 5.89 Million)

Hole-in-the-Wall Education Limited Rs. 3.49 Million (Previous year Rs. 3.60 Million)

Evolv Services Limited Rs. 0.12 Million (Previous year Rs. 2.09 Million)

NIIT Institute of Information Technology Rs. 0.53 Million (Previous year Rs. 0.47 Million)

NIIT Institute of Finance Banking and Insurance Training Limited Rs. Nil (Previous year Rs. 1.53 Million)

NIIT Institute of Process Excellence Limited Rs. Nil (Previous year Rs. 2.31 Million)

xvi) Interest Expenditure includes:

Scantech Evaluation Services Limited Rs. 15.63 Million (Previous year Rs. 14.34 Million)

xvii) Includes transactions for the year mainly with:

Rajendra S Pawar Rs. 6.14 Million (Previous year Rs. 15.16 Million)

Vijay K Thadani Rs. 9.70 Million (Previous year Rs. 30.80 Million)

P Rajendran Rs. 6.31 Million (Previous year Rs. 22.66 Million)

xviii) Other Expenses includes:

- Renuka Thadani Rs. 1.00 Million (Previous year Rs. 1.00 Million)
- Veena Oberoi Rs. 0.66 Million (Previous year Rs. 0.66 Million)
- Pace Industries Private Limited Rs. 0.66 Million (Previous year Rs. 0.66 Million)
- NIIT Institute of Information Technology Rs. Nil (Previous year Rs. 62.50 Million)

xix) Other Income includes:

- NIIT (USA) Inc. Rs. 7.07 Million (Previous year Rs. 10.03 Million)
- NIIT Antilles NV, Netherlands Antilles Rs. 71.37 Million (Previous year Rs. 91.24 Million)
- NIIT Institute of Finance Banking and Insurance Training Limited Rs. 15.61 Million (Previous year Rs. 11.22 Million)
- NIIT Institute of Information Technology Rs. 0.21 Million (Previous year Rs Nil)
- NIIT Institute of Process Excellence Limited Rs.4.30 Million (Previous year Rs. 3.80 Million)
- NIIT Limited, UK Rs. 1.11 Million (Previous year Rs. 1.29 Million)
- Hole-in-the-Wall Education Limited Rs. 1.33 Million (Previous year Rs.1.08 Million)

xx) Dividend Income includes:

- Scantech Evaluation Services Limited Rs. 186.31 Million (Previous year Rs. Nil)
- NIIT (USA) Inc. Rs. 283.71 Million (Previous year Rs. 1,277.38 Million)

xxi) Provision for Doubtful Debts and Advances includes:

- Hole-in-the-Wall Education Limited Rs. 4.13 Million (Previous year Rs. 8.95 Million)

xxii) Guarantees and Collaterals:

- NIIT Institute of Finance Banking and Insurance Training Limited Rs. Nil (Previous year Rs. 10.00 Million)
- Hole-in-the-Wall Education Limited Rs. 1.00 Million (Previous year Rs. 20.00 Million)
- NIIT (USA) Inc Rs. Nil (Previous year Rs. 559.57 Million)
- Evolv Services Limited Rs. Nil (Previous year Rs. 10.00 Million)
- NIIT Yuva Jyoti Limited Rs. Nil (Previous year Rs. 79.64 Million)

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

(Rs. Million)

Particulars	As at March 31, 2013		As at March 31, 2012	
	Recoverable	Payables	Recoverable	Payables
Subsidiaries	305.00	536.58	409.82	757.98
Associates	2.18	15.69	7.45	2.18
Key Managerial Personnel	-	8.42	-	28.90
Parties in which Key Managerial Personnel of the Company are interested	17.03	6.61	16.33	1.78

(Rs. Million)

Particulars	As at March 31, 2013		As at March 31, 2012	
	Advances from customer	Guarantees & Collaterals Outstanding	Advances from customer	Guarantees & Collaterals Outstanding
Subsidiaries	243.54	717.77	607.76	679.21

- 37 The Company internally develops software tools, platforms and content/ courseware. The management estimates that this would result in enhanced productivity and offer more technology based learning products/ solutions to the customers in future. The Company is confident of its ability to generate future economic benefits out of the abovementioned assets. The costs incurred during the year towards the development are as follows:

(Rs. Million)

Description	Year ended March 31, 2013	Year ended March 31, 2012
Salary and other Employee Benefits	99.40	135.94
Professional & Technical Outsourcing Expense	54.54	29.91
Premises Cost	13.13	14.68
Other Expenses	9.66	6.63
Total	176.73	187.16

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

(Rs. Million)

Name of Company	Outstanding		Maximum Balance during the year	
	As at March 31, 2013	As at March 31, 2012	2012-13	2011-12
Hole-in-the-Wall Education Limited	29.70	29.70	29.70	36.20
NIIT Institute of Finance Banking and Insurance Training Limited	-	-	-	26.00
Evolv Services Limited	-	6.75	6.75	21.25
NIIT (USA) Inc.	-	-	-	147.24
NIIT Institute of Information Technology	-	-	25.00	15.00
NIIT Foundation	-	-	3.00	-
NIIT Institute of Process Excellence Limited	-	-	-	32.50
Total	29.70	36.45	64.45	278.19

39 SEGMENT INFORMATION

Primary Segment Information – Business Segment

The sub businesses are fully aligned to global learning business of the Company and the same are being viewed by the management as a single primary segment, i.e. learning business segment.

Secondary Segment Information – Geographical

The secondary segment information in relation to the geographies is as follows:

(Rs. Million)

Particulars	Revenue from customers by location of customers	Carrying amount of segment assets by location of the assets	Additions to fixed assets
India	4,962.89 (5,736.54)	9,113.90 (9,187.07)	646.14 (1,121.16)
America	768.63 (907.94)	- (-)	- (-)
Europe	363.28 (314.79)	- (-)	- (-)
Asia Pacific	319.87 (422.01)	18.35 (5.70)	- (1.40)
Total	6,414.67 (7,381.28)	9,132.25 (9,192.77)	646.14 (1,122.56)

Previous year figures are given in parenthesis.

40 LEASES
a) Operating Leases:

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

(Rs. Million)

Particulars	Minimum lease payments	
	As at March 31, 2013	As at March 31, 2012
Not later than 1 year	78.46	81.98
Later than 1 year but not later than 5 years	128.23	206.69

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

(Rs. Million)

Particulars	Minimum lease payments	
	Year ended March 31, 2013	Year ended March 31, 2012
In respect of Premises*	367.57	397.87
In respect of Equipments**	156.12	123.30
In respect of Vehicles	18.39	15.40

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

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

iii. Details of Fixed Assets given on Operating Lease:

(Rs. Million)

Description of Assets	As at March 31, 2013			As at March 31, 2012		
	Gross Value	Accumulated Depreciation	Net Book Value	Gross Value	Accumulated Depreciation	Net Book Value
Buildings	32.24	9.97	22.27	32.24	9.44	22.80

The aggregate depreciation charged on the above assets during the year is Rs. 0.53 Million (Previous year Rs. 0.52 Million)

b) Finance Leases:

i. Assets acquired under finance lease comprise of Plant & Machinery, Office equipment, Furniture & Fixtures and Software. There are no exceptional/ restrictive covenants in the lease agreements.

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

(Rs. Million)

Particulars	Minimum lease payments		Present value of lease payments	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Not later than 1 year	31.77	30.25	26.74	22.39
Later than 1 year but not later than 5 years	27.56	59.33	25.61	51.94

(Rs. Million)

Particulars	As at March 31, 2013	As at March 31, 2012
Minimum Lease Payments	59.33	89.58
Less : Finance Charges	6.98	15.25
Present Value of Lease Payments	52.35	74.33

41 Derivative Instruments

a) During the year, the Company has taken currency and interest rate swap to hedge the currency and interest rate risk in respect of foreign currency term loan for the entire tenure of the loan. The interest rate has been fully hedged at a fixed rate of 11% p.a.

b) The following table summarises the movement in the derivative during the current year:

Particulars	(USD Million)	(Rs. Million)
Opening balance as at beginning of the year	-	-
Additions during the current year	12	650.40
Matured during the year	-	-
Closing balance as at the end of the year	12	650.40

c) Mark to mark loss provided for Rs. 30.70 Million as at March 31, 2013 has been charged to Hedging Reserve in the Balance Sheet.

d) The Company has the following Unhedged foreign currency exposure as at March 31, 2013:

Particulars	Currency	As at March 31, 2013		As at March 31, 2012	
		Amount in respective currency (Million)	Amount (Rs. Million)	Amount in respective currency (Million)	Amount (Rs. Million)
Trade Receivables	AUD	0.00	0.03	0.00	0.03
	CNY	-	-	0.02	0.17
	EUR	0.11	7.83	0.08	5.46
	GBP	0.41	34.05	1.04	84.61
	MYR	0.01	0.19	0.01	0.18
	SGD	0.03	1.17	0.02	0.95
	USD	1.84	99.84	7.46	379.59
	ZAR	0.01	0.03	-	-
Trade Payables	AUD	0.03	1.87	0.00	0.18
	EUR	0.01	0.46	0.00	0.22
	GBP	0.05	3.94	0.11	9.35
	MYR	0.01	0.19	0.00	0.03
	NOK	2.98	27.72	1.50	13.38
	NZD	0.00	0.03	-	-
	SGD	0.03	1.29	0.00	0.07
	USD	1.91	103.45	1.89	96.28
	JPY	-	-	0.08	4.53
	CNY	0.01	0.12	-	-

42 Previous year figures have been reclassified to conform the current year classification. Reclassification of previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

Signatures to Notes '1' to '42' of these Financial Statements.

For and on behalf of the Board

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

Rajendra S Pawar
Chairman & Managing Director
DIN – 00042516

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

Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Officer

Rohit Kumar Gupta
Chief Financial Officer

Rajesh Arora
Company Secretary

Place : Gurgaon
Date : May 23, 2013

To the Board of Directors of NIIT Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of NIIT Limited ("the Company") and its subsidiaries and associate company; hereinafter referred to as the "Group" (refer Note [2.1] 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 and Accounting Standard (AS) 23 – Accounting for Investments in Associates in 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 auditors on separate financial statements 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 Matters

8. We did not audit the financial statements of 21 subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 1,491 million and net assets of Rs. 885 million as at March 31, 2013, total revenue of Rs. 1,520 million, net loss before tax of Rs. 57 million and net cash outflows amounting to Rs. 201 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 Price Waterhouse
Firm Registration No. : 301112E
Chartered Accountants

Usha Rajeev
Partner

Membership Number 087191

Place : Gurgaon
Date : May 23, 2013

CONSOLIDATED BALANCE SHEET as at March 31, 2013

	Note	As at March 31, 2013 (Rs. Million)	As at March 31, 2012 (Rs. Million)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	330.20	330.20
Reserves and Surplus	4	6,346.76	6,290.02
		<u>6,676.96</u>	<u>6,620.22</u>
Minority Interest	5	49.41	38.93
Non-Current Liabilities			
Long-Term Borrowings	6	1,102.25	833.32
Other Long-Term Liabilities	9	131.67	140.91
Long-Term Provisions	10	259.71	170.19
		<u>1,493.63</u>	<u>1,144.42</u>
Current Liabilities			
Short-Term Borrowings	7	20.12	29.00
Trade Payables	8	1,840.75	2,038.36
Other Current Liabilities	9	1,576.82	1,011.24
Short-Term Provisions	10	425.45	699.73
		<u>3,863.14</u>	<u>3,778.33</u>
TOTAL		<u>12,083.14</u>	<u>11,581.90</u>
ASSETS			
Non-Current Assets			
Fixed assets	11		
-Tangible Assets		1,336.53	1,567.77
-Intangible Assets		867.62	712.87
-Capital Work-in-Progress		0.66	2.63
-Intangible Assets under Development		124.01	173.27
Non-Current Investments	12	2,357.45	1,949.91
Deferred Tax Assets (net)	13	152.98	66.91
Long-Term Loans and Advances	14	566.27	647.84
Trade Receivables	15	369.60	361.96
Other Non-Current Assets	17	167.57	335.52
		<u>5,942.69</u>	<u>5,818.68</u>
Current Assets			
Current Investments	12	4.21	4.54
Inventories	18	95.67	118.82
Trade Receivables	15	3,699.11	3,569.94
Cash and Bank Balances	19	1,058.03	997.32
Short-Term Loans and Advances	14	682.09	520.64
Other Current Assets	17	601.34	551.96
		<u>6,140.45</u>	<u>5,763.22</u>
TOTAL		<u>12,083.14</u>	<u>11,581.90</u>

The accompanying Notes form an integral part of these Consolidated Financial Statements.
This is the Consolidated Balance Sheet referred to in our report of even date.

