

ANNUAL REPORT 2014-15
NIIT LIMITED

NIIT



OUR VISION

VALUES, MOTIVES AND BELIEFS

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

NIIT IS PEOPLE

WE HAVE POSITIVE REGARD FOR EACH ONE OF US

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

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

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

NIIT IS QUALITY AND VALUE

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

(a) WHAT SOCIETY GIVES TO US.

(b) WHAT SOCIETY WOULD GAIN FROM ANY OTHER SIMILAR ASSOCIATION

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

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

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

NIIT IS A MISSION

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

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

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CHAIRMAN'S MESSAGE

Dear Shareowners,

The year 2014-15 was challenging for the Indian economy, even though there was a surge in business confidence, with the new government taking charge and promising regulatory reforms. Uncertainty regarding the timelines of the reforms, a sharp decline in commodity prices and exchange rate volatility, resulted in increased business as well as operational risk.

Business performance

Despite sluggish market conditions and feeble demand in certain parts of the business, each of your company's growth platforms performed well and enabled it to achieve marginally higher revenues during 2014-15.

An intensive internal Business Transformation, rolled out during the relatively low key October-December and January-March quarters to minimize impact, did effect the financials. The company grew one percent, notching up revenues of Rs. 957.4 crore in the financial year 2014-15.

With corporate spending on training witnessing robust growth and companies increasing outsourcing to specialist training providers, our Corporate Learning Group (CLG) did brisk business. The company added four new global customers, taking its MTS customer count to 24 organizations and achieving an overall revenue visibility of USD 179 million over the remaining contract period.

During 2014-15, your company's CLG business showcased robust growth, recorded at a healthy 23 percent. This happened in large part due to the conscious shift made by CLG towards Managed Training Services, which proved to be the tailwind for the business.

Reduced hiring by the IT sector during the year impacted the attractiveness of IT courses. Recognizing this, your company enhanced focus on its 'Beyond-IT' portfolio of courses. Revenues contributed from "Beyond IT" grew to 33 percent of Skills and Careers Group (SNC) as compared to 26 percent in FY 2013-14.

Besides increasing its non-IT programs to offset the slowdown in the IT training industry, NIIT also drew up a more aggressive game plan for the China geography and improved its performance in the country. China enrolments grew 41 percent in Q4, as compared to the same period last year, heralding a fresh wave of potential opportunities for NIIT. More recently, we signed a historic and strategic agreement with China's Guian New Area, which we believe will greatly expand our presence in the region in the year ahead.

Our Schools Learning Group (SLG) meanwhile maintained momentum during the year, owing to a steady growth in its nGuru suite of products including Math Lab, IT Wizard and Quick School, where we have a leadership position. In 2014-15, NIIT unveiled its interesting and insightful MathLab Impact Study, which was conducted by one of the big four research agencies in 184 schools across 11 states in India. It indicated that Class X students from MathLab using schools performed distinctly better in Math at the board exam level, than students not exposed to MathLab.

Focus

During the year your company undertook a significant **Business Transformation** program that it initiated across the organization. 2014-15 was a time of great change for NIIT, with your company undertaking a strategic business make-over to become more agile, lean and responsive to the dynamic market and realign its business operations with the altering customer landscape.

Your company worked out a new scheme of arrangement, to transfer the Schools Business to one of its wholly-owned subsidiary companies, Hole-in-the-Wall Education Ltd. (HIWEL). HIWEL has now been re-christened as Mindchampion Learning Systems Limited. Over the next 12 months, this company will address opportunities in the K-12 segment.

Strong measures were undertaken to rework the business, including rationalizing the structure of subsidiary companies to make NIIT fit for growth and enable it to improve profitability. This entailed amalgamation of three wholly owned subsidiary companies (Scantech Evaluation Services Limited, NIIT Online Learning Limited and Evolv Services Limited) with NIIT Limited.

During the year, your company reassessed its global operations to identify and accelerate its exit from low return and capital-intensive businesses, geographies, products and capex-driven business models.

The organization furthermore, was restructured, and its center capacity, headcount and roles, and product portfolio were rationalized and consolidated across various training offerings in India including IT training, IFBI, Imperia, Uniqua and NIIT Yuva Jyoti. In this way, SNC products were made available across the entire network of owned and business partner centers, leading to an increase in reach and revenue potential for these courses.

A sharpened focus of SNC on India and China and its exit from other international geos, were the other critical moves that your company made during the year.

In a significant move, as part of top management succession Mr. Rahul Patwardhan, a former NIITian, who returned to the company as CEO designate on October 6, 2014, formally took charge as the CEO on May 28, 2015.

Achievements

2014-15 was a year when your company remained in the limelight, drawing industry recognition for its achievements. NIIT was declared the Most Trusted Training Brand in India for the 3rd year in a row by the Brand Trust Report, 2015. This reiterated the strong connect that NIIT has built and maintained with its customer community—both individuals and corporate.

Our learning and talent development solutions too continued to receive widespread attention globally. Your company's name was part of Training Industry (USA) Inc.'s 'Top 20 Training Outsourcing Companies' listing for the seventh year running.

India's leading ICT journal Dataquest conferred on us the 'Top Training Company' award for the 20th successive year, since the inception of this category.

Future outlook

Having completed the restructuring phase of the Business Transformation program, a part of our larger vision of driving long-term value for all our stakeholders, NIIT is set to take its next steps.

The transformation itself is expected to improve NIIT's capital efficiency, liquidity and increase profitability through material reduction in the company's operating cost run-rate.

We have now entered the second stage of our Business Transformation, where we are 'Re-energizing' the company by driving operational excellence across our Corporate Learning, Skills and Careers and Schools Learning groups. The final phase for business Renewal will involve new models for delivery and technology-based platforms, which will help your company achieve long-term, sustainable growth and profitability.

As part of our plans for 2015, we will be scaling our CLG business through larger, annuity-based contracts and driving productivity improvements.

The steps we have taken on the Skills and Careers front, will improve the financial performance of the business. In 2015, we are additionally anticipating the emergence of new business segments that will drive demand for niche skills across sectors, providing a thrust to our 'Beyond IT' and Multiple Stream Modular training initiatives.

The various initiatives and changes that have been undertaken during the year, should translate into improving the performance of your company. I would like to thank each one of you for your continuous support to the organisation, as we set ourselves on a path to take NIIT to the Next Frontier.

Cordially

Rajendra S Pawar
Chairman, NIIT Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS



Rajendra S Pawar
Chairman



Vijay K Thadani
Vice - Chairman &
Managing Director



P Rajendran
Joint Managing Director



Surendra Singh
Director



Sanjay Khosla
Director



Anand Sudarshan
Director



Geeta Mathur
Director

CIN: L74899DL1981PLC015865

CHIEF EXECUTIVE OFFICER
RAHUL KESHAV PATWARDHAN

GROUP CHIEF FINANCIAL ADVISOR
ASHOK ARORA

CHIEF FINANCIAL OFFICER
ROHIT KUMAR GUPTA

COMPANY SECRETARY
MUKESH KUMAR

AUDITORS
PRICE WATERHOUSE

BANKS
INDIAN OVERSEAS BANK
ICICI 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
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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 HEIGHTS
1E/13, JHANDEWALAN EXTN.
NEW DELHI 110055, INDIA
TEL: +91 11 23541234, 42541234
FAX: +91 11 42541967

WEBSITE
www.niit.com

NIIT

NIIT AT A
GLANCE
2014-2015



Global Leadership in Skills and Talent Development

- ❖ NIIT is a leading Skills and Talent Development Corporation that is building a manpower pool for global industry requirements. The company, which was set up in 1981 to help the nascent IT industry overcome its human resource challenges, today ranks among the world's leading training companies owing to its vast, yet comprehensive array of talent development programs. With a footprint across 40 nations, NIIT offers training and development solutions to Individuals, Enterprises and Institutions.
- ❖ Impacted over 35 Million learners
- ❖ Impacted over 15,000 schools
- ❖ One of the largest learning content development facilities in the world

NIIT has three main lines of business across the globe - Corporate Learning Group, Skills and Careers Group, and School Learning Group.

NIIT's Corporate Learning Group (CLG) offers Managed Training Services (MTS) to market-leading companies in North America, Europe, Asia, and Oceania. The comprehensive suite of Managed Training Services includes custom Curriculum Design and Content Development, Learning Administration, Learning Delivery, Strategic Sourcing, Learning Technology, and Advisory Services. With a team of some of the world's finest learning professionals, NIIT is dedicated to helping customers increase the business value of learning and development (L&D). Built on the sound principles of 'Running Training like a Business', NIIT's Managed Training Services and best-in-class training processes enable customers to align business goals with L&D, reduce costs, realise measurable value, benefit from rock-solid operations, and increase business impact.

NIIT's Skills and Careers Group (SNC) delivers a diverse range of learning and talent development programs to millions of individual and corporate learners in areas including Banking, Finance & Insurance, Soft Skills, Business Process Excellence, Retail Sales Enablement, Management Education, Multi-Sectoral Vocational Skills, Digital Media Marketing, and new-age IT. These programs are delivered through a hybrid combination of the 'Cloud Campus' online platform, satellite-based

'Synchronous Learning Technology' and a physical network of hundreds of learning centers in India, China, and select markets in Asia & Africa. The flagship multi-disciplinary course offerings include the industry-endorsed RevGNIIT program and a set of Post Graduate Programs for students from different streams, apart from a wide range of specialist short duration programs.

To further strengthen its SNC portfolio in India, NIIT has tied up with industry majors like ICICI Bank for NIIT Institute of Finance Banking & Insurance, IFBI; leading business schools in India for NIIT Imperia; Genpact for NIIT Uniqua; and a joint venture with NSDC for NIIT Yuva Jyoti. Besides this, for the China market, NIIT has tied up with governments and software parks in Guian, Chongqing, Wuxi, Suzhou, Changzhou, Zhangjiagang, Haikou and Dafeng, for state-of-the-art public-private partnership centres.

NIIT's School Learning Group (SLG) provides technology based learning to over 15,000 government and private schools in India, Bhutan, South Africa and the Middle East. The futuristic NIIT nGuru range of learning solutions for schools comprises Interactive Classrooms with digital content, technology-driven Math Lab, IT Wizard programs and Quick School - an Education Resource Planning software.

As the Most Trusted Brand in India for 3rd year in a row (Brand Trust Report, 2015), NIIT's learning and talent development solutions, continue to receive widespread recognition globally. NIIT has been named among the Top 20 Training Outsourcing Companies for the past seven consecutive years by Training Industry, Inc. USA. Further, leading Indian ICT journal Dataquest has conferred upon NIIT the 'Top Training Company' award successively for the past 20 years, since the inception of this category. NIIT Yuva Jyoti Ltd was recognized as the Best Vocational Education and Skill Development initiative at the World Education Summit, 2014.

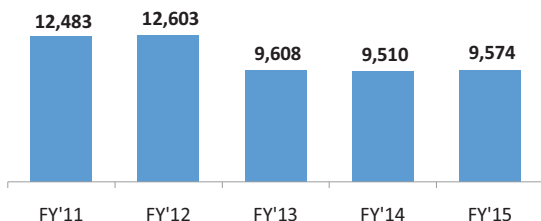
Recent Awards and Acknowledgments

- NIIT received the "Top Training Company Award 2014" for the 20th consecutive year by Cybermedia publications
- NIIT has been featured as "India's Most Trusted Training Brand" in Brand Trust Report, India Study, 2015, undertaken by Trust Research Advisory for the third consecutive year

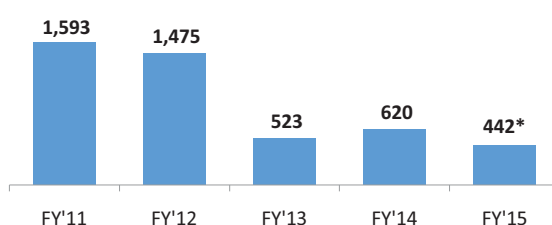
- NIIT nGuru MathLab Plus has been recognized as the “Best Innovative Learning Tool” at the 5th Indian Education Awards 2015 by Franchise India
- NIIT USA has been featured in the 2015 “Top 20 Training Outsourcing Companies” for the eighth consecutive year by Training Industry, Inc.
- NIIT’s corporate website www.niit.com has been recognized as the “Best Educational Website” at the 5th Annual India Digital Awards by Internet and Mobile Association of India (IAMA) in 2014
- NIIT Yuva Jyoti Ltd has been recognized as the “Best Vocational Education and Skill Development initiative” at the World Education Summit, 2014
- NIIT USA has been honored with “Brandon Hall Excellence Gold Award” in the Best Custom Content category jointly with Shell for Shell Services on the Road
- NIIT’s Chipen Rigpel Bhutan project has been recognized as the “Best Government Sector Initiative” in Education at the World Education Summit, 2014
- NIIT Corporate Learning has been ranked among “Top 20 Gamification L&D companies” of 2014 by Training Industry, Inc.
- NIIT Institute of Finance Banking & Insurance Training Ltd (IFBI) has been recognized as the “Best Vocational Institute for Banking, Finance & Insurance” at the 5th Indian Education Awards 2015 by Franchise India.

Amounts in INR million

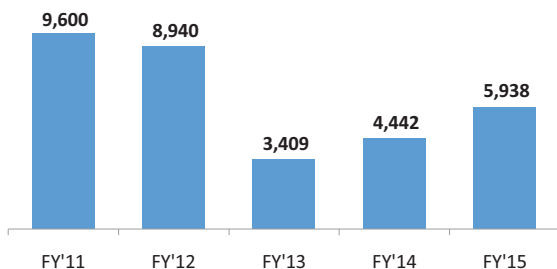
Revenue



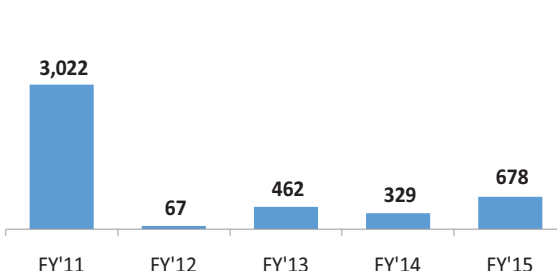
EBITDA



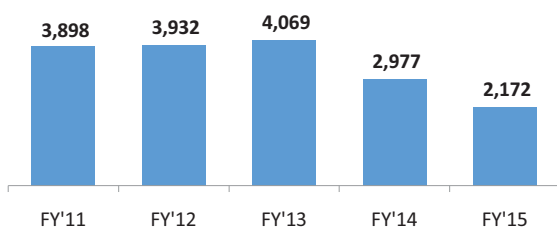
M-Cap (Rs. Mn)



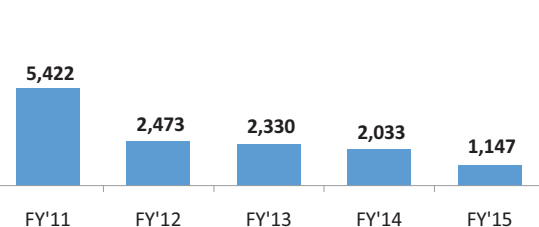
Net Debt



Account Receivables



Net Fixed Assets (incl. CWIP)



Note:-

1. 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.
2. Net Debt excludes foreign currency impact on fully hedged foreign currency loan.
3. *EBITDA for FY'15 excludes Business transformation expenses for Rs 134 Mn.

NOTICE

Notice is hereby given that the 32nd Annual General Meeting ("AGM") of the Members of NIIT Limited will be held on Tuesday, 8th day of September, 2015, 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:
 - a) the Audited Financial Statements of the Company for the financial year ended March 31, 2015 together with the Reports of the Auditors and the Directors thereon.
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. P Rajendran (DIN: 00042531), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s Price Waterhouse, Chartered Accountants (FRN301112E), Statutory Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next AGM and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139(2), 142(1) and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, as amended from time to time, the appointment of M/s Price Waterhouse, Chartered Accountants, (FRN301112E), be and is hereby ratified as Statutory Auditors of Company to hold office from the conclusion of this AGM until the conclusion of the next AGM of the Company at such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

4. APPROVAL FOR ALTERATION IN AUTHORISED SHARE CAPITAL OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital & Debentures) Rules, 2014, as amended from

time to time and subject to such sanctions, consents, permissions as may be necessary, the consent of the members of the Company be and is hereby accorded for consolidation of 15,00,00,000 Equity Shares of Rs. 1/- each comprised in the Authorized Share Capital of the Company into 7,50,00,000 Equity Shares of Rs. 2/- each and to sub-divide 1,36,00,000 Equity Shares of Rs. 10/- each comprised in the Authorized Share Capital of the Company into 6,80,00,000 Equity Shares of Rs. 2/- each.

RESOLVED FURTHER THAT pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules made thereunder, the existing Clause V of the Memorandum of Association of the Company be substituted by the following clause:

"V. The Authorized Share Capital of the Company is Rs. 1,38,60,00,000/- (Rupees One hundred thirty eight crore and sixty lakh only) divided into 39,30,00,000 (Thirty nine crore and Thirty lakh) Equity Shares of Rs. 2/- each and 35,00,00,000 (Thirty five crore) 8.5% cumulative redeemable preference shares of Rs. 1/- each and 25,00,000 (Twenty five lakh) redeemable preference shares of Rs. 100/- each with the rights, privileges and conditions attaching thereto as provided by the requisitions of the Company for the time being with power to increase and reduce the capital of the Company and divide the shares in the capital for the time being into several classes to attach thereto or in accordance with the Articles of the Company for the time being in force, and to modify, enlarge or abrogate any such right, privilege or conditions in such manner as may be permitted by the said Act or provided by the Articles of Association of the Company for the time being in force."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution."

5. RATIFICATION OF REMUNERATION OF COST AUDITOR

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 or any statutory modification

NOTICE (Contd.)

or re-enactment thereof, the remuneration of Rs. 2,50,000/- plus service tax and out of pocket expenses, payable to Ramanath Iyer & Co., Cost Accountants appointed as Cost Auditors of the Company for the financial year 2014-15 by the Board of Directors of the Company be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such steps as may be deemed necessary, proper and expedient to give effect to this resolution."

6. APPOINTMENT OF MR. VIJAY K THADANI AS MANAGING DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** in partial modification of the resolution passed by the members at the 31st Annual General Meeting held on July 7, 2014, Mr. Vijay K Thadani, Director who was earlier designated as CEO & Whole-time Director of the Company be and is hereby appointed as Managing Director of the Company with effect from April 1, 2015 on the same terms and conditions including remuneration, as approved earlier by the members.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such steps as may be deemed necessary, proper and expedient to give effect to this resolution."

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

Place : New Delhi

Mukesh Kumar

Date : July 17, 2015

Company Secretary

Membership No. – ACS 17925

NOTES:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business as set out above to be transacted at the Annual General Meeting is annexed hereto and forms part of this Notice.
2. **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, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF**

THE COMPANY AT 8, BALAJI ESTATE, FIRST FLOOR, GURU RAVI DAS MARG, KALKAJI, NEW DELHI – 110019, EITHER IN PERSON OR THROUGH POST NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ATTACHED WITH THE ANNUAL REPORT. A PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

A proxy form which does not state the name of proxy and/or which are undated, unstamped or inadequately stamped or upon which the stamps have not been cancelled shall not be considered as valid.

Proxy-holder shall carry his/her identity proof (Driving License, Voter ID Card, Passport, PAN card) in order to prove his/her identity at the Annual General Meeting.

In case the meeting gets adjourned, the proxy given for the adjourned meeting shall revoke the proxy for the original meeting.

A proxy later in date shall revoke any proxy/proxies dated prior to such proxy.

3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the AGM.
4. All the documents referred in the Notice, Annual Report including Annual Financial Statements of the subsidiary companies and Register of Directors' Shareholding are open for inspection, during the business hours, at the Registered Office of the Company upto and including the date of Annual General Meeting.
5. Statutory Auditors' certificate certifying that the Company's stock option plan has been implemented in accordance with the applicable SEBI Guidelines and Regulations and in accordance with resolutions passed by the Members, will be available at the meeting for inspection by the Members.

NOTICE (Contd.)

6. The Register of Members and Share Transfer Books of the Company shall remain closed during the Book Closure period, i.e., from August 31, 2015 to September 8, 2015, both days inclusive.
7. 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 to their depository participant(s).
8. 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.
9. The Members desirous of appointing their nominees for the shares held by them may apply in the Nomination Form (Form SH.13).
10. All unclaimed/unpaid dividend up to the financial year ended on March 31, 2007, have been transferred to the Investor Education and Protection Fund of the Central Government pursuant to Section 205A of the Companies Act, 1956 (corresponding Section 124 of Companies Act, 2013). Members who have not so far encashed dividend warrant(s) for the financial year ended March 31, 2008 and thereafter are requested to approach the Company by writing a letter to the Company at Registered Office address, immediately. As on March 31, 2015, the amount outstanding in unclaimed dividend account for the financial year ended March 31, 2008 is Rs. 9,09,083.50.
11. The Members desirous of obtaining any information/clarification concerning the financial statements 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. Pursuant to the provisions of the Companies Act, 2013 read with the rules framed thereunder, the Company may send notice of general meeting, directors' report, auditors' report, audited financial statements and other documents through electronic mode. Further, pursuant to the first proviso to the Rule 18 of the Companies (Management and Administration) Rules, 2014, the Company shall provide an advance opportunity atleast once in a financial year to the members to register their e-mail address and changes therein. In view of the same, Members are requested to kindly update their e-mail address with depository participants in case of holding shares in demat form. If holding shares in physical form, Members are requested to inform their e-mail ID to the Company.
13. Electronic copy of the Notice of the 32nd Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the aforesaid documents are being sent by the permitted mode.
14. Voting through electronic means:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. In terms of Clause 35B of the Listing Agreement, in order to enable its members who do not have access to e-voting facility, a Ballot Form is annexed to the Notice to send their assent or dissent in writing in respect of the resolutions as set forth in the notice. A member who is not able to attend the AGM and desiring to exercise vote by ballot shall complete the said Ballot Form with assent (For) or dissent (Against), as per the instructions mentioned in the Ballot Form and send it to the Scrutinizer at the address mentioned on the self-addressed pre-paid postage business reply envelope. The facility for voting through ballot paper shall also be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting or by ballot paper prior to the AGM, shall be able to exercise their right at the meeting through ballot paper.

NOTICE (Contd.)

- III. The members who have cast their vote by remote e-voting or by ballot paper prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 5th September, 2015 (9:00 am) and ends on 7th September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 1st September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
- V. The process and manner for remote e-voting are as under:
- (i) NSDL shall be sending the User ID and Password, to those members whose shareholding is in the dematerialized format and whose e-mail addresses are registered with the Company/Depository Participants. For members who have not registered their e-mail address, can use the details as provided in the e-voting instruction being sent along with the Notice.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder –Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "NIIT LIMITED".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to officenns14@gmail.com with a copy marked to evoting@nsdl.co.in
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 1st September, 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 1st September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or investors@niit.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

NOTICE (Contd.)

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. Nityanand Singh, Company Secretary (Membership No. FCS 2668) from M/s. Nityanand Singh & Co., Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility or through ballot paper enclosed herewith.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight (48) hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The results of the voting shall be displayed on the Notice Board of the company at its Registered office as well as Corporate office.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.niit.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to NSE and BSE.

15. 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.

16. Information pursuant to Clause 49 of the Listing Agreement pertaining to the Director proposed to be re-appointed vide Item No. 2 of the Notice, is as follows:

Name	P Rajendran
Date of Birth	February 28, 1953
Date of Appointment	May 1, 1990
Qualifications	B. Tech
Expertise in specific functional area	Detailed in the Corporate Governance Report for the financial year 2014-15
Directorship held in other companies	1. Mindchampion Learning Systems Limited (formerly known as Hole-in-the-Wall Education Limited) 2. NIIT Network Services Limited 3. NIIT Institute of Finance Banking and Insurance Training Limited 4. NIIT Institute of Process Excellence Limited 5. NIIT Yuva Jyoti Limited 6. Pace Education Private Limited 7. IT Infrastructure Development Corporation Private Limited 8. NIIT Education Services
Membership (M)/ Chairmanship (C) of Committees of other companies (includes only Audit Committee (AC) and Stakeholders Relationship Committee (SRC))	1. Mindchampion Learning Systems Limited (formerly known as Hole-in-the-Wall Education Limited) – Chairman-Audit Committee
Number of Equity Shares held in the Company	457,537
Relationship with other Directors	None

STATEMENT IN RESPECT OF SPECIAL BUSINESSES (Pursuant to Section 102 of the Companies Act, 2013)

ITEM NO.4

The present Authorized Share Capital of the Company is Rs. 1,38,60,00,000/- (Rupees One hundred thirty eight crore and sixty lakh only) divided into 15,00,00,000 (Fifteen crore) Equity Shares of Rs. 1/- each, 25,00,00,000 (Twenty five crore) Equity Shares of Rs. 2/- each, 1,36,00,000 (One crore thirty six lakh)

NOTICE (Contd.)

Equity Shares of Rs. 10/- each and 35,00,00,000 (Thirty five crore) 8.5% cumulative redeemable preference shares of Rs. 1/- each and 25,00,000 (Twenty five lakh) redeemable preference shares of Rs. 100/- each.

With a view to enable issue of shares by the Company, as and when deemed expedient, it is proposed to rearrange the Authorized Share Capital of the Company in a manner such that the Equity Shares comprised in the Authorized Share Capital of the Company are of the same face value. Accordingly, it is proposed to consolidate 15,00,00,000 Equity Shares of Rs. 1/- each into 7,50,00,000 Equity Shares of Rs. 2/- each and to sub-divide 1,36,00,000 Equity Shares of Rs. 10/- each into 6,80,00,000 Equity Shares of Rs. 2/- each and to suitably amend the Memorandum of Association of the Company.