For and on behalf of the Board

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

Rajendra S Pawar
Chairman & Managing Director
DIN - 00042516

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

Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Officer

Rohit Kumar Gupta
Chief Financial Officer

Rajesh Arora
Company Secretary

Place : Gurgaon
Date : May 23, 2013



CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2013

	Note	Year ended March 31, 2013 (Rs. Million)	Year ended March 31, 2012 (Rs. Million)
INCOME			
Revenue from Operations	24	9,607.98	12,602.79
Other Income [includes prior period income Rs. 21.56 Million (Previous year Rs. Nil)]	25	94.28	75.91
Total Revenue		9,702.26	12,678.70
EXPENSES			
Cost of Material Consumed		-	56.67
Purchase of Stock-in-Trade		1,189.23	1,607.02
(Increase)/ Decrease in Inventory	18	23.15	34.50
Employee Benefits Expense	26	2,634.46	3,189.30
Professional & Technical Outsourcing Expenses		2,418.79	2,347.04
Other Expenses	29	2,922.63	3,931.94
Finance Costs	31	155.99	244.63
Depreciation and Amortisation Expenses	11	863.74	874.42
Total Expenses		10,207.99	12,285.52
Profit/ (Loss) before Exceptional items and Tax		(505.73)	393.18
Exceptional items	32	(174.31)	1,636.42
Profit/ (Loss) before Tax		(680.04)	2,029.60
Tax expense:	13		
- Current Tax		83.96	1,188.48
- Deferred Tax		(88.84)	265.25
- MAT Credit Entitlement		(2.92)	(45.60)
- Provision for Tax relating to earlier years		(425.35)	0.40
Profit/ (Loss) after tax before Share of results of Associate's Profit and Minority Interests		(246.89)	621.07
Share of Associate's net profit		513.00	479.29
Net Loss/ (Profit) attributable to Minority		(3.53)	1.24
Profit/ (Loss) attributable to Equity shareholders		262.58	1,101.60
Earnings per equity share (Face Value Rs. 2/- each):	34		
- Basic		1.59	6.67
- Diluted		1.59	6.67

The accompanying Notes form an integral part of these Consolidated Financial Statements.
This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For and on behalf of the Board

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

Rajendra S Pawar
Chairman & Managing Director
DIN - 00042516

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

Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Officer

Rohit Kumar Gupta
Chief Financial Officer

Rajesh Arora
Company Secretary

Place : Gurgaon
Date : May 23, 2013

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2013

	Year ended March 31, 2013 (Rs. Million)	Year ended March 31, 2012 (Rs. Million)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Consolidated Profit/ (Loss) before Tax and share of Associates' profits but after Exceptional items	(680.04)	2,029.60
Add/ (Less) :		
Depreciation and Amortisation	863.74	874.42
Finance Cost	155.99	244.63
Interest Income	(58.63)	(15.19)
Loss on Fixed Assets sold	3.82	5.66
(Profit)/ Loss from Investments	(0.18)	(10.86)
Impairment of Intangibles (included in exceptional items)	-	8.71
Provision for Doubtful Debts	45.79	427.59
Bad Debts written off	0.41	-
Provision for Doubtful Advances	3.09	1.52
Provision for slow/ Non-moving Inventory	1.80	1.01
Inventory Written off	7.75	10.20
Government Grants	(2.38)	(1.56)
Advances written off	-	0.29
Liabilities/Provisions no longer required written back	(20.87)	(6.02)
Provision for Indemnity	85.25	162.78
Unrealised Foreign Exchange (Gain)/ Loss	70.54	(12.29)
Employees Stock Option Expenses	2.90	-
Profit on sale of Subsidiary	-	-
Operating profit before Working Capital Changes	1,159.02	(2,811.96)
	478.98	(1,121.07)
Movements in Working Capital:		
Increase/ (Decrease) Trade Payables	(197.61)	52.68
Increase/ (Decrease) Other Current Liabilities	388.06	462.72
Increase/ (Decrease) Other Long-Term Liabilities	(9.24)	(9.41)
Increase/ (Decrease) Provision for Gratuity & Compensated Absences	1.35	(39.50)
(Decrease)/ Increase Current Trade Receivables	(243.78)	247.13
(Decrease)/ Increase Non Current Trade Receivables	(53.43)	(1,374.98)
(Decrease)/ Increase Inventories	13.60	14.50
(Decrease)/ Increase Short-Term Loans and Advances	(92.23)	280.84
(Decrease)/ Increase Long-Term Loans and Advances	27.90	20.63
(Decrease)/ Increase Other Current Assets	(33.49)	(93.81)
(Decrease)/ Increase Other Bank Balances	(9.17)	(13.15)
(Decrease)/ Increase Other Non-current Assets	165.89	63.10
Cash generated from operations	436.83	519.28
Taxes (paid)/ refunds (including TDS)	34.81	(210.77)
Net Cash from Operating activities (A)	471.64	308.51
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including Capital Work-in-progress, Internally Developed Intangibles and Capital Advances)	(705.46)	(1,541.29)
Proceeds from sale of Fixed Assets	24.72	100.12
Sale of Mutual Funds	420.51	2,494.90
Purchase of Mutual Funds	(420.00)	(2,389.00)
Purchase of Shares in Subsidiary from Minority	-	(5.94)
Proceeds from sale of Subsidiary	-	5,357.63
Tax (paid)/ refund on sale of Subsidiary	42.04	(561.01)
Tax paid on dividend received from Subsidiary	(42.45)	(191.61)
Dividend Received	115.95	119.56
Loans given to Others	(28.00)	(15.00)
Loans given to Others received back	28.00	15.00
Interest Received	44.80	13.25
Net Cash from/ (used in) Investing activities (B)	(519.89)	3,396.61

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2013

Contd..

	Year ended March 31, 2013 (Rs. Million)	Year ended March 31, 2012 (Rs. Million)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Receipt from issue of Shares in Subsidiaries from		
Minority Shareholders	6.95	20.25
Payment of Dividend to Minority	-	(3.82)
Proceeds from Long-Term Borrowings	650.40	79.64
Repayment of Long-Term Borrowings	-	(1,632.21)
Proceeds from Short-Term Borrowings	800.00	-
Repayment of Short-Term Borrowings	(800.00)	(878.63)
Proceeds/ (Payments) relating to Cash Credits (Net)	(8.88)	11.22
Redemption of Non Convertible Debentures	(200.00)	(100.00)
Interest Paid	(155.65)	(254.34)
Dividend Paid	(263.14)	(246.85)
Dividend Tax Paid	(42.85)	(40.17)
Government Grants received during the year	8.34	-
Net Cash used in Financing activities (C)	(4.83)	(3,044.91)
Net Increase/ (Decrease) in Cash & Cash equivalents (A) + (B) + (C)	(53.08)	660.21
Adjustment of Cash & Bank Balance on sale of Subsidiary	-	(56.94)
Adjustment on account of Foreign Exchange Fluctuations	104.62	(127.39)
Cash and Cash equivalents as at the beginning of the year (Note 1)	951.22	475.34
Cash and cash equivalents as at the end of the year	1,002.76	951.22

Notes:

1. Cash and Cash Equivalents

Balance with banks		
Current Accounts	848.65	724.46
[Includes Rs. 9.12 Million (Previous year Rs. 6.56 Million) pertaining to amount earmarked for specific contract]		
Exchange Earners' Foreign Currency Account	0.04	0.87
Bank deposits with original maturity of 3 months or less	51.77	95.00
Cash on hand	13.41	13.25
Cheques, drafts on hand	88.89	117.64
	1,002.76	951.22

2. The above Consolidated Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 as notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

3. Figures in parenthesis indicate cash outgo.

4. Previous year figures, to the extent feasible, have been regrouped/ recast wherever necessary to conform to the current year's classification.

The accompanying Notes form an integral part of these Consolidated Financial Statements

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

For and on behalf of the Board

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

Rajendra S Pawar
Chairman & Managing Director
DIN - 00042516

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

Usha Rajeev
Partner
Membership No. 087191
Place : Gurgaon
Date : May 23, 2013

Ashok Arora
Group Chief Financial Officer

Rohit Kumar Gupta
Chief Financial Officer

Rajesh Arora
Company Secretary



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2013

1 CORPORATE INFORMATION

NIIT is a global talent development company which was set up in 1981. NIIT ('the Company') currently offers learning and knowledge solutions across globe to Individuals, Enterprises and Institutions, in Information Technology, Business Process Outsourcing, Banking Finance and Insurance, Executive Management Education, School Education, Communication & Professional Life Skills and Vocational Skills Training.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Principles of consolidation

- (i) **Subsidiaries:** Subsidiaries are consolidated from the date on which control is transferred to the group and are not consolidated from the date that control ceases. The financial statements of the Company and its subsidiaries have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Intra-group balances and intra-group transactions and resulting unrealised profits have been eliminated.

Details of subsidiaries, which have been considered in these consolidated accounts are as follows:

Name of Company	Percentage of ownership interest		Country of incorporation
	As at March 31, 2013	As at March 31, 2012	
1. Hole-in-the-Wall Education Limited	99.99	99.99	India
2. NIIT Institute of Finance Banking and Insurance Training Limited	79.60	79.60	India
3. Scantech Evaluation Services Limited	100	100	India
4. NIIT Online Learning Limited	90	90	India
5. Evolv Services Limited	100	100	India
6. NIIT Institute of Process Excellence Limited	75	75	India
7. NIIT Yuva Jyoti Limited (w.e.f. May 25, 2011)	90	90	India
8. NIIT (USA) Inc, USA	100	100	United States
9. NIIT Ventures Inc, USA	100	100	United States
10. NIIT Limited, UK	100	100	United Kingdom
11. NIIT Antilles NV	100	100	Netherlands Antilles
12. NIIT Malaysia Sdn. Bhd	100	100	Malaysia
13. NIIT GC Limited (formerly NIIT TVE Limited)	100	100	Mauritius
14. NIIT China (Shanghai) Limited	100	100	China
15. NIIT WuXi Service Outsourcing Training School	60	60	China
16. WuXi NIIT Information Technology Consulting Limited	60	60	China
17. Chongqing NIIT Education Consulting Limited	60	60	China
18. Changzhou NIIT Information Technology Consulting Limited	60	60	China
19. Su Zhou NIIT Information Technology Consulting Limited	60	60	China
20. PT NIIT Indonesia (Under Liquidation)	100	100	Indonesia
21. Element K Corporation, USA (ceased to be subsidiary company w.e.f. October 14, 2011)*	100	100	United States
22. Element K India Private Limited, India (ceased to be subsidiary company w.e.f. October 14, 2011)*	100	100	India
23. Element K (UK) Limited, United Kingdom (ceased to be subsidiary company w.e.f. October 14, 2011)*	100	100	United Kingdom
24. Element K, Canada (ceased to be subsidiary company w.e.f. October 14, 2011)*	100	100	Canada
25. NIIT West Africa Limited	100	100	Nigeria
26. Qingdao NIIT Information Technology Company Limited (w.e.f. May 14, 2012)	100	NA	China
27. Chongqing An Dao Education Consulting Limited (w.e.f. June 05, 2012)	65	NA	China
28. Zhangjiagang NIIT Information Services Limited (w.e.f. September 01, 2012)	60	NA	China
29. Chengmai NIIT Information Technology Company Limited (w.e.f. December 19, 2012)	100	NA	China

* Accounts were consolidated till October 14, 2011 i.e. date of sale in Previous year (Refer Note 48).

- (ii) **Associates:** Investments in associate companies have been accounted for by using the equity method of accounting whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee.

The details of associate companies (companies over which the Company exercises significant influence, which have been consolidated on "Equity Method") are as follows: (Reporting date used for consolidation :- March 31, 2013)

Name of Associate Company	NIIT Technologies Limited and its subsidiaries Description of Business :- Software	
	As at March 31, 2013	As at March 31, 2012
Percentage of ownership interest and voting power	24.06%	24.30%
Cost of Investment (Rs. Million)	97.50	97.50

Reference in these consolidated financial statements to "the Group" shall mean to include NIIT Limited, its subsidiaries and associate, consolidated in these financial statements, unless otherwise stated.

2.2 Basis of preparation of consolidated financial statements

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

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

2.3 Other significant accounting policies adopted by the Group are detailed below:

i) Tangible Fixed Assets and Depreciation

Fixed Assets are stated at acquisition cost except where they are taken over pursuant to an acquisition at a consolidated price. Individual fixed assets taken over pursuant to acquisition are recorded at their fair value on the date of acquisition based on valuation carried out by independent valuers.

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

Buildings	58 Years
Plant and Equipments including:	
- Computers, Printers and related accessories	2-5 Years
- Electronic Equipments	7-8 Years
- Air Conditioners	10 Years
Office Equipments	7-8 Years
Furniture, Fixtures & Electric Fittings	7-10 Years
Leasehold Improvements	3-5 years or lease period, whichever is lower
Assets under employee benefits scheme except vehicles	3 Years
Assets acquired under lease (Included under Plant & Equipment and Furniture & Fixtures)	Lease Period
All other assets (including Vehicles)	Rates prescribed under Schedule XIV to the Companies Act, 1956

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

ii) Intangible Fixed Assets and Amortisation

Expenses incurred on internal development of educational content and products are capitalised either individually or as a knowledge bank in the form of software, once their technical feasibility and ability to generate future economic benefits is established in accordance with the requirements of Accounting Standard 26, "Intangible Assets" as notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956. Expenses incurred during the research phase till the establishment of commercial feasibility is charged to the Consolidated Statement of Profit and Loss.

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

a) Internally Generated (Software, Contents and Products)	
- School based non - IT content	10 Years
- Others	3-5 Years
b) Acquired (Software, Contents and Products)	3-5 Years
c) Patents	3-5 Years
d) Goodwill (Other than arising on consolidation)	5 Years

Further, educational content and software are technically evaluated each year for their useful economic life and the unamortised amount of the asset is charged to Consolidated Statement of Profit and Loss as amortisation over their revised remaining useful life.

iii) Impairment of Assets

All assets other than inventories, investments and deferred tax asset are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

iv) Goodwill on Consolidation

The excess/ deficit of the cost of the investment in its subsidiaries over its share of net worth (residual interest in the assets of the subsidiaries after deducting all its liabilities) of the subsidiaries at the date of investment in the subsidiaries is treated as goodwill/ capital reserve in the consolidated financial statements. The value of Goodwill arising on consolidation is reviewed for impairment at the end of each accounting year.

v) Investments

Long-term investments are valued at their acquisition cost. Any decline in the value of the said investment, other than a temporary decline, is recognised and charged to Consolidated Statement of Profit and Loss. Short-term investments are carried at cost or market value, whichever is lower. Investments in Associates are accounted for based on "Equity Method" in accordance with provisions of Accounting Standard 23 as notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

vi) Inventories

Inventories are valued at lower of cost or net realisable value. Cost is determined using weighted average method. This also includes applicable costs incurred in bringing inventories to their present location and condition.

vii) Revenue Recognition

The revenue in respect of sale of courseware including technical information and reference material and other goods are recognised on dispatch/ delivery of the material to the customer whereas the revenue from the tuition activity is recognised over the period of the course programmes as per the terms of agreement, as the case may be.

The revenue from time and material contracts is recognised on a man month basis. In respect of fixed price contracts, including certain contracts requiring significant usage of contents capitalised as education software relating to courseware and products (Intellectual Property Rights), revenue is recognised based on the technical evaluation of utilisation of courseware and products and as per the proportionate completion method. The foreseeable losses on completion of contract, if any, are provided for.

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

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

Revenue from recruitment services is recognised on placement of candidate with the client as per the terms of the contract. Revenue from assessment of personnel is recognised on completion of the assessment as per the terms of the contract.

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

Revenue is net of discounts and applicable taxes.

viii) Other Income

- a) Dividend income is recognised when the right to receive dividend is established.
- b) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

ix) Employee Benefits**Gratuity**

The Group provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Group's liability is actuarially determined at the end of the year using projected unit credit method. Shortfall in the fund size maintained by the Trust set up by the Company with Life Insurance Corporation of India for employees of certain entities within the group is additionally provided for.

Liability for certain entities which are not funded through the Trust maintained with Life Insurance Corporation of India, is actuarially determined and provided for.

Actuarial losses/ gains are charged/ credited to the Consolidated Statement of Profit and Loss in the year in which such losses/ gains arise.

Compensated Absences

Liability in respect of compensated absences is provided for both encashable leave and those expected to be availed. The Group has defined benefit plans for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year using projected unit credit method. Any gain or loss arising out of such valuation is recognised in the Consolidated Statement of Profit and Loss as income or expense as the case may be.

Superannuation

The Group makes defined contribution, in respect of employees based in India, to the Trust established for the purpose by the Company towards superannuation fund maintained with Life Insurance Corporation of India. Contribution made during the year is charged to Consolidated Statement of Profit and Loss.

Provident Fund

The Group makes contribution to the "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" for certain entities in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is actuarially determined using projected unit credit method and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. The Company's contribution towards Provident Fund is charged to Consolidated Statement of Profit and Loss.

For employees of other entities not covered above provident fund contributions are made to the Regional Provident Fund Commissioner in accordance with the Employee Provident Fund Rules and are accounted as defined contribution plans.

Pension Fund

The Group makes defined contribution in respect of employees based in India, to a government administered pension fund. The Group's contribution towards Employee Pension Scheme is charged to Consolidated Statement of Profit and Loss.

Overseas Plans

In respect of the subsidiaries incorporated outside India, the subsidiaries make defined contributions on a monthly basis towards the respective retirement plans which are charged to Consolidated Statement of Profit and Loss. These companies have no further obligation towards the respective retirement benefits.

x) Employees Stock Option Plan (ESOP)

Equity settled stock options are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India, whereby the intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Consolidated Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expense equal to the un-amortised portion. The balance in employee stock option outstanding account, net of any un-amortised deferred employee compensation, is shown separately as part of reserves and surplus.

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

xi) Foreign Currency Transactions/ Translation

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

Foreign Currency assets/ liabilities covered by forward contracts are stated at the forward contract rate and difference between the forward rate and the exchange rate at the inception of the forward contract is recognised to the Consolidated Statement of Profit and Loss over the life of the contract except to the extent on which accounting policy on derivative instruments and hedge accounting as detailed in (xii) below.

For the purposes of consolidation, in case of subsidiaries for which operations are considered as non-integral in nature, the assets and liabilities are translated at the year-end exchange rate and income and expenditure items are translated at predetermined rates that approximate the exchange rate prevailing on the date of the transaction. The resultant translation adjustment is reflected as a separate component of Shareholders' Funds as 'Currency Translation Reserve'. Upon dissolution/ disposal of non-Indian subsidiaries, the balance in Currency Translation Reserve in relation to those subsidiaries is transferred to Consolidated Statement of Profit and Loss.

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

xii) Derivative Instruments and Hedge Accounting

In accordance with its risk management policies and procedures, the Group Company uses derivative instruments to hedge its risks associated with foreign currency fluctuations. The derivatives that qualify for hedge accounting and designated as cash flow hedges are initially measured at fair value and are remeasured at a subsequent reporting date and the changes in the fair value of the derivatives i.e. gain or loss is recognised directly in Shareholders' Funds under hedging reserve to the extent considered highly effective. Gain or loss on derivative instruments that either does not qualify for hedge accounting or not designated as cash flow hedges or designated cash flow hedges to the extent considered ineffective are recognised in the Consolidated Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires, sold, terminated, or exercised, or no longer qualifies for hedge accounting. The cumulative gain or loss on the hedging instrument recognised in Shareholder's Funds under hedging reserve is retained there until the transaction occurs subsequent to which the same is adjusted against the related transaction. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Shareholder's Fund is transferred to Consolidated Statement of Profit and Loss in the same period.

xiii) Leases

The Lease rental in respect of operating lease arrangements are charged to expense when due as per the terms of the related agreement.

Finance lease transactions are considered as financing arrangements in accordance with Accounting Standard 19 issued under section 211(3C) and the leased asset is capitalised at an amount equal to the present value of future lease payments and a corresponding amount is recognised as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to the leased asset.

xiv) Borrowing Cost

Borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which it is incurred, except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use in which case it is capitalised. Ancillary costs in connection with the arrangement of borrowings are amortised over the period of respective loan.

xv) Taxation

Tax expense comprising of both current tax and deferred tax is included in determining the net results for the year. Deferred tax reflects the effect of timing differences between the assets and liabilities recognised for financial reporting purposes and the amounts that are recognised for current tax purposes. As a matter of prudence deferred tax assets are recognised and carried forward only to the extent, there is reasonable/ virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Current tax is determined based on the provisions of the Income Tax Laws of the respective countries where such operations are domiciled. Minimum Alternate Tax (MAT) paid in excess of normal income tax is recognised as asset (MAT Credit entitlement) only to the extent, there is reasonable certainty that the Company shall be liable to pay tax as per the normal provisions of the Act in future. MAT Credit is utilised in the year when normal income tax is higher than MAT.

xvi) Prepaid Expenses

Prepaid royalties, sales commissions and referral fees are amortised over the average terms of the license or subscription matching with the related revenue.

xvii) Provisions and Contingencies

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Further, the proportionate share of contingent liabilities of associate companies are recognised as per the provisions of Accounting Standard 23 as notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

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

xviii) Earnings Per Share

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

xix) Cash and Cash Equivalents

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

	As At March 31, 2013 (Rs. Million)	As At March 31, 2012 (Rs. Million)
3 SHARE CAPITAL		
Authorised		
250,000,000 Equity Shares of Rs. 2/- each (Previous year 250,000,000 Equity Shares of Rs. 2/- each)	500.00	500.00
2,500,000 Redeemable Preference Shares of Rs.100/- each (Previous year 2,500,000 Redeemable Preference Shares of Rs.100/- each)	250.00	250.00
	750.00	750.00
Issued		
165,101,597 Equity Shares of Rs. 2/- each (Previous year - 165,101,597 Equity Shares of Rs. 2/- each)	330.20	330.20
	330.20	330.20
Subscribed and Paid-up		
165,095,597 Equity Shares of Rs. 2/- each (Previous year - 165,095,597 Equity Shares of Rs. 2/- each)	330.19	330.19
Add: Forfeited Shares (amount originally paid-up)	0.01	0.01
	330.20	330.20

3.1 Reconciliation of the number of shares outstanding

	As at			
	March 31, 2013		March 31, 2012	
	No. of shares	(Rs. Million)	No. of shares	(Rs. Million)
Equity Shares				
Shares outstanding at the beginning of the year	165,095,597	330.19	165,095,597	330.19
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	165,095,597	330.19	165,095,597	330.19

3.2 Rights, preferences and restrictions attached to shares:

Equity Shares: The Company has one class of equity shares having a par value of Rs. 2/- 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 the 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.

3.3 Shares held by each shareholder holding more than 5% shares in the Company

	As at			
	March 31, 2013		March 31, 2012	
	No. of shares	% of holding	No. of shares	% of holding
Pace Services Limited	22,557,547	13.66%	22,557,547	13.66%
Global Solutions Private Limited	21,580,980	13.07%	21,580,980	13.07%
FID Funds Mauritius Limited	10,139,408	6.14%	10,139,408	6.14%
Total	54,277,935	32.87%	54,277,935	32.87%

**3.4 Shares reserved for issue under
Employee Stock Option Plan (ESOP)**

	As at			
	March 31, 2013		March 31, 2012	
	No. of shares	(Rs. Million)	No. of shares	(Rs. Million)
Equity shares (For details refer Note 28)	3,761,216	7.52	5,355,002	10.71
Total	3,761,216	7.52	5,355,002	10.71

**3.5 Aggregate number of Equity shares issued as bonus
shares during the immediately preceding five years**

	As at	
	March 31, 2013	March 31, 2012
Allotted as fully paid up by way of bonus shares (No. of shares)	54,869,490	54,869,490
	54,869,490	54,869,490

(Rs. Million)
4 RESERVES AND SURPLUS

	As at		
	March 31, 2013	March 31, 2012	
Capital Reserve			
Opening Balance	58.58	58.60	
Add: Share in Capital Reserve of Associate	(0.02)	(0.02)	58.58
Securities Premium Reserve			
Opening Balance	557.65	547.14	
Add: Share in Share Premium of Associate	17.71	10.51	557.65
Debenture Redemption Reserve			
Opening Balance	174.92	156.19	
Less: Transferred to General Reserve	(50.00)	(25.00)	
Add: Transferred from Consolidated Statement of Profit and Loss	31.23	43.73	174.92
Employees Stock Option Outstanding			
Opening Balance	-	-	
Add: Employees Stock Option granted during the year	4.31	-	
Less: Deferred Compensation Expense	(1.41)	-	-
General Reserve (Refer footnote 1)			
Opening Balance	907.91	746.02	
Add/ (Less): Share in General Reserve of Associate	(4.61)	0.06	
Add : Transferred from Debenture Redemption Reserve	50.00	25.00	
Add : Transferred from Surplus in Consolidated Statement of Profit and Loss	21.29	136.83	907.91
Hedging Reserve Account (Debit Balance) [Refer Note 49]			
Hedging Reserve	(30.66)	(30.66)	-

		As at March 31, 2013	(Rs. Million) As at March 31, 2012
Surplus in Consolidated Statement of Profit and Loss			
Balance Brought Forward from Previous year	4,251.37		3,656.15
Add: Current year profit attributable to Shareholders	262.58		1,101.60
Less: Appropriations			
Proposed Dividend on Equity Shares	(264.16)		(264.16)
Corporate Dividend Tax on above	(44.16)		(42.85)
Transferred to General Reserve	(21.29)		(136.83)
Transferred to Debenture Redemption Reserve	(31.23)		(43.73)
Share in Corporate Dividend Tax of Associate	(19.68)	4,133.43	(18.81)
			4,251.37
Government Grant - Fund			
Opening Balance	3.03		4.59
Add: Grant received during the year	8.34		-
Less: Income recognised during the year	(2.38)	8.99	(1.56)
			3.03
Currency Translation Reserve			
Opening Balance	336.56		66.42
Add: Share in Currency Translation Reserve of Associate	17.09		56.94
Increase during the year on translation of balances	113.79	467.44	213.20
			336.56
Total Reserves and Surplus		6,346.76	6,290.02

Footnotes :

- General Reserve above represents General Reserve as per the Indian Companies Act, 1956 in respect of Indian Companies.
- General Reserve, if any, of overseas Companies are included as part of the Surplus in Consolidated Statement of Profit and Loss as it is not practical to give movement thereof.

	As at March 31, 2013 (Rs. Million)	As at March 31, 2012 (Rs. Million)
5 MINORITY INTEREST		
As per Last Balance Sheet	38.93	29.68
Add: Increase in Minority Share Capital	6.95	20.25
Less: Decrease on account of purchase from Minority	-	(5.94)
Less: Decrease in Minority Share due to payment of dividend	-	(3.82)
Add/ (Less): Minority Share in Profit/ (Loss) of Current year	3.53	(1.24)
[Minority Share of loss of the subsidiary companies in excess of their interest of Rs. 0.14 Million (Previous year Nil) has been absorbed by the Majority Shareholders]		
	49.41	38.93

(Rs. Million)

6 LONG-TERM BORROWINGS

	As at			
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Non-Current Portion		Current Maturities	
A) SECURED				
i) Non Convertible Debentures	333.34	700.00	366.66	200.00
ii) Term Loans from Banks:				
- Foreign Currency Term Loan	651.42	-	-	-
iii) Term Loans from Others	79.64	79.64	-	-
Sub Total (A)	1,064.40	779.64	366.66	200.00
B) UNSECURED				
i) Finance Lease Obligation	37.85	53.68	36.20	24.62
Sub Total (B)	37.85	53.68	36.20	24.62
Amount disclosed under the head "Other Current Liabilities" (Refer Note 9) (C)	-	-	(402.86)	(224.62)
Total (A+B+C)	1,102.25	833.32	-	-

6.1 Details of security given against Loans

- 12% Non Convertible Debentures issued to Life Insurance Corporation of India and 11.25% Non Convertible Debentures issued to Indian Overseas Bank are secured by way of first charge on pari-passu basis on the immovable and movable fixed assets of the Holding Company. The Company had maintained sufficient asset cover to discharge the principal amount of these debentures at all times during the financial year 2012-13.
- During the current year, the Holding Company has availed Foreign Currency Term Loan of USD 12 Million from Citi Bank N.A, India Branch. The loan is secured by way of company's tangible and intangible moveable fixed assets both present and future. Necessary formalities to create the security have been initiated as per the terms and conditions of the said loan. The rate of interest on the loan is LIBOR with the margin of 2.2%.
- Term Loan from others comprises loan availed by NIIT Yuva Jyoti Limited from National Skill Development Corporation ("NSDC") and is secured by first charge on both present and future acquired assets comprising of movable fixed assets, book debts, receivables and the balance lying to the credit of designated bank accounts including without limitation all movable plant and machinery, capital equipment, together with its accessories, computer hardware and software, digital content, learning material electronic spares and machine spares both present and future whether installed or lying loose. The entire loan amount is also covered by a corporate guarantee from the Holding Company, NIIT Limited.

6.2 Terms of repayment

- 12% Non Convertible Debentures to Life Insurance Corporation of India amounting to Rs. 500 Million are redeemable at par as follows:

Redemption Date	(Rs. Million)
October 20, 2015	166.67
October 20, 2014	166.67
October 20, 2013	166.66
	500.00

- 11.25% Non Convertible Debentures to Indian Overseas Bank amounting to Rs. 200 Million are redeemable at par as follows:

Redemption Date	(Rs. Million)
March 17, 2014	200.00
	200.00

(iii) Foreign Currency Term Loan from Citi Bank, N.A. India Branch, is repayable as below:

Repayment Date	(Rs. Million)
March 25, 2017	217.14
September 25, 2016	217.14
April 25, 2016	217.14
	<u>651.42</u>

(iv) Term Loan from others is repayable in installments over a period of 10 years including the initial moratorium period of 5 years and 4 months i.e. upto March 31, 2017. Loan is interest free for period upto March 31, 2015 and thereafter, interest rate of 7.5% p.a. is payable on the outstanding loan amount.

(v) Finance Lease Obligation is repayable in equated monthly installments during the tenure of lease.

7 SHORT-TERM BORROWINGS	As at March 31, 2013 (Rs. Million)	As at March 31, 2012 (Rs. Million)
SECURED		
From Banks - Cash Credit	20.12	29.00
Total	<u>20.12</u>	<u>29.00</u>

7.1 Details of Security given against Loans

Cash Credit Limits are secured by hypothecation of stocks and book debts of NIIT Limited. The Group has utilised the cash credit (fund-based) limits to the extent of Rs. 20.12 Million (Previous year Rs. 29.00 Million) as at year end.