In accordance with the provisions of Sections 13 and 61 of the Companies Act, 2013 read with the relevant rules made thereunder, alteration of the existing Authorized Share Capital of the Company requires consent of the members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at Item no. 4, except to the extent of their shareholding in the Company.

The Board recommends the resolution for your approval.

ITEM NO.5

The Board at its meeting held on March 26, 2015, on the recommendation of the Audit Committee, has appointed Ramanath Iyer & Co., Cost Accountants as the Cost Auditor of the Company for the financial year 2014-15 at a remuneration of Rs. 2,50,000/- plus service tax and out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies

(Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the cost auditor is required to be ratified by the shareholders of the Company.

None of the Director's and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at Item no. 5.

The Board recommends the resolution for your approval.

ITEM NO.6

The Members of the Company at their 31st Annual General Meeting of the Company held on July 7, 2014 had appointed Mr. Vijay K Thadani as CEO & Whole-time Director of the Company, for a period of 5 years with effect from April 1, 2014.

The Board of Directors of the Company at its meeting held on October 6, 2014, approved certain changes in the roles of the Directors of the Company, in accordance with the succession planning process of the Company, whereby Mr. Vijay K Thadani, has been appointed as Managing Director of the Company, with effect from April 1, 2015 for the remaining period of his tenure.

The terms and conditions of his appointment including remuneration as approved by the Members at the 31st Annual General Meeting remain the same.

Except Mr. Vijay K Thadani and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at Item no. 6.

The Board recommends the resolution for your approval.

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

Place : New Delhi
Date : July 17, 2015

Mukesh Kumar
Company Secretary
Membership No. – ACS 17925

DIRECTORS' REPORT

Dear NIIT Shareowner,

Your Directors take pleasure in presenting the 32nd Annual Report along with the audited financial statements for the financial year ended March 31, 2015.

Financial Highlights

The highlights of your Company's financial results for the financial year April 1, 2014 to March 31, 2015 are as follows:

(Rs. Mn.)

Particulars	NIIT Limited-Group (Consolidated)		NIIT Limited (Standalone)	
	2014-15	2013-14	2014-15	2013-14
Net Sales (Income from operations)	9,574	9,510	3,486	5,202
Other Income	131	102	369	615
Total Income	9,705	9,612	3,855	5,817
Total Expenditure	9,488	9,164	3,703	5,175
Profit before depreciation and taxes	217	448	152	642
Depreciation and Amortization	1,073	779	431	680
Exceptional Items (Net)	(803)	67	(848)	19
Net tax provision	12	93	34	59
Net profit/ (loss) before share of Associates' Profit & Minority Interest	(1,671)	(357)	(1,161)	(78)
Share of Associates' Profit and Minority Interest	286	534	-	-
Net Profit/(Loss)	(1,385)	178	(1,161)	(78)
Basic EPS (Rs.)	(8.39)	1.08	(7.03)	(0.47)
Diluted EPS (Rs.)	(8.39)	1.08	(7.03)	(0.47)

During the year, your Company's consolidated income from operations was Rs. 9,574 million as against Rs. 9,510 million in the previous year and Net loss (after Associates' Profit) Rs. 1,385 million as against profit of Rs. 178 million in the previous year.

The income from operations for the year under review for the Company on a stand-alone basis was Rs. 3,486 million as compared to Rs. 5,202 million in the previous year and Net loss of Rs. 1,161 million as against the loss of Rs. 78 million in the previous year.

Business Operations

During the year under review, the Company undertook a major program for business transformation including rationalization of subsidiary companies structure and the direction being to make NIIT an asset light & technology intensive IP driven company. The business transformation exercise also included:

- Succession for top management and appointment of new CEO
- Defocus/Exit from certain international geographies to conserve management bandwidth
- Capacity and people consolidation and Product portfolio rationalization

In the Corporate Learning business, your Company continues to focus on Managed Training Services (MTS). Revenue from Corporate Learning Group (CLG) grew 23%, driven by strong momentum in MTS which was up 35% as compared to the previous year. NIIT added 4 new global MTS customers in FY'15. As on March 31, 2015 the company had 24 MTS customers, with a revenue visibility of USD 179 million over the balance period of existing contracts. The business achieved EBITDA margins of 12%. CLG contributed 51% to the total consolidated revenue of NIIT.

Given the challenging environment, the Company took a decision to launch a comprehensive business transformation program which involved a review of entire portfolio of businesses, geographies and products with the objective of exiting low margin and low volume products, capital intensive businesses and sharpen focus on asset-light, high-return and growth-oriented offerings. Individual Learning business and Skill Building business operations have been combined into a single Skills & Careers business (SNC) and rationalized capacity and organization structure. The Company utilized the relatively weaker quarters of Oct-Dec and Jan-Mar to drive this transformation. While the exercise involved one-time expenses and provisions and impacted normal business during these two quarters, it has led to a material reduction in continuing costs and also enabled the organization to expand the reach of its Beyond-IT programs which have now been made available to the entire network of training centers.

In the last couple of years, NIIT's Skills & Careers business had been impacted due to continuing weakness in hiring by IT sector. The Company had responded to the headwinds in the business by focusing on growing its Beyond-IT portfolio of offerings. The contribution from Beyond-IT increased to 33% in FY'15 as compared to 26% last year. During the year, revenue achieved by the Skills & Careers business declined 18% year on year. The business had a negative 5% percent EBITDA margin due to adverse impact of operating

DIRECTORS' REPORT (Contd.)

leverage. Skills & Careers business contributed 34% to NIIT's consolidated revenue.

In the Schools Learning business, the Company stayed away from adding on business from the government schools sector and from accepting new orders of capital intensive and capex driven business models. While this impacted overall revenue and margins, the Company continues to improve its liquidity and capital efficiency. The focus for the Schools Learning Group (SLG) is on growing the asset light, IP driven product offerings. In FY'15, revenue from SLG declined 9% year on year. The business had 4% EBITDA margins for the year. The business contributed 15% to NIIT's revenues for FY'15.

During the year, NIIT Limited transferred the Schools business to a wholly owned subsidiary i.e. Hole-In-The-Wall Education Limited (now known as Mindchampion Learning Systems Limited). This has been done to enable options for funding, partnerships and alliances to address the large opportunity in the schools market.

On an overall basis, NIIT achieved revenues of Rs. 9,574 million, a growth of 1% as compared the previous financial year. The strong growth in Corporate Learning helped to overcome decline in IT training and planned ramp down of revenue from Government schools Capital Intensive business. EBITDA, excluding one-time expenditure related to the business transformation, was Rs 442 million as compared to Rs. 620 million last year.

Future Plans

Going forward, the Company expects CLG to continue to see a robust growth driven by MTS as global companies are increasing to outsource training to specialist training providers.

In Skills and Careers business, softness in hiring of IT graduates is expected to continue in the short term and would impact enrolments. However, increasing pace of technology transformation and disruption of traditional industries by start-ups is driving demand for niche skills across sectors. NIIT has reorganized its operations in India to drive closer integration with demand across various industries and this is expected to help the business achieve a turnaround in performance.

NIIT would continue to focus on the asset light, IP driven business in Private schools and exit capital intensive business models. The Company believes that there is a large opportunity in the K-12 market. To address this opportunity, the Schools Learning business has been transferred into a wholly owned subsidiary. This enables

NIIT to explore various options for funding, partnerships and alliances to accelerate growth for the business.

Dividend

Your Directors have not recommended any dividend for the year under review.

Transfer to Reserves

Your Company has not transferred any sum to the General Reserve.

Awards and Accolades

During the year, the NIIT Brand received accolades from across the world recognizing and commending various aspects of the Company. Some of them are listed below:

- NIIT received the "Top Training Company Award 2014" for the 20th consecutive year by Cybermedia publications
- NIIT has been featured as "India's Most Trusted Training Brand" in Brand Trust Report, India Study, 2015, undertaken by Trust Research Advisory for the third consecutive year
- NIIT nGuru MathLab Plus has been recognized as the "Best Innovative Learning Tool" at the 5th Indian Education Awards 2015 by Franchise India
- NIIT US has been featured in the 2015 "Top 20 Training Outsourcing Companies" for the eighth consecutive year by Training Industry, Inc.
- NIIT's corporate website www.niit.com has been recognized as the "Best Educational Website" at the 5th Annual India Digital Awards by Internet and Mobile Association of India (IAMAI) in 2014
- NIIT Yuva Jyoti Ltd has been recognized as the "Best Vocational Education and Skill Development initiative" at the World Education Summit, 2014
- NIIT US has been honored with "Brandon Hall Excellence Gold Award" in the Best Custom Content category jointly with Shell for Shell Services on the Road
- NIIT's Chipen Rigpel Bhutan project has been recognized as the "Best Government Sector Initiative" in Education at the World Education Summit, 2014
- NIIT Corporate Learning has been ranked among "Top 20 Gamification L&D companies" of 2014 by Training Industry, Inc.
- NIIT Institute of Finance Banking & Insurance Training Ltd (IFBI) has been recognized as the

DIRECTORS' REPORT (Contd.)

"Best Vocational Institute for Banking, Finance & Insurance" at the 5th Indian Education Awards 2015 by Franchise India.

Scheme of Arrangement

Subsequent to year end, a composite Scheme of Arrangement (the Scheme) under the provisions of Section 391 and 394 of the Companies Act, 1956 between NIIT Limited (the Company), Evolv Services Limited, Scantech Evaluation Services Limited, NIIT Online Learning Limited and Hole-In-The-Wall Education Limited and their respective shareholders and creditors was approved by Hon'ble Delhi High Court vide its order pronounced on May 8, 2015. The Scheme became effective from May 23, 2015 on filing a certified copy of the High Court order with the office of the Registrar of the Companies, NCT of Delhi & Haryana, and is applicable from April 1, 2014 (the "Appointed Date"). On Scheme becoming effective, the School Business Undertaking stands transferred to and vested in the wholly owned subsidiary of the Company namely Hole-In-The-Wall Education Limited (the name of the Company has been changed to Mindchampion Learning Systems Limited).

Further, Evolv Services Limited, Scantech Evaluation Services Limited, NIIT Online Learning Limited, wholly owned subsidiaries of the Company stand merged with the Company pursuant to the Scheme.

Changes in Capital Structure

Pursuant to the Scheme of Arrangement, the Authorised share capital of the Company was increased to Rs. 1,38,60,00,000/- comprising of 15,00,00,000 Equity Shares of Rs. 1/- each, 25,00,00,000 Equity Shares of Rs. 2/- each, 1,36,00,000 Equity Shares of Rs. 10/- each, 35,00,00,000 8.5% Cumulative Redeemable Preference shares of Rs.1/- each and 25,00,000 Redeemable Preference Shares of Rs. 100/- each.

During the year under review, the Company has allotted 25,000 Equity Shares under the NIIT Employee Stock Option Scheme 2005.

Subsidiary Companies

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as per the Companies Act, 2013 is provided as Annexure-A in the prescribed Form AOC-1.

The annual accounts of the subsidiaries, 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 from the website of the Company i.e. www.niit.com.

Consolidated Financial Statements

In compliance with Clause 32 of the Listing Agreement and Section 129(3) of the Companies Act, 2013 read with the relevant rules made thereunder, the Consolidated Financial Statements are prepared in accordance with the Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 on Accounting for Investments in Associates and AS - 27 on Financial Reporting of Interests in Joint Ventures, the audited Consolidated Financial Statement is provided in the Annual Report. The Consolidated Financial Statements together with Auditors' Report thereon form part of the Annual Report.

Transfer of Amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 7, 2014 (date of last Annual General Meeting) on the website of the Company <http://www.niit.com/india/training/investors/Pages/investor-information.aspx>

Corporate Social Responsibility (CSR)

In compliance with the requirement of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time, the Company has constituted a Corporate Social Responsibility Committee ('CSR Committee'). As on the date of this report, following are the members of CSR Committee:

- Mr. Surendra Singh - Chairman
- Mr. Rajendra S. Pawar

DIRECTORS' REPORT (Contd.)

- Mr. Vijay K Thadani
- Mr. Anand Sudarshan

During the year under review, the Company has undertaken activities as per the CSR Policy approved by the Board of Directors of the Company on recommendation of the CSR Committee. The same is available on the Company's website at <http://www.niit.com/authoring/Documents/Other%20Disclosures/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY.pdf>.

Pursuant to the CSR Policy, the Company's CSR initiatives are directed towards promoting both higher and vocational education, thus enhancing employability and creating livelihoods. The Company has made a grant of Rs. 10.97 million during the financial year 2014-15 to NIIT Institute of Information Technology ("TNI"), a society registered under the Societies Act, 1860 which has set up NIIT University ("NU") as a private university at Neemrana, Dist. Alwar, Rajasthan. The annual report on CSR Activities is given in Annexure - B forming part of this 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. Your Company has also implemented several best practices in Corporate Governance, such as the "Whistleblower Policy" and "Code of Conduct on Ethics".

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 "Report on Corporate Governance". The Certificate from the Practicing Company Secretary confirming the compliance to the conditions of the corporate governance stipulated in Clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

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 this Report.

Directors

During the year under review, Ms. Madhabi Puri Buch resigned from the Directorship of the Company w.e.f closing business hours of July 10, 2014. The Board of Directors placed on record their deep appreciation for the invaluable contribution and guidance extended by her during her tenure as Director of the Company.

As per the provisions of Section 152(6) of the Companies Act, 2013, Mr. P. Rajendran will retire in the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

The Company has received declarations from all the independent directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Further, in accordance with the succession planning process of the Company following changes have been effected in the roles of the Directors of the Company, with effect from April 1, 2015, of the Company:

- Mr. Rajendra S Pawar has vacated the position of 'Managing Director' of the Company and continues as the Chairman of the Board.
- Mr. Vijay K Thadani has been designated as Vice Chairman and Managing Director.
- Mr. P Rajendran has been designated as Joint Managing Director.

Key Managerial Personnel

As on date of this report, following officials of the Company are the 'Key Managerial Personnel' of the Company under the Companies Act, 2013:

1. Mr. Vijay K Thadani – Vice-Chairman & Managing Director
2. Mr. P Rajendran – Joint Managing Director
3. Mr. Rahul K Patwardhan – Chief Executive Officer
4. Mr. Rohit Kumar Gupta – Chief Financial Officer
5. Mr. Mukesh Kumar – Company Secretary (appointed w.e.f. February 2, 2015)

During the intervening period between the date of last report and this report, Mr. Rajendra S Pawar has ceased to be the Managing Director of the Company w.e.f April 1, 2015. Further, Mr. Rajesh Arora has resigned as Company Secretary of the Company w.e.f

DIRECTORS' REPORT (Contd.)

the close of business hours on January 31, 2015. Mr. Ashok Kumar Arora who was designated by the Board of Directors, as Whole-time 'Key Managerial Personnel' of the Company w.e.f. April 1, 2014, ceased to be Key Managerial Personnel w.e.f. the close of business hours on September 30, 2014, upon change of his designation from Group Chief Financial Officer to Group Chief Financial Advisor.

Appointment of Chief Executive Officer

The Board of Directors in their meeting held on October 6, 2014 appointed Mr. Rahul K Patwardhan as CEO Designate of the Company and he continued to hold this position till the closing business hours of May 27, 2015. Further, he was appointed as Chief Executive Officer of the Company w.e.f. May 28, 2015. Mr. Patwardhan is a Production Engineer and an MBA from IIM Calcutta. After having spent the first 20 years of his career with NIIT in diverse roles, he returned to the Company with 10 years of extensive global experience in scaling Managed Services operations. Mr. Patwardhan was based at the Europe headquarters of Logica as MD, Global Managed App Services.

Meetings of the Board

During the year ten Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement. For further details, please refer report on Corporate Governance forming part of this Annual Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, CSR and Stakeholders Relationship Committees. A structured evaluation form was administered after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Effectiveness, Key Stakeholders connect, Ethics and Compliances, Evaluation of Company's Performance, Project Management and Internal Control and Audits. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement

and contribution, effective participation in Board/Committee Meetings, independence of judgement, safeguarding the interest of the Company and its minority shareholders, providing expert advice to Board and contributing in deliberations while approving related party transactions.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed the Nomination and Remuneration Policy as stated in the Corporate Governance Report.

Vigil Mechanism/ Whistle Blower Policy

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a Vigil Mechanism for Directors and employees to report genuine concerns has been established by the Company. The Whistle Blower Policy is available on the website of the Company at the following link:

<http://www.niit.com/authoring/Documents/Other%20Disclosures/Whistle%20Blower%20Policy.pdf>

Directors' Responsibility Statement

As required under section 134(3)(c) of the Companies Act, 2013, the Board of Directors of your Company hereby state and confirm:

- a) That in the preparation of the annual accounts, the applicable accounting standards were followed along with proper explanation relating to material departures;
- b) That the directors had selected such accounting policies and applied them consistently (including as required to give effect to the Court approved composite Scheme of Arrangement) 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 at the end of the financial year and of the loss of the Company for that period;
- c) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) That the directors had prepared the annual accounts on a going concern basis;

DIRECTORS' REPORT (Contd.)

- e) That the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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 134(3)(m) of the Companies Act, 2013, 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 equipment. The requirement of disclosure of particulars with respect to conservation of energy as prescribed in Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are not applicable to the Company and hence are not provided.

b) Technology absorption

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

c) Research and Development

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in 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, Europe, China, Africa, South East Asia, 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.32 to 35 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, 2015.

Auditors and Auditors' Report

M/s Price Waterhouse, Chartered Accountants (Firm Registration Number FRN301112E) were appointed as Statutory Auditors of the Company at the 31st Annual General Meeting of the Company to hold office from the conclusion of the Annual General Meeting held in the year 2014 till the conclusion of the Annual General Meeting scheduled to be held in the year 2017 subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

The Auditors in their report to the members on the financial statements of the Company (both standalone and consolidated) for the financial year ended on March 31, 2015 have stated a "Matter of emphasis". The notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not require any further comments.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Nesar & Associates, Company Secretaries to conduct Secretarial Audit for the Company for the financial year 2014-15. The Secretarial Audit Report is

DIRECTORS' REPORT (Contd.)

annexed herewith as Annexure-C. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Auditors

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost records and audits) Rules, 2014, the Board of Directors of the Company, upon recommendation of the Audit Committee, have appointed M/s. Ramanath Iyer and Co., Cost Accountants, New Delhi as the Cost Auditors of the Company, to carry out the cost audit for the financial year 2014-15. The ratification of remuneration payable to Cost Auditors is being sought from the members of the Company at the ensuing AGM.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9 in term of Section 92(3) of the Companies Act, 2013 is annexed herewith as Annexure-D.

Related Party Transactions

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a Related Party Transactions Policy for identifying, reviewing and approving transactions between the Company and Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the Listing Agreement. The said Policy is available on the website of the Company at http://www.niit.com/authoring/Documents/Other%20Disclosures/Related%20Party%20Transactions%20Policy_final.pdf.

All Related Party Transactions are placed before the Audit Committee and also before the Board for approval. The details of contracts or arrangements with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 in form AOC-2 is annexed herewith as Annexure-E.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees or Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Particulars of Employees

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure-F(a) to the Board's report.

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of Rs. 60 lakh or more, or employed for part of the year and in receipt of Rs. 5 lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as Annexure-F(b) to the Board's report.

Public Deposits

In terms of the provisions of Section 73 to 76 of the Companies Act, 2013 read with the relevant rules made thereunder, your Company has not accepted any fixed deposits from public.

Detail of significant and material orders passed by the regulators, courts, tribunals

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

Human Resources and Employee 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.

Employee 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 set up 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 is to develop

DIRECTORS' REPORT (Contd.)

a sense of ownership among the employees within the organization and to align your Company's stock option scheme with the best practices in the Industry. In accordance with the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the particulars of the options granted, vested, exercised and allotted under the ESOP-2005 are appended as Annexure-G and form part of this report.

The Nomination and Remuneration Committee has granted 14,90,000 Employee Stock Options (Grant #9) at Rs.35.40 per option/share, 3,70,000 Employee Stock Options (Grant #10) at Rs.49.75 per option/share and 10,00,000 Employee Stock Options (Grant #11) at Rs.48.50 per option/share to the eligible employees under ESOP-2005 in May 2014, September 2014 and October 2014 respectively.

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

Acknowledgement

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
DIN: 00042516

Place: New Delhi
Date: July 17, 2015

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES & ASSOCIATES

Annexure- 'A'

[Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 – AOC-1]

PART A - SUBSIDIARIES

(Amount in Rs. Million Except % of Share Holding)

S.No.	Name of the Subsidiary Company	Currency*	Exchange Rate	Financial Year ended	Share Capital	Reserves [Refer Note 2 below]	Total Assets	Total Liabilities	Debits of Investment [Except in case of Investment in Subsidiary]	Turnover [Refer Note 3 below]	Profit/(Loss) Before taxation	Provision for Tax/ Deferred tax charge/(credit)	Profit after Taxation	Dividend Proposed / Paid	% of Share holding
1	Hole-in-the-Wall Education Limited**	INR	1 INR = 1 INR	March 31, 2015	190.64	(575.76)	1,180.63	1,565.75	-	1,413.73	(478.55)	(29.45)	(449.10)	-	100
2	NIIT Institute of Finance Banking and Insurance Training Limited	INR	1 INR = 1 INR	March 31, 2015	101.13	(100.36)	148.58	147.81	-	396.98	(62.98)	0.02	(63.00)	-	80.30
3	NIIT Institute of Process Excellence Limited	INR	1 INR = 1 INR	March 31, 2015	220.00	(76.38)	176.33	32.71	-	205.46	37.14	-	37.14	-	75
4	NIIT Yuva Jyoti Limited	INR	1 INR = 1 INR	March 31, 2015	231.32	(318.18)	259.56	346.42	-	107.59	(95.07)	-	(95.07)	-	90
5	NIIT (USA) Inc., USA	USD	1 USD = 62.3355 INR	March 31, 2015	530.71	148.96	1,426.27	746.60	-	2,587.20	9.17	(5.23)	14.40	-	100
6	NIIT Antilles NV, Netherlands Antilles	USD	1 USD = 62.3355 INR	March 31, 2015	2,044.72	(1,778.49)	338.96	72.73	-	102.80	(462.14)	(2.91)	(459.23)	-	100
7	NIIT GC Limited, Mauritius	USD	1 USD = 62.3355 INR	March 31, 2015	118.70	(89.49)	95.80	66.59	-	-	(2.80)	-	(2.80)	-	100
8	NIIT Limited, U.K.	GBP	1 GBP = 92.5462 INR	March 31, 2015	12.65	(9.12)	472.91	469.38	-	1,981.88	(6.58)	13.03	(19.61)	-	100
9	NIIT Malaysia Sdn Bhd, Malaysia	MYR	1 MYR = 1.68301 INR	March 31, 2015	71.10	(25.92)	54.14	8.96	-	19.60	5.13	-	5.13	-	100
10	PT NIIT Indonesia, Indonesia	IDR	1 IDR = 0.0048 INR	March 31, 2015	7.56	(7.56)	-	-	-	-	-	-	-	-	100
11	NIIT West Africa Limited	NGN	1 NGN = 0.3132 INR	March 31, 2015	3.32	(18.49)	65.29	80.46	-	37.21	(8.34)	0.10	(8.44)	-	100
12	NIIT China (Shanghai) Limited, Shanghai	CNY	1 CNY = 10.0533 INR	March 31, 2015	30.59	(41.74)	137.02	148.17	-	168.54	(164.45)	6.41	(170.86)	-	100
13	NIIT Wuxi Service Outsourcing, Training School	CNY	1 CNY = 10.0533 INR	March 31, 2015	4.50	50.17	85.66	30.99	-	118.88	(61.28)	(10.13)	(51.15)	-	60
14	Chongqing NIIT Education Consulting Limited	CNY	1 CNY = 10.0533 INR	March 31, 2015	5.39	(19.44)	14.88	28.93	-	41.37	(15.01)	0.51	(15.52)	-	60
15	Wuxi NIIT Information Technology Consulting Limited	CNY	1 CNY = 10.0533 INR	March 31, 2015	5.73	1.17	6.92	0.02	-	-	(0.04)	(0.06)	0.02	-	60
16	Changzhou NIIT Information Technology Consulting Limited	CNY	1 CNY = 10.0533 INR	March 31, 2015	3.43	3.35	13.07	6.29	-	28.88	3.85	1.91	1.94	-	60
17	Su Zhou NIIT Information Technology Consulting Limited	CNY	1 CNY = 10.0533 INR	March 31, 2015	3.44	18.36	28.22	6.42	-	55.19	19.15	4.74	14.41	-	60
18	Qingdao NIIT Information Technology Company Limited	CNY	1 CNY = 10.0533 INR	March 31, 2015	13.13	(10.78)	7.42	5.07	-	5.38	(14.95)	(3.46)	(11.49)	-	100
19	Chongqing An Dao Education Consulting Limited	CNY	1 CNY = 10.0533 INR	March 31, 2015	4.38	7.65	16.00	3.97	-	34.51	6.37	1.41	4.96	-	65
20	Zhangjiagang NIIT Information Services Limited	CNY	1 CNY = 10.0533 INR	March 31, 2015	4.31	3.30	11.62	4.01	-	17.84	3.83	1.05	2.78	-	60
21	Chengmai NIIT Information Technology Company Limited	CNY	1 CNY = 10.0533 INR	March 31, 2015	4.39	1.20	8.96	3.37	-	13.74	0.45	(0.51)	0.96	-	100

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

** Share Capital and Total Liabilities of Hole-in-the-Wall Education Limited includes consideration payable towards School Business Undertaking amounting to Rs. 180.64 Million and Rs. 900 Million respectively. Subsequent to the financial year end, the name of the Company has been changed to Mindbloom Learning Systems Limited.