8 TRADE PAYABLES	(Rs. Million)
	As at
	March 31, 2013 March 31, 2012
	Current
- Sundry Creditors	1,840.75 2,038.36
	<u>1,840.75 2,038.36</u>

9 OTHER LIABILITIES	(Rs. Million)
	As at
	March 31, 2013 March 31, 2012 March 31, 2013 March 31, 2012
	Long-Term Liabilities Current Liabilities
Current Maturities of Long Term-Borrowings (Note 6)	- - 402.86 224.62
Interest accrued but not due on borrowings	- - 13.16 13.88
Unpaid dividends *	- - 8.00 6.98
Unclaimed fractional share payment	- - 0.10 0.10
Security Deposits Payable	1.09 1.78 - -
Deferred Revenue	2.99 5.95 81.41 57.87
Advances from Customers	103.14 133.18 565.28 356.74
Statutory Dues	- - 94.16 98.35
Derivative instrument fair value liability (Refer Note 49)	- - 30.70 -
Other Payables **	24.45 - 381.15 252.70
	<u>131.67 140.91 1,576.82 1,011.24</u>

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

** Includes capital creditors and payable to employees.

(Rs. Million)

10 PROVISIONS

	As at			
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Long-Term		Short-Term	
Provision for employee benefits (Refer note 27):				
-Provision for Gratuity	1.04	1.48	9.31	5.22
-Provision for Compensated Absences	4.89	5.93	107.82	109.08
Proposed Dividend	-	-	264.16	264.16
Provision for Corporate Dividend Tax	-	-	44.16	42.85
Provision for Indemnity	253.78	162.78	-	-
Provision for Current Tax	-	-	-	905.21
Less : Advance Tax	-	-	-	(626.79)
	259.71	170.19	425.45	699.73

(Rs. Million)

10.1 Movement in Provision for Indemnity (Refer note 48) :

	As at	
	March 31, 2013	March 31, 2012
Opening Balance	162.78	-
Additions	85.25	162.78
Effect of Currency Translation	5.75	-
Balance at the year end	253.78	162.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2013

Contd..

11 FIXED ASSETS

(Rs. Million)

Description of Assets	GROSS BLOCK					DEPRECIATION AND AMORTISATION					NET BLOCK	
	As on 01.04.2012	Additions during the Year	Sales/ Adj. during the Year	Translation Adjustment increase/ (decrease)	Total As on 31.03.2013	As on 01.04.2012	Charge For the Year	Sales/ Adj. during the Year	Translation Adjustment increase/ (decrease)	Total As on 31.03.2013	As on 31.03.2013	As on 31.03.2012
Tangible												
Land - Freehold (Refer Footnote i below)	20.51	-	-	-	20.51	-	-	-	-	-	20.51	20.51
Building (Refer Footnote ii below)	209.32	-	-	-	209.32	33.94	3.43	-	0.01	37.38	171.94	175.38
Plant & Equipments												
- Owned	2,116.06	196.05	101.46	6.27	2,216.92	1,293.61	346.96	93.75	4.34	1,551.16	665.76	822.45
- Leased	5.04	28.23	0.68	1.46	34.05	4.59	5.49	0.52	(0.04)	9.52	24.53	0.45
Leasehold Improvements	583.62	30.58	43.76	0.10	570.54	301.74	100.28	38.02	0.11	364.11	206.43	281.88
Furniture & Fixtures												
- Owned	297.92	27.16	20.96	2.35	306.47	159.62	47.91	19.26	1.30	189.57	116.90	138.30
- Leased	3.02	-	2.91	0.01	0.12	2.64	0.13	2.65	-	0.12	-	0.38
Vehicles	52.80	9.45	22.33	0.96	40.88	19.44	4.88	10.65	0.26	13.93	26.95	33.36
Office Equipments												
- Owned	239.48	53.07	6.01	0.33	286.87	144.42	43.40	4.72	0.26	183.36	103.51	95.06
- Leased	0.04	-	-	-	0.04	0.04	-	-	-	0.04	-	-
Sub Total (a)	3,527.81	344.54	198.11	11.48	3,685.72	1,960.04	552.48	169.57	6.24	2,349.19	1,336.53	1,567.77
Previous year (b)	3,207.09	795.92	513.68	38.48	3,527.81	1,868.83	489.76	426.43	27.88	1,960.04	1,567.77	
Intangible (Educational Content/ Products)												
Intellectual Property Rights												
- Acquired	93.19	1.34	-	(0.01)	94.52	29.36	17.46	-	-	46.82	47.70	63.83
- Internally Generated (Refer footnote iii & v below)	817.10	253.13	-	6.99	1,077.22	400.28	166.66	-	3.51	570.45	506.77	416.82
- Leased	119.65	-	-	-	119.65	54.22	31.37	-	-	85.59	34.06	65.43
Software												
- Acquired	1,596.11	207.61	5.12	50.65	1,849.25	1,471.86	94.65	5.12	50.19	1,611.58	237.67	124.25
Patents	16.14	-	-	-	16.14	13.87	1.12	-	-	14.99	1.15	2.27
Goodwill on Consolidation (Refer footnote iii below)	41.77	-	-	-	41.77	1.50	-	-	-	1.50	40.27	40.27
Goodwill	109.60	-	-	7.35	116.95	109.60	-	-	7.35	116.95	-	-
Sub Total (c)	2,793.56	462.08	5.12	64.98	3,315.50	2,080.69	311.26	5.12	61.05	2,447.88	867.62	712.87
Previous year (d)	5,564.38	732.68	4,000.23	496.73	2,793.56	2,102.19	388.86	577.10	166.74	2,080.69	712.87	-
Total (a + c)	6,321.37	806.62	203.23	76.46	7,001.22	4,040.73	863.74	174.69	67.29	4,797.07	2,204.15	2,280.64
Previous year (b + d)	8,771.47	1,528.60	4,513.91	535.21	6,321.37	3,971.02	878.62	1,003.53	194.62	4,040.73	2,280.64	

Capital work-in-progress

Intangible assets under development (Refer footnote iv & v below)

0.66

124.01

173.27

Footnotes :

- Out of the total land as above, 25 acres of land amounting Rs. 6.52 Million at Telsi Behror, District Alwar is allotted for education purpose. This land cannot be transferred without the approval of the allotment authority.
- Gross Block of Building includes 10 shares of Rs. 50/- each in the Guro Vidya Co-operative Housing Society Limited
- Depreciation charge includes provision for impairment of intangible assets of Rs. 33.29 Million (Previous year Rs. 2.70 Million) and Goodwill on consolidation of Rs. Nil (Previous year Rs. 1.50 Million). During the previous year, the impairment in intangibles was included as exceptional item in the Consolidated Statement of Profit and Loss.
- Net of provision for impairment of intangible asset under development of Rs. Nil (Previous year Rs. 4.51 Million) which is included as exceptional item in Consolidated Statement of Profit and Loss.
- Refer Note 36 for cost incurred during the year on internally generated intangible assets.

(Rs. Million)

12 INVESTMENTS

	As at			
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Non-Current		Current	
A. TRADE (QUOTED)				
In Associate				
NIIT Technologies Limited				
- Capital Reserve	(415.86)	(415.86)	-	-
- Net Assets Value (Opening Value)	2,365.77	1,946.49	-	-
Less: Dividend Received	(115.95)	(108.70)	-	-
Share of Associate's net profit	513.00	479.29	-	-
Share/ (Adjustment) in Post Acquisition Reserves	10.49	48.69	-	-
Sub Total (A)	2,357.45	1,949.91	-	-
B. NON TRADE (UNQUOTED)				
In Mutual Fund, Debts and Money Market Securities				
Opening Investment	-	-	4.54	110.44
Add: Purchases	-	-	420.00	2,389.00
Less: Sales	-	-	(420.33)	(2,494.90)
[Fair Market value as at year end Rs. 6.54 Million (Previous year Rs. 6.49 Million)]				
Sub Total (B)	-	-	4.21	4.54
Total (A + B)	2,357.45	1,949.91	4.21	4.54

13 TAXATION

- (a) Upon finalisation of Income Tax return of the Holding Company for the financial year ended March 31, 2012 an amount of Rs. 13.18 Million (Net) (Previous year Rs. 0.40 Million) has been charged to the Consolidated Statement of Profit and Loss.
- (b) Detailed break-up of Deferred Tax Assets/ Liabilities and reconciliation of current year deferred tax credit is as follows:

Geography :- India

Deferred Tax (Assets)/ Liabilities

(Rs. Million)		
As on 01.04.2012	Charged/ (Credited) to Consolidated Statement of Profit and Loss	As on 31.03.2013

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.

	78.63	(70.53)	8.10
Total (A)	78.63	(70.53)	8.10

Deferred Tax (Assets):

- a) Tax impact of expenses charged in Consolidated Statement of Profit and Loss but allowable as deductions in future years under Income Tax:

-Provision for doubtful debts and advances	(138.49)	(17.38)	(155.87)
--------------------------------------------	----------	---------	----------

-Provision for non-moving inventories	(1.67)	(0.40)	(2.07)
-Provision for Compensated Absences, Bonus, Gratuity and other related timing differences	(29.54)	(1.10)	(30.64)
b) Others	(12.71)	1.49	(11.22)
Total (B)	(182.41)	(17.39)	(199.80)
Timing differences not recognised on account of prudence (C)	-	87.92	87.92
Net Deferred Tax (Assets)/ Liabilities (A+B+C)	(103.78)	-	(103.78)
<i>Previous year</i>	<i>(27.06)</i>	<i>(76.72)</i>	<i>(103.78)</i>

Geography :- USA

	(Rs. Million)			
Deferred Tax (Assets)/ Liabilities	As on 01.04.2012	Charged/ (Credited) to Consolidated Statement of Profit and Loss	Currency Translation Adjustment	As on 31.03.2013
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.	51.38	6.36	3.39	61.13
Total (A)	51.38	6.36	3.39	61.13
Deferred Tax (Assets):				
a) Tax impact of expenses charged in the financial statements but allowable as deductions in future years under Income Tax:				
-Provision for Compensated Absences, Bonus, Gratuity and other related timing differences	(0.51)	(5.09)	(0.17)	(5.77)
-Others	-	(100.06)	0.78	(99.28)
Total (B)	(0.51)	(105.15)	0.61	(105.05)
Net Deferred Tax (Assets)/ Liabilities (A+B)	50.87	(98.79)	4.00	(43.92)
<i>Previous year</i>	<i>(279.73)</i>	<i>356.49</i>	<i>(25.89)</i>	<i>50.87</i>

Geography :- China & Others

	(Rs. Million)			
Deferred Tax (Assets)/ Liabilities	As on 01.04.2012	Charged/ (Credited) to Consolidated Statement of Profit and Loss	Currency Translation Adjustment	As on 31.03.2013
Deferred Tax Liabilities:				
a) Others	11.71	13.66	0.92	26.29
Total (A)	11.71	13.66	0.92	26.29
Deferred Tax (Assets):				
a) Tax impact of expenses charged in the financial statements but allowable as deductions in future years under Income Tax:				
-Provision for doubtful debts and advances	(11.87)	(1.85)	(1.02)	(14.74)
-Provision for Compensated Absences, Bonus, Gratuity and other related timing differences	(12.89)	0.68	(1.05)	(13.26)
-Provision for Inventory	(0.95)	-	(0.08)	(1.03)
-Deferred Revenue	-	(2.54)	-	(2.54)
Total (B)	(25.71)	(3.71)	(2.15)	(31.57)
Net Deferred Tax (Assets)/ Liabilities (A+B)	(14.00)	9.95	(1.23)	(5.28)
<i>Previous year</i>	<i>1.61</i>	<i>(14.52)</i>	<i>(1.09)</i>	<i>(14.00)</i>

Footnotes to Note 13 (b) above

- (i) Deferred Tax Assets and Liabilities are being offset to the extent they relate to taxes on income levied by the same governing taxation laws.
- (ii) Deferred Tax Asset on long term capital loss has not been recognised in absence of virtual certainty of availability of long term capital gains.

(Rs. Million)

14 LOANS AND ADVANCES

	As at			
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Long-Term		Short-Term	
i) Capital Advances				
Unsecured, considered good	0.89	16.10	-	-
(A)	0.89	16.10	-	-
ii) Security Deposits Receivable				
Unsecured, considered good	290.77	317.21	50.83	82.50
Unsecured, considered doubtful	5.05	5.05	-	-
Less: Provision for doubtful Deposits	(5.05)	(5.05)	-	-
(B)	290.77	317.21	50.83	82.50
iii) Advances recoverable in cash or in kind				
Unsecured, considered good	11.00	15.96	562.04	438.14
Unsecured, considered doubtful	8.94	1.75	-	-
Less: Provision for doubtful advances	(8.94)	(1.75)	-	-
(C)	11.00	15.96	562.04	438.14
iv) Other Advances				
a) Advance payment of Fringe Benefit Tax	92.77	92.77	-	-
Less: Provision for Fringe Benefit Tax	(91.66)	(91.66)	-	-
	1.11	1.11	-	-
b) Advance Income Tax	1,032.44	1,229.05	86.54	-
Less: Provision for Income Tax	(846.67)	(1,014.98)	(17.32)	-
	185.77	214.07	69.22	-
c) MAT Credit entitlement				
- Opening Balance	83.39	37.79	-	-
- Reversal of MAT credit	(9.58)	-	-	-
- Addition during the year	2.92	45.60	-	-
	76.73	83.39	-	-
(D)	263.61	298.57	69.22	-
Total (A+B+C+D)	566.27	647.84	682.09	520.64

(Rs. Million)

15 TRADE RECEIVABLES

	As at			
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Non-Current		Current	
a) Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	2,289.38	932.78
Unsecured, considered doubtful	1,211.51	1,149.57	-	-
Less: Provision for doubtful debts	(1,211.51)	(1,149.57)	-	-
(A)	-	-	2,289.38	932.78
b) Others				
Unsecured, considered good	369.60	361.96	1,409.73	2,637.16
Unsecured, considered doubtful	0.34	-	-	-
Less: Provision for doubtful debts	(0.34)	-	-	-
(B)	369.60	361.96	1,409.73	2,637.16
Total(A+B)	369.60	361.96	3,699.11	3,569.94

(Rs. Million)

16 MOVEMENT OF PROVISION FOR DOUBTFUL DEBTS

	As at	
	March 31, 2013	March 31, 2012
Opening Provision	1,149.57	705.73
Add: Additional Provisions created	84.70	427.59
Less: Provision written back	(38.91)	(0.46)
Less: Bad Debts written off	(31.91)	(39.64)
Add: Currency Translation Adjustments	48.40	88.09
Less: Decrease due to sale of subsidiary	-	(31.74)
Closing Provision	1,211.85	1,149.57

(Rs. Million)

17 OTHER ASSETS

	As at			
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Non-Current		Current	
Non Current Bank Balances (Note 19)	0.99	17.80	-	-
Unbilled revenue	188.39	315.66	583.62	487.17
Less : Provision for Unbilled Revenue	(21.81)	-	-	-
Interest Receivable	-	2.06	17.72	1.83
Other Receivables	-	-	-	62.96
	167.57	335.52	601.34	551.96

	(Rs. Million)	
	As at	
	March 31, 2013	March 31, 2012
18 INVENTORIES		
As at the end of the year		
Traded Goods		
a) Education and Training Material*		
- Others	93.41	114.04
b) Software	2.26	4.78
	<u>95.67</u>	<u>118.82</u>
As at the beginning of the year		
Raw Material	-	5.26
Traded Goods		
a) Education and Training Material		
- Manufactured	-	6.50
- Others	114.04	138.94
b) Software	4.78	2.62
	<u>118.82</u>	<u>153.32</u>
(Increase)/ Decrease in Inventory	<u>23.15</u>	<u>34.50</u>

* Net of provision for non-moving inventories of Rs.10.74 Million (Previous year Rs. 8.94 Million).

	(Rs. Million)			
	As at			
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Non-Current		Current	
19 CASH AND BANK BALANCES				
Cash and cash equivalents:				
Balance with banks				
-Current Accounts	-	-	848.65	724.46
[Includes Rs. 9.12 Million (Previous year Rs. 6.56 Million) pertaining to amount earmarked for specific contract]				
-Exchange Earners' Foreign Currency Account	-	-	0.04	0.87
-Bank deposits with original maturity of 3 months or less	-	-	51.77	95.00
Cash on hand	-	-	13.41	13.25
Cheques, drafts on hand	-	-	88.89	117.64
Sub Total (A)	<u>-</u>	<u>-</u>	<u>1,002.76</u>	<u>951.22</u>
Other bank balances:				
Bank deposits: *				
-With original maturity of more than 3 months and upto 12 months	-	-	30.31	39.12
-With original maturity of more than 12 months	0.99	17.80	16.96	-
*pledged as margin money				
Dividend Accounts	-	-	8.00	6.98
Sub Total (B)	<u>0.99</u>	<u>17.80</u>	<u>55.27</u>	<u>46.10</u>
Total (A + B)	<u>0.99</u>	<u>17.80</u>	<u>1,058.03</u>	<u>997.32</u>
Amount disclosed under "Other Non-Current Assets" (Refer note 17) (C)	(0.99)	(17.80)	-	-
Total (A + B + C)	<u>-</u>	<u>-</u>	<u>1,058.03</u>	<u>997.32</u>

20 CONTINGENT LIABILITIES

- a) Claims against the Group not acknowledged as debts (including associate company) Rs. 6.90 Million (Previous year 12.77 Million).
- b) Guarantees:**
- i) Guarantees issued by bankers (including Associate Company) outstanding at the end of the year Rs. 74.63 Million (Previous year Rs. 505.89 Million).
- ii) Guarantees issued to bankers outstanding at the end of accounting year Rs. 14.74 Million (Previous year Rs. 112.73 Million) relating to Associate Company.
- iii) Corporate Guarantees outstanding at the end of accounting year Rs. 452.09 Million (Previous year Rs. 403.35 Million) relating to Associate Company.
- iv) Corporate Guarantee of Rs. 343.35 Million [USD 6.33 Million] (Previous year Rs.396.79 Million [USD 7.80 Million]), net of provision of Rs. 253.78 Million [USD 4.67 Million] (Previous year Rs. 162.78 Million [USD 3.20 Million]) was issued by the Group to Skill Soft Corporation, USA & Skill Soft Ireland Limited to secure them against any Indemnification Obligations of NIIT Ventures Inc. (a step down subsidiary of the Company) and NIIT (USA) Inc., with respect to sale of certain assets of Element K Corporation (erstwhile subsidiary of the Group) and of investment in Element K Corporation by NIIT Ventures Inc.,USA.
- v) Corporate Guarantee of Rs. 79.64 Million (Previous year Rs. 79.64 Million) given to National Skill Development Corporation to secure the loan of Rs. 79.64 Million availed by NIIT Yuva Jyoti Limited, subsidiary of the Holding Company.
- c) Other money for which the company is contingently liable**
- i) Andhra Pradesh works contract tax amounting to Rs. 31.32 Million (Previous year Rs. 101.96 Million). Management does not foresee any financial implication based on the advice of the legal consultant.
- ii) Service Tax demand amounting to Rs. 42.84 Million (Previous year Rs. 42.84 Million) and amount of penalty i.e. Rs. 10.48 Million (Previous year Rs. 10.48 Million) raised by Commissioner of Service Tax, Delhi. Management does not foresee any financial implication based on the advice of the legal consultant.
- iii) Income Tax demand for Rs. 293.39 Million including interest (Previous year Rs. 230.77 Million). Management does not foresee any financial implication based on the advice of the legal consultant.
- iv) Sales Tax Rs. 44.57 Million (Previous year Nil). Management does not foresee any financial implication based on the advice of the legal consultant.
- v) Income tax demand of Associate Company of Rs. 109.49 Million (Previous year Rs. 87.26 Million).
- vi) Central Excise duty demand of Associate Company of Rs. 58.02 Million (Previous year Rs. 58.60 Million).

21 The Holding Company had received Show Cause Notices under section 263 of the Income Tax Act, 1961, issued by the Commissioner of Income Tax for the Assessment years 1999-00 to 2005-06, who later issued Orders directing the Assessing Officer for re-assessment on certain items. The quantum of Income Tax demand, if any, has neither been quantified nor ascertained and thus, indeterminable at this stage. These orders have been challenged by the Company in the Income Tax Appellate Tribunal. Based on legal opinion obtained by the Company, the Company is confident that the matter as above shall be decided in its favour.

22 CAPITAL AND OTHER COMMITMENTS

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided (including Associate Company) for Rs. 168.29 Million (Previous year Rs. 262.94 Million).
- b) For commitments related to lease arrangements, refer note 38.
- c) There are certain contracts with State Governments under which the Company is required to transfer ownership of the fixed assets and equipments under leasing arrangements at the written down value (which will be nil), at the end of the contract term.

- d) The Holding Company has given a commitment to support NIIT Institute of Information Technology to meet the shortfall, if any, in repayment of loan taken by it from a bank.
- e) The Holding Company's initial investment of Rs. 79.49 Million in NIIT Yuva Jyoti Limited ("NYJL") can not be sold, pledged or otherwise encumbered wholly or in part for a period of four years upto December 07, 2015. The Company is also required to continue to hold a minimum of 51% of the total paid-up equity share capital of NYJL during the term of the agreement with National Skill Development Corporation (NSDC).

23 PROPOSED DIVIDEND

The Final Dividend proposed for the year is as follows:-

On equity Shares of Rs. 2/- each

Amount of Dividend Proposed (Rs. Million)

Dividend per Equity Share

	As at	
	March 31, 2013	March 31, 2012
	264.16	264.16
	Rs. 1.60/- Per Share	Rs. 1.60/- Per Share

(Rs. Million)

24 REVENUE FROM OPERATIONS

	Year ended	
	March 31, 2013	March 31, 2012
Sale of Products :		
Courseware Revenue	2,479.42	4,559.90
Subscription Revenue	-	984.62
Hardware & Accessories Revenue	468.56	787.96
Sale of Services	6,660.00	6,270.31
	9,607.98	12,602.79

(Rs. Million)

25 OTHER INCOME

	Year ended	
	March 31, 2013	March 31, 2012
Interest Income (Refer Note 25.1 below)	58.63	15.19
Profit on sale of Current Investments (Net)	0.18	-
Dividend Income from Current Investments	0.55	10.86
Provision/ Other Liabilities written back	20.87	6.02
Gain on foreign currency translation and transaction (Net)	-	26.59
Other non-operating income	14.05	17.25
	94.28	75.91

25.1 Other income includes interest income amounting to Rs. 21.56 Million in Holding Company pertaining to the previous year. Tax expense thereon amounting to Rs. 7.20 Million has also been recognised during the year ended March 31, 2013.

(Rs. Million)

26 EMPLOYEE BENEFITS EXPENSES*

	Year ended	
	March 31, 2013	March 31, 2012
Salaries and Benefits	2,431.70	2,973.01
Contribution to Provident and Other Funds	123.81	124.52
Employees Stock Option Expenses	2.90	-
Welfare and Other expenses	76.05	91.77
	2,634.46	3,189.30

* Net of expenses amounting to Rs. 7.31 Million (Previous year Rs. 0.84 Million) (Refer Note 44).

27 EMPLOYEE BENEFITS

A) Defined Contribution Plans

The Group makes contribution towards Provident Fund (other than NIIT Limited and certain other domestic subsidiaries), Superannuation Fund and Pension Scheme to the defined contribution plans for eligible employees. The Group has charged the following costs in Contribution to Retirement Benefit Funds in the Consolidated Statement of Profit and Loss:-

Particulars	(Rs. Million)	
	Year ended	
	March 31, 2013	March 31, 2012
Employers' Contribution to Provident Fund	7.89	3.75
Employers' Contribution to Superannuation Fund	12.18	13.11
Employers' Contribution to Employees Pension Scheme	46.71	43.66
Contribution to 401 (K) and Other plans	12.37	15.91
Total	79.15	76.43

Contribution towards Superannuation Fund to the defined contribution plans includes following cost for Key Managerial Personnel:

	(Rs. Million)	
	Year ended	
	March 31, 2013	March 31, 2012
Employers' Contribution to Superannuation Fund	1.08	2.16

B) Defined Benefit Plans

I. Provident Fund

The Group makes contribution to the "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" ("the Trust") [for NIIT Limited and certain other domestic subsidiaries], which is a defined benefit plan. The Group contributed Rs. 31.90 Million (Previous year Rs. 35.11 Million) including Rs. 1.00 Million (Previous year Rs. 1.99 Million) in respect of Key Managerial personnel during the year to the Trust.

The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Group's obligation in this regard is actuarially determined and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

The guidance on implementing AS 15 Employee Benefits (revised 2005), issued by Accounting Standards Board (ASB) of The Institute of Chartered Accountants of India, states that benefits involving employer established provident fund trust, which require interest shortfall to be compensated by the employer is required to be considered as Defined Benefits Plans. The actuary has provided a valuation and based on the below mentioned assumptions, determined that there is no short fall as at March 31, 2013.

The details of fund and plan assets of the Trust as at March 31, 2013 (limited to the extent provided by the actuary):

(Rs. Million)

(i) Change in Defined Benefit Obligation

	As at	
	March 31, 2013	March 31, 2012
Present Value Defined Benefit Obligation as at the beginning of the year	3.56	-
Current service cost	0.76	0.63
Interest Cost	0.31	2.93
Actuarial (gain)/ loss on Obligations	(0.67)	-
Present Value Defined Benefit Obligation as at the end of the year	3.96	3.56

(Rs. Million)

(ii) Change in Fair Value of Assets

	As at	
	March 31, 2013	March 31, 2012
Fair value of Plan Assets as at the beginning of the year	30.86	16.35
Actuarial (loss)/ gain on Plan Assets	17.90	14.51
Fair value of Plan Assets as at the end of the year	48.76	30.86

(Rs. Million)

(iii) Estimated Net Asset/ (Liability) recognised in Balance Sheet as on March 31, 2013

	As at	
	March 31, 2013	March 31, 2012
Present value of Defined Benefit Obligation	3.96	3.56
Fair Value of Plan Assets	48.76	30.86
Funded Status [Surplus/(Deficit)] with the trust	44.80	27.30
Net Asset/(Liability) recognised in Balance Sheet	-	-

(iv) Assumptions used in accounting for provident Fund:-

	Year ended	
	March 31, 2013	March 31, 2012
Discount Rate (Per Annum)	8.25%	8.60%
Expected return on Plan Assets	8.60%	8.60%
Expected guaranteed interest	8.60%	8.60%

II. Compensated Absences

(Rs. Million)

	Year ended	
	March 31, 2013	March 31, 2012
i) Change in Present value of Obligation:-		
Present value of obligation as at the beginning of the year	115.01	152.48
Interest Cost	8.28	8.28
Past Service cost	-	-
Current service cost	32.30	(6.67)
Benefits Paid	(2.15)	(5.07)
Actuarial (gain)/ loss on Obligations	(40.73)	(34.01)
Present value of obligation as at the end of the year	112.71	115.01

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

Particulars	Year ended	
	March 31, 2013	March 31, 2012
For entities in USA :		
Discount Rate (per annum)	N.A.	1.00%
Future Salary Increase	N.A.	3.00%
For entities in Malaysia :		
Discount Rate (per annum)	N.A.	4.70%
Future Salary Increase		
-For First 5 Years	N.A.	10.00%
-Thereafter	N.A.	7.00%
For entities in China :		
Discount Rate (per annum)	3.70%	3.70%
Future Salary Increase		
-For First 5 Years	10.00%	10.00%
-Thereafter	7.00%	7.00%
For Netherlands Antilles :		
Discount Rate (per annum)	3.00%	1.00%
Future Salary Increase		
-For First 5 Years	10.00%	10.00%
-Thereafter	7.00%	7.00%
For South Africa :		
Discount Rate (per annum)	8.00%	8.90%
Future Salary Increase		
-For First 5 Years	10.00%	10.00%
-Thereafter	7.00%	7.00%
For Evolv Services Limited :		
-Discount Rate (per annum)	8.25%	8.60%
-Future Salary Increase	5.50%	5.50%
For Other Entities :		
Discount Rate (per annum)	8.25%	8.60%
Future Salary Increase		
-For First 5 Years	10.00%	10.00%
-Thereafter	7.00%	7.00%

III. Gratuity Fund

I. Funded

(Rs. Million)

Particulars	Year ended	
	March 31, 2013	March 31, 2012
i) Change in Present value of Obligation:-		
Present value of obligation as at beginning of the year*	100.40	91.67
Interest cost	7.83	6.78
Current service cost	12.85	11.97
Benefits paid	(18.68)	(13.83)
Actuarial (gain)/ loss on obligations	0.44	2.67
Present value of obligation as at the year end	102.84	99.26

*Gratuity has become funded during the year for Evolv Services Limited. Accordingly, the opening balance has increased by Rs. 1.14 Million.

ii) Change in Plan Assets:-

Fair value of Plan Assets as at the beginning of the year	95.17	90.22
Expected return on Plan Assets	8.47	8.34
Contributions	8.30	10.74
Benefits Paid	(18.33)	(13.83)
Actuarial (loss)/ gain on Plan Assets	(0.07)	(0.30)
Fair value of Plan Assets as at the end of the year	93.54	95.17

Actuary's estimates of contributions for the next financial year is Rs. 22.68 Million (Previous year Rs. 17.78 Million).

iii) Amount of Asset/ (Obligation) recognised in the Balance Sheet:-	Fair value of Plan Assets as at the end of the year	Present value of obligation as at the end of the year	(Assets)/ obligation recognised in Balance Sheet*
As at March 31, 2013	93.54	102.84	9.31
As at March 31, 2012	95.17	99.26	4.09
As at March 31, 2011	90.22	91.67	1.45
As at March 31, 2010	77.11	78.60	1.49
As at March 31, 2009	68.54	74.82	6.28

* Net of Assets recognised in Balance Sheet Rs. 1.04 Million (Previous year Rs. 1.09 Million)

(Rs. Million)

Particulars	Year ended	
	March 31, 2013	March 31, 2012
iv) Net Gratuity Cost recognised in Consolidated Statement of Profit and Loss:-		
Current service cost	12.85	11.97
Interest cost	7.83	6.78
Expected return on Plan Assets	(8.47)	(8.34)
Net Actuarial (gain)/ loss recognised during the year	0.51	2.97
Expense recognised in Consolidated Statement of Profit and Loss	12.72	13.38
Actual return on plan assets	8.40	8.03

v) Assumptions used in accounting for gratuity plan:-	Year ended	
	March 31, 2013	March 31, 2012
Discount Rate (Per Annum)	8.25%	8.60%
Future Salary Increase	5.00%	5.00%
Expected Rate of return on plan assets	9.40%	9.40%

Estimates of future salary increase considered in actuarial valuation, taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

vi) Investment details of Plan Assets:-

The plan assets are maintained with Life Insurance Corporation of India, Gratuity Scheme. The details of investment maintained by Life Insurance Corporation of India are not available with the Group and have not been disclosed. The expected return on plan assets is determined considering several applicable factors mainly the compensation of plan assets held, assessed risk of asset management, historical result of the return on plan assets.