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. Turnover does not include Other Income.

4. During the year, three wholly owned subsidiary companies i.e. Spanish Evolution Service Limited, EVOU Service Limited and NIIT Online Learning Limited, have been amalgamated with NIIT Limited, the holding company under the composite scheme of arrangement approved by Hon'ble High Court.

5. The School Business Undertaking of the holding company, NIIT Limited has been transferred to the wholly owned subsidiary Hole-in-the-Wall Education Limited under the scheme of arrangement approved by Hon'ble High Court.

6. During the year, NIIT Ventures Inc., USA has been amalgamated with NIIT (USA) Inc., USA w.e.f. December 1, 2014.

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES & ASSOCIATES

PART B - ASSOCIATES

S. No.	Name of Associates	Latest Audited Balance Sheet Date	Shares of Associate held by the company on the year end		Description of how there is significant influence	Reason why the associate is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet (Rs. Million)	Profit / (Loss) for the year	
			No. of shares	Amount of Investment in Associates (Rs. Million)				Considered in consolidation (Rs. Million)	Not considered in consolidation
1	NIFT Technologies Limited	March 31, 2015	14,493,480	5,186.90	NIFT Limited holds more than 20%	NA	2,968.15	270.79	NA

For and on behalf of the Board

Rajendra S Pawar Chairman DIN - 00042516	Vijay K Thadani Vice-Chairman & Managing Director DIN - 00042527
Ashok Arora Group Chief Financial Advisor	Rohit Kumar Gupta Chief Financial Officer
Mukesh Kumar Company Secretary	

Place : New Delhi
Date : July 17, 2015

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.

This CSR policy ("Policy") spells out NIIT's philosophy towards its social responsibilities and lays down the guidelines, framework and mechanism relating to the implementation, monitoring, reporting, disclosure, evaluation and assessment of projects, programs and activities forming part of NIIT's CSR.

The CSR Policy is displayed on the website of the Company at [http://www.niit.com/authoring/Documents/Other%20 Disclosures/CORPORATE%20 SOCIAL%20 RESPONSIBILITY%20 POLICY.pdf](http://www.niit.com/authoring/Documents/Other%20Disclosures/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY.pdf)

2. Composition of the CSR Committee:

- i) Mr. Surendra Singh - Chairman
- ii) Mr. Rajendra S Pawar
- iii) Mr. Vijay K Thadani
- iv) Mr. Anand Sudarshan

3. Average net profit of the Company for last three financial years: Rs. 548.70 Million

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 10.97 Million

5. Details of CSR expenditure for the financial year:

- a) Total amount spent for the financial year: Rs. 10.97 Million
- b) Amount unspent, if any: Nil
- c) Manner in which the amount spent during the financial year is detailed below:

S. No.	Project/ Activities	Sector	Location	Amount outlay (budget)project Or programs wise (in Rs.)	Amount spent on the projects or programs (in Rs.)	Cumulative expenditure up to the reporting period (in Rs.)	Amount spent Direct or through implementing agency
1	Scholar Search Programs of NIIT University	Education	Neemrana (Rajasthan)	10.97 Million	10.97 Million	10.97 Million	Direct

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of
the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members
NIIT Limited
8, Balaji Estate, First Floor
Guru Ravi Das Marg, Kalkaji
New Delhi-110019, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NIIT Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the NIIT Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by NIIT Limited (the Company) for the financial year ended on 31st March, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Other Applicable Laws:
 1. Laws related to Social Security:
 - a) The Employees' State Insurance Act, 1948

- b) The Employees' Provident Fund & Miscellaneous Provisions Act, 1952
- c) The Payment of Gratuity Act, 1972
- 2. Laws related to Equality and Empowerment of Women
 - a) The Maternity Benefit Act, 1961
 - b) The Equal Remuneration Act, 1976
- 3. Laws related to Wages:
 - a) The Payment of Wages Act, 1936
 - b) The Minimum Wages Act, 1948
 - c) The Payment of Bonus Act, 1965
- 4. Laws related to Conditions of Services and Employment
 - a) The Contract Labour (Regulation & Abolition) Act, 1970
 - b) The Shops and Establishments Act
- 5. Miscellaneous Acts
 - a) Direct Taxes – Income Tax Act, 1961, Service Tax, Customs Act, Value Added Tax Act, Sales Tax
 - b) Information Technology Act, 2000
 - c) Indian Contract Act, 1965
 - d) Limitation Act
 - e) Indian Evidence Act, 1930
 - f) Trade Mark Act
 - g) Copyright Act
 - h) Patent Act
 - i) Indian Penal Code
 - j) Negotiable Instrument Act
 - k) Consumer Protection Act.
 - l) Sale of Goods Act
 - m) The Code of Criminal Procedure, 1973
 - n) The Environment (Protection) Act, 1986
 - o) Central Sales Tax, 1956
 - p) Sexual harassment of women at work place (Prevention, Prohibition and Redressal) Act 2013,

We have also examined compliance with the applicable clauses of the following:

- i. The Secretarial Standards formulated by the Institute of Company Secretaries of India and notified by the Central Government is not applicable during the year under review.
- ii. The Listing Agreement entered into by the Company with National Stock Exchange and Bombay Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executives Directors, Independent Directors, and the Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except that there was a delay in filing the Form DIR-12 regarding appointment of Ms. Geeta Mathur as Non-executive Independent Director.

Adequate notice along with detailed agenda were given to all directors for the Board Meetings and a system exists for seeking and obtaining further information and clarification on agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes maintained by the Company for the Board/ Committee and Shareholders, we noticed that all the decisions were approved by the respective Board/ Committee and Shareholders without any dissent note.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We also report that the compliances of other applicable laws, as listed in Para (vi) above, are based on the management certifications and further reporting to the Board through agenda papers.

For Nesar & Associates
Company Secretaries

Nesar Ahmad
Company Secretary
FCS: 3360; CP-1966

Date: July 17, 2015
Place: New Delhi

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	:	L74899DL1981PLC015865
ii) Registration Date	:	02-12-1981
iii) Name of the Company	:	NIIT Limited
iv) Category / Sub-Category of the Company	:	Company Limited by Shares
v) Address of the Registered office and contact details	:	8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi-110019 Ph.: +91 11 41675000
vi) Whether listed company	:	Yes
vii) Name, Address and contact details of Registrar and Transfer Agent, if any	:	Alankit Assignments Limited Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi – 110 055. Phone Nos. : +91 11 42541234, 23541234

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / Services	NIC Code of the Product/service	% to total turnover of the company
1	Sale of Training Services	854	74%
2	Sale of courseware and training material	854	26%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Mindchampion Learning Systems Limited (Formerly known as Hole-in-the-Wall Education Limited) 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi - 110019	U72200DL2001PLC111674	Subsidiary	100	2(87)(ii)
2	NIIT Institute of Finance Banking and Insurance Training Limited 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi - 110019	U80903DL2006PLC149721	Subsidiary	80.30	2(87)(ii)
3	NIIT Institute of Process Excellence Limited 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi - 110019	U72300DL2008PLC176254	Subsidiary	75	2(87)(ii)
4	NIIT Yuva Jyoti Limited 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi - 110019	U80904DL2011PLC219784	Subsidiary	90	2(87)(ii)
5	NIIT (USA) Inc., USA 1050, Crown Pointe Parkway, 5th Floor, Atlanta GA 30338, USA	NA	Subsidiary	100	2(87)(ii)

6	PT NIIT Indonesia, Indonesia PT. Mercator Services Indonesia, Gedung Wisma Udaya, Jl. Danau Sunter Selatan, Blok IV No.35, Jakarta Utara 14340	NA	Subsidiary	100	2(87)(ii)
7	NIIT Antilles NV, Netherlands, Antilles Landhuis Joonchi Kaya Richard J. Beajon Z/N P.O. Box 837, Curacao Netherlands Antilles	NA	Subsidiary	100	2(87)(ii)
8	NIIT Malaysia Sdn Bhd, Malaysia 6th Floor, Plaza See Hoy Chan, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia	NA	Subsidiary	100	2(87)(ii)
9	NIIT GC Limited, Mauritius C/o Abax Corporate Services Ltd., 6th Floor, Tower A, 1 CyberCity, Ebène REPUBLIC OF MAURITIUS	NA	Subsidiary	100	2(87)(ii)
10	NIIT China (Shanghai) Limited, Shanghai 7A, Long Feng Mansion 1566, Yan An West Road Shanghai 200052 PRC	NA	Subsidiary	100	2(87)(ii)
11	NIIT Wuxi Service Outsourcing Training School 18 zheng Ze Road, Building of Cancer Part, National(Wuxi) Software IT Park, Wuxi City, PRC	NA	Subsidiary	60	2(87)(ii)
12	NIIT Limited, UK 100 New Bridge Street London EC4V 6JA	NA	Subsidiary	100	2(87)(ii)
13	Chongqing NIIT Education Consulting Limited 8th Floor, A Block, SOHO Building , Xi yong Micro- electronics industrial Park	NA	Subsidiary	60	2(87)(ii)
14	Wuxi NIIT Information Technology Consulting Limited 18 Zheng Ze Road, Room 201-8, B Building of Sagittarius Part, National(Wuxi) Software Park. Wuxi City P.R.C	NA	Subsidiary	60	2(87)(ii)
15	Changzhou NIIT Information Technology Consulting Limited 801 Changwu Middle Road, 5 Building of Modern Industry Centre. Changzhou CSET. Changzhou City, PRC	NA	Subsidiary	60	2(87)(ii)
16	Su Zhou NIIT Information Technology Consulting Limited Building 2, keling Rd, high-tech new district, Suzhou, PRC	NA	Subsidiary	60	2(87)(ii)
17	NIIT West Africa Limited 29, Ogunlowo Street, Off Obafemi Awolowo Way, Ikeja, Lagos, Nigeria	NA	Subsidiary	100	2(87)(ii)
18	Qingdao NIIT Information Technology Company Limited No.122, hongshiya neighborhood committees, hongshiya subdistrict office, Qingdao ETDZ	NA	Subsidiary	100	2(87)(ii)
19	Chongqing An Dao Education Consulting Limited NO.2, Floor 5, Block B, Neptune Building, Star street 62, Northern New Area district, Chongqing	NA	Subsidiary	65	2(87)(ii)
20	Zhangjia gang NIIT Information Services Limited 3rd Floor, G Block, Sha zhou professional institute of technology, Zhangjiagang city, Jiangsu province	NA	Subsidiary	60	2(87)(ii)
21	Chengmai NIIT Information Technology Company Limited Hainan Resort Software Community, High-tech demonstration zone of the Old Town, Hainan Province	NA	Subsidiary	100	2(87)(ii)
22	NIIT Technologies Limited 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi - 110019	L65993DL1992PLC048753	Associate	23.74	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual/HUF	6773714	0	6773714	4.10	6773714	0	6773714	4.10	0.00
b. Central Govt	0	0	0	0	0	0	0	0.00	0.00
c. State Govt.	0	0	0	0	0	0	0	0.00	0.00
d. Bodies Corp.	49699621	0	49699621	30.10	49799321	0	49799321	30.15	0.05
e. Banks/FII	0	0	0	0.00	0	0	0	0.00	0.00
f. Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	56473335	0	56473335	34.20	56573035	0	56573035	34.25	0.05
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0.00	0.00
d) Banks / FIIs Any Other	0	0	0	0	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0	0	0	0	0.00	0.00
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	56473335	0	56473335	34.20	56573035	0	56573035	34.25	0.05
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	20781565	2053	20783618	12.59	20257548	2053	20259601	12.27	-0.32
b) Banks / FI	86439	375	86814	0.05	178256	375	178631	0.11	0.06
c) Central Govt.	15000	0	15000	0.01	15000	0	15000	0.01	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	607627	0	607627	0.37	607627	0	607627	0.37	0.00
g) FIIs	22310856	14608	22325464	13.52	16863179	14608	16877787	10.22	-3.30
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Portfolio Corporate	0	0	0	0	180794		180794	0.11	0.11
Sub-total (B) (1):-	43801487	17036	43818523	26.53	38102404	17036	38119440	23.08	-3.45
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	8907278	13955	8921233	5.40	12798120	13955	12812075	7.76	2.35
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	32995241	849471	33844712	20.49	37369435	813940	38183375	23.12	2.62
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	16620871	0	16620871	10.06	12206962	0	12206962	7.39	-2.67
c) Others (specify)									
(i) NRI (Rep)	1641134	92457	1733591	1.05	2612636	92457	2705093	1.64	0.59
(ii) NRI (Non-Rep)	423321	375	423696	0.26	1261666	375	1262041	0.76	0.51
(iii) Foreign National Individual	22500	0	22500	0.01	22500	0	22500	0.01	0.00
(iv) Trust	3287136	0	3287136	1.99	3286076	0	3286076	1.99	0.00
Sub-total (B) (2):-	63897481	956258	64853739	39.27	69557395	920727	70478122	42.67	3.40
Total Public Shareholding (B)=(B)(1)+(B)(2)	107698968	973294	108672262	65.80	107659799	937763	108597562	65.75	-0.06
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	164172303	973294	165145597	100.00	164232834	937763	165170597	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	RAJENDRA SINGH PAWAR & NEETI PAWAR	155000	0.09	0	155000	0.09	0	0.00
2	NEETI PAWAR & RAJENDRA SINGH PAWAR	2289934	1.39	0	2289934	1.39	0	0.00
3	URVASHI PAWAR	56250	0.03	0	56250	0.03	0	0.00
4	UNNATI PAWAR	56242	0.03	0	56242	0.03	0	0.00
5	UDAI PAWAR	7500	0.00	0	7500	0.00	0	0.00
6	R.S.PAWAR HUF	2527	0.00	0	2527	0.00	0	0.00
7	VIJAY KUMAR THADANI & RENUKA VIJAY THADANI	155000	0.09	0	155000	0.09	0	0.00
8	RENUKA VIJAY THADANI & VIJAY KUMAR THADANI	3389492	2.05	0	3389492	2.05	0	0.00
9	V.K.THADANI HUF	2527	0.00	0	2527	0.00	0	0.00
10	ARVIND THAKUR	659242	0.40	0	659242	0.40	0	0.00
11	PACE SERVICES PRIVATE LIMITED*	23503913	14.23	0	23503913	14.23	0	0.00
12	GLOBAL SOLUTIONS PRIVATE LIMITED	22527346	13.64	0	22527346	13.64	0	0.00
13	A K M SYSTEMS PRIVATE LIMITED	3668362	2.22	0	3768062	2.28	0	0.06
	Total	56473335	34.20	0	56573035	34.25	0	0.05

* Name changed from Pace Services Private Limited to Pace Industries Private Limited from March 2015

(iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	56473335	34.20		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus / sweat equity etc)				
	6-Feb-2015 (Purchase from open market)	32500	0.01	56505835	34.21
	13-Feb-2015 (Purchase from open market)	67200	0.04	56573035	34.25
	At the End of the year			56573035	34.25

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Top 10 Shareholders	Shareholding		Shareholding		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning of the year (01-04-14)	% of total shares of the Company	No. of Shares at the end of the year (31-03-15)	% of total shares of the Company	Date (week ending)	Increase/ Decrease in shareholding	Remark	No. of Shares	% of total shares of the Company
1	RBC GLOBAL ASSET MANAGEMENT INC A/C PHILLIPS HAGER & NORTH OVERSEAS EQUITY FUND #	6510555	3.94	0	0.00	1-Apr-2014				
						23-May-2014	-702531	Transfer	5808024	3.52
						30-May-2014	-1888133	Transfer	3919891	2.37
						6-Jun-2014	-577989	Transfer	3341902	2.02
						11-Jul-2014	-204	Transfer	3341698	2.02
						1-Aug-2014	-100057	Transfer	3241641	1.96
						8-Aug-2014	-103669	Transfer	3137972	1.90
						14-Aug-2014	-727751	Transfer	2410221	1.46
						22-Aug-2014	-2410221	Transfer	0	0.00
						31-Mar-2015	-		0	0.00
						1-Apr-2014				
						18-Apr-2014	-46556	Transfer	4424543	2.68
2	RBC GLOBAL ASSET MANAGEMENT INC A/C PHILLIPS HAGER & NORTH OVERSEAS EQUITY PENSION TRUST #	4471099	2.71	0	0.00	25-Apr-2014	-928599	Transfer	3495944	2.12
						23-May-2014	-1097610	Transfer	2398334	1.45
						30-May-2014	-895207	Transfer	1503127	0.91
						6-Jun-2014	-219600	Transfer	1283527	0.78
						1-Aug-2014	-120130	Transfer	1163397	0.70
						8-Aug-2014	-476214	Transfer	687183	0.42
						14-Aug-2014	-159369	Transfer	527814	0.32
						22-Aug-2014	-527814	Transfer	0	0.00
						31-Mar-2015	-		0	0.00
						1-Apr-2014				
						11-Apr-2014	729371	Transfer	4780193	2.89
						28-Nov-2014	-15862	Transfer	4764331	2.88
3	GOVERNMENT PENSION FUND GLOBAL	4050822	2.45	4657268	2.82	5-Dec-2014	-10507	Transfer	4753824	2.88
						20-Mar-2015	-29490	Transfer	4724334	2.86
						27-Mar-2015	-46224	Transfer	4678110	2.83
						31-Mar-2015	-20842	Transfer	4657268	2.82
						1-Apr-2014				
						20-Jun-2014	-200000	Transfer	3300000	2.00
						21-Nov-2014	-938933	Transfer	2361067	1.43
4	ICICI PRUDENTIAL EXPORTS AND OTHER SERVICES FUND	3500000	2.12	3000000	1.82	28-Nov-2014	-61067	Transfer	2300000	1.39
						31-Dec-2014	23299	Transfer	2323299	1.41
						2-Jan-2015	2000	Transfer	2325299	1.41
						9-Jan-2015	109459	Transfer	2434758	1.47
						23-Jan-2015	365242	Transfer	2800000	1.70
						13-Mar-2015	76769	Transfer	2876769	1.74
						20-Mar-2015	123231	Transfer	3000000	1.82
						31-Mar-2015	-		3000000	1.82
						1-Apr-2014				
						11-Apr-2014	564915	Transfer	3990412	2.42
						22-Aug-2014	-64323	Transfer	3926089	2.38
5	DSP BLACKROCK EQUITY FUND	3425497	2.07	3572716	2.16	7-Nov-2014	-23198	Transfer	3902891	2.36
						28-Nov-2014	-75477	Transfer	3827414	2.32
						13-Mar-2015	-117482	Transfer	3709932	2.25
						20-Mar-2015	-48405	Transfer	3661527	2.22
						27-Mar-2015	-56038	Transfer	3605489	2.18
						31-Mar-2015	-32773	Transfer	3572716	2.16
						1-Apr-2014				
						30-May-2014	-500000	Transfer	2856991	1.73
6	ASHISH DHAWAN #	3356991	2.03	0	0.00	6-Jun-2014	-500000	Transfer	2356991	1.43
						13-Jun-2014	-874772	Transfer	1482219	0.90
						20-Jun-2014	-987158	Transfer	495061	0.30
						30-Jun-2014	-495061	Transfer	0	0.00
						31-Mar-2015	-		0	0.00
						1-Apr-2014				

7	IL And FS Trust Company Limited	3245499	1.97	3245499	1.96	1-Apr-2014				
							Nil movement during the year			
						31-Mar-2015			3245499	1.96
8	DSP BLACKROCK SMALL AND MID CAP FUND	3141729	1.90	3875276	2.35	1-Apr-2014				
						4-Apr-2014	800000	Transfer	3941729	2.39
						27-Mar-2015	-66453	Transfer	3875276	2.35
						31-Mar-2015			3875276	2.35
9	RELIANCE CAPITAL TRUSTEE CO. LTD- A/C RELIANCE SMALL	3066382	1.86	3066382	1.86	1-Apr-2014				
							Nil movement during the year			
						31-Mar-2015			3066382	1.86
10	CAP FUND THE MASTER TRUST BANK OF JAPAN LTD. AS TRUSTEE OF BLACKROCK INDIA EQUITY FUND	3054508	1.85	2598957	1.57	1-Apr-2014				
						5-Dec-2014	-158981	Transfer	2895527	1.75
						12-Dec-2014	-41570	Transfer	2853957	1.73
						27-Mar-2015	-120000	Transfer	2733957	1.66
						31-Mar-2015	-135000	Transfer	2598957	1.57
11	HSBC BANK (MAURITIUS) LIMITED	0	0.00	6768448	4.10	1-Apr-2014				
						2-May-2014	350454	Transfer	350454	0.21
						9-May-2014	1390327	Transfer	1740781	1.05
						16-May-2014	486917	Transfer	2227698	1.35
						30-May-2014	419955	Transfer	2647653	1.60
						13-Jun-2014	52551	Transfer	2700204	1.64
						20-Jun-2014	158618	Transfer	2858822	1.73
						18-Jul-2014	299697	Transfer	3158519	1.91
						8-Aug-2014	202408	Transfer	3360927	2.03
						22-Aug-2014	59439	Transfer	3420366	2.07
						29-Aug-2014	269100	Transfer	3689466	2.23
						5-Sep-2014	391277	Transfer	4080743	2.47
						30-Sep-2014	609800	Transfer	4690543	2.84
						3-Oct-2014	77085	Transfer	4767628	2.89
						10-Oct-2014	301453	Transfer	5069081	3.07
						7-Nov-2014	61984	Transfer	5131065	3.11
						14-Nov-2014	235971	Transfer	5367036	3.25
						28-Nov-2014	199316	Transfer	5566352	3.37
						5-Dec-2014	501153	Transfer	6067505	3.67
						12-Dec-2014	174669	Transfer	6242174	3.78
						19-Dec-2014	526274	Transfer	6768448	4.10
						31-Mar-2015			6768448	4.10
12	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP	0	0.00	2500000	1.51	1-Apr-2014				
						6-Jun-2014	501685	Transfer	501685	0.30
						13-Jun-2014	1733497	Transfer	2235182	1.35
						20-Jun-2014	200000	Transfer	2435182	1.47
						18-Jul-2014	10000	Transfer	2445182	1.48
						8-Aug-2014	300451	Transfer	2745633	1.66
						14-Aug-2014	223403	Transfer	2969036	1.80
						12-Sep-2014	100000	Transfer	3069036	1.86
						7-Nov-2014	-16059	Transfer	3052977	1.85
						12-Dec-2014	-54621	Transfer	2998356	1.82
						19-Dec-2014	-251120	Transfer	2747236	1.66
						16-Jan-2015	-204330	Transfer	2542906	1.54
						6-Mar-2015	-42906	Transfer	2500000	1.51
						31-Mar-2015			2500000	1.51
13	ICICI PRUDENTIAL TECHNOLOGY FUND *	2307371	1.40	2307371	1.40	1-Apr-2014				
							Nil movement during the year			
						31-Mar-2015			2307371	1.40

#Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01-04-2014

*Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015.

(v) Shareholding of Directors and Key Managerial Personnel:

	For Each of the Director and KMP	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Rajendra S Pawar - Chairman*				
	At the beginning of the year	157527	0.09		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus / sweat equity etc)	-	-	NIL Movement during the year	
	At the End of the year			157527	0.09
2	Mr. Vijay K Thadani - Vice-Chairman & Managing Director*				
	At the beginning of the year	157527	0.09		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus / sweat equity etc)	-	-	NIL Movement during the year	
	At the End of the year			157527	0.09
3	Mr. P Rajendran - Joint Managing Director				
	At the beginning of the year	457537	0.28		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus / sweat equity etc)	-	-	NIL Movement during the year	
	At the End of the year			457537	0.28
4	Mr. Sanjay Khosla - Director				
	At the beginning of the year	56250	0.03		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus / sweat equity etc)	-	-	NIL Movement during the year	
	At the End of the year			56250	0.03
5	Mr. Rohit Gupta - Chief Financial Officer				
	At the beginning of the year	15000	0.01		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus / sweat equity etc)	-	-	NIL Movement during the year	
	At the End of the year			15000	0.01

*Includes shareholding as Karta (HUF)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. Mn)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	1054.05	224.61	-	1,278.66
(ii) Interest due but not paid	-	-	-	
(iii) Interest accrued but not due	8.44	12.88	-	21.32
Total (i+ii+iii)	1062.49	237.49	-	1,299.98
Change in Indebtedness during the financial year				
- Addition	1085.31	-	-	1085.31
- Reduction	895.82	237.49	-	1133.31
Net Change	189.49	-237.49	-	-48.00
Indebtedness at the end of the financial year				
(i) Principal Amount	1,247.23	-	-	1,247.23
(ii) Interest due but not paid	-	-	-	
(iii) Interest accrued but not due	4.75	-	-	4.75
Total (i+ii+iii)	1,251.98	-	-	1,251.98

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Rajendra S Pawar	Mr. Vijay K Thadani	Mr. P Rajendran	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,953,225	4,200,780	18,594,245	26,748,250
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	326,975	470,106	332,545	1,129,626
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	4,280,200	4,670,886	18,926,790	27,877,876
	Ceiling as per the Act	84,00,000 p.a.	84,00,000 p.a.	Not Applicable*	

* The approval of the Central Government has been obtained for payment of remuneration to Mr. P Rajendran.

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Surendra Singh	Mr. Anand Sudarshan	Ms. Geeta Mathur	Mr. Sanjay Khosla	Ms. Madhabi Puri Buch [#]	
1	Independent Directors - Fee for attending board/committee meetings*	1,560,000	680,000	1,120,000	520,000	200,000	4,080,000
	- Commission	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-
	Total (1)	1,560,000	680,000	1,120,000	520,000	200,000	4,080,000
2	Other Non-Executive Directors - Fee for attending board/committee meetings	-	-	-	-	-	-
	- Commission	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B) = (1 + 2)	1,560,000	680,000	1,120,000	520,000	200,000	4,080,000
	Total Managerial Remuneration (A+B)						31,957,876

*pertains to 2014-15, however paid in the current financial year.