II. Non Funded

(Rs. Million)

Particulars	Year ended	
	March 31, 2013	March 31, 2012
i) Change in Present value of Obligation:-		
Present value of obligation as at beginning of the year	0.38	6.53
Interest cost	-	0.32
Current service cost	0.10	(2.23)
Benefits paid	(0.42)	(2.06)
Actuarial (gain)/ loss on obligations	(0.06)	(1.04)
Present value of obligation as at the year end	-	1.52

ii) Net Gratuity cost recognised in Contribution to Retirement Benefit Funds in Consolidated Statement of Profit and Loss:

Current service cost	0.10	0.63
Interest cost	0.00	0.18
Net Actuarial (gain)/ loss recognised during the year	(0.06)	(1.23)
Expense recognised in Consolidated Statement of Profit and Loss	0.04	(0.42)

iii) Assumptions used in accounting for gratuity plan:-	Year ended	
	March 31, 2013	March 31, 2012
Discount Rate (Per Annum)	8.25%	8.60%
Future Salary Increase	5.00%	5.00%

For Netherlands Antilles :

Discount Rate (per annum)	3.00%	1.00%
Future Salary Increase	5.00%	5.00%

Gratuity expenses recognised for funded and non-funded schemes in Consolidated Statement of Profit and Loss amounts to Rs. 12.76 Million (Previous year Rs. 12.97 Million). Gratuity liability recognised for funded and non-funded schemes as at year end amounts to Rs.10.35 Million (Previous year Rs. 6.70 Million).

28 EMPLOYEES STOCK OPTION SCHEME

During the year 2005-06, the Company had established NIIT Employee Stock Option Plan 2005 "ESOP 2005" and the same was approved at the General Meeting of the Company held on May 18, 2005. The plan was set up so as to offer and grant, for the benefit of employees (excluding promoters) of the Company, who are eligible under "Securities and Exchange Board of India (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999", options of the Company in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board, in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard.

As per the plan, each option is exercisable for one equity share of face value of Rs. 2/- each (Rs. 10/- each pre bonus and split) fully paid up on payment to the Company, at a price to be determined in accordance with ESOP 2005. ESOP information is given for the number of shares after sub-division and Bonus issue.

The summary of options granted is as follows:

[illegible][illegible]

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2013

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

Particulars	Grant III		Grant IV		Grant V		Grant VI		Grant VII		Grant VIII	
	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 2
Market price considered	121.62	88.7	72.2	72.2	72.2	72.2	69.2	69.2	69.2	67.65	67.65	45.05
Exercise price	121.62	88.7	72.2	72.2	72.2	72.2	69.2	69.2	69.2	67.65	67.65	2.00
Dividend yield	2.79%	2.04%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	2.55%
Volatility	45.47%	51.81%	71.63%	66.14%	61.68%	71.56%	65.68%	61.44%	65.49%	63.40%	60.71%	52.84%
Average life of the options (in years)	2.5	2.5	2.5	3.5	4.5	4.5	3.5	4.5	2.5	3.5	4.5	4.5
Risk free rate	7.93%	9.24%	6.55%	6.92%	7.19%	6.19%	6.51%	6.80%	7.36%	7.56%	7.73%	8.22%

Other information regarding employee share based payment is as below:

Particulars	Grant III		Grant IV		Grant V	
	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 2
Additional expense had the Company recorded the ESOP Expense based on fair value of the options	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	-	-	-	-	13.47	16.08

(Rs. Million)

Particulars	Grant VI		Grant VII		Grant VIII	
	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 2
Additional expense had the Company recorded the ESOP Expense based on fair value of the options	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	-	-	1.37	0.66	0.18	0.33

For impact on Basic and Diluted EPS, had fair value of the options been used for determining ESOP expense, refer Note 34.

(Rs. Million)

29 OTHER EXPENSES *

	Year ended	
	March 31, 2013	March 31, 2012
Equipment Hiring	294.05	221.48
Royalties	21.47	696.71
Freight and Cartage	50.35	95.60
Rent (net of recoveries)	472.89	529.74
Rates and Taxes	10.04	14.71
Power & Fuel	111.70	115.40
Communication	124.22	131.73
Legal and Professional (Refer Note 30 below)	154.20	168.97
Traveling and Conveyance	438.29	462.92
Provision for Doubtful Debts	84.70	76.67
Bad Debts Written off	0.41	-
Provision for Doubtful Advances	3.09	1.52
Provision for Unbilled Revenue	21.81	-
Advances Written off	-	0.29
Insurance	15.10	24.83
Repairs and Maintenance		
- Plant and Machinery	25.10	64.66
- Buildings	2.76	7.51
- Others	74.54	63.61
Consumables	98.28	143.89
Loss on Sale of Fixed Assets (net)	3.82	5.66
Loss on foreign currency translation and transactions (net)	77.46	-
Security and Administration Services	51.09	60.96
Bank Charges	21.79	32.66
Marketing & Advertising Expenses	638.45	713.72
Sales Commission	7.07	126.56
Discounts & Rebates	75.66	112.95
Sundry Expenses	44.29	59.19
	2,922.63	3,931.94

* Net of expenses amounting to Rs. 12.20 Million (Previous year Rs. 8.02 Million) (Refer Note 44)

(Rs. Million)

30 PAYMENT TO AUDITORS

	Year ended	
	March 31, 2013	March 31, 2012
a) Payment to the Parent Company auditor:		
As auditor	9.65	10.68
For other services	0.71	2.02
For reimbursement of expenses (including service tax)	2.19	1.80
	12.55	14.50

b) Payment to other auditors amounting to Rs. 7.02 Million (Previous year Rs. 5.95 Million).

31 FINANCE COSTS	(Rs. Million)	
	Year ended	
	March 31, 2013	March 31, 2012
Interest Expense	155.99	234.42
Other Borrowing Costs	-	10.21
	<u>155.99</u>	<u>244.63</u>

32 EXCEPTIONAL ITEMS	(Rs. Million)	
	Year ended	
	March 31, 2013	March 31, 2012
Income:		
Profit on sale of Subsidiary	-	2,811.96
Expenses:		
Expenditure in relation to sale of subsidiary	(176.23)	(688.88)
(Provision)/ Recovery for doubtful debts	38.91	(350.92)
Service Tax (including interest)	-	(35.63)
Provision for Impairment of intangibles	-	(8.71)
Performance Linked Incentive	(36.99)	(28.90)
Donations	-	(62.50)
	<u>(174.31)</u>	<u>1,636.42</u>

- (i) For details of profit for sale of subsidiary and expenditure in relation to the same refer Note 48.
- (ii) Provision for doubtful debts comprises provision made in respect of dues from government and other customers aggregating to Rs. 350.92 Million during the previous year. During the year, the Group has realised an amount of Rs. 38.91 Million against the provision made in the previous year which has been reversed during the year.
- (iii) Service tax on rent represents amounts provided by the Group in respect of landlords who have not claimed service tax on rent on their immovable property given on lease. In view of the decisions of Honorable High Courts of Delhi, Mumbai & Chennai, these amounts were provided for during the previous financial year.
- (iv) During the previous year, the Group impaired intangibles (including Goodwill on consolidation) of its subsidiary, Hole-in-the-wall Education Limited.
- (v) During the year, the Group has paid an amount of Rs. 36.99 Million (Previous year Rs. 28.90 Million) towards variable compensation as additional incentive on account of profits earned from divestment of step down erstwhile subsidiary Element K Corporation, USA.
- (vi) During the previous year, the Group contributed an amount of Rs. 62.50 Million towards donations in the corpus of The NIIT Institute of Information Technology, a society registered under the Societies Registration Act, 1860 which was within the overall limits approved by the shareholders.
- 33 (a) During the Current year, Qingdao NIIT Information Technology Company Limited was incorporated in China through NIIT China (Shanghai) Limited by investing Rs.13.13 Million (CNY 1.50 Million). NIIT China (Shanghai) Limited holds 100% of the shareholding of Qingdao NIIT Information Technology Company Limited. The approved business scope is to provide software development and service of information technology, business and management consulting service.
- (b) During the Current year, Chongqing An Dao Education Consulting Limited was incorporated in China through NIIT China (Shanghai) Limited and Chongqing Yan'ao Business Management Consulting Company Limited (Minority) by investing Rs. 4.38 Million (CNY 0.50 Million). NIIT China (Shanghai) Limited holds 65% amounting to Rs. 2.85 Million (CNY 0.33 Million) and Chongqing Yan'ao Business Management Consulting Company Limited (Minority) holds 35% amounting to Rs. 1.53 Million (CNY 0.17 Million) of the shareholding of Chongqing An Dao Education Consulting Limited. The approved business scope is to provide consulting services related to educational information (training service excluded), educational management, business information and human resource management.
- (c) During the Current year, Zhangjiagang NIIT Information Services Limited. was incorporated in China through NIIT China (Shanghai) Limited and Zhangjiagang Huizhi Technology Consulting Services Company Limited (Minority) by investing Rs.4.31 Million (CNY 0.50 Million). NIIT China (Shanghai) Limited holds

60% amounting to Rs. 2.59 Million (CNY 0.30 Million) and Zhangjiagang Huizhi Technology Consulting Services Company Limited (Minority) holds 40% amounting to Rs. 1.72 Million (CNY 0.20 Million) of the shareholding of Zhangjiagang NIIT Information Services Limited. The business scope is to provide professional IT consulting service.

- (d) During the Current year, Chengmai NIIT Information Technology Company Limited was incorporated in China through NIIT China (Shanghai) Limited by investing Rs. 4.39 Million (CNY 0.50 Million). NIIT China (Shanghai) Limited holds 100% of the shareholding of Chengmai NIIT Information Technology Company Limited. The business scope is to provide software development and service of information technology, business and management consulting services.

34 EARNINGS PER SHARE

Particulars	Year ended	Year ended
	March 31, 2013	March 31, 2012
Profit attributable to Equity Shareholders (Rs. Million) (A)	262.58	1,101.60
Weighted average number of Equity Shares outstanding during the year (Nos.) – (B)	165,095,597	165,095,597
Add : Effect of Potential Dilutive Shares (being Stock options) (Nos.)	83,680	-
Weighted average shares outstanding considered for determining Diluted Earnings per Share (Nos.) - (C)	165,179,277	165,095,597
Nominal Value of Equity Shares (Rs.)	2/-	2/-
Basic Earnings per Share (Rs.) (A/B)	1.59	6.67
Diluted Earnings per Share (Rs.) (A/C)	1.59	6.67
EARNINGS PER SHARE [had fair value method been employed for accounting for Employee Stock Options (Refer note 28)]		
Profit attributable to Equity Shareholders (Rs. Million)-(D)	253.79	1,068.30
Basic Earnings per Share (Rs.) (D/B)	1.54	6.47
Diluted Earnings per Share (Rs.) (D/C)	1.54	6.47

35 RELATED PARTY TRANSACTIONS AS PER ACCOUNTING STANDARD 18:

a) Related parties with whom the Group has transacted:

Associate Companies

- 1 NIIT Technologies Limited
- 2 NIIT Technologies Inc., USA
- 3 NIIT Technologies Pte Limited, Singapore
- 4 NIIT GIS Limited
- 5 NIIT Technologies Limited, UK
- 6 NIIT Smart Serve Limited, UK
- 7 NIIT Technologies Pty Limited
- 8 NIIT Insurance Technologies Ltd UK
- 9 NIIT Smart Serve Limited, India
- 10 NIIT Technologies BV
- 11 NIIT Healthcare Technologies Inc.
- 12 NIIT MediaTechnologies LLC, UK

Key Managerial Personnel

- 1 Rajendra S Pawar (Chairman and Managing Director)
- 2 Vijay K Thadani (Chief Executive Officer and Whole-time Director)
- 3 P Rajendran (Chief Operating Officer and Whole-time Director)

Relatives of Key Managerial Personnel

- 1 Renuka Thadani (Wife of Vijay K Thadani)
- 2 Veena Oberoi (Sister of Vijay K Thadani)

Parties in which the Key Managerial Personnel of the Group are interested

- 1 NIIT Institute of Information Technology
- 2 NIIT Foundation (formerly known as NIIT Education Society)
- 3 Pace Industries Private Limited
- 4 NIIT Network Services Limited

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

(Rs. Million)

Nature of Transactions	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel	Parties in which Key Managerial Personnel of the Company are interested	Total
Purchase of Goods (Footnote i)	- (0.38)	- (-)	- (-)	0.04 (0.80)	0.04 (1.18)
Sale of Goods (Footnote ii)	1.48 (3.09)	- (-)	- (-)	1.24 (1.36)	2.72 (4.45)
Rendering of Services to (Footnote iii)	6.30 (8.30)	- (-)	- (-)	3.02 (4.46)	9.32 (12.76)
Receiving of Services from (Footnote iv)	13.77 (96.08)	- (-)	- (-)	3.91 (0.29)	17.68 (96.37)
Purchase of Fixed Assets (Footnote v)	- (0.05)	- (-)	- (-)	- (5.51)	- (5.56)
Sale of Fixed Assets (Footnote vi)	- (1.03)	- (-)	- (-)	- (-)	- (1.03)
Recovery of Expenses from (Footnote vii)	35.36 (44.28)	- (-)	- (-)	15.13 (14.38)	50.49 (58.66)
Recovery of Expenses by (Footnote viii)	23.80 (12.72)	- (-)	- (-)	11.70 (-)	35.50 (12.72)
Loans Given (Footnote ix)	- (-)	- (-)	- (-)	28.00 (15.00)	28.00 (15.00)
Loans Given Received back (Footnote x)	- (-)	- (-)	- (-)	28.00 (15.00)	28.00 (15.00)
Interest Income (Footnote xi)	- (-)	- (-)	- (-)	0.68 (0.47)	0.68 (0.47)
Dividend Income (Footnote xii)	115.95 (108.70)	- (-)	- (-)	- (-)	115.95 (108.70)
Remuneration (Footnote xiii)	- (-)	22.14 (68.62)	- (-)	- (-)	22.14 (68.62)
Other Expenses (Footnote xiv)	- (-)	- (-)	1.66 (1.65)	0.66 (63.16)	2.32 (64.81)
Other Income (Footnote xv)	- (-)	- (-)	- (-)	0.21 (-)	0.21 (-)
Purchase of Intangibles (Footnote xvi)	- (-)	- (-)	- (-)	1.51 (-)	1.51 (-)

Footnotes:-

Previous year figures are given in parenthesis.

i) Includes Purchase of Goods from:

NIIT Institute of Information Technology Rs. 0.04 Million (Previous year Rs. 0.80 Million)

NIIT GIS Limited Nil (Previous year Rs. 0.38 Million)

ii) Includes Sale of Goods to:

NIIT Institute of Information Technology Rs.1.45 Million (Previous year Rs. 1.36 Million)

NIIT Technologies Limited Nil (Previous year Rs. 3.07 Million)

NIIT GIS Limited Rs. 0.02 Million (Previous year Rs. 0.02 Million)

NIIT Foundation (formerly known as NIIT Education Society) Rs. 1.24 Million (Previous year Nil)

iii) Includes Rendering of Services to:

NIIT Technologies Limited Rs. 2.31 Million (Previous year Rs. 5.39 Million)

NIIT Technologies Pte Limited, Singapore Rs. 3.99 Million (Previous year Rs. 2.13 Million)

NIIT Institute of Information Technology Rs. 2.89 Million (Previous year Rs. 4.46 Million)

NIIT Smart Serve Limited, India Nil (Previous year Nil)

NIIT Technologies Limited, UK Nil (Previous year Rs. 0.78 Million)

NIIT Foundation (formerly known as NIIT Education Society) Rs. 0.13 Million (Previous year Nil)

iv) Includes Receiving of Services from:

NIIT Smart Serve Limited, India Rs. 2.79 Million (Previous year Rs. 71.90 Million)

NIIT Technologies Pty Limited Rs. 4.20 Million (Previous year Rs. 11.08 Million)

NIIT Technologies Pte Limited, Singapore Rs. 2.00 Million (Previous year Rs. 6.31 Million)

NIIT GIS Limited Nil (Previous year Rs. 1.17 Million)

NIIT Technologies Inc., USA Nil (Previous year Rs. 1.02 Million)

NIIT Technologies Limited Rs. 0.07 Million (Previous year Rs. 0.45 Million)

NIIT Network Services Limited Nil (Previous year Rs. 0.29 Million)

NIIT Technologies BV Rs. 4.71 Million (Previous year Rs. 4.15 Million)

NIIT Institute of Information Technology Rs. 0.27 Million (Previous year Nil)

NIIT Foundation (formerly known as NIIT Education Society) Rs. 3.64 Million (Previous year Nil)

v) Includes Purchase of Fixed Assets from:

NIIT Technologies Pte Limited, Singapore Nil (Previous year Rs. 0.05 Million)

NIIT Institute of Information Technology Nil (Previous year Rs. 5.51 Million)

vi) Includes Sale of Fixed Assets to:

NIIT Technologies Limited Nil (Previous year Rs. 1.03 Million)

vii) Includes Recovery of Expenses from:

NIIT Technologies Limited Rs. 21.16 Million (Previous year Rs. 28.91 Million)

NIIT GIS Limited Rs. 0.85 Million (Previous year Rs. 2.01 Million)

NIIT Institute of Information Technology Rs. 13.43 Million (Previous year Rs. 14.38 Million)

NIIT Technologies Inc., USA Rs. 7.47 Million (Previous year Rs. 5.60 Million)

NIIT Smart Serve Limited, India Rs. 0.13 Million (Previous year Rs. 0.26 Million)

NIIT Technologies Limited, UK Rs. 4.50 Million (Previous year Rs. 4.95 Million)

NIIT Healthcare Technologies Inc. Nil (Previous year Rs. 0.14 Million)

NIIT MediaTechnologies LLC, UK Rs. 1.25 Million (Previous year Rs. 2.41 Million)

NIIT Foundation (formerly known as NIIT Education Society) Rs. 1.70 Million (Previous year Nil)

viii) Includes Recovery of Expenses by:

NIIT Technologies Limited Rs. 23.80 Million (Previous year Rs. 10.43 Million)

NIIT Technologies Inc., USA Nil (Previous year Rs. 0.23 Million)

NIIT Technologies Pty Limited Nil (Previous year Rs. 2.00 Million)

NIIT Technologies Pte Limited, Singapore Nil (Previous year Rs. 0.06 Million)

NIIT Network Services Limited Rs. 0.95 Million (Previous year Nil)

NIIT Institute of Information Technology Rs. 10.75 Million (Previous year Nil)

ix) Loans Given relates to:

NIIT Institute of Information Technology Rs. 25.00 Million (Previous year Rs. 15.00 Million)

NIIT Foundation (formerly known as NIIT Education Society) Rs. 3.00 Million (Previous year Nil)

x) Loans Given Received Back relates to:

NIIT Institute of Information Technology Rs. 25.00 Million (Previous year Rs. 15.00 Million)

NIIT Foundation (formerly known as NIIT Education Society) Rs. 3.00 Million (Previous year Nil)

xi) Interest Income from:

NIIT Institute of Information Technology Rs. 0.53 Million (Previous year Rs. 0.47 Million)

NIIT Foundation (formerly known as NIIT Education Society) Rs. 0.16 Million (Previous year Nil)

xii) Includes Dividend Income from:

NIIT Technologies Limited, India Rs. 115.95 Million (Previous year Rs. 108.70 Million)

xiii) Remuneration Paid to:

Rajendra S Pawar Rs. 6.14 Million (Previous year Rs. 15.16 Million)

Vijay K Thadani Rs. 9.70 Million (Previous year Rs. 30.80 Million)

P Rajendran Rs. 6.31 Million (Previous year Rs. 22.66 Million)

xiv) Other Expenses includes:

Renuka Thadani Rs. 0.99 Million (Previous year Rs. 0.99 Million)

Veena Oberoi Rs. 0.66 Million (Previous year Rs. 0.66 Million)

Pace Industries Private Limited Rs. 0.66 Million (Previous year Rs. 0.66 Million)

Donations to NIIT Institute of Information Technology Nil (Previous year Rs. 62.50 Million)

xv) Other Income includes:

NIIT Institute of Information Technology Rs. 0.21 (Previous year Nil)

xvi) Purchase of Intangibles:

NIIT Foundation (formerly known as NIIT Education Society) Rs. 1.51 Million (Previous year Nil)

c) Balance as on March 31, 2013

(Rs. Million)

Nature of Transactions	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel	Parties in which Key Managerial Personnel of the Company are interested	Total
Receivable	4.54 (12.33)	- (-)	- (-)	11.78 (16.33)	16.32 (28.66)
Payable	15.69 (4.17)	3.82 (28.90)	- (-)	2.68 (3.69)	22.19 (36.76)

36 The Group is internally developing new software tools, platforms and content/ courseware. The investments would further expand the business of the Group in existing and new markets, enhance capabilities of its products and software and offer more technology based learning products/ solutions to the customers in future. The Group is confident of its ability to generate future economic benefits out of the above mentioned assets. The costs incurred towards the development is as follows:

(Rs. Million)

Description	Year ended	
	March 31, 2013	March 31, 2012
Salary and Other employee benefits	120.32	157.51
Professional & Outsourcing Expenses	65.49	48.00
Rent	14.85	15.98
Other Expenses	10.22	9.94
Total	210.88	231.43

37 SEGMENT INFORMATION
Primary Segment Information – Business Segment

The sub businesses are fully aligned to global learning business of the Group and the same are being viewed by the management as a single primary segment, i.e. learning business segment.

Secondary Segment Information – Geographical

The secondary segment information in relation to the geographies is as follows;

(Rs. Million)

Particulars	Revenue from customers by location of customers	Carrying amount of segment assets by location of the assets	Additions to fixed assets
India	5,855.84 (6,656.23)	9,584.95 (9,121.27)	696.89 (1,200.56)
America	2,425.38 (4,604.50)	1,806.50 (1,805.36)	80.71 (307.61)
Europe	772.76 (513.59)	232.92 (254.51)	0.06 (0.30)
Rest of the World	554.00 (828.47)	458.77 (400.76)	28.96 (20.13)
Total	9,607.98 (12,602.79)	12,083.14 (11,581.90)	806.62 (1,528.60)

Previous year figures are given in parenthesis.

38 LEASES

a) Operating Leases:

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

Particulars	As at	
	March 31, 2013	March 31, 2012
Not later than 1 year	107.84	127.11
Later than 1 year but not later than 5 years	163.16	283.81

(Rs. Million)

Aggregate payments during the year under operating leases in respect of equipments, vehicles and premises for office and employees accommodation amounting to Rs. 632.59 Million (Previous year Rs. 684.41 Million).

Total of future minimum receipts in respect of premises on sublease is expected to be received under non-cancelable subleases at the closing of the Balance Sheet amounting to Nil (Previous year Rs. 23.23 Million). Sub lease receipts recognised in the Consolidated Statement of Profit and Loss for the year amounting to Rs. 1.25 Million (Previous year Rs. 6.04 Million). The sublease has been netted off against the respective lease rental expenses in the Consolidated Statement of Profit and Loss.

b) Finance Leases:

- Asset acquired under finance lease comprising of plant & machinery, office equipments and furniture & fixtures. There are no exceptional/ restrictive covenants in the lease agreements.
- The minimum lease payment outstanding and their present value at the balance sheet date in respect of plant and machinery and furniture and fixtures that have been capitalised are as follows:

Particulars	As at	
	March 31, 2013	March 31, 2012
Not later than 1 year		
Minimum lease payments	42.43	32.70
Finance charges	6.23	8.08
Present value of lease payments	36.20	24.62
Later than 1 year but not later than 5 years		
Minimum lease payments	41.31	61.35
Finance charges	3.46	7.67
Present value of lease payments	37.85	53.68
Total		
Minimum lease payments	83.74	94.05
Finance charges	9.69	15.75
Present value of lease payments	74.05	78.30

(Rs. Million)

- The net worth of Hole-in-the-wall Education Limited ("HIWEL") was fully eroded as at beginning of the year. HIWEL had entered into various contracts for project implementations during the current financial year, but the majority of the contracts shall be executed in future. Based on projected financial performance and cash flows, the net worth position of the HIWEL is expected to improve in the future years. In view of the above and taking into consideration the letter of support from the Holding Company (NIIT Ltd.), the financial statements of HIWEL have been prepared on going concern basis.

- 40 The net worth of NIIT Institute of Finance Banking and Insurance Training Limited ("NIFBIT") is fully eroded as at the year end. During the year, the Company focussed towards expanding business with banks in the public as well as private sector. With the Company entering into new arrangements which shall further enhance revenues and an expected increase in registrations in training courses at its own centres, the revenue and profitability of the Company is expected to improve in the ensuing financial year. Based on these projections and availability of continued financial and operational support from the holding Company, NIIT Limited, the financial statements have been prepared on a going concern basis.
- 41 The net worth of NIIT Institute of Process Excellence Limited ("NIPE") stood substantially eroded as on March 31, 2013. The Company is in the process of expanding its reach through acquisition of new customers. The company is already providing Managed Training services to Genpact and this business is set to grow. The Company is also in advanced stages of discussions with various corporate organizations in the BPO industry to provide similar services which are expected to materialize in the next financial year. With profits during the year and financial projections, NIPE is expected to witness improved performance in following years resulting into an improvement in net worth position of the Company.
- 42 The net worth of NIIT Yuva Joyti Limited ("NYJL") is eroded as at the year end. NYJL is entering into contracts with the entities in the private sector as well as with state governments in order to expand its reach and at the same time enhancing its course offerings. National Skills Development Council (NSDC) has also committed financial support in the form of loans and funds for market development initiatives to enable the Company in meeting the targeted skilled manpower training as per the Investment Agreement. Based on such support and committed operational and financial support from the Holding Company, NIIT Limited, the financial statements of NYJL have been prepared on a going concern basis.
- 43 (a) Pursuant to the sale of main business of NIIT Online Learning Limited ('NOLL') to the Company, NOLL has not yet undertaken any further business activity. The management of NOLL is not contemplating liquidation and is evaluating business options though at present there is no concrete plan, but have represented that they shall take up suitable business at an opportune time. The assets and liabilities of NOLL are stated at realisable value and thus no further adjustments to the same are considered necessary.
- (b) NIIT Ventures Inc., was incorporated for the purposes of holding investment in its erstwhile subsidiary, Element K Corp. Subsequent to the sale of its investment in Element K in the preceding financial year, neither have there been any significant operations, other than meeting its commitments and obligations in connection to the sale, nor are there any plans to commence any business. Considering these factors, there is doubt whether the Company may continue as a going concern. Accordingly, the assets and liabilities of NIIT Ventures Inc., have been stated at net realisable values in the consolidated financial statements.
- 44 NIIT Yova Jyoti Limited ("NYJL") has entered into a Market Development Assistance (MDA) Agreement with NSDC, whereby NSDC has agreed to provide assistance for the specified purpose of Market Development in the focus sectors. MDA shall be disbursed in installments over a period of 4 years and 4 months upto March 31, 2016. During the year, the Group has received an installment of Rs. 37.10 Million (Previous period Rs. 10.00 Million) from NSDC. The Company has spent Rs. 19.51 Million (Previous period Rs. 8.86 Million) during the year. The balance unspent amount of Rs. 18.73 Million (Previous period Rs. 1.14 Million) is included in Other Payables under the head Other Current Liabilities.
- 45 The Company's wholly owned domestic subsidiary Scantech Evaluation Services Limited has declared interim dividend amounting to Rs. 95.14 Million for financial year 2012-13 in respect of which dividend distribution tax would be paid by the subsidiary. In terms of provisions of sub-section 1A of section 115O of the Income Tax Act, 1961, dividend distribution tax payable by the Company, is net of the dividend distribution tax to be paid by the subsidiary company amounting to Rs. 15.43 Million.