[#]resigned from the Directorship of the Company w.e.f. closing business hours of July 10, 2014

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary		CFO	Total
			Mr. Rajesh Arora (till 31.01.2015)	Mr. Mukesh Kumar (w.e.f. 02.02.2015)	Mr. Rohit Gupta	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	During the year, Mr. Vijay K Thadani, Director also served as the CEO of the Company. Accordingly, for remuneration details, please refer Point No. A above.	3,181,241	477,211	10,970,059	14,628,511
	b) Value of perquisites u/s 17 (2) Income-tax Act, 1961 -		2,000	-	40,534	42,534
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-	-
2	Stock Option					-
3	Sweat Equity			-	-	-
4	Commission - as % of profit - others, specify		-	-	-	-
5	Others, please specify		-	-	-	-
	Total		3,183,241	477,211	11,010,593	14,671,045

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment Compounding fees imposed	Authority [RD/ NCLT/COURT]
A. Company				
Penalty				
Punishment				
Compounding				
B. Directors				
Penalty				
Punishment				
Compounding				
C. Other Officers in Default				
Penalty				
Punishment				
Compounding				

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis - Nil

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL							

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:
NIIT Foundation Relationship – Body Corporate	Recovery of expenses	NA	The Company in the normal course of business has recovered the expenses amounting to Rs. 3,10,986 relating to common facilities in the month of June 2014	NA	NA
Evolv Services Limited Relationship- Subsidiary	Extension of Service Agreement	Till March 17, 2017	Extension of the Service Agreement dated August 7, 2008 till March 17, 2017	NA	NA
NIIT Foundation Relationship – Body Corporate	Recovery of expenses	NA	The Company in the normal course of business has recovered the expenses amounting to Rs. 2,34,044 relating to common facilities in the month of May 2014.	NA	NA
NIIT Institute of Process Excellence Limited (NIPE) Relationship- Subsidiary	Service Agreement	NA	a. NIPE shall deliver the training services in a timely manner in strict accordance to the schedule set forth in the Statement of Work (SOW) b. The Company shall pay to NIPE as specified in SOW	NA	NA
NIIT Institute of Process Excellence Limited (NIPE) Relationship- Subsidiary	Extension of Service Agreement	Till October 30, 2015	Extension of Service Agreement dated April 5, 2011 for providing training services to NIIT, till October 30, 2015	NA	NA
NIIT Institute of Finance Banking and Insurance Training Limited (NIFBIT) Relationship- Subsidiary	Sale of Asset	One-time	Sale of Car to NIFBIT for an amount of Rs. 5,00,000	NA	NA

NIIT Institute of Finance Banking and Insurance Training Limited (NIFBIT) Relationship-Subsidiary	Availing of Services	NA	Availing of Training Services and content development	NA	NA
NIIT (Malaysia) SDN BHD Relationship- Subsidiary	Service Agreement	For a period of 1 year from 27.3.2015	Agreement for procurement of IT enabled Learning Management & Administrative services by NIIT (Malaysia) SDN BHD from the Company for 1 Year on auto renewal basis	NA	NA
NIIT Yuva Jyoti Limited (NYJL) Relationship- Subsidiary	Rendering of Services	NA	Providing Education Management System Services [i.e. ENCORE to NYJL]	NA	NA
NIIT Institute of Finance Banking and Insurance Training Limited (NIFBIT) Relationship- Subsidiary	Amendment to Service Level Agreement	NA	Amendment to Service Level Agreement dated 25 th March 2014 to increase in the studio usage hours	NA	NA
NIIT Institute of Process Excellence Limited (NIPE) Relationship- Subsidiary	Service Agreement	1.12.2014 to 30.03.2017	Service Agreement to provide training to unemployed youth of more than 18 years of age for consideration of Rs 6000/- plus applicable taxes per eligible candidate	NA	NA
NIIT Yuva Jyoti Limited (NYJL) Relationship- Subsidiary	Charge on Corporate Guarantee	NA	Charge on Corporate Guarantee	NA	NA
NIIT (Malaysia) SDN BHD Relationship- Subsidiary	Rendering of Services	NA	Providing various Corporate Services and Support	NA	NA
NIIT Institute of Finance Banking and Insurance Training Limited (NIFBIT) Relationship- Subsidiary	Receipt of Loan	NA	Receiving of loan amounting to Rs. 45 Million with Interest @ 12.5%	NA	NA

For and on behalf of the Board

Rajendra S Pawar
Chairman
DIN: 00042516

Place: New Delhi
Date: July 17, 2015

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Remuneration to Whole-time Directors

S. No.	Name of Director and Designation	Remuneration of Director for financial year 2014-15 (Rs. in Mn)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mr. Rajendra S Pawar – Chairman	4.38	65.80	9.63	The total remuneration of the KMP has increased from Rs. 29.04 Mn in 2013-14 to Rs. 38.30 Mn in 2014-15, where as the Company reported negative profit of Rs. 1,161 Mn in 2014-15 as against negative profit of Rs. 78 Mn in previous year 2013-14.
2.	Mr. Vijay K Thadani – Vice Chairman and Managing Director & CEO	5.37	99.92	11.80	
3.	Mr. P Rajendran – Joint Managing Director	12.50	16.27	27.48	

Remuneration to Independent Director

S. No.	Name of Director and Designation	Remuneration of Director for financial year 2014-15 (Rs. in Mn)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Sanjay Khosla – Non Executive Independent Director	0.52	1200	1.14
2.	Mr. Surendra Singh– Non Executive Independent Director	1.56	680	3.42
3.	Mr. Anand Sudarshan– Non Executive Independent Director	0.68	1033	1.49
4.	Ms. Geeta Mathur – Non Executive Independent Director (w.e.f. April 1, 2014)	1.12	NA	2.46

The increase in remuneration paid to Independent Directors is based on following:

- Remuneration includes only sitting fees
- Sitting Fees paid on the basis of Board/Committee meetings attended by the Director during the year; and
- As permitted under the Companies Act, 2013, the sitting fees was increased to Rs. 80,000 to attend the Board and Audit Committee Meeting and Rs. 40,000 to attend the Stakeholders' Relationship Committee and Nomination and Remuneration Committee meeting.

Remuneration of other Key Managerial Personnel

S. No.	Name of Key Managerial Personnel and Designation	Remuneration of Key Managerial Personnel for financial year 2014-15 (Rs. in Mn)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Key Managerial Personnel to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mr. Rohit K Gupta – Chief Financial Officer	11.57	24.73	25.43	The total remuneration of the KMP has increased from Rs. 29.04 Mn in 2013-14 to Rs. 38.30 Mn in 2014-15, whereas the Company reported negative profit of Rs. 1,161 Mn in 2014-15 as against negative profit of Rs. 78 Mn in previous year 2013-14.
2.	Mr. Rajesh Arora – Company Secretary (till 31.01.2015)	3.36	21.42	9.81*	
3.	Mr. Mukesh Kumar – Company Secretary (w.e.f. 02.02.2015)	0.49	NA	7.91*	

*Based on annualized salary

- ii. The median remuneration of employees of the Company during the financial year was Rs. 0.45 Mn.
- iii. In the financial year, there was an increase of 1.01% in the median remuneration of employees;
- iv. There were 1808 regular employees on the rolls of Company as on March 31, 2015;
- v. Relationship between average increase in remuneration and company performance: The total remuneration of the KMP has increased from Rs. 29.04 Mn in 2013-14 to Rs. 38.30 Mn in 2014-15, whereas the Company reported negative profit of Rs. 1,161 Mn in 2014-15 as against the negative profit of Rs. 78 Mn in previous year 2013-14.
- vi. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:
The total remuneration of Key Managerial Personnel increased by 32% from Rs. 29.04 Mn in 2013-14 to Rs. 38.30 Mn in 2014-15 whereas the negative profit increased by 1392% to Rs. 1,161 Mn in 2014-15 (Rs. 78 Mn in 2013-14).
- vii. a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2015 was Rs. 5,938 Mn (Rs. 4,434 Mn as on March 31, 2014)
b) Price Earnings ratio of the Company: Not applicable
c) Percentage increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer - The price of Equity Shares issued through initial public offer (IPO) was Rs. 50/- per share (face value Rs. 10/- per share) and the market price of equity shares as on 31st March, 2015 was Rs. 35.95 per share (face value Rs. 2/- per share). Since the face value of the equity share were different at both the time as referred above, hence are not comparable.
- viii. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 7.06 % whereas the increase in the managerial remuneration for the same financial year was 5.90%.
- ix. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- x. Detail of the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:-

S. No.	Name	Ratio of remuneration
1	Rahul K Patwardhan	1.14

- xi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2015

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

Name	Age (Years)	Qualification(s)	Experience (Years)	Designation	Nature of Duties	Gross Remuneration (Rs.)	Date of Joining	Previous Employment	Previous Employment Designation
P. RAJENDRAN	62	B.E.	41	Executive Director	Executive Director	12,505,236	1-Sep-82	Keltron Limited	Resident Manager
UDAI SINGH	47	B.E., M.E.	26	President, Global Technology Strategy	IBU Head	8,557,763	26-Jun-90	NIIT Online Learning Limited	Whole-time Director & COO
SHAMPI VENKATESH	49	B.Com.	28	Chief People Officer	Head - Human Resources	8,167,737	16-Oct-00	NIIT Online Learning Limited	Chief Content Officer
ROHIT KUMAR GUPTA	45	B.Com., CA	23	Chief Financial Officer	CFO	11,574,512	14-Apr-11	Virgin Mobile India Pvt. Ltd.	Chief Financial Officer
KAWALJIT SINGH	54	B.Com., CA, CS Inter	35	Financial Controller	Financial Controller	6,763,625	11-Apr-90	Arora & Choudhary Co	Audit Officer
CHOCKALINGAM MURUGAN	48	MCA	25	Chief Marketing Officer	National Head - Marketing & Sales Enablement	6,679,436	10-Aug-90	NIIT Institute of Process Excellence Ltd	President
SANJAY MAL	52	B.Com	30	Group Strategic Finance Head	Group Strategic Finance Head	6,619,970	8-Jan-03	A Arora & Associates	Senior Associate

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

Name	Age (Years)	Qualification(s)	Experience (Years)	Designation	Nature of Duties	Gross Remuneration (Rs.)	Date of Joining	Previous Employment	Previous Employment Designation
SHIVAN BHARGAVA	46	B.E. & MBA	26	Group President	Business Head-SCG	7,199,622	28-Jul-14	Bharti Airtel	M.D. of Airtel Networks Kenya Ltd
RAHUL KESHAV PATWARDHAN	55	BE/BTech (Bachelor of Engineering)	31	Chief Executive Officer Designate	Chief Executive Officer Designate	14,379,265	6-Oct-14	Kalpavruksh Technologies Deutschland GmbH	M.D., Global Managed App Services

NOTES:

- (1) The gross remuneration shown above comprises salary, allowances, incentives, monetary value of perquisites as per Income Tax Rules and Company's contribution to Provident Fund, Superannuation Fund and National Pension Fund
- (2) The gross remuneration of employees does not include provision for gratuity and provision for leave encashment.
- (3) For the Whole-time Directors, the figures as per the Managerial Remuneration has been taken
- (4) None of the above employees are related to any Director of the Company.
- (5) None of the employees holds 2% or more of the paid-up equity share capital of the Company.

Information relating to NIIT ESOP-2005 under Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

A)	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time	Please refer to Notes Nos. 2.3(ix) and 26 contained in the Notes to Accounts forming part of Annual Financial Statements for the financial year ended on 31 st March, 2015
B)	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	(7.03)

C. Details related to ESOS

- i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including-

a)	Date of shareholders' approval	May 18, 2005																																				
b)	Total number of options approved under ESOS	a) Pre-bonus and split – 1,925,000 b) Revised options post-bonus and split – 11,173,823																																				
c)	Vesting requirements	Employee Stock Option shall vest in a minimum period of 1 year and maximum period of 5 years from the date of grant																																				
d)	Exercise price or pricing formula	At a price not less than the then existing face value of the share of the Company <table border="1"> <thead> <tr> <th></th><th>Grant Price Rs.</th><th>Market Price Rs. #</th></tr> </thead> <tbody> <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> <tr> <td>Grant IX**</td><td>35.40</td><td>35.40</td></tr> <tr> <td>Grant X**</td><td>49.75</td><td>49.75</td></tr> <tr> <td>Grant XI**</td><td>48.50</td><td>48.50</td></tr> </tbody> </table> # 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.		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	45.05	Grant IX**	35.40	35.40	Grant X**	49.75	49.75	Grant XI**	48.50	48.50
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e)	Maximum term of options granted	5 Years																																				
f)	Source of shares (primary, secondary or combination)	Primary																																				
g)	Variation in terms of options	Nil																																				

- ii) Method used to account for ESOS - Intrinsic value
- iii) Where the company opts for expensing of the options using the intrinsic value of the 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 Note No. 26 contained in the Notes to Accounts forming part of Annual Financial Statements for the financial year ended on 31st March, 2015

iv) Option movement during the year (For each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	2,185,973
Number of options granted during the year	2,860,000
Number of options forfeited / lapsed during the year	1,303,892
Number of options vested during the year	Nil
Number of options exercised during the year	25,000
Number of shares arising as a result of exercise of options	25,000
Money realized by exercise of options (INR), if scheme is implemented directly by the company	50,000
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	3,717,081
Number of options exercisable at the end of the year	3,717,081

v) 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	IX	X	XI
Weighted average exercise price	24.00	31.60	121.62	88.70	72.20	69.20	67.65	2.00	35.40	49.75	48.50
Weighted average fair value	13.15	9.63	37.23	32.09	34.47	32.71	31.57	40.17	12.15	17.30	15.76

Note: *the prices are adjusted for the bonus and split

vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –

i)	senior managerial personnel	Summary ^ of options granted to senior managerial personnel* are as under: No. of employees covered : 18 No. of options granted to such personnel: 238,450 (Pre Bonus and Split) 2,739,540 (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 option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	NIL

vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;

	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI	Grant VII	Grant VIII	Grant IX	Grant X	Grant XI
Weighted-average values of share price	24.00	31.60	121.62	88.70	72.20	69.20	67.65	45.05	35.40	49.75	48.50
Exercise Price	24.00	31.60	121.62	88.70	72.20	69.20	67.65	2.00	35.40	49.75	48.50
Expected volatility	14%	14%	45.47%	51.81%	66.48 %	66.23%	63.20%	44.02%	41.64%	42.42%	40.76%
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	4.5 years	4.5 years	4.1 years
Expected dividends	Not considered	Not considered	2.79%	2.04%	1.76 %	1.76 %	1.76%	2.55%	3.96%	3.96%	3.96%
Risk-free interest rate	7%	7%	7.93%	9.24%	6.89 %	6.50%	7.55%	8.19%	8.73%	8.74%	8.50%

b) the method used and the assumptions made to incorporate the effects of expected early exercise – Not Applicable

c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility - Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. Each vest has been considered as a separate grant. The volatility for periods corresponding to the respective expected lives of the different vests, prior to the grant date has been considered. The daily volatility of the Company's stock price on NSE over these years has been considered.

d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition. – Not Applicable

MANAGEMENT DISCUSSION AND ANALYSIS

Environment

FY15 was a challenging year for the global economy with continuing uncertainty due to financial and geo-political risks. Sharp decline in commodity prices and volatility in exchange rates during the year added to business and operational risks.

However, there were tailwinds for corporate learning business as spending on training in USA and Europe continued to be robust. Companies increased outsourcing to specialist training providers to drive efficiency and effectiveness in training.

In India, while business confidence improved due to strong expectations from the new government, uncertainty on timing of reforms hampered pace of investments.

Hiring remained weak across sectors and resulted in continued weakness in student sentiment towards training, especially for IT courses. However, increasing pace of technology transformation and disruption of traditional industries by start-ups drove up demand for niche skills across sectors.

The Government of India formed a ministry for skills development, which is working on a new policy to provide impetus to vocational training in the country.

Business Transformation

Given the challenging environment, the company took a decision to launch a comprehensive business transformation program which involved a review of the entire portfolio of businesses, geographies and products with the objective of exiting from low-return, capital-intensive businesses and sharpen focus on asset-light, high-return and growth-oriented offerings. The program builds on NIIT's strong competencies in Pedagogy, Technology and ability to build win-win Partnerships to revive growth and profitability for the company. This would help the company consolidate its leadership position in the focus markets and drive sustained value creation for share holders. The steps taken to achieve this transformation included the following:

- **Top management succession and strengthening the leadership team:** As an important step in this direction, Rahul K. Patwardhan was appointed as CEO-Designate in October, 2014. Rahul is a Production Engineer and an MBA from IIM Calcutta. After having spent the first 20 years of his career with NIIT in diverse roles, Rahul returned to the company with 10 years of extensive global experience in

scaling Managed Services operations. Rahul was based at the Europe headquarters of Logica as MD, Global Managed App Services. He has taken charge as Chief Executive Officer from May 28, 2015.



Rahul K Patwardhan-CEO

NIIT also strengthened the leadership team for the Skills & Careers business with the appointment of Shivan Bhargava as Group President of NIIT's Skills & Careers Group. Shivan is an engineering graduate with an MBA. He has over 19 years of experience in sales, marketing, operations, customer service and P&L in India and emerging markets. In his last assignment, Shivan was MD of Airtel Networks Kenya Ltd. Before joining Bharti Airtel, Shivan spent five years at Hindustan Coca Cola Beverages Pvt. Ltd. where he had excelled in sales, distribution, consumer service system and logistics.

- **Rationalization of subsidiary companies structure - Scheme of Arrangement:** The Board of Directors, at its meeting held on August 26, 2014, approved a plan for rationalization of subsidiaries through the composite Scheme of Arrangement (the Scheme) under the provisions of Sections 391 and 394 of the Companies Act, 1956. The Scheme envisaged the following:

- o Transfer of the Schools Business Undertaking as defined under the Scheme to its wholly owned subsidiary company, Hole-in-the-Wall Education Limited ('HIWEL').
- o Amalgamation of three wholly owned subsidiary companies (Scantech Evaluation Services Limited, NIIT Online Learning Limited and Evolv Services Limited) with NIIT Limited.

The Appointed Date for the Scheme is April 1, 2014. The final approval from High Court, for this Scheme, was filed with the Registrar of Companies on May 23, 2015, which is the Effective Date for the Scheme. As a result of this:

- o NIIT's Schools Learning business has been transferred to HIWEL at fair value. The fair valuation for this transfer was done by S. R. Batliboi & Associates (member firm of EY Global). Further, the name of HIWEL has been changed to Mind champion Learning Systems Limited.
- o The three wholly owned subsidiaries (Scantech

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Evaluation Services Limited, NIIT Online Learning Limited and Evolv Services Limited) have been merged with NIIT Limited at respective fair values. The fair valuation for these subsidiaries was done by Corporate Professional Capital Private Limited, a SEBI Registered (Category - I) Merchant Banker.

The audited financials for FY15 include the impact of the transfer of Schools Business Undertaking to HIWEL and merger of the three subsidiary company with NIIT Limited from the Appointed Date.

Under the Scheme of Arrangement, NIIT has streamlined its entity structure through merger of three subsidiaries to reflect realigned business operations. Also, the transfer of Schools Business into a wholly owned subsidiary has resulted in an enabling structure which creates options for funding, partnerships and alliances to drive growth and address the larger opportunity in the K-12 market.

- **Reassessment of existing business/ geographies/ products:** As part of the business transformation program, NIIT reassessed its global operations to identify and accelerate exit from low-return and capital-intensive businesses, geographies and product offerings, consolidated capacity and structure of its Individual Learning and Skills Building businesses to create a lean and more nimble organization structure (Skills & Careers Group), and rationalized product portfolio to sharpen focus on high return and growth oriented businesses, geographies and products. The steps taken during the year included the following:

- o Exit from capital-intensive government business and capex-driven models in schools: Capital intensity in these businesses was not commensurate with the returns. As a result, NIIT had decided to defocus from government schools projects and also discontinue business models in private schools which involved upfront capex by the company. Going forward, the focus of the Schools Learning Group would be on asset-light, technology-intensive and IP-driven products and solutions. Outstanding receivables from state governments/schools have a negative impact on NIIT's liquidity, capital efficiency and profitability. Release of capital from these will help NIIT embark upon a path of faster growth. To speed up recovery of these delayed receivables, NIIT has put an intensive effort in follow-ups and taken

strong steps for resolution, including appropriate commercial and legal actions.

- o Sharpen focus in Skills & Careers business on the larger markets and defocus other international geographies: During the year NIIT exited business operations from certain international geographies in the emerging countries, where the business had limited potential for scale and faced challenges due to delay in collections from partners and government-linked/development projects. Going forward, the focus of the Skills & Careers business would be on its two largest markets of India and China. The business in the emerging countries has been moved to a zero-credit, upfront payment model, and fulfilled out of India, rather than having NIIT teams spread across multiple countries
- o Capacity and Structure consolidation of Skills & Careers business: NIIT took strong steps to restructure the organization and consolidate capacity across its various offerings in India including IT, BFSI (IFBI), Management Education (Imperia), BPM/KPO (Uniqua) and Skills Building (NIIT Yuva Jyoti NIIT's joint venture with National Skills Development Corporation) into unified Skills & Careers Group (One-SCG). This included consolidation and delivering the people organization, consolidation of the physical capacity with closure of several standalone centres, and making all Skills & Careers (SNC) products available across the entire network. As part of this exercise, NIIT rationalized own centre capacity by 33% and headcount by 278. To minimize the impact of this transition, NIIT utilized the relatively weaker quarters (Oct-Dec, Jan-Mar) of the financial year for this transformation.
- o Product portfolio rationalization: As part of this exercise, NIIT also examined each of its product offerings and discontinued a number of low-volume and low-margin product offerings. This would enable the company to focus its attention on products which can generate significant volumes and margins in the future.

These steps have led to material reduction in fixed costs and would lead to an annualized cost saving of about Rs. 250 million.

As part of the program, NIIT also conducted a comprehensive exercise to review all assets and liabilities in view of the business transformation. Besides internal assessment, NIIT had also engaged one of the

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Big-Four accounting firms for an external review of these assets and liabilities.

NIIT incurred one-time expenses related to this business transformation and also made additional one-time provisions, on a prudent basis, based on the review. The expenses and accounting charge related to the transformation is explained in subsequent sections of this discussion and analysis.

Organization Overview

Established in 1981, NIIT Limited is a global leader in Skills and Talent Development. NIIT is ranked as India's Most Trusted Training brand. The company offers multi-disciplinary learning management and training delivery solutions to corporations, institutions and individuals.



NIIT's training solutions, including IT, BFSI, BPM/KPO, Management Education, Communication and Professional Life Skills, Vocational Training, Corporate Learning and Schools Learning, have impacted over 35 million learners since its inception. NIIT has three lines of business - Corporate Learning Group (CLG), Skills & Careers Group (SNC), and Schools Learning Group (SLG)

Table 1: Organization Overview (Revenue, Offerings, Focus Geography and Value Proposition)

Corporate Learning Group	Skills & Careers Group	Schools Learning Group
Rs. 4,878 Mn, 51%	Rs. 3,283 Mn, 34%	Rs. 1,413 Mn, 15%
Managed Training Services, Custom Projects	Service Sector skills, Professional Life skills	Teaching & Learning Solutions, School Services
US, Europe	India, China	India
Productivity	Employability	Academic Performance

Amounts indicated above reflect net revenue for the business and percentages reflect contribution to the overall revenue in FY15.

➤ **Corporate Learning:** NIIT's Corporate Learning Group

(CLG) offers Managed Training Services (MTS) to market-leading companies in North America, Europe, Asia, and Oceania.



The comprehensive suite of training services includes custom Curriculum Design and Content Development, Learning Administration, Learning Delivery, Strategic Sourcing, Learning Technology, and Advisory Services. With a team of some of the world's finest learning professionals, NIIT is dedicated to helping customers increase the business value of learning and development (L&D). Built on the sound principles of 'Running Training like a Business', NIIT's Managed Training Services enable customers to align business goals with L&D, reduce costs, realise measurable value, and increase business impact.

➤ **Skills and Careers:** NIIT's Skills & Careers Group (SNC) delivers a diverse range of learning and talent development programs to individual and corporate learners in areas including Banking, Finance & Insurance, Soft Skills, Business Process Excellence, Retail Sales Enablement, Management Education, Multi-Sector Vocational Skills, Digital Media Marketing, and new-age IT.



These programs are delivered through a combination of the 'Cloud Campus' online platform, satellite-

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

based 'Synchronous Learning Technology' and a physical network of hundreds of learning centres in India, China, and select markets in Asia & Africa. The flagship multi-disciplinary course offerings include the industry-endorsed RevGNiIT program and a set of Post Graduate Programs for students from different streams, apart from a wide range of specialized short duration programs.

- **Schools Learning:** NIIT's Schools Learning Group (SLG) addresses the K-12 schools market in India. Schools are increasing adoption of technology-based solutions to remain competitive and to improve learning experience for their students. As a product and service provider to schools, NIIT is uniquely positioned to take advantage of this trend.



The futuristic NIIT nGuru range of learning solutions for schools comprises Interactive Classrooms with digital content, technology-driven Math Lab, IT Wizard programs and Quick School - an Education Resource Planning software. The focus here is on improving the effectiveness of school education and academic performance of students.

With strong and consistent growth over the last few years, CLG now contributes over half of NIIT's revenues Business-wise split of revenue for FY15 and comparison with the business mix for FY14 is provided in Figure 1.

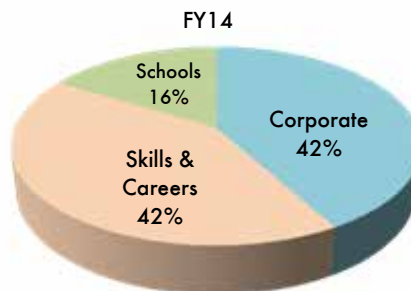
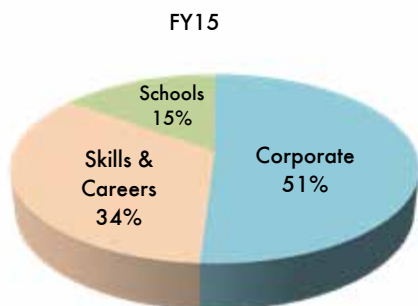


Figure 1: Business Mix

Company Performance

Financial year 2014-15 was a year of transformation for NIIT. NIIT's Corporate Learning Group, which had shifted its focus to providing Managed Training Services, continues to see strong traction driven by increased preference by multinational companies to outsource training to specialist training companies. However, NIIT's overall performance has been impacted by environmental headwinds in its Skills & Careers and Schools Learning businesses.

NIIT took strong steps during the year to transform the business. NIIT has consolidated centre capacity and organization structure, rationalized headcount and roles and stopped selling certain courses as part of portfolio rationalization. While, these measures are expected to lead to improved capital efficiency, liquidity and profitability in the future, they impacted business performance during the year. The financials for FY15 should be seen in this context.

The consolidated financials for the FY15 are provided in table below.

Table 2: Profit & Loss Statement
(including impact of Business Transformation)*

Rs. Million	FY15	FY14
System wide Revenues	12,143	14,065
Net Revenues	9,574	9,510
Operating expenses	9,266	8,890
EBITDA	308	620
EBITDA%	3%	7%
Depreciation & Amortization	1,073	779
Net Other Income	(895)	(106)
Profit before Tax	(1,660)	(264)
Tax	12	93
Operational Net Profit/ (Loss)	(1,671)	(357)
Share of Profits from Associates	286	534
Profit / (Loss) after tax	(1,385)	178
Basic EPS (Rs.)	(8.4)	1.1

*Consolidated financials for FY15 include impact of business transformation and are not comparable to previous year

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

The consolidated financials include one-time, business transformation expenses and accounting charge, including:

- Business transformation expenditure of Rs. 134 million which is included in operating expenses
- Provision for impairment of fixed assets included in depreciation and amortization of Rs. 452 million
- Net exceptional expenses/provisions of Rs. 777 million relating to businesses, products and geographies that NIIT has exited/defocused from, in net other income

Please see Table 3 for a comparison of year-on-year operating performance. It may be noted, that to ensure appropriate comparison, the financial analysis presented in the subsequent section excludes the impact of business transformation as explained above.

**Table 3: Operating Performance
(Excluding impact of Business Transformation)**

Rs. Million	FY15	FY14	YoY
Net Revenue	9,574	9,510	1%
Adjusted EBITDA	442	620	(29%)
Adjusted EBITDA %	5%	7%	(191 bps)
Adjusted Depreciation & Amortization	621	779	(20%)
Adjusted EBIT	(179)	(158)	(13%)

System Wide Revenue, which includes share of fee for Business Partners, was Rs. 12,143 million. System Wide Revenue was lower as compared to last year, due to lower contribution from SNC and SLG. However, Revenue (Net Revenue) in FY15 was marginally higher as compared to FY14 as strong growth in CLG made up for the decline in revenue contribution from SNC and SLG.

The adjusted operating profit (Adjusted EBITDA) was Rs. 442 million or 5% of Revenue in FY15. This was down 29% versus last year. The operating margin was impacted by negative impact of operating leverage in SNC. This was despite improved contribution from CLG. The positive impact of business transformation, which included material reduction in fixed costs, is expected to lead to improvement in profitability going forward.

During the year, normalized depreciation and amortization (excluding impact of business transformation) was lower by 20%, reflecting planned reduction in capital intensity of the business due to exit from capex-driven business models. A detailed discussion of NIIT's business and performance is given in the subsequent paragraphs.

Business Overview

During the year, NIIT continued to strengthen its Platforms of Growth, along with focus on improving Liquidity, Profitability and Capital Efficiency. As part of the business transformation, NIIT has combined its Individual Learning Solutions business organization and Skill Building Solutions into Skills & Careers Group, expanding the reach of Beyond - IT and Skills courses, while consolidating overall capacity.

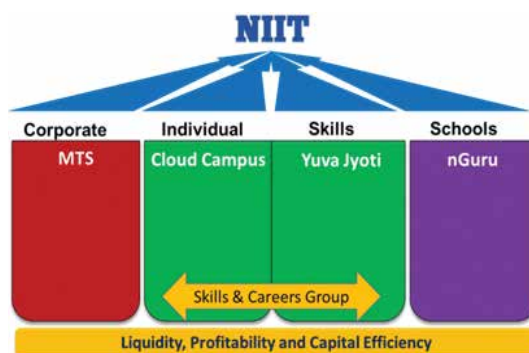


Figure 2: Platforms of Growth

During the year:

- The company added 4 new global customers for its Managed Training Services (MTS) offering. NIIT ended FY15 with 24 MTS customers, with a visibility of USD 179 million over remaining period of existing contracts.
- Individual Learning and Skills Building businesses have been consolidated into Skills & Careers Group (SNC). The number of courses offered on Cloud Campus increased to 186. Over 107,820 students have enrolled for programs delivered on Cloud Campus since launch. With increased integration with SNC, skills development courses are now offered at 108 locations.
- Schools Learning Group (SLG) signed up 455 schools during the year for its nGuru suite of products. SLG has provided nGuru solutions to over 2,500 private schools over the last four years.

Corporate Learning Group

Global spending on corporate training continues to grow at a robust pace. Expenditure by companies on training in North America is estimated at over USD 85 billion, and combined with Europe represents a USD 125 billion opportunity, with increasing amounts being outsourced to specialist training companies.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

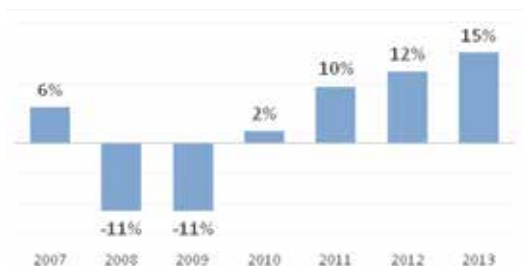


Figure 3: Growth in Corporate Training Spending in USA (Source - Bersin by Deloitte)

Learning and Development (L&D) is increasingly seen by corporations as one of the keys to driving business success. Therefore, global corporations are not only demanding greater accountability and efficiency on spending from their L&D function, but also expect it to lead to measurable improvement in employee productivity and business outcomes.



Figure 4: Managed Training Services

CLG delivers innovative solutions that help clients accelerate business impact. NIIT's team of learning professionals is helping the world's leading companies transform their training function through training outsourcing services that reduce costs, add measurable value and increase business impact, while allowing customers to redirect resources and energy into core business functions.



The strong value proposition, innovation and excellence in customer service is reflected in a number of industry recognitions and awards. NIIT was featured as 'Top 20 Training Outsourcing Companies' for the

eighth consecutive year by Training Industry, Inc. in 2015.

In FY15, CLG grew by a robust 23% driven by strong growth momentum in MTS, which was up 35% year-on-year. MTS has grown to 5x in revenue over the last four years (CAGR of 49%).

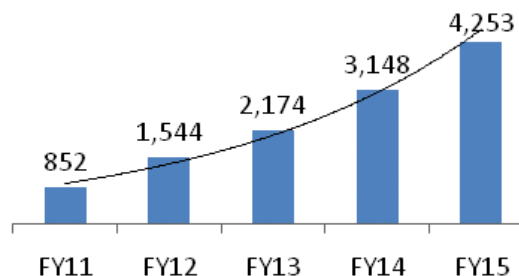


Figure 5: MTS Revenue (in Rs. Million)

CLG added four new MTS customers during FY15, taking the number of global MTS customers to 24. Revenue contribution from MTS to CLG revenue increased to 87% as compared to 79% in FY14. The business achieved EBITDA margins of 12%. NIIT has been able to maintain steady margins year-on-year despite investments in sales and marketing to accelerate scale for the business, and transition expenses for the customers added during the year. The business had an order intake of USD 81.3 million in FY15. As on March 31, 2015, CLG had total revenue visibility of USD 179 million from balance periods of existing contracts.

Table 4: Financials for Corporate Learning Group

Rs. Million	FY15	FY14	YoY (%)
Net Revenues	4,878	3,971	23%
Operating Expenses	4,313	3,499	23%
EBITDA	565	472	20%
EBITDA%	12%	12%	(31 bps)

Skills & Careers Group

NIIT's Skills and Careers group provides a wide range of courses across IT, BFSI, KPO/BPM, Management Education, Retail, Education, Multi-Sector Vocational Skills, Digital Media Marketing and Professional Life Skills. For this, NIIT leverages its presence in its largest markets, India and China, for improving skills and employability of college going students, graduates and working professionals.

NIIT, which is an acknowledged leader in training in the country, is increasing its addressable market through introduction of courses in Beyond-IT training.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)



Figure 6: Increasing Coverage

While student sentiment towards IT training continued to be weak during the year, NIIT witnessed robust demand for its Beyond-IT courses, which include Financial Services, Business Process Management, Executive Management Education and others. Revenue contribution from Beyond-IT products grew to 33% versus 26% last year.

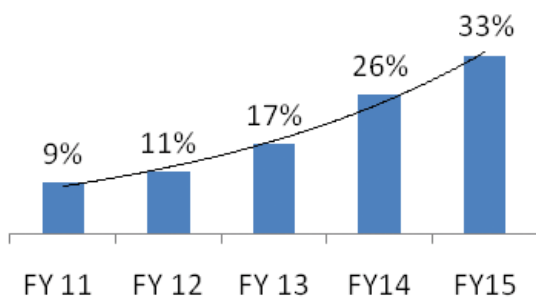


Figure 7: Share of Revenue from Beyond-IT Courses

During FY15, the focus of the business was on driving business transformation. As part of the comprehensive exercise, NIIT reassessed existing businesses, geographies and products and took strong steps to achieve the following:

- Sharpen focus of Skills & Careers business on the larger markets and exit other international geographies
- Capacity and structure consolidation
- Product portfolio rationalization

The business has sharpened focus on its two larger markets of India and China. In India, all Beyond-IT products including comprehensive portfolio of courses from NIIT Yuva Jyoti, which is NIIT's joint venture with

NSDC, have been made available to the entire network of Own and Business Partner centres which has led to significant increase in reach and revenue potential of these courses. These steps are an important part of making the organization less vulnerable to volatility in demand on a single industry and creating a more nimble and lean organization structure, which is expected to enable turn around in the performance of the business.



Figure 8: NIIT Cloud Campus Feature Set

Cloud Campus remains an integral part of the future of NIIT and is the identified Platform of growth in the Skills & Careers business. The training market is evolving, and there is a need to:

- Address rapidly changing learner needs: Students are looking for greater flexibility in schedules and use of devices, and want On-Demand learning
- Address multiple skills: There has been an explosion of diverse skill needs due to growth in service sectors

Cloud Campus delivery platform helps NIIT address these needs, achieve higher scalability with available resources, lower the delivery cost and achieve better capacity utilization.

The financial performance of the Skills & Careers Group for the year is provided in Table 5. The decline in revenue in FY15 was driven by weakness in IT training. The business has high operating leverage and the decline in revenue led to an EBITDA loss of Rs. 178 million. NIIT focused on driving business transformation in the last two quarters of FY15, which are relatively weaker quarters, to prepare the organization for growth going forward. While the transformation program impacted performance during this period, as the exercise involved consolidation of capacity and organization structure, involving reduction of owned centre capacity by a third and head count by 278, the

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

benefits of this transformation are expected to help the business to improve profitability going forward. The reduction in people and premise expenses would lead to annualized cost saving of Rs. 250 million.

Table 5: Financials for Skills & Careers Group

Rs. Million	FY15	FY14	YoY (%)
Net Revenues	3,283	3,985	(18%)
Operating Expenses	3,462	3,935	(12%)
EBITDA	(178)	50	(228 mn)
EBITDA%	-5%	1%	(668 bps)

*Like to like comparison excluding impact of onetime/ business transformation expenses

Schools Learning Group

NIIT's Schools Learning Group provides technology-based teaching and learning solutions to private schools, ICT programs in government schools and professional development for teachers.



India has over 1.2 million schools in the country. Of these, approximately 1 million are government-owned and government-aided schools. The remaining are owned and operated by private trusts and societies. A large number of schools are adopting technology-based solutions to remain competitive and improve learning outcomes for their students.

Capex-driven models, which were drivers of this adoption over the last few years, are now being

replaced by IP-based subscription models. As part its transformation, NIIT has de-emphasized hardware-based solutions to improve capital efficiency and liquidity. While this has resulted in sales cycle becoming longer for its ICR solution (Interactive Classroom), revenue from private schools has remained steady, driven by growth in other products in the nGuru suite, such as Math Lab, IT Wizard and Quick School, where NIIT has a leadership position.

Positive experience with MathLab

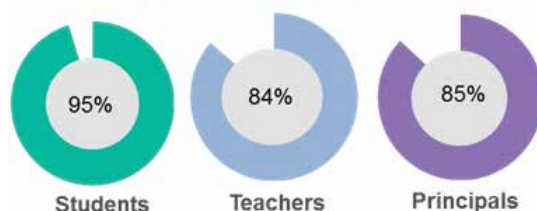


Figure 9: Math lab Impact Study

A recent study, conducted by one of the Big-Four consulting firms, across 11 states in India, to understand the impact of Math Lab both at the quantitative and qualitative levels, highlighted that 20% of children (and adults) suffer from math anxiety. As a strong endorsement of NIIT's Math Lab, it was observed that after introduction of Math Lab in schools, there were multiple positive changes in the approach to mathematics among students as well as teachers. The report found that in schools with NIIT's Math Lab:

- Proportion of students enjoying mathematics increased sharply.
- There was an improvement in the proportion of students scoring A grades and reduction in the proportion of students scoring C grades.
- There was sharp improvement in proficiency scores for students.
- 43% students reported improvement in confidence and there was 30% reduction in the proportion of students who were afraid of mathematics.
- 64% students, 74% teachers and 75% principals covered by the study reported improvement in students' logical thinking .

As explained earlier, NIIT's Schools business was part of the major transformation initiative during the year. The business was transferred into a wholly owned subsidiary company. This transformation creates flexibility to

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

explore various options for funding, partnerships and alliances to accelerate the growth of the business.

NIIT continued the planned ramp down of the low-return and capital-intensive government schools business given continuous delay in receivables. No new contracts for government schools have been added in the last two years. However, NIIT continued to honour commitments under existing contracts.

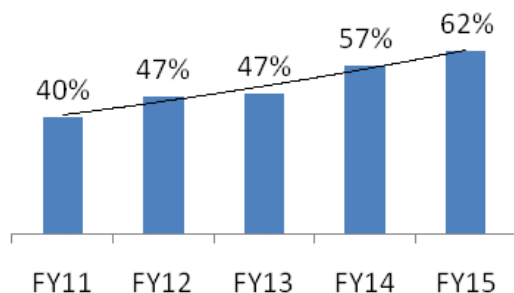


Figure 10: Share of Revenue from NGSA

During the year, Revenue and EBITDA margins were impacted due to planned exit from government business. Four contracts covering 2,541 government schools were completed during the year. However, NIIT continued to enhance the IP driven non-government schools business driven by demand for its nGuru offerings. SLG signed contracts with 455 private schools in FY15. Order intake for the year was Rs. 622 million. Revenue contribution from NGSA increased to 62% versus 57% last year.

Table 6: Financials for Schools Learning Group

Rs. Million	FY15	FY14	YoY (%)
Net Revenues	1,413	1,554	(9%)
Operating expenses	1,357	1,456	(7%)
EBITDA	56	99	(44%)
EBITDA%	4%	6%	(240 bps)

*Like to like comparison excluding impact of onetime/ business transformation expenses

Awards and Acknowledgements

- NIIT has been featured as 'India's Most Trusted Education Brand' in Brand Trust Report, India Study, 2015, undertaken by Trust Research Advisory for the third consecutive year.
- NIIT has featured as 'Top 20 Training Outsourcing Companies' for the eighth consecutive year by Training Industry, Inc. in 2015.
- NIIT received the 'Top Training Company Award 2014' for the 20th consecutive year by Cyber media publications.

- NIIT's corporate website www.niit.com has been recognized as the 'Best Educational Website' at the 5th Annual India Digital Awards by Internet and Mobile Association of India (IAMAI) in 2014.
- NIIT Yuva Jyoti Ltd. has been recognized as the 'Best Vocational Education and Skill Development initiative' at the World Education Summit, 2014.
- NIIT has been recognized as the 'Best Training Institution' at the Indian Education Awards 2014 by leading Industry Association - Franchise India.
- NIIT has been honored with 'Brandon Hall Excellence Gold Award' in the Best Custom Content category jointly with Shell for Shell Services on the Road.
- Won the 2014 ATD Excellence in Practice award for Critical Mistake Analysis and Scenario Based Learning jointly with USAA
- NIIT Corporate Learning has been ranked among 'Top 20 Gamification L&D companies' of 2014 by Training Industry, Inc.
- NIIT Corporate Learning has been ranked among 'Top 20 companies in IT Training' of 2014 by Training Industry, Inc.
- NIIT has been ranked among 50 'Best E-Learning Companies of India' at the Global Learn Tech Congress & Awards 2014.
- NIIT Nguru received 'Best Interactive Solution Provider' award at the National Education Excellence Awards 2014 by leading industry body ASSOCHAM (Associated Chambers of Commerce and Industry of India).
- Rajendra S Pawar, Chairman, NIIT Group received the 'Indian Business Leader of the Year' at the Global India Business meet organized by international think-tank Horasis & PwC at Liverpool, UK, in 2014.
- NIIT Yuva Jyoti Ltd. received 'Best Initiative under Vocational Training category' at the World Education Awards, 2014.
- NIIT Yuva Jyoti Ltd. received 'ICONIC IDC Insights Award 2014' in the Retail & Service Vertical for 'Innovative Technological Interventions' in the business.
- NIIT Foundation received 'Best CSR Practices Award in Skill Development' 2014 by National CSR

Consolidated Financials of the Company

Financial year 2014-15 was a year of transformation for NIIT. The company took strong steps to transform the business including rationalization of subsidiary companies' structure, to make it fit for growth and

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

improve profitability. The business transformation and restructuring exercise included the following:

- Succession for top management and appointment of new CEO
- Scheme of Arrangement for rationalization of subsidiary companies' structure and transfer of Schools business to a wholly owned subsidiary
- Exit from capex-driven, capital-intensive and low return business models
- Defocus/exit from certain international geographies to conserve management bandwidth
- Capacity and people consolidation, and product portfolio rationalization

The consolidated financial summary for FY15 is provided in Table 7:

Table 7: Consolidated Statement of P & L for FY15*

Rs. Million	FY15	FY14
System wide Revenues	12,143	14,065
Net Revenues	9,574	9,510
Operating Expenses	9,266	8,890
- Personnel Cost	3,040	2,618
- Professional and Technical Outsourcing Expenses	3,172	2,748
- Purchase of Stock in Trade	526	604
- Other Expenses Excluding Finance Costs	2,527	2,919
EBITDA	308	620
EBITDA%	3%	7%
Depreciation & Amortization	1,073	779
Net Other Income (Including Exceptional Items)	(895)	(106)
Profit/ (Loss) Before Taxes	(1,660)	(264)
Taxes	12	93
Share of Associate Profits/ Profits Attributable to Minority Shareholders	286	534
Profit / (Loss) After Taxes Attributable to Equity Holders	(1,385)	178
Basic EPS (Rs.)	(8.4)	1.1

*The financials for FY15 and FY14 are not comparable due to one-time, business transformation expenses included in operating expenditure, depreciation and amortization and exceptional items. Numbers are rounded to nearest million

The business transformation process has resulted in a one-time additional expenses, which are included in the financials for FY15 above. The net impact for the overall business transformation exercise was Rs. 1,363 million which consisted of:

- Business transformation expenditure of Rs. 134 million which is included in operating expenses during the year.
- Provision for impairment of fixed assets in depreciation and amortization of Rs. 452 million.
- Net exceptional items of Rs. 777 million relating to businesses, products and geographies that NIIT has exited/defocused from, included in net other income

Revenue

In FY15, the Company recorded revenue of Rs. 9,574 million, which was higher by 1% as compared to revenue achieved last year. Growth was impacted by planned ramp down in government schools business and by decline in Skills & Careers business due to continuing weak student sentiment towards IT training. The decline in these two was compensated by growth in corporate training led by strong demand for Managed Training Services.

Operating Expenses

Overall, the operating expenses increased by 4% year-on-year. This includes business transformation expenditure of Rs.134 million, which includes Rs. 83 million related to capacity and organization consolidation and Rs. 52 million related to product portfolio rationalization.

On a continuing basis, excluding impact of business transformation expenses, the operating expenses were Rs. 9,132 million which were up by 3% year-on-year. The increase in operating expenses is on account of change in business mix and normal cost inflation. The mix of expenses is impacted by change in business mix, between CLG, SNC and SLG, and therefore not comparable on a year-on-year basis.

Depreciation

For the year, the depreciation and amortization at the consolidated level was Rs.1,073 million. However this includes a one-time, non-cash provision for impairment of fixed assets of Rs. 452 million related to business transformation. This includes Rs. 252 million related to capital intensive government schools and capex driven business model in schools, Rs. 166 million related to capacity consolidation in Skills and Careers business and Rs. 33 million related to impairment of goodwill arising out of Scheme of Arrangement

Excluding this impact, depreciation for the year is Rs. 621 million, lower by 20% compared to that of last year, reflecting impact of planned reduction in capital intensity of the business due to exit from capex-driven business models

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)
Net Other Income

The net other income in FY15 includes

- Foreign exchange gains / losses
- Interest expenses, net of income from deposits and mutual funds for the Company
- Miscellaneous income
- Exceptional Items

The net interest and financial expense for FY15 stood at Rs.134 million compared to Rs. 176 million for FY14. During the year, the Company recorded a net foreign exchange loss of Rs. 35 million compared to a loss of Rs. 87 million booked in FY14. In addition, the company had net miscellaneous income of Rs. 77 million as compared to Rs. 91 million last year.

Exceptional items, amounting to Rs. 803 million for FY15, include:

- Net exceptional items of Rs. 777 million relating to businesses, products and geographies that NIIT has exited/defocused from. This includes provisions for impairment of current assets including doubtful debts, advances and others of Rs. 855 million, Legal, Professional and other expenses related to business transformation of Rs. 40 million, and a provision of Rs. 45 million for Indirect Tax on the basis of ongoing proceedings related to customer contracts.

In addition, this includes gain of Rs. 108 million due to gain on Currency Translation Reserve transferred to Consolidated Statement of Profit and Loss related to buyback of shares by NIIT USA during the year and a gain of Rs. 56 million due to reduction of preference share capital in Hole-in-the-Wall Limited as part of the Scheme of Arrangement.

The provisions for impairment of current assets have been taken on a prudent basis, based on internal and external review of assets and liabilities, in view of the business transformation. NIIT would continue to pursue recovery of these assets via suitable legal and commercial actions, on a case-to-case basis.

- Expenses amounting to Rs. 27 million on account of other Legal, Professional and settlement expenses.

Taxes

During FY15, the Company has made a tax provision of Rs. 12 million compared to Rs. 93 million last year. The taxes in FY15, relate to income tax provisions in profitable subsidiary companies.

Detailed Analysis of Consolidated Balance Sheet as at the end of the Financial Year

Rs. Million	31-Mar-15	31-Mar-14
Sources of Funds		
Share Capital	330	330
Minority Interest	60	76
Reserves & Surplus	6,967	6,412
Shareholders' Funds	7,357	6,818
Secured Loans	1,527	1,212
Unsecured Loans	19	67
Loan Funds	1,546	1,280
Total	8,904	8,098
Application of Funds		
Fixed Assets		
Gross Block	6,603	6,547
Depreciation	5,498	4,693
Net Block	1,105	1,855
Capital Work in Progress	42	178
Investments	5,258	2,897
Deferred Tax Assets	110	75
Net Current Assets	2,389	3,093
Total	8,904	8,098

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

The financial statements have been updated subsequent to clarification received from Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) on accounting treatment for merger of the three wholly owned subsidiaries with the Company, pursuant to the composite Scheme of Arrangement. Please see Note 2.2 and Note 32 of the consolidated financial statements for the year for details.

Share Capital

During the year, the share capital of the Company increased by Rs.0.05 million due to issuance of 25,000 shares to employees on exercise of employee stock options.

Minority Interest

Minority interest has reduced from Rs. 76 million to Rs. 60 million due to losses incurred during the year

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

attributable to minority shareholders of subsidiary companies of NIIT Limited.

Reserves and Surplus

Net increase in Reserves and Surplus as compared to last year is Rs. 555 million. Reconciliation of changes in Reserves and Surplus amount is provided in Note 4 of the consolidated financial statements.

Reserves and Surplus includes capital reserve on account of amalgamation. Pursuant to the composite Scheme of Arrangement assets and liabilities of three wholly owned subsidiary companies (Scantech Evaluation Services Limited, NIIT Online Learning Limited and Evolv Services Limited) have been amalgamated with NIIT Limited at their respective fair values. The difference between book values and fair values of these assets and liabilities has resulted in increase in capital reserve.

Loan Funds

As on March 31, 2015, the total gross debt of the Company stood at Rs. 1,546 million compared to Rs. 1,280 million on March 31, 2014.