- 46 In consideration of National Skill Development Corporation ("NSDC") supporting the skill development activities and initiatives of NIIT Yuva Jyoti Limited ("NYJL"), inter-alia, by way of tangible and intangible support, NYJL has entered into a revenue sharing agreement with NSDC. In terms of this agreement, NYJL has agreed to share certain percentage of its operating revenue with NSDC over a period of 5 years beginning April 1, 2017. This revenue sharing is subject to timely disbursement and reimbursements and intangible supports to be provided by the NSDC and may be revised downwards in case of any change in the business plan.
- 47 During the financial year 2008-09, Chongqing NIIT Education Consulting Limited, China, had received government grants amounting to Rs. 7.46 Million (CNY 1.00 Million) and NIIT Wuxi Service Outsourcing Training School had received government grants amounting to Rs. 1.54 Million (CNY 0.21 Million) from Chongqing Fiscal Bureau for incentive of NIIT Chongqing's establishment and from Wuxi National Hi-tech Industrial Development Area Administration Committee respectively to encourage and support NIIT Wuxi's development. During the financial year 2012-13, NIIT Wuxi Service Outsourcing Training School, China, has received additional grant amounting to Rs. 8.34 Million (CNY 0.95 Million) from Wuxi New District Administration Committee Financial Bureau. The grant money was invested for the intended purpose and the proportionate amount of Rs. 2.38 Million (Previous year Rs. 1.56 Million) has been credited to other income.
- 48 a) During the previous year, the Group had sold the assets and investment in Element K Corporation ("EK"), a wholly owned subsidiary, for an aggregate consideration of Rs. 5,381.76 Million (USD 109.65 Million). The net profit on the sale was determined as below:

	(Rs. Million)
Gross consideration (Post working capital adjustments) *	5,381.76
Less:-	
Carrying value of assets (net of liabilities)	(88.94)
Goodwill on consolidation	(2,480.86)
Profit before costs incurred in connection with sale	<u>2,811.96</u>
Costs incurred in connection with sale **	(717.78)
Net profit before tax on sale	<u>2,094.18</u>

* The adjustment between the estimated working capital and final working capital as of the closing date of sale.

** Include expenses on account of employee stock option payments Rs. 260.20 Million and legal & professional expenses, performance linked incentives, salaries & benefits, provisions for indemnity [as stated in note (c) below] and other related costs aggregating to Rs. 457.58 Million in connection with the sale.

During the year ended March 31, 2013 the Group has additionally incurred a sum of Rs. 176.23 Million on account of legal and professional and provisions for indemnity and litigation in relation to the erstwhile subsidiary, Element K Corporation. This has been included as exceptional items in Consolidated Statement of Profit and Loss.

b) Consequent to the sale of Element K, during the year ended March 31, 2012, NIIT (USA) Inc., USA initiated the exercise to determine the tax expense on the sale by engaging independent experts to review the feasibility of certain deductions and with the objective to jointly review the tax return with the buyers of Element K. Pending completion of such exercise and pending finalisation of tax return, NIIT USA Inc. estimated the tax expense of Rs. 838.36 Million (USD 17.20 Million) as at March 31, 2012.

During the year ended March 31, 2013, based on the opinions of the independent expert, the Group concluded the detailed exercise of assessment of the availability of the deductions and accordingly, NIIT USA Inc. filed its tax return which resulted in a write back of Rs. 438.53 Million (USD 7.90 Million) out of the provision.

c) Provisions & Contingencies (Refer Note 10 & 20(b)(iv) above)

As a part of sale agreement, NIIT USA Inc., has indemnified the buyer or its representatives up to a maximum amount of Rs. 559.57 Million [USD 11.00 Million] on any claims arising in excess of Rs. 55.96 Million [USD

1.10 Million] However, such indemnity is not limited in respect of certain fundamental representations as per the sale agreement.

The Group has estimated an amount of Rs. 253.78 Million [USD 4.68 Million] (Previous year Rs. 162.78 Million [USD 3.2 Million]) upto March 31, 2013 in respect of liabilities which could possibly arise on account of the indemnity provisions and these have been included under costs incurred in connection with sale above. The ultimate outcome is not determinable as at the balance sheet date.

d) The consolidated financial results for the year ended March 31, 2012 included the results of the operations of EK for the period upto October 14, 2011. Accordingly, figures for the current year are not comparable to those for the corresponding previous year.

49 Derivative Instruments

a) During the year, the Holding Company has taken currency interest rate swap to hedge the currency and interest rate risk in respect of foreign currency term loan for the entire tenure of the loan. The interest rate has been fully hedged at a fixed rate of 11% p.a.

b) The following table summarises the movement in the derivative during the current year:-

Particulars	Designated Forward Cover	
	(USD Million)	(Rs. Million)
Opening balance as at beginning of the year	-	-
Additions during the current year	12	650.40
Matured during the year	-	-
Closing balance as at the end of the year	12	650.40

c) Mark to market losses provided for amounting to Rs. 30.70 Million as at March 31, 2013 have been charged to Hedging Reserve in the Consolidated Balance Sheet.

50 Previous year figures have been reclassified to conform the current year classification. Reclassification of previous year figures does not impact recognition and measurement principles followed for preparation of Financial Statements.

Signatures to Notes ' 1 ' to ' 50 ' above of these Financial Statements.

For and on behalf of the Board

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

Rajendra S Pawar
Chairman & Managing Director
DIN - 00042516

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

Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Officer

Rohit Kumar Gupta
Chief Financial Officer

Rajesh Arora
Company Secretary

Place : Gurgaon
Date : May 23, 2013

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

Name of the Subsidiary Company	Currency*	Share Capital	Reserves [Refer Note 2 below]	Total Assets	Total Liabilities	Details of Investment (Except in case of Investment in Subsidiary)	Turnover [Refer Note 5 below]	Profit/(Loss) Before Taxation	Provision for Tax/Deferred tax charge/(credit)	Profit After Tax	(Rs. Million)	
											Dividend Proposed / Paid	
NIIT Online Learning Limited	INR	4.39	0.93	5.37	0.05	3.51 [Refer note 3 below]	-	(0.03)	-	(0.03)	-	-
Hole-in-the-Wall Education Limited	INR	66.00	(110.77)	31.58	76.35	-	30.65	(6.23)	-	(6.23)	-	-
Scantech Evaluation Services Limited	INR	99.10	77.18	287.11	110.83	98.20 [Refer note 4 below]	-	130.24	4.80	125.44	95.14	-
NIIT Institute of Finance Banking and Insurance Training Limited	INR	101.13	(135.18)	124.46	158.51	-	398.19	3.24	1.61	1.63	-	-
NIIT (USA) Inc., USA	USD	1,136.13	373.19	2,018.91	509.59	-	2,193.92	(1.49)	(470.23)	468.74	283.71	-
NIIT Ventures Inc., USA**	USD	-	0.47	0.61	0.14	-	-	(10.15)	-	(10.15)	-	-
PT NIIT Indonesia, Indonesia	IDR	7.56	(6.65)	0.91	-	-	-	-	-	-	-	-
NIIT Antilles NV, Netherlands Antilles	USD	1,644.13	(1,220.55)	1,049.49	625.91	-	211.74	(330.93)	-	(330.93)	-	-
NIIT Malaysia Sdn Bhd, Malaysia	MYR	71.10	(32.23)	39.29	0.42	-	-	(0.77)	-	(0.77)	-	-
NIIT GC Limited, Mauritius	USD	118.70	(84.15)	86.92	52.37	-	-	(2.75)	-	(2.75)	-	-
NIIT China (Shanghai) Limited, Shanghai	CNY	30.59	107.08	284.92	147.25	-	180.87	(15.42)	(4.01)	(11.41)	-	-
NIIT Wuxi Service Outsourcing Training School	CNY	4.50	95.32	134.04	34.22	-	188.46	32.26	6.57	25.69	-	-
NIIT Limited, U.K.	GBP	12.65	26.83	283.70	244.22	-	624.55	(0.48)	0.92	(1.40)	-	-
Evolv Services Limited	INR	14.75	34.18	70.76	21.83	-	69.03	6.90	0.63	6.27	-	-
NIIT Institute of Process Excellence Limited	INR	220.00	(147.31)	102.34	29.65	-	156.66	22.55	-	22.55	-	-
Chongqing NIIT Education Consulting Limited	CNY	5.39	(0.03)	24.99	19.63	-	69.11	(11.04)	0.04	(11.08)	-	-
Wuxi NIIT Information Technology Consulting Limited	CNY	5.73	(0.81)	7.67	2.75	-	-	(0.04)	-	(0.04)	-	-
Changzhou NIIT Information Technology Consulting Limited	CNY	3.43	(7.53)	1.42	5.52	-	19.03	(0.15)	(0.04)	(0.11)	-	-
Su Zhou NIIT Information Technology consulting Limited	CNY	3.44	(6.29)	6.67	9.52	-	18.20	(0.54)	0.37	(0.91)	-	-
NIIT Yuva Jyoti Limited	INR	118.32	(19.78)	126.11	127.57	-	9.58	(89.68)	-	(89.68)	-	-
NIIT West Africa Limited	NGN	3.32	(3.52)	39.50	39.70	-	52.74	(2.41)	0.25	(2.66)	-	-
Qingdao NIIT Information Technology Company Limited	CNY	13.13	10.53	39.48	15.82	-	32.02	16.19	5.76	10.43	-	-
Chongqing An Dao Education Consulting Limited	CNY	4.38	0.02	11.95	7.55	-	12.75	2.36	3.33	0.03	-	-
Zhangjiagang NIIT Information Services Limited	CNY	4.31	5.37	14.28	4.60	-	17.49	8.32	3.12	5.20	-	-
Chengmai NIIT Information Technology Company Limited	CNY	4.39	(0.02)	4.37	-	-	-	-	-	-	-	-

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

** Share Capital INR 4661

Notes: 1. Amount in foreign currency in the Financial Statements of the subsidiaries mentioned above have been converted in Indian Rupee equivalent as per the generally accepted accounting principles in India.

2. Reserves include Currency Translation Reserve.

3. Amount represents investment in Mutual Funds.

4. Amount represents investment in NIIT Technologies Limited Rs. 97.50 Million and Rs. 0.70 Million in Mutual Funds.

5. Turnover does not include Other Income.

Indian rupee equivalents of the foreign currencies mentioned in the above table as on March 31, 2013 as follows:

1 INR = 17.5555 INR 1 CNY = 8.7449 INR

1 GBP = 82.5431 INR 1 USD = 54.2850 INR

1 NGN = 0.3428 INR 1 IDR = 0.0051 INR



NIIT

NIIT Limited

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

PROXY FORM

30th Annual General Meeting - July 1, 2013

Folio No. _____ DP ID No. _____ Client ID No. _____
 I/We _____ of _____ in the district
 of _____ being a member/members of NIIT Limited, hereby appoint
 _____ of _____ in the district of
 _____ or failing him/her _____
 of _____ in the district of _____ as my/our Proxy
 to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10.00 A.M.
 at Mapple Exotica, Khasra No.123, Chattarpur Mandir Road, Satbari, New Delhi 110 074, on Monday, the
 1st day of July, 2013.

Signed on this _____ day of _____ 2013

Affix
Revenue
Stamp here

Signature of Proxy

Signature of Member(s)

Note : This Form, in order to be effective, should be duly stamped, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



NIIT

NIIT Limited

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

ATTENDANCE SHEET

30th Annual General Meeting - July 1, 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 10.00 A.M., at Mapple Exotica,
 Khasra No.123, Chattarpur Mandir Road, Satbari, New Delhi 110 074, on Monday, the 1st 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 9.00 A.M.*

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

AMERICAS

United States of America

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EUROPE

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Fax: +86 21 52581541

India

- NIIT Limited
- NIIT Institute of Finance Banking and Insurance Training Limited
- NIIT Institute of Process Excellence Limited
- NIIT Yuva Jyoti Limited

Registered Office :

8, Balaji Estate, First Floor

Guru Ravi Das Marg, Kalkaji

New Delhi 110 019

India

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Fax: +91 11 41407120

Corporate Office

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85, Sector 32 Institutional

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India

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Fax: +91 124 4293333

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Tel: +603 2050 1888

Fax: +603 2031 8618

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NIIT Antilles NV Middle East (Branch)

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NIIT Antilles NV

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Doringkloof, Centurion 0157

PO Box 2660

Brooklyn Square 0075

South Africa

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Nigeria

NIIT West Africa

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Dolphin Estate

Ikoyi, Lagos

Nigeria

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AUSTRALIA

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Fax: +02 9299 8195

NIIT



LEADERSHIP

IN GLOBAL TALENT DEVELOPMENT



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ifbi
Institute of Finance, Banking & Insurance

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NIIT
nguru
Solutions for Schools

NIIT
UNIQUEA
CENTRE FOR PROCESS EXCELLENCE
— AN NIIT GENPACT VENTURE

Yuva **Jyoti**
skills for jobs

NIIT

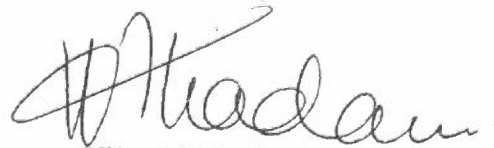
Registered Office: NIIT Limited, 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi 110 019, India
Phone: +91 11 41675000; Fax: + 91 11 41407120
www.niit.com; follow us on: [www.twitter.com/niitltd](https://twitter.com/niitltd)


FORM A


Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	NIIT Limited
2.	Annual financial statements for the year ended	31 st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by- <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the company• Audit Committee Chairman	

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


Vijay K Thadani
CEO & Whole-time Director


Surendra Singh
Chairman of Audit
Committee Meeting


Usha Rajeev
Partner
Membership No. 087191


Rohit Kumar Gupta
Chief Financial Officer

Date: May 23, 2013
Place: Gurgaon