The company had a Net Debt balance of Rs. 679 million (Rs. 678 million, excluding foreign currency impact on fully hedged foreign currency loan) as compared to a net debt of Rs. 399 million (Rs. 329 million, excluding foreign currency impact on fully hedged foreign currency loan) as on March 31, 2014.

As per the new balance sheet format, Rs. 1,148 million is reflected as long term borrowings, Rs. 217 million as short term borrowings and Rs. 181 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. 1,855 million. During the year, the Company added fixed assets of Rs. 451 million. This included net capitalization of the capital work in progress of Rs. 136 million. Net Capex for the year stands at Rs. 315 million

The category wise addition in fixed asset is given below:

- New initiatives and products: Rs. 292 million
- Project related capital expenditure: Rs. 24 million
- Capacity expansion and upgrade: Rs. 9 million
- Normal capital expenditure: Rs. 126 million

The Capital Work in Progress as on March 31, 2015 stood at Rs. 42 million as compared to Rs. 178 million last

year. 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. 1,105 million as on March 31, 2015.

Investments

At the year end, the investments stood at Rs. 5,258 million which represents the value of holding in NIIT Technologies Limited. This has been classified as non-current investment. The value has increased as compared to last year due to the following:

- Amalgamation of Scantech Evaluation Services Limited, which held 14,493,480 shares of NIIT Technologies Limited, with NIIT Limited at fair value as on the Appointed Date (April 1, 2014) of the Composite Scheme of Arrangement, and
- Addition of share of Associate Profit/reserve (net of dividend received) from NIIT Technologies Limited during the year.

Please see Note 12 of the consolidated financial statements for details.

Deferred Tax Assets

At the year end, the deferred tax assets (net of deferred tax liability of Rs. 29 million) were Rs. 110 million. This is primarily due to the timing difference in amount of provisions carried in the financial statements and allowed on actual write-off as per the income tax provisions.

Net Current Assets

The elements of net current assets were as follows:

➤ Inventories

Inventories mainly comprise training materials including educational software used by the Company for imparting training and education. Over the year, due to streamlining of operations, the value of the inventory held by the Company decreased from Rs. 55 million in FY14 to Rs. 45 million in FY15.

➤ Trade Receivables

The total receivables of the Company were at Rs. 2,172 million, down Rs. 805 million as compared to Rs. 2,977 million as on March 31, 2014, representing 83 days sales outstanding. The decrease is attributable to implementation of tight credit policy, improved collection from customers and provisions for business transformation.

Of the total, an amount of Rs. 298 million has been classified as non-current based on the due dates of debtors

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)
➤ Cash and Bank

The cash and bank balances as on March 31, 2015 stood at Rs. 864 million compared to Rs. 877 million as on March 31, 2014. The cash balance, including mutual fund investments, of the Company stood at Rs.870 million as compared to Rs. 881 million as on March 31, 2014. During the year:

- NIIT generated cash from operations of Rs. 260 million, as compared to Rs. 986 million in FY14. Reduction is due to lower operating profit and lower release of working capital from government schools business.
- NIIT utilized Rs. 207 million for investment activities sale/ purchase of fixed assets & mutual funds as compared to Rs. 409 million in FY14.
- NIIT had net cash out flow of Rs. 64 million from financing activities including payment of interest and dividend, repayment of debt and proceeds of new debt versus net cash out flow of Rs. 760 million in FY14.

During the year, there was a positive impact of exchange rate of Rs. 17 million on cash balance (Rs 155 million last year). The Cash and Bank balance includes other Bank balances of Rs. 204 million as compared to Rs. 271 million in FY14. These balances are excluded from Cash and Bank in balances in Revised Schedule VI.

➤ Other Current Assets

Other Current Assets included interest receivable and unbilled revenue. The balance as on March 31, 2015 stood at Rs. 607 million, as compared to Rs. 722 million in the previous year. Of this, Rs. 11 million has been classified as non-current. The reduction in other current assets is primarily due to the reduction in unbilled revenue.

➤ Loans and Advances

Loans and advances primarily included advances to suppliers, deferred expenses, rent advances, security deposits given for premises as well as advance tax paid. As of March 31, 2015, total loans and advances stood at Rs. 1,478 million compared to Rs. 1,568 million in March 31, 2014. Reduction in loans and advances is driven by rationalization of capacity as part of the business transformation program.

Based on the realization time horizon of the loans and advances, an amount of Rs. 806 million has been classified as non-current. This excludes capital advance of Rs. 6 million which has been included in Loans and Advances as per Revised Schedule VI.

➤ Sundry Creditors and Other Current Liabilities

Sundry Creditors and Other Current Liabilities reduced marginally from Rs.2,629 million in FY14 to Rs. 2,612 million in FY15. Other Current Liabilities consists of advances from customers, security deposits, deferred revenue and other liabilities.

➤ Provisions

The total provisions reduced from Rs. 481 million in FY14 to Rs. 172 million in FY15. Provisions as on March 31, 2014 included provision for dividend for FY14. The Board of Directors of the Company has not recommended a dividend for FY15.

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 on March 31, 2015 and of the profit or loss of the Company for that year. The significant accounting policies and practices followed by NIIT Limited are disclosed in Note 2.3 of the consolidated financial statements for the 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.

Human resources

The Company is built on the foundation of people being the key driver for the growth of the organization. People are at the core of its Vision, which espouses mutual positive regard, career building and 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 profits for the company and of career ambitions for the people.

During FY15, the Company continued to focus on improving people productivity through training and development of its people. There were specific training

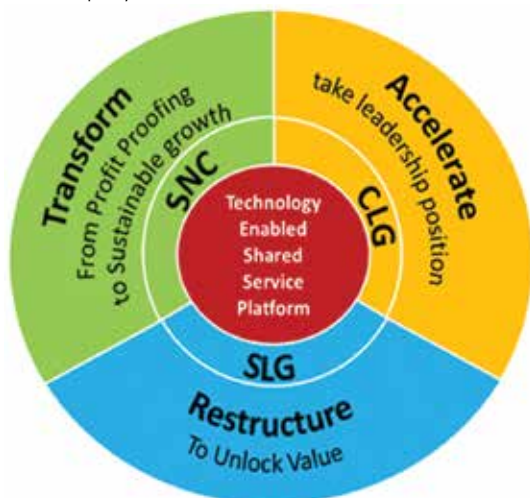
MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

interventions made to coach the sales personnel for better customer acquisition and higher goal orientation, and extensive enhancements were made to the role based training programs to ensure a higher performance from NIITians in pivotal roles.

As of the year end, the people count stood at 2,786 (excluding project staff) with 62% percent in direct roles, 12% percent in Sales & Marketing, and the balance in indirect roles.

Future Outlook

The Company remains committed to driving sustained value creation for all its stakeholders. NIIT has taken boldsteps during the financial year 2014-15 to achieve this. These steps, which involved business **Restructuring**, comprise the first stage of the vision to drive long-term value creation. The current focus, which is the second stage, is to **Reenergise** the organization by driving operational excellence across Corporate Learning, Skills & Careers and Schools Learning groups. The final phase for business **Renewal**, will involve new models for delivery and technology-based platforms to help achieve sustainable growth in scale and profitability for the Company.



- Corporate Learning: Corporate training is a large and growing market. Growth in CLG is expected to continue, driven by strong demand for Managed Training Services by global multinational companies looking to outsource training to specialist training firms. The focus for the business is to accelerate scale through larger, annuity based contracts and drive productivity improvement.



Figure 11: Accelerate MTS growth

- Skills & Careers: The company believes that the strong steps taken during FY15 would help the company to turn around the financial performance of the business. Rationalization of fixed costs would help the company achieve positive margins going forward. The company expects that growth in Beyond-IT products and Multiple Stream, Modular Programs would also contribute to this turn around. Cloud Campus is enabling NIIT to expand market coverage and offer a wider range of products that are more convenient for the target segment. These programs have been made available to the entire network of owned and business partner centres leading to a significant increase in revenue potential from these courses. NIIT has also integrated teams for B2C and B2B offerings in Skills & Careers Group, given the considerable overlap in offerings and synergy in operations. NIIT has an established leadership position for training in its chosen sectors including IT and Banking, and is ranked as the Most Trusted Brand in education and training market in India. As per a recent analysis done by McKinsey and NSDC, the cumulative requirement for entry level skills for people entering the work force and for upskilling till 2022 in India is eleven times the current capacity. This demand would be spread across various segments of Service sector. In the long term, NIIT plans to build a comprehensive skills marketplace using a technology based learning platform which brings together learners, multiple training partners and industry. The focus of the business would be on its largest markets of India and China.



Figure 12: SNC Transformation

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

➤ **Schools Learning:** NIIT is exiting capex-driven and capital-intensive business models in schools and focusing on IP-driven business in private schools. While this has impacted revenue growth, completion of existing contracts for government schools would lead to improvement in liquidity and capital efficiency of the business. The immediate focus of the business is to build strong momentum in new-age products in the nGuru product suite, including NIIT Math Lab which are expected to drive growth and margin improvement for the business. NIIT aspires to become the largest and the best school service provider in the country with a comprehensive product and services portfolio and also address the large opportunity in the out-of-school segment. NIIT has transferred the schools business into a wholly owned subsidiary, to create an enabling structure for flexibility in financing and partnerships to achieve the desired long term goals.

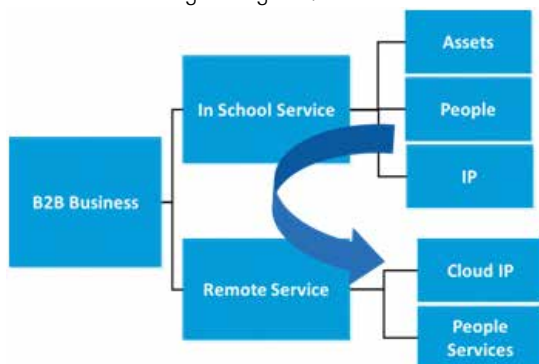


Figure 13: Schools: Move to Asset-Light, Technology-Intensive and IP-Driven Business Model

Risk and Concerns

As a global enterprise, NIIT is exposed to wide variety of risks across its different lines of businesses. NIIT has a put in place comprehensive and robust enterprise-wide risk management structure, to enable all the businesses to recognize risks in advance, so that appropriate and adequate mitigation plans can be worked out to counter the same. 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 the shareholders.

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, it has been our constant endeavour to balance risk appetite in each line of business, to ensure that each of the businesses generates high risk-adjusted returns. NIIT has taken proactive steps to identify and prioritize the risks upfront, document them in consultation with the business groups, and define the risk management framework.



Figure 14: Risk Management Process

NIIT's risk management framework addresses all the significant risks of the businesses as envisaged by the management from time to time, based on past experience, environment surrounding each business activity and future initiatives, to achieve the business group's objectives along with relevant mitigation strategy. 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 company has identified the major and significant risks into two broad categories, External Risks and Internal Risks, with mitigation strategies of each.



Figure 15: Risk Categories

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

The Company is well diversified in terms of both its service offerings and geographic spread. The judicious mix of revenue from the different business lines (Corporate Learning, Skills & Careers and Schools Learning) ensures that the Company is well positioned to manage slowdown in a particular product portfolio or in a specific geography. The Company believes that with the ERM (Enterprise Risk Management) process in place, it has a robust mechanism for risk management, and the strategies for risk management are reviewed by appropriate level at regular intervals.

Internal Control Systems and Its adequacy

The Company has adopted global practices for evaluating and reporting on internal controls, based on its operational experience in multiple countries. It has also implemented one of the leading ERP solutions in its global operations, to integrate various facets of business operations including Human Resources, Finance, Logistics and Sales. This has enabled the Company to control and monitor its worldwide operations, and strengthen the ability of internal

controls to function most optimally. The evaluation of internal controls is an integral part of the plan for Audit & Assurance Organization.

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 in a dynamic environment and in challenging times.

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 during the financial year 2014-15, their attendance at Board Meetings held during the financial year 2014-15 and at the last Annual General Meeting and the number of Directorship and Committees Chairmanship/Membership held by them as on March 31, 2015 are given hereunder:

Name of Director & DIN	Category	No of Board Meetings during the Financial Year 2014-15		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)	Promoter & Non-Executive Director***	10	8	5	1	-	Yes
Mr. Vijay K Thadani (00042527)	Promoter & Executive Director	10	10	7	2	2	Yes
Mr. P Rajendran (00042531)	Executive Director	10	10	5	-	1	Yes
Mr. Surendra Singh (00003337)	Non-Executive Independent Director	10	10	4	3	1	Yes
Mr. Sanjay Khosla (00981819)	Non-Executive Independent Director	10	5	0	0	0	No
Mr. Anand Sudarshan (00827862)	Non-Executive Independent Director	10	7	4	3	0	Yes
Ms. Geeta Mathur (02139552)	Non-Executive Independent Director	10	8	9	4	1	Yes
Ms. Madhabi Puri Buch**** (00016299)	Non-Executive Independent Director	10	1	NA	NA	NA	Yes

* Directorships do not include private companies, companies incorporated under Section 8 of the Companies Act, 2013 (corresponding Section 25 in the Companies Act, 1956) and companies incorporated outside India.

** Board Committees for this purpose includes only Audit committee and Stakeholders' Relationship Committee of public limited companies.

*** Mr. Rajendra S. Pawar was an Executive Director of the Company till 31.03.2015.

**** Resigned from the Directorship of the Company w.e.f. closing business hours of July 10, 2014, 1 meeting was held during her tenure.

Notes:

1. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013 and its rules thereto.

2. Your Company is managed and guided by a professional Board presently comprising Seven Directors out of which four are Independent Directors, constituting more than 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 full investor satisfaction.

A brief profile and role of each Director is given below:

Mr. Rajendra S Pawar

Designation: Chairman

Profile: Mr. Rajendra S Pawar is the Chairman and Co-Founder of the NIIT Group, comprising NIIT Limited- a global leader in Skills and Talent Development and NIIT Technologies Limited- a Global IT solutions organization.

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 into a leading Skills and Talent Development Corporation, offering learning solutions to Individuals, Enterprises and Institutions. Spread across 40 countries, NIIT has impacted over 35 million learners since inception.

In recognition of Mr. Pawar's contribution towards changing the IT landscape for the country, the President of India awarded him the Padma Bhushan - one of the highest civilian awards given by the Government of India - in 2011.

Mr. Pawar served as a member on the Prime Minister's National Council on Skill Development (2009- 2014) and has also been a part of the PM's National Taskforce (1998), commissioned to develop India into an IT Superpower. He has been chairing the Committee on Policy Framework for Technology Based Education, Government of India. He is a Member of Rajasthan Chief Minister's Advisory Council and Member of Andhra Pradesh State Knowledge Advisory Board.

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. He is currently the Chairman of Cyber Security Task Force at NASSCOM. At CII (Confederation of Indian Industries), he has also chaired the IT Committee and the Education Committee. He is a Fellow of the Computer Society of India and the Institution of Electronics & Telecom Engineers.

Mr. Pawar has been an ardent advocate of leveraging technology to make education accessible to the remotest corners in the country, to educate the vast population of underserved and school-aged children. His passion led to the launch of the Hole-in-the-Wall education Limited (HiWEL) (now known as Mindchampion Learning Systems Limited) initiative in 1999 with Dr. Sugata Mitra, Chief Scientist emeritus, NIIT. The path-breaking work done by NIIT in spreading computer literacy and improving the quality of education at grass root, through the HiWEL project has earned it the coveted- 'Digital Opportunity Award' by World Information Technology Services Alliance (WITSA) in 2008.

A member of the International Business Council of the World Economic Forum, Mr. Pawar has also been a member of the PIAC (Presidential International Advisory Council for IT) of the Government of South Africa.

Mr. Pawar led NIIT to participate in the ambitious human capacity building project for Bhutan - Chipen Rigpel - designed to help the country transition successfully into a modern Knowledge Society. The Government-assisted project was launched by the Prime Ministers of India and Bhutan on April 30, 2010 on the sidelines of the SAARC summit in Bhutan. The project in its entirety is expected to provide ICT skills to over a fifth of the population of Bhutan, to help them to become confident and empowered citizens of a connected and ICT-enabled world.

Mr. Pawar's contributions have been widely acknowledged by the industry and he has been conferred prestigious awards like- the 'IT man of the Year' by IT industry journal, Dataquest; 'Master Entrepreneur of the Year' by Ernst & Young in 1999 and the 'IT Gem of India' at INFOCOM 2013, India's largest IT & Telecom convention, by the ABP Group, to name a few.

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- the Indian School of Business (ISB) Hyderabad, IIM Udaipur, Member of the University Court of Delhi University, and the Scindia School.

Having revolutionized the IT Training industry, Mr. Pawar is involved in shaping a new model in Higher Education, the not-for-profit NIIT University.

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. At the Scindia School he received the 'Madhav Award' in 1999 and the Distinguished Alumnus Award at IIT in 1995. He has also been awarded an Honorary Doctoral Degree by the Rajiv Gandhi Technical University in 2005.

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: Vice-Chairman & Managing Director

Profile: Mr. Vijay K Thadani is the Vice-Chairman & Managing Director of NIIT Limited. As the co-founder of NIIT Group, he has built an organization that is recognized for its visionary role in bringing the benefits of Information Technology, both as a professional skill and as a learning tool, to the masses.

Mr. Thadani has led the Group's globalization efforts since 1991, taking the NIIT flag to over 40 countries and has been actively engaged with many Industry Associations. He served as President of the Indian IT industry association, MAIT and as the Chairman of CII Northern Region for 2011- 2012. He also served as the Chairman of the National Accreditation Board for

Education and Training (NABET), under the aegis of the Quality Council of India and as the Chairman of Board of Governors of Indian Institute of Information Technology (IIIT), Allahabad.

Mr. Thadani is the co-founder of the not-for-profit, NIIT University established in 2009 with a vision of being the leading centre of innovation and learning in emerging areas of the Knowledge Society. He is a Founder Director on the Board of NIIT Technologies Limited, a leading SEI-CMMi Level 5 assessed IT Solutions organisation, servicing customers in the USA, Europe, Japan, Asia Pacific and India. He chairs the Board of Governors of MN National Institute of Technology, Allahabad and serves on the Board of Governors of Indian Institute of Technology (IIT), Delhi. He also chairs CII's National Committee on Higher Education and serves on 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 Vice-Chairman & Managing Director of the Company, Mr. Thadani provides strategic direction and oversight to the Chief Executives and Heads of the Company's global businesses. 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 Institute of Finance Banking and Insurance Training Limited and NIIT Yuva Jyoti Limited.

Mr. P Rajendran

Designation: Joint Managing Director

Profile: Mr. P Rajendran, Joint Managing Director 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 Human Resource 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.

CORPORATE GOVERNANCE REPORT (Contd.)

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 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 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 Stakeholders' Relationship Committee and Corporate Social Responsibility Committee and is member of Audit Committee of the Company.

Mr. Sanjay Khosla

Designation: Independent Director

Profile: Mr. Sanjay Khosla is a Senior Fellow at the Kellogg School of Management, Northwestern University, USA.

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 the Chairman of Nomination and Remuneration Committee and is member of Stakeholders' Relationship Committee of the Company.

Mr. Anand Sudarshan

Designation: Independent Director

Profile: Mr. Anand Sudarshan is Founder & Director, Sylvant Advisors Private Limited, an education sector advisory firm that provides advisory services to institutions, enterprises, governments & investors globally. He is currently a Venture Advisor to TVS Capital Funds, serves on a number of boards, as well as government committees on policy advisory in education.

Till June 2012, he was Vice-Chairman & MD of Manipal Global Education (MaGE) – headquartered out of Bangalore, MaGE is the largest higher education entity out of India. Till September 2013, Mr. Anand Sudarshan served as an independent non-executive director of MaGE. Prior to MaGE, Mr. Anand Sudarshan worked for a number of years in the Indian InfoTech industry, where he had co-founded a number of companies.

A recognized leader in the education sector, Mr. Anand

Sudarshan is a founding member of EDGE (an education sector forum and think-tank), Co-Chair of FICCI Karnataka State Council and also a member of FICCI's national committees on Higher Education & School Education. He is also a trustee of Head Held High Foundation, which is transforming rural poverty through empowering low-or-no educated youth through innovative training methods.

Mr. Anand Sudarshan holds a Bachelor of Engineering degree in Electronics and Communications Engineering from the National Institute of Technology, Trichy, India, and a PGDM from the Indian Institute of Management Calcutta, India.

Roles and Responsibilities: Mr. Anand Sudarshan advises the Company on strategic matters. He is a member of Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Company.

Ms. Geeta Mathur

Designation: Independent Director

Profile: Ms. Geeta Mathur, a Chartered Accountant, specializes in the area of project, corporate and structured finance, treasury, investor relations and strategic planning.

She started her career with ICICI, where she worked for over 10 years in the field of project, corporate and structured finance as well represented ICICI on the Board of reputed companies such as Eicher Motors, SIEL Limited etc. She then worked in various capacities in large organizations such as IBM and Emaar MGF across areas of Corporate Finance, Treasury, Risk Management and Investor relations. She is currently on boards of several large companies across sectors including Motherson Sumi Ltd, India Infoline Holdings Limited.

She is a graduate in Commerce from Shriram College of Commerce, Delhi University and did her articles with Pricewaterhouse while pursuing her CA.

Roles and Responsibilities: Ms. Geeta Mathur advises the Company on financial matters. She is chairperson of the Audit Committee and member of the Nomination and Remuneration Committee of the Company.

Board Meetings

Ten(10) Board Meetings were held during the Financial Year 2014-15 and gap between two meetings did not exceed one hundred and twenty days. Board Meetings were held on May 21, 2014, July 23, 2014, August 26, 2014, September 16, 2014, October 6, 2014,

October 17, 2014, December 15, 2014, January 16, 2015, March 4, 2015 and March 26, 2015.

The Company holds at least four Board meetings in a year, with a maximum time gap of one hundred and twenty days between two meetings, to review the financial results. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address the specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation. 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 X to 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;
- Related Party Transactions;
- 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

CORPORATE GOVERNANCE REPORT (Contd.)

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 non-payment 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 the provisions of Clause 49 of the Listing Agreement with Stock Exchanges, inter-alia, the following Committees are in operation:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee

Audit Committee

In line with the statutory provisions of Listing Agreement entered into with Stock Exchanges 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. As on March 31, 2015, the Audit Committee has been constituted with the following Directors:

- Mr. Surendra Singh
- Mr. Vijay K Thadani
- Ms. Geeta Mathur

Functions and Terms of Reference

The term of reference of Audit Committee are as per Listing Agreement entered into with the Stock Exchanges and includes such other functions as may be assigned to it by the Board from time to time. Further, the term

of reference of the Audit Committee has been aligned with the requirements of Companies Act, 2013.

The main functions of the Audit Committee, inter-alia, include:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval/Ratification of other services as may be required to be availed from auditors of the Company;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments, if any;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Such other functions/area/term as desired/referred by the Board from time to time or required under applicable law/Listing Agreement for time being in force.

The particulars of the meetings attended by the Members of the Audit Committee and the dates of the meetings held during the financial year 2014-15 are given below:

Name of Members**	No. of Meetings during the Financial Year 2014-15		Dates of Meetings
	Held	Attended	
Mr. Vijay K Thadani	5	5	May 20, 2014 July 22, 2014
Mr. Surendra Singh	5	5	October 16, 2014 January 16, 2015
Ms. Geeta Mathur*	5	4	March 26, 2015

*appointed as member of the Committee w.e.f. July 14, 2014 and four (4) Audit Committee meetings were held during her tenure as member of the Committee

**Ms. Madhabi Puri Buch ceased to be the member of the Audit Committee w.e.f. closing business hours of July 10, 2014, consequent to her resignation from the directorship of the Company.

Ms. Madhabi Puri Buch chaired the Audit Committee Meeting held on May 20, 2014 for approval of annual accounts for the financial year ended on March 31, 2014 and she was present at the Annual General Meeting of the Company held on July 7, 2014.

CORPORATE GOVERNANCE REPORT (Contd.)

Subsequent to year end, the Audit Committee has been reconstituted by the Board of Directors of the Company in their meeting held on May 27, 2015. The composition of the reconstituted committee is as under:

- Ms. Geeta Mathur – Chairperson
- Mr. Surendra Singh
- Mr. Vijay K Thadani
- Mr. Anand Sudarshan

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted to identify persons who are qualified to become directors and who may be appointed in senior management and to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and to carry out evaluation of every director's performance. The Nomination and Remuneration Committee of the Company is also entrusted 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.

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

The Nomination and Remuneration Committee has been constituted by the Board with the following Independent Directors as on March 31, 2015:

- Mr. Surendra Singh - Chairman
- Mr. Sanjay Khosla
- Ms. Geeta Mathur

Functions and Terms of Reference

The broad terms of reference of the Nomination and Remuneration Committee of the Company are as follows:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- To carry out evaluation of every director's performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. The Committee while formulating the policy, shall ensure that:
 - o the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - o relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
 - o remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- To recommend the Board, the remuneration (including any modification therein) payable to the Managing Director or Whole-time Director or Manager of the Company;
- Such other functions/area/term as desired/referred by the Board from time to time or required under applicable law /listing agreement, for time being in force.

The particulars of the meetings attended by the Members of the Nomination and Remuneration Committee and the dates of the meetings held during the financial year 2014-15 are given below:

Name of Members**	No. of Meeting during the financial year 2014-15		Date of Meeting
	Held	Attended	
Mr. Surendra Singh	5	5	May 21, 2014
Mr. Sanjay Khosla	5	3	September 16, 2014
Ms. Geeta Mathur*	5	4	October 17, 2014
			January 16, 2015
			March 26, 2015

*appointed as member of the Committee w.e.f. July 14, 2014 and three (3) Nomination and Remuneration Committee meetings were held during her tenure as member of the Committee

**Ms. Madhabi Puri Buch ceased to be the member of the Nomination and Remuneration Committee w.e.f. closing business hours of July 10, 2014, consequent to her resignation from the directorship of the Company.

Subsequent to year end, the Nomination and Remuneration Committee has been reconstituted by the Board of Directors of the Company in their meeting held on May 27, 2015. The composition of the reconstituted committee is as under:

- Mr. Sanjay Khosla – Chairman
- Mr. Rajendra S Pawar
- Ms. Geeta Mathur
- Mr. Anand Sudarshan

Remuneration Policy

The Nomination and Remuneration Committee has the powers to determine and recommend to the Board the amount of remuneration, including performance-linked bonus and perquisites, payable to Directors, Senior Management and other employees. The recommendations of the Committee are based on the evaluation of the performance and other criteria, as laid down and as per the 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, 2013 and approved by the Shareholders.

Remuneration to Executive Directors

Details of Remuneration paid to Managing Director and Whole-time Directors (Executive Directors) for the financial year 2014-15:

(Amount in Rs.)

Particulars	Mr. Rajendra S Pawar	Mr. Vijay K Thadani	Mr. P Rajendran*	Total
Salary	1,807,500	1,806,000	8,942,560	12,556,060
Perquisites & allowances	579,193	541,574	7,610,911	8,731,678
Contribution to Provident Fund, Superannuation Fund or Annuity Fund	1,995,463	3,022,182	3,976,615	8,994,260
Total	4,382,156	5,369,756	20,530,086	30,281,998

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

4* The salary details of Mr. P Rajendran includes the following arrear salary received for the FY 2013-14 upon receipt of Shareholders and Central Government approval :

Particulars	Amount
Basic	3,914,560
HRA	3,131,650
PF Contribution	469,747
SAF Contribution	508,893
Total	8,024,850

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. The Non-Executive Directors are paid sitting fees (for attending the meetings of the Board, Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee). The Company from time to time also decides to pay annual commission to Non-Executive Directors (based on the net profits of the Company and within the limits approved by the Shareholders) in compliance with the applicable provisions of Companies Act, 2013.

Following remuneration has been paid to Non-Executive Directors for the financial year 2014-15 as determined by the Board:

Name of Director	Amount of sitting fees paid (Rs.)
Mr. Surendra Singh	15,60,000
Mr. Sanjay Khosla	5,20,000
Mr. Anand Sudarshan	6,80,000
Ms. Geeta Mathur	11,20,000
Ms. Madhabi Puri Buch	2,00,000
TOTAL	40,80,000

Mr. Sanjay Khosla holds 56,250 equity shares in the Company. No other non-executive director of the Company holds any share in the Company as on March 31, 2015.

No Stock Options were granted to Non-Executive Directors under ESOP-2005 during the financial year ended March 31, 2015.

Disclosures regarding re-appointment of Directors

The resume of the Directors who are being reappointed are provided in the Notice to the 32nd 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.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted to ensure that all commitment to security holders and investors are met and thus strengthen their relationship with the Company.

The composition of the Stakeholders' Relationship Committee as on March 31, 2015 is as below:

- Mr. Surendra Singh - Chairman
- Mr. Vijay K. Thadani
- Mr. P. Rajendran
- Mr. Anand Sudarshan

Functions and Terms of Reference

The functioning and broad terms of reference of the Stakeholders' Relationship Committee of the Company is as under:

- To consider and resolve the grievances of security holders of the Company.
- 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 Stakeholders' Relationship Committee and the dates of the meetings held during the financial year 2014-15 are given below:

Name of Members	No. of Meetings during the financial year 2014-15		Dates of Meetings
	Held	Attended	
Mr. Surendra Singh	4	4	May 20, 2014 July 22, 2014 October 16, 2014 January 16, 2015
Mr. Vijay K Thadani	4	4	
Mr. P Rajendran	4	4	
Mr. Anand Sudarshan*	4	3	

*appointed as member of the Committee w.e.f. July 14, 2014 and three (3) Nomination and Remuneration Committee meetings were held during his tenure as member of the Committee

Mr. Rajesh Arora was the Company Secretary and Compliance Officer of the Company till January 31, 2015 and in his place Mr. Mukesh Kumar was appointed as the Company Secretary and Compliance Officer of the Company w.e.f February 2, 2015.

During the financial year 2014-15, the Company has received requests/queries/complaints from various Shareholders/Investors relating to non-receipt of declared dividend/ bonus shares/Annual Report, change of bank account details, transfer of shares/

dematerialization, etc. The same were addressed and resolved to the satisfaction of the Shareholders/ Investors. The break-up of the letters received from the Shareholders/Investors are provided in Shareholders' Information section at the end of this Report. As on March 31, 2015, no request/query/complaint was pending for redressal.

Subsequent to year end, the Stakeholders' Relationship Committee has been reconstituted by the Board of Directors of the Company in their meeting held on May 27, 2015. The composition of the reconstituted committee is as under:

- Mr. Surendra Singh – Chairman
- Mr. Vijay K Thadani
- Mr. Sanjay Khosla
- Mr. Anand Sudarshan

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:

- a) The Operations Committee which approves the opening/closing of bank accounts, modification in operation of bank accounts, grant of power of attorney/authorisation, etc.
- b) The Share Allotment Committee, which approves allotment, split, consolidation, rematerialisation and issue of new and duplicate shares.
- c) The Debenture Allotment Committee which approves the matters related to issue and allotment of Debentures and matters related thereto.
- d) The Borrowing Committee which approves the borrowing upto prescribed limit on behalf of the Company.
- e) The Corporate Social Responsibility (CSR) Committee is entrusted with the responsibility of formulating and monitoring the Corporate Social Responsibility Policy of the Company, which inter-alia includes the activities to be undertaken by the Company, monitoring the implementation of the framework of the policy and recommending the amount to be spent on CSR activities

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 <http://www.niit.com/india/>

CORPORATE GOVERNANCE REPORT (Contd.)

training/investors/Pages/corporate-governance.aspx. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct during the financial year 2014-15. A declaration signed by the Managing Director to this effect is annexed to this Report.

FAMILIARISATION PROGRAMME

The Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment, through a formal letter of appointment outlining his/her role, function, duties and responsibilities as a director. All efforts are made to ensure that the Directors are fully aware of the current state of affairs of the Company and the industry in which it operates. The Company extends all support and assistance required in order to facilitate the Independent Directors to meet/ interact with the Business Heads/ members of the Senior Management team as and when desired by them. Presentations are made regularly at the meeting of the Board of Directors of the Company, Audit Committee, Nomination & Remuneration Committee of the Board, by the Senior Management in relation to the performance of the Company, quarterly and annual results, business strategies, business outlook, various policies, review of internal audit and risk management framework, operations of the Company and its subsidiaries, Business model and strategy of the Company, amendments in applicable laws etc. The minutes of the meetings of various committees are periodically circulated to the Board. All the relevant developments relating the Company are informed to the Board as and when deemed necessary.

CEO/MD AND CFO CERTIFICATION

In terms of Clause 49 (IX) of the Listing Agreement, Certificate issued by Managing Director/Chief Executive Officer and Chief Financial Officer confirming that the financial statements 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 income or net worth (i.e. paid up capital and free reserves) exceeds 20 percent of the consolidated income 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. The Policy for determining material subsidiaries is available on the Company's website at the below link: <http://www.niit.com/authoring/Documents/Other%20Disclosures/Policy%20for%20determining%20Material%20Subsidiaries.pdf>.

GENERAL MEETINGS

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

Financial Year	Date & Time	Location	Special Resolution(s)
2013-14	July 7, 2014 10:00 A.M.	Mapple Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110074	1. Approval for Payment of Remuneration to Mr. P Rajendran, COO & Whole-time Director of the Company for financial year 2013-14 2. Approval for Payment of Commission to Non-Executive Directors of the Company for financial year 2013-14 3. Approval for Payment of Remuneration to Mr. Rajendra S Pawar, Chairman & Managing Director of the Company 4. Approval for re-appointment of Mr. Vijay K Thadani as CEO & Whole-time Director of the Company 5. Approval for re-appointment of Mr. P Rajendran as COO & Whole-time Director of the Company
2012-13	July 1, 2013 10:00 A.M.	Mapple Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110074	No Special Resolution passed in the AGM
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

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

Court Convened meeting

Financial Year	Date & Time	Location	Detail of Business Transacted
2014-15	January 31, 2015 10:00 A.M.	FICCI, 1 Federation House, Tansen Marg, New Delhi-110001	Court Convened Meeting of the Equity Shareholders to consider and approve the Scheme of Arrangement between NIIT Limited and Evolv Services Limited and Scantech Evaluation Services Limited and NIIT Online Learning Limited and Hole-In-The-Wall Education Limited and their respective shareholders and creditors

Postal Ballot

A) The Company had issued Postal Ballot Notice dated December 15, 2014 for obtaining the approval of the members by Special Resolutions for the following matters:

- To authorize the Board of Directors to borrow the funds upto an amount of Rs.500 Crores, which may exceed the aggregate of paid-up share capital and free reserves of the Company;
- To authorize the Board of Directors of the Company to secure the borrowings; and
- To authorize the Board of Directors to make investments or give loans / guarantees or provide securities in connection with a loan.

The results were announced on January 31, 2015. Summary of the Voting Pattern is as under:

Resolution No. 1: To authorize the Board of Directors to borrow the funds upto an amount of Rs.500 Crores, which may exceed the aggregate of paid-up share capital and free reserves of the Company

Voting	No. of Equity Shares	% of total valid votes
Votes cast in favour of the Resolution	79637805	99.88%
Votes cast against the Resolution	89605	0.12%
TOTAL	79727410	100%

Resolution No. 2: To authorize the Board of Directors of the Company to secure the borrowings

Voting	No. of Equity Shares	% of total valid votes
Votes cast in favour of the Resolution	79319615	99.89%
Votes cast against the Resolution	88102	0.11%
TOTAL	79407717	100%

Resolution No. 3: To authorize the Board of Directors to make investments or give loans / guarantees or provide securities in connection with a loan

Voting	No. of Equity Shares	% of total valid votes
Votes cast in favour of the Resolution	72831460	92.56%
Votes cast against the Resolution	5855797	7.44%
TOTAL	78687257	100%

Procedure for Postal Ballot

Postal Ballot process was carried out in accordance with the provisions of Section 110 of the Companies Act, 2013 read with the provisions of the Companies (Management and Administration) Rules, 2014. The Company had appointed Mr. Nityanand Singh, a Practicing Company Secretary for conducting the Postal Ballot process in a fair and transparent manner. Postal Ballot Notice along with form were dispatched to the members who are holding shares as on cut-off date fixed for the purpose, through Registered Post and through e-mail to all the shareholders whose e-mail ids were registered with the Depository participants. The members were required to send the duly completed and signed postal ballot form to the scrutinizer on or before the closure of the last date fixed for receipt of the same. Pursuant to the Companies (Management and Administration) Rules, 2014, the Company had provided e-voting facility to its Members to exercise their votes electronically. The Scrutinizer submitted his report to the Chairman of the Company on the basis of which the results were announced.

B) None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing of resolution 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 2014-15 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. 37 of the Annual Financial Statements (Standalone) 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) Whistle Blower Policy

The Audit Committee approved whistle blower policy in its meeting held on May 20, 2014. The employees and directors may report to the Compliance officer and have direct access to the Chairperson of the Audit Committee about any unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

d) Risk Management

The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures. The Company in its Audit Committee and Board Meeting and at various levels reviews the risk and recommends the risk mitigation mechanism for business of the Company.

e) 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 2014-15.

f) 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.

g) Management Discussion and Analysis

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

h) Inter-se relationships between directors

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

COMPLIANCE OF THE REQUIREMENT OF CLAUSE 49 OF THE LISTING AGREEMENT**A. Mandatory Requirements**

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

B. Non-mandatory Requirements

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

a) The Board :

Since the company did not have a non executive chairman during the financial year 2014-15, the requirement of maintaining a Chairman's Office was not applicable to the Company.

b) Shareholders Rights :

The quarterly and half-yearly financial results are published in widely circulated dailies and also displayed on Company's website. The Company sends financial statements along with Directors' report and Auditors' report to all the Shareholders every year.

c) Audit Qualification :

The Company is in the regime of unqualified financial statements. However, the Auditors in their report to the members on the financial statements of the Company (both standalone and consolidated) for the financial year ended on March 31, 2015 have stated a "Matter of emphasis". The notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not require any further comments.

d) Separate posts of Chairman and CEO:

During the year 2014-15, the Company continued to have separate persons in the post of Chairman and CEO.

e) Reporting of Internal Auditor:

The internal auditor reports to audit committee.

C. Code for prevention of Insider -Trading Practices

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Code(s) lays down guidelines for fair disclosure of unpublished price sensitive information and advises the persons covered under the said Code(s) 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

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention except for assets and liabilities stated at fair values pursuant to Scheme of Arrangement (Refer Note 31) on accrual

CORPORATE GOVERNANCE REPORT (Contd.)

basis. Pursuant to the section 133 of the Companies Act, 2013, read with the rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, 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 other relevant provisions of the Companies Act, 2013 and/ or 1956.

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.

DISCLOSURE ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has set up an Internal Complaints Committee (ICC) for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace, consisting of the following members:

- i) Ms. Shampi Venkatesh, Presiding Officer
- ii) Ms. Rakhi Sharma, Member
- iii) Ms. Suja Ajith, Member
- iv) Mr. Shivan Bhargava, Member
- v) Mr. Mukesh Kumar, Member
- vi) Mr. Ganesh Krishnamurthy, Member
- vii) Ms. Sadhana Chopra/Gyathri Prakash, Members (nominated by Sakaar Outreach, NGO).

The ICC has not received any complaint of sexual harassment.

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 <http://www.niit.com/investorrelations/Pages/InvestorRelations.aspx> 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 2014-15, 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, 2014	Financial Express (English) Jansatta (Hindi)	May 22, 2014
Unaudited financial results for the quarter ended June 30, 2014	Financial Express (English) Jansatta (Hindi)	July 24, 2014
Unaudited financial results for the quarter ended September 30, 2014	Financial Express (English) Jansatta (Hindi)	October 18, 2014
Unaudited financial results for the quarter ended December 31, 2014	Financial Express (English) Jansatta (Hindi)	January 17, 2015

- c. The Company had quarterly Investors teleconferences and press conferences on May 21, 2014, July 23, 2014, October 17, 2014 and January 16, 2015 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 22, 2014.
- 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.

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.

CORPORATE GOVERNANCE REPORT (Contd.)

b. Annual General Meeting

Date : Tuesday, September 8, 2015

Time : 10:00 A.M.

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

Book Closure Dates: August 31, 2015 to September 8, 2015 (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, 2015	July 17, 2015
Financial reporting for the second quarter ending September 30, 2015	By November 14, 2015
Financial reporting for the third quarter ending December 31, 2015	By February 13, 2016
Financial reporting for the year ending March 31, 2016	By May 30, 2016
Annual General Meeting for the year ending March 31, 2016	By September 30, 2016

d. Unclaimed/Unpaid Dividend

All unclaimed/unpaid dividends due for the financial year ended upto March 31, 2007 have been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government pursuant to Section 205A of the Companies Act, 1956 (Corresponding Section 124 of the Companies Act, 2013).

The Shareholders are requested to apply for revalidation/issue of demand drafts for the dividend for the Financial Year ending March 31, 2008 before September 3, 2015 after which any unpaid dividend amount for the Financial Year 2007-2008 will be transferred to Investors Education and Protection Fund (IEPF) by the Company and no claim shall lie against the Company or IEPF after the said transfer.

e. 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, 2015 are as under:

S. No.	Particulars	No. of Shareholders	No. of Shares
i.	Aggregate number of shareholders and the outstanding shares lying in Unclaimed Suspense Account at the beginning of the year	195	133,438
ii.	Number of shareholders who approached for transfer of shares from Unclaimed Suspense Account during the year	4	3082
iii.	Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year	4	3082
iv.	Aggregate number of shareholders and the outstanding shares lying in Unclaimed Suspense Account at the end of the year	191	130,356

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

f. Nomination Facility

The Companies Act, 2013 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 to the Registered Office of the Company/ Registrar and Transfer Agent of the Company in case the shareholding is in physical form. The shareholders may obtain a copy of the said form from the Registered Office of the Company or can download it from the website of the Company at <http://www.niit.com/india/training/investors/Pages/investor-services.aspx>. In case of demat holdings, the request may be submitted to the Depository Participant.

g. 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 BSE Limited (BSE), Mumbai. The listing fees for the financial year 2015-16 have been paid to the Stock Exchanges.

The Debentures issued by the Company on private

CORPORATE GOVERNANCE REPORT (Contd.)

placement basis are listed at the NSE. The listing fees for the financial year 2015-16 have been paid to NSE.

h. Compliance Certificate

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

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

Annual General Meeting	Date when held	Book Closure (both days inclusive)
31 st AGM	Monday, July 7, 2014	Saturday, June 28, 2014 to Monday, July 7, 2014
30 th AGM	Monday, July 1, 2013	Saturday, June 22, 2013 to Monday, July 1, 2013
29 th AGM	Monday, July 2, 2012	Friday, June 22, 2012 to Monday, July 2, 2012

j. 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

k. 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, 2014 to March 31, 2015 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, 2014 to March 31, 2015:

Month	Bombay Stock Exchange (BSE)				National Stock Exchange (NSE)			
	Sensex	High Price (Rs.)	Low Price (Rs.)	Market Cap* (Rs. Mn)	Nifty	High Price (Rs.)	Low Price (Rs.)	Market Cap* (Rs. Mn)
Apr-14	22418	35.40	26.85	5,384	6696	35.40	26.80	5,400
May-14	24217	49.75	30.60	7,886	7230	49.90	31.00	7,894
Jun-14	25414	65.60	46.80	9,190	7611	65.70	46.80	9,182
Jul-14	25895	57.10	41.35	7,110	7721	57.05	41.05	7,110
Aug-14	26638	51.00	40.25	8,217	7954	51.10	40.10	8,234
Sep-14	26631	57.20	47.20	8,448	7965	57.30	46.50	8,448
Oct-14	27866	54.40	44.00	7,680	8322	54.50	44.10	7,680
Nov-14	28694	56.80	45.95	8,630	8588	56.85	45.85	8,647
Dec-14	27499	58.80	45.25	7,953	8283	58.85	45.60	7,986
Jan-15	29183	52.85	43.75	7,292	8809	52.90	43.75	7,309
Feb-15	29362	48.05	39.15	7,416	8902	48.15	39.00	7,416
Mar-15	27957	45.85	34.95	5,946	8491	45.75	34.80	5,938

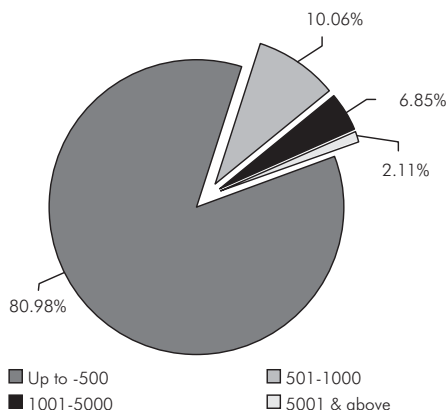
* Market capitalization at closing price of the month

Source: BSE & NSE website.

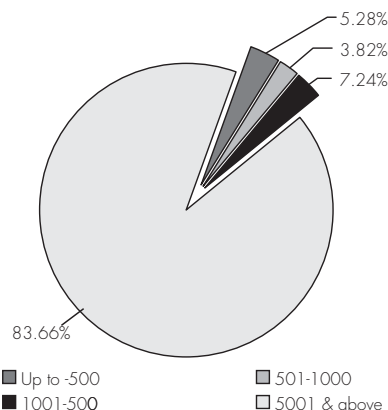
Shareholding Distribution as on March 31, 2015

Range (No. of Shares)	No. of Shareholders	% to Total Shareholders	Total No. of Shares	% to Total Shares
Up to -500	62383	80.98	8,720,736	5.28
501-1000	7751	10.06	6,306,488	3.82
1001-5000	5273	6.85	11,956,389	7.24
5001 & above	1623	2.11	138,186,984	83.66
TOTAL	77030	100.00	165,170,597	100.00

No. of Shareholders

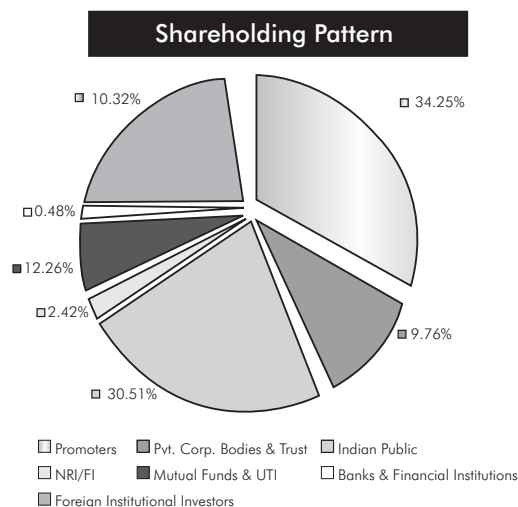


Total No. of Shares



Shareholding Pattern as on March 31, 2015

Category	No. of Shares held (face value of Rs.2/- each)	% of total shareholding
Promoters' Shareholding		
Indian Promoters	56,573,035	34.25
Foreign Promoters		
Total Promoters' Holding	56,573,035	34.25
Public Shareholding		
Mutual Fund and UTI	20,259,601	12.26
Banks, Financial Institutions & Insurance Companies	786,258	0.48
Foreign Institutional Investors	17,058,581	10.32
NRI/Foreign Individuals	3,989,634	2.42
Private Corporate Bodies & Trust	16,113,151	9.76
Indian Public	50,390,337	30.51
Total Public Shareholding	108,597,562	65.75
Grand Total	165,170,597	100.00



I. Details of requests/queries/complaints received and resolved during the financial year 2014-15:

Nature of Query	Request/ queries received	Complaints Received	Resolved	Unresolved
	Nos.	Nos.	Nos.	Nos.
Change of address	24	-	24	-
Change of bank details	24	-	24	-
Correction in d/w & issue dd	132	-	132	-
Dividend not received	-	34	34	-
Loss of Share certificate	2	-	2	-
Non receipt of annual report/notice	-	7	7	-
Request for annual report	71	-	71	-
Request for bonus shares	15	-	15	-
Request for duplicate share certificates	6	-	6	-
Request for nomination registration	2	-	2	-
Request for share holding details	6	-	6	-
Share certificates lodged for transfer	8	-	8	-
Miscellaneous	20	-	20	-
Total	310	41	351	-

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

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

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

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

n. 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 Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of its shares for scripless trading. As on March 31, 2015, 99.43% shares of the Company were held in a dematerialised form.

o. Consolidate multiple folios

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

p. Liquidity of Shares

The shares of the Company are traded electronically on the NSE and BSE.

q. 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 28 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.

r. 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

CORPORATE GOVERNANCE REPORT (Contd.)

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

s. Compliance Officer

Mr. Mukesh Kumar, Company Secretary is the Compliance Officer of the Company w.e.f. February 2, 2015.

t. Designated exclusive email-id :

The Company has designated an email-id "investors@niit.com" exclusively for Shareholders and Investors to correspond with the Company.

u. 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

Alankit Heights, 1E/13, Jhandewalan Extension,
New Delhi – 110 055.

Phone Nos. : +91 11 42541234, 23541234

Fax Nos. : +91 11 42541967

e-mail : rta@alankit.com

v. Registered Office:

NIIT Limited,

8, Balaji Estate, First Floor, Guru Ravi Das Marg,
Kalkaji, New Delhi - 110 019, India

Tel Nos. : +91 1141675000

Fax: +91 11 41407120

e-mail: investors@niit.com

w. 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 1141675000

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 27, 2015 and further on July 17, 2015 as a part of Board's Report.

CERTIFICATES UNDER CORPORATE GOVERNANCE REPORT**A. Certificate relating to compliance with the provisions of Clause 49 of the Listing Agreement(s) in relation to the Code of Conduct for Directors/Senior Management Personnel**

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 2014-15.

Place : New Delhi

Date : July 17, 2015

Vijay K Thadani

Vice-Chairman & Managing Director

CORPORATE GOVERNANCE REPORT (Contd.)

B. Certificate by Managing Director/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 2014-15:

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 2014-15 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 and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi
Date : July 17, 2015

Vijay K Thadani
Vice-Chairman & Managing Director

Rohit Kumar Gupta
Chief Financial Officer

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 ("the Company") for the year ended on March 31, 2015, as stipulated in clause 49 of the listing agreement of the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance as stipulated in said clause. 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, and as per representations made by directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We further 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 CLV & Associates
Company Secretaries

Place : New Delhi
Date : July 17, 2015

Debasis Dixit
Partner
Membership No.: F-7218

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF NIIT Limited
Report on the Standalone Financial Statements**

1. This report is issued in supersession of our earlier report dated May 27, 2015 to the extent of matters stated in paragraph 10 below.
2. We have audited the accompanying standalone financial statements of NIIT Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

3. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

4. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
5. We have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
6. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

10. We draw attention to Notes 2.2 and 31 of these updated financial statements relating to the receipt of the opinion from the Expert Advisory Committee of Institute of Chartered Accountants of India ('EAC Opinion'), subsequent to the date of approval of the financial statements by the Board of Directors on May 27, 2015, but prior to placing of these in the Annual General Meeting for consideration by the shareholders, regarding accounting for the Scheme of Arrangement ('the Scheme') for amalgamation of wholly owned subsidiaries by applying purchase method of accounting in compliance with Accounting Standard 14: Accounting for Amalgamation (AS 14) and generally accepted accounting principles in India and the financial impact thereof. Pending receipt of the said opinion, the assets and liabilities of the amalgamating companies under the Scheme of Arrangement were recognized at their book values in accordance with the pooling of interest method of accounting specified in AS 14 in the financial statements referred above. Subsequent to the receipt of the EAC Opinion which requires the accounting of the Scheme by applying the purchase method, the Board of Directors has decided to give effect of the same and therefore, the financial statements as approved on May 27, 2015 and our audit report of even date, stand updated only to the extent of this revision. Our procedures on subsequent events are restricted solely to this amendment in the financial statements. Our report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 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 3 and 4 of the Order.
12. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015 on its financial position in its standalone financial statements – Refer Note 19;
 - ii) The Company has long-term contracts including derivative contracts as at March 31, 2015 for which there were no material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

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

Usha Rajeev
Partner

Membership No. 087191

Place : New Delhi
Date : July 17, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the Members of NIIT Limited on the Standalone Financial Statements as of and for the year ended March 31, 2015

- 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.
- 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. The Company has granted unsecured loans, to two of its wholly owned subsidiary covered in the register maintained under Section 189 of the Act.
(a) The repayment terms of unsecured loan granted in the previous years to one of its wholly owned subsidiary as referred to in clause (iii) above has been extended. The outstanding loan aggregating Rs. 29.70 million which is considered doubtful of recovery has been provided for in the books of account.
(b) In respect of the aforesaid loans, in the cases where the overdue amount is more than Rupees One Lakh, other than the loan of Rs. 29.70 million, considered doubtful of recovery and provided for as referred to in para (iii) (a) above, in our opinion, reasonable steps have been taken by the Company for the recovery of the principal amounts and interest.
- 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. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (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 income tax (tax deducted at source), service tax, works contract tax and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, wealth tax, duty of customs, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, works contract tax and service tax, as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. In 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	2001-2004	Supreme Court of India
Central Sales Tax Act, 1956	Sales Tax	22.35	June 2005 to November 2011	Appellate Deputy Commissioner (A), Hyderabad
	Sales Tax	2.50	2011-12	Joint Commissioner, Kolkata
Customs Act 1962	Custom Duty	4.70	2012-13 and 2013-14	Directorate of Revenue Intelligence, Jaipur
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
	Income Tax	30.87	2009-10	Income Tax Appellate Tribunal
	Income Tax	20.39	2010-11	Commissioner of Income Tax (Appeals)
	Income Tax	53.46	2011-12	Commissioner of Income Tax (Appeals)

- (c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

- viii. 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.
- ix. 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.
- x. In our opinion, and according to the information and explanations given to us, the terms and conditions of charge on the assets of the company for loans taken by its subsidiaries from banks and the undertaking to support NIIT Institute of Information Technology to meet short fall, if any, in repayment of loans taken by it from a bank are not considered prejudicial to the interest of the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xii. 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 : New Delhi
Date : July 17, 2015

Usha Rajeev
Partner
Membership No. 087191

BALANCE SHEET as at March 31, 2015

	Note	As At March 31, 2015 (Rs. Million)	As At March 31, 2014 (Rs. Million)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	330.35	330.30
Reserves and Surplus	4	7,785.82	3,865.42
		<u>8,116.17</u>	<u>4,195.72</u>
Non-Current Liabilities			
Long-Term Borrowings	5	1,000.56	887.38
Other Long-Term Liabilities	8	0.34	67.24
Long-Term Provisions	9	3.88	4.39
		<u>1,004.78</u>	<u>959.01</u>
Current Liabilities			
Short-Term Borrowings	6	79.99	199.00
Trade Payables	7	601.22	728.45
Other Current Liabilities	8	807.72	1,079.72
Short-Term Provisions	9	111.27	361.72
		<u>1,600.20</u>	<u>2,368.89</u>
TOTAL		<u>10,721.15</u>	<u>7,523.62</u>
ASSETS			
Non-Current Assets			
Fixed Assets	10		
-Tangible Assets		443.22	873.02
-Intangible Assets		175.17	617.20
-Intangible Assets under Development		35.05	108.07
Non-Current Investments	11	7,410.89	1,862.91
Deferred Tax Assets (net)	12	103.78	103.78
Long-Term Loans and Advances	13	746.05	599.87
Trade Receivables	14	-	435.01
Other Non-Current Assets	16	0.10	34.13
		<u>8,914.26</u>	<u>4,633.99</u>
Current Assets			
Current Investments	11	5.95	-
Inventories	17	27.19	47.30
Trade Receivables	14	1,331.50	1,816.14
Cash and Bank Balances	18	130.06	207.56
Short-Term Loans and Advances	13	243.35	392.02
Other Current Assets	16	68.84	426.61
		<u>1,806.89</u>	<u>2,889.63</u>
TOTAL		<u>10,721.15</u>	<u>7,523.62</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
DIN - 00042516

Vijay K Thadani
Vice-Chairman & Managing Director
DIN - 00042527

Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Advisor

Rohit Kumar Gupta
Chief Financial Officer

Mukesh Kumar
Company Secretary

Place : New Delhi
Date : July 17, 2015

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2015

	Note	Year ended March 31, 2015 (Rs. Million)	Year ended March 31, 2014 (Rs. Million)
Income			
Revenue from Operations	22	3,485.44	5,201.93
[Includes prior period revenue Rs. 4.89 Million (Previous year Rs. Nil)]			
Other Income	23	369.24	614.74
[Includes prior period income Rs. Nil (Previous year Rs.25.52 Million)]			
Total Revenue		3,854.68	5,816.67
Expenses			
Purchase of Traded Goods		274.42	488.70
(Increase)/ Decrease in Inventory	17	20.11	39.87
Employee Benefits Expense	24	1,274.25	1,592.40
Professional & Technical Outsourcing Expenses		653.02	933.81
Finance Costs	27	129.92	174.73
Depreciation and Amortisation Expense	10	431.30	679.54
Other Expenses	28	1,350.69	1,945.72
Total Expenses		4,133.71	5,854.77
Loss before Exceptional items and Tax		(279.03)	(38.10)
Exceptional items (Net)	30	(847.60)	19.18
Loss before tax		(1,126.63)	(18.92)
Tax expense:	12		
-Current Tax		6.55	58.25
-Deferred Tax		29.45	-
-Provision/ (Reversal) of Tax relating to earlier years		(1.67)	0.60
Loss for the year		(1,160.96)	(77.77)
Earnings/ (Loss) per Equity Share	36		
(Face Value Rs. 2/- each):			
-Basic		(7.03)	(0.47)
-Diluted		(7.03)	(0.47)

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 Price Waterhouse
Firm Registration No. : 301112E
Chartered Accountants

Rajendra S Pawar
Chairman
DIN - 00042516

For and on behalf of the Board
Vijay K Thadani
Vice-Chairman & Managing Director
DIN - 00042527

Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Advisor

Rohit Kumar Gupta
Chief Financial Officer

Mukesh Kumar
Company Secretary

Place : New Delhi
Date : July 17, 2015

CASH FLOW STATEMENT for the year ended March 31, 2015

	Year ended March 31, 2015 (Rs. Million)	Year ended March 31, 2014 (Rs. Million)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before Exceptional items and Tax	(279.03)	(38.10)
Add / (Less):		
Depreciation and Amortisation	431.30	679.54
Provision for Doubtful Debts	26.29	65.51
Provision for Unbilled Revenue	-	5.47
Provision for Doubtful Advances	3.13	2.16
Provision for Interest Receivable	5.43	3.14
Bad Debts Written off	4.63	3.47
Advances Written off	-	0.59
Provision for Slow/ Non-moving Inventory (Net)	4.02	(0.40)
Inventory Written off/ (Written back)	(22.75)	9.29
Unrealised Foreign Exchange (Gain)/ Loss	(17.59)	(9.41)
Finance Cost	129.92	174.73
Interest Income	(14.02)	(69.84)
Dividend Income from Subsidiaries	-	(430.97)
Dividend Income from Associate	(130.44)	-
Loss on sale of Fixed Assets	2.88	1.14
Realised Exchange Gain on sale of Investment	-	(1.66)
Dividend Income from Current Investments	(0.46)	(4.46)
Provision/ Other Liabilities Written Back	(5.56)	(1.34)
Employee Stock Option Expense	0.11	1.29
Operating Profit before Working Capital Changes	137.86	428.25
Add / (Less): Changes in Operating Working Capital:		390.15
Increase/ (Decrease) in Trade Payables	(111.88)	(436.39)
Increase/ (Decrease) in Short-Term Provisions	5.46	(14.77)
Increase/ (Decrease) in Long-Term Provisions	(0.28)	(0.37)
Increase/ (Decrease) in Other Current Liabilities	(79.36)	(408.15)
Increase/ (Decrease) in Other Long-Term Liabilities	0.15	(63.51)
(Increase)/ Decrease in Current Trade Receivables	330.86	816.49
(Increase)/ Decrease in Non-Current Trade Receivables	124.09	(215.22)
(Increase)/ Decrease in Inventories	29.61	6.78
(Increase)/ Decrease in Short-Term Loans and Advances	35.31	(8.73)
(Increase)/ Decrease in Long-Term Loans and Advances	(49.23)	27.36
(Increase)/ Decrease in Other Current Assets	8.58	32.50
(Increase)/ Decrease in Other Bank Balances	(10.88)	0.70
(Increase)/ Decrease in Other Non-current Assets	8.57	67.90
Cash generated from operations	428.86	194.74
Direct Tax- (paid including TDS)/ refund received (net)	(51.20)	(150.24)
Net Cash from Operating activities before exceptional items	377.66	44.50
Exceptional Items	(18.12)	-
Net Cash from Operating activities (A)	359.54	44.50
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including Capital Work-in-progress, internally developed intangibles and Capital Advances)	(189.16)	(333.13)
Proceeds from sale of Fixed Assets	10.36	15.10
Loans given to Subsidiaries	(70.00)	-
Loans given to Others	-	(1.00)
Loans given to Others received back	-	1.00
Interest Received	5.30	14.70
Dividend received	130.44	423.05
Tax on Dividend Received	-	(49.19)
Purchase of Mutual Funds	(295.00)	(1,923.00)
Sale of Mutual Funds	295.46	1,927.46
Investment in Equity Shares of Subsidiaries	(405.00)	(105.55)
Proceeds from buy back of shares by Subsidiary	403.36	439.80
Net Cash from/ (used in) Investing activities (B)	(114.24)	409.24

CASH FLOW STATEMENT for the year ended March 31, 2015

	Year ended March 31, 2015 (Rs. Million)	Year ended March 31, 2014 (Rs. Million)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Redemption of Non Convertible Debentures	(166.67)	(366.66)
Issue of Shares under ESOP Scheme	0.04	-
Term Loan raised during the year in Foreign Currency	1,000.56	-
Term Loan repaid during the year in Foreign Currency	(650.96)	-
Proceeds / (Payments) relating to Cash Credits (Net)	79.99	-
Interest Paid on Fixed Loan	(145.48)	(178.25)
Dividend Paid	(263.14)	(262.71)
Dividend Tax Paid	(44.90)	(17.00)
Receipt of Inter Corporate Deposits	-	199.00
Repayment of Inter Corporate Deposits	-	(175.50)
Net Cash (used) in Financing activities (C)	(190.56)	(801.12)
Net Increase/(Decrease) in Cash & Cash Equivalents (A) + (B) + (C)	54.74	(347.38)
Cash and Cash Equivalents as at the beginning of the year (Footnote 1)	165.29	512.67
Cash Outflow (net) under the scheme of arrangement (Footnote 2)	(143.12)	-
Cash and cash Equivalents as at the end of the year (Footnote 1)	76.91	165.29

Notes:

1 Cash and Cash Equivalents

Balance with banks

- Current Accounts [include Rs. 0.07 Million (previous year Rs.

0.15 Million) effect of exchange differences on balances with banks in foreign currency]

- Bank Deposits with original maturity of 3 months or less

Cheques and drafts on hand

Cash on hand

Cash and Cash Equivalents as at the end of the year

45.28 128.70

7.00 -

21.70 30.95

2.93 5.64

76.91 165.29

2 Transfer/ Amalgamation of assets and liabilities pursuant to the Scheme of Arrangement (Refer Note 31) did not involve any cash flows except cash inflow of Rs. 6.88 Million from Amalgamated Entities and outflow of Rs. 150 Million towards transfer of the School Business Undertaking.

3 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, 2013.

4 Figures in parenthesis indicate cash outgo.

5 Previous year figures 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
DIN - 00042516

Vijay K Thadani
Vice-Chairman & Managing Director
DIN - 00042527

Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Advisor

Rohit Kumar Gupta
Chief Financial Officer

Mukesh Kumar
Company Secretary

Place : New Delhi
Date : July 17, 2015

1 CORPORATE INFORMATION

NIIT is a talent development company which was set up in 1981. NIIT ('the Company') currently offers learning and knowledge solutions across the globe to individuals, enterprises and various institutions.

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 except for assets and liabilities stated at fair values pursuant to Scheme of Arrangement (Refer Note 31) on accrual basis. Pursuant to the section 133 of the Companies Act, 2013, read with the rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, 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 other relevant provisions of the Companies Act, 2013 and/or 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 III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2 The Board of Directors had approved a Composite Scheme of Arrangement ('the Scheme') between the Company and its erstwhile wholly-owned subsidiaries Scantech Evaluation Services Limited ('SESL'), Evolv Services Limited ('ESL'), NIIT Online Learning Limited ('NOLL') (also, collectively referred to as 'the amalgamating companies') and Hole-in-the-Wall Education Limited ('HiWEI' or 'the transferee company') and their respective shareholders and creditors under sections 391 to 394 of the Companies Act, 1956. The Scheme was approved by the shareholders and the Hon'ble High Court of Judicature at Delhi ('the Hon'ble High Court') on January 31, 2015 and May 8, 2015 respectively. The Scheme was filed with the Registrar of Companies on May 23, 2015 and became effective on the said date.

The Scheme allowed the Board of Directors to record the amalgamation in the financial statements in accordance with the applicable accounting standards and generally accepted accounting principles in India. The Board of Directors had decided to account for the Scheme by applying the purchase method of accounting whereby the assets and liabilities of the amalgamating companies were to be recognized at fair values in the books of the Company. Given the lack of clarity on whether such treatment would be in accordance with Accounting Standard 14: Accounting for Amalgamation (AS 14) and generally accepted accounting principles in India, the Company sought to clarify the accounting treatment from the Expert Advisory Committee of the Institute of Chartered Accountants of India ('EAC') on whether the assets and liabilities of the amalgamating entities (wholly owned subsidiaries) can be recognized, by applying purchase method of accounting. The opinion from the EAC was not received within the mandatory timeline for finalization of statutory accounts for listed companies. Consequently, the Board of Directors decided out of abundant caution, that pending receipt of the EAC opinion, the assets and liabilities of the amalgamating companies will be recognized in the financial statements at book value by applying the pooling of interest method and further decided that adjustments, if any, would be made upon the receipt of the opinion from the EAC (with effect from the appointed date).

Subsequent to the approval of such financial statements by the Board of Directors, but prior to placing of the financial statements in the Annual General Meeting for consideration by the shareholders, the Company has received the opinion from the EAC, wherein the EAC has opined that application of purchase method of accounting would be in compliance with AS 14 and generally accepted accounting principles in India. In view of the EAC opinion, the Board of Directors has decided to comply with the same and has decided to recognize the assets and liabilities at fair values by applying the purchase method, as originally intended, as against the pooling of interest method which was used in the financial statements approved earlier. Accordingly, the financial statements earlier approved on May 27, 2015 have been superseded only to this extent, including the related disclosures as explained in Note 31. The particulars with respect to accounting for the Scheme of Arrangement are detailed in Note 31.

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

i) Tangible Fixed Assets and Depreciation

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

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the useful lives of the assets which in some cases are higher than the rates prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets.

Description of Assets	Current Year	Previous Year
Buildings	58 years	58 Years
Plant and Equipment including:		
- Computers, printers and related accessories	3 Years	2-5 years
- Computer Servers and Networks	5 Years	
- Electronic Equipments	8 years	8 years
- Air Conditioners	10 years	10 years
Office Equipment	5 years	8 years
Furniture & Fixtures	7 years	7-10 years
Leasehold Improvements	3-5 years or lease period, whichever is lower	3-5 years or lease period, whichever is lower
Assets under employee benefits scheme except vehicles	3 years	3 years
Assets acquired under lease (Included under Plant & Equipment and Furniture & Fixtures)	Lease Period or useful life, whichever is shorter	Lease Period or useful life, whichever is shorter
All other assets (including vehicles)	Rates prescribed under Schedule II to the Companies Act, 2013	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 or useful life assessed as above, whichever is shorter.

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". Expenses incurred during the research phase till the establishment of commercial feasibility is charged to the Statement of Profit and Loss.

Intangible Fixed Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses.

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

Description of Assets	Current Year	Previous Year
a) Contents and Products #		
- School based non - IT content	-	10 Years
- Others	3-5 Years	3-5 Years
b) Software #	3-5 Years	3-5 Years
c) Patents	3-5 years	3-5 years

#Contents, products and software are technically evaluated for their useful economic life each year for any impairment triggers as per Accounting Standard 28, "Impairment of Assets". 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 carried at their acquisition cost except those acquired at fair values pursuant to Scheme of Arrangement (Refer Note 31). 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 (except those acquired pursuant to the Scheme at fair values) 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 including technical information and reference material and other goods are recognised on dispatch/ delivery of the material to the customer as per trade practice and agreed terms 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 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 Company undertakes fixed price projects for supply/ installation/ maintenance of hardware & 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 hardwares is recognised on delivery of the hardware when substantial risks and rewards of ownership in such hardware passes to the customer based on contractual terms of the respective contracts. Deferred Revenue represents amounts billed to customers in advance for products, services or subscriptions for which revenue is yet to be recognised.

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 Statement of Profit and Loss over the lease period of the respective product. Revenue is net of trade discounts and applicable taxes.

vii) Other Income

- Dividend income is recognised when the right to receive dividend is established.
- Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

viii) Employee Benefits

Gratuity

The Company 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/ surplus in the fund size maintained by the Trust set up by the Company with Life Insurance Corporation of India (LIC) is charged/ credited to the Statement of Profit and Loss.

Compensated Absences

Liability in respect of compensated absences is provided both for encashable leave and those expected to be availed. The Company's liability is determined on the basis of an actuarial valuation (using projected

unit credit method) at the end of the year. Actuarial losses/ gains are charged/ credited to the Statement of Profit and Loss in the year in which such losses/ gains arise.

Accumulated compensated absences, which are expected to be availed within twelve months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected undiscounted cost of accumulated compensated absences expected to be availed based on the unutilised entitlement at the year end.

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. The Company has no further obligations beyond its monthly contributions. Contributions 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 towards its pension plan on behalf of its employees. The Company has no further obligations beyond its monthly contributions and the contribution towards Employee Pension Scheme is charged to Statement of Profit and Loss.

National Pension System

The Company makes defined contribution towards National Pension System for certain employees for which company has no further obligation. The Company's contribution towards Employee Pension System 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" 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 general reserve, equal to the amortised portion of value of lapsed options and credit to deferred employee compensation expense equal to the un-amortised portion of lapsed options. 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 rates determined periodically which approximate the actual rates, and all monetary assets and liabilities in foreign currency are 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 Reserves and Surplus 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, exercised, or no longer qualifies for hedge accounting. The cumulative gain or loss on the hedging instrument recognised in Reserves and Surplus 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 Reserves and Surplus is transferred to Statement of Profit and Loss in the same period.

xii) Leases

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 as applicable, that sufficient future taxable income will be available against which such deferred tax assets can be realised. Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdiction. Minimum Alternate Tax (MAT) paid in excess of normal income tax is recognised as asset (MAT Credit entitlement) only to the extent, there is reasonable certainty that the Company shall be liable to pay tax as per the normal provisions of the Act in future. MAT Credit is utilised in the year when normal income tax is higher than the Minimum Alternate Tax (MAT).

xv) 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

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, 2015	(Rs. Million) As At March 31, 2014
3 SHARE CAPITAL		
Authorised		
250,000,000 Equity Shares of Rs. 2/- each	500.00	500.00
(Previous year 250,000,000 Equity Shares of Rs. 2/- each)		
13,600,000 Equity Shares of Rs. 10/- each *	136.00	-
(Previous year Nil)		
150,000,000 Equity Shares of Re. 1/- each *	150.00	-
(Previous year Nil)		
2,500,000 Redeemable Preference Shares of Rs.100/- each	250.00	250.00
(Previous year 2,500,000 Redeemable Preference Shares of Rs.100/- each)		
350,000,000, 8.5% Cumulative Redeemable Preference Shares of Re. 1/- each *	350.00	-
(Previous year Nil)		
*Pursuant to the Scheme of Arrangement (Refer Note 31)		
	<u>1,386.00</u>	<u>750.00</u>
Issued		
165,176,597 Equity Shares of Rs. 2/- each	330.35	330.30
(Previous year-165,151,597 Equity Shares of Rs. 2/- each)		
	<u>330.35</u>	<u>330.30</u>
Subscribed and Paid up		
165,170,597 Equity Shares of Rs. 2/- each	330.34	330.29
(Previous year-165,145,597 Equity Shares of Rs. 2/- each)		
Add: Forfeited Shares (amount originally paid-up)	0.01	0.01
	<u>330.35</u>	<u>330.30</u>

3.1 Reconciliation of the number of shares outstanding

Equity Shares	As at			
	March 31, 2015		March 31, 2014	
	No. of shares	Rs. Million	No. of shares	Rs. Million
Shares outstanding at the beginning of the year	165,145,597	330.29	165,095,597	330.19
Shares issued during the year	25,000	0.05	50,000	0.10
Shares outstanding at the end of the year	165,170,597	330.34	165,145,597	330.29

3.2 Rights, preferences and restrictions attached to shares:-

Equity Shares: The Company has issued 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, 2015		March 31, 2014	
	No. of shares	% of holding	No. of shares	% of holding
Pace Services Limited	23,503,913	14.23%	23,503,913	14.23%
Global Solutions Private Limited	22,527,346	13.64%	22,527,346	13.64%
Total	46,031,259	27.87%	46,031,259	27.87%

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

	As at			
	March 31, 2015		March 31, 2014	
	No. of shares	Rs. Million	No. of shares	Rs. Million
Equity shares (For details refer Note 26)	3,717,081	7.43	2,185,973	4.37
	3,717,081	7.43	2,185,973	4.37

Awards



& HIGHLIGHTS

NIIT unveiled the insightful **MathLab Impact Study** in December 2014 with five-time World Chess Champion Viswanathan Anand. Conducted by one of the big four research agencies in 184 schools across 11 states in India to understand the impact of the MathLab, the study showed that Class X students from MathLab using schools perform distinctly better in Math at board exams, than students not using MathLab.



NIIT USA has been honored with '**Brandon Hall Excellence Gold Award**' in the Best Custom Content category jointly with Shell for Shell Services on the Road.



NIIT Yuva Jyoti Ltd. has been recognised as the '**Best Vocational Education and Skill Development initiative**' at the World Education Summit, 2014.



NIIT nGuru MathLab Plus has been recognised as the '**Best Innovative Learning Tool**' at the 5th Indian Education Awards 2015 by Franchise India.

NIIT's corporate website www.niit.com has been recognised as the **'Best Educational Website'** at the 5th Annual India Digital Awards, 2014 by Internet and Mobile Association of India (IAMAI).



NIIT's Chiphen Rigpel Bhutan project has been recognised as the **'Best Government Sector Initiative'** in Education at the World Education Summit, 2014.



NIIT Institute of Finance Banking & Insurance Training Ltd (IFBI) has been recognised as the **'Best Vocational Institute for Banking, Finance & Insurance'** at the 5th Indian Education Awards 2015 by Franchise India.



NIIT Corporate Learning has been ranked among **'Top 20 Gamification L&D companies'** of 2014 by Training Industry, Inc.



(Rs. Million)

4 RESERVES AND SURPLUS	As at			
	March 31, 2015		March 31, 2014	
Securities Premium Reserve				
Opening balance	519.85		517.70	
Add: Transferred from Employee Stock Option account on ESOP exercised	1.07	520.92	2.15	519.85
Debenture Redemption Reserve				
Opening balance	77.38		156.15	
Less: Amount transferred to General Reserve	(41.67)		(91.67)	
Add: Amount transferred from / (to) Surplus in Statement of Profit and Loss	5.96	41.67	12.90	77.38
Employees Stock Option Outstanding				
ESOP Outstanding	2.16		4.31	
Less: Transferred to Securities Premium Reserve on ESOP exercised	(1.07)		(2.15)	
Less: Transferred to General Reserve on ESOP lapsed	(1.08)		-	
Less: Deferred Compensation Expense	(0.01)	-	(0.12)	2.04
Hedging Reserve Account (Debit balance) [Refer Note 42]				
Opening balance	(2.99)		(30.66)	
Add: Impact on account of restatement of Loan	69.75		(69.29)	
Add: Impact on account of restatement of Interest on Loan	1.01		(0.03)	
Add: Movement in Derivative Instrument Fair Value Asset/ (Liability)	(113.72)	(45.95)	96.99	(2.99)
Capital Reserve (on Amalgamation) [Refer Note 31]		5,172.28		-
General Reserve				
Opening balance	970.72		879.05	
Add: Amount transferred from Employee Stock Option Outstanding	1.08		-	
Add: Amount transferred from Debenture Redemption Reserve	41.67	1,013.47	91.67	970.72
Surplus in Statement of Profit and Loss				
Balance Brought Forward from Previous year	2,298.42		2,668.99	
Add : Loss for the year	(1,160.96)		(77.77)	
Less: Appropriations				
Transitional impact consequent to change in useful lives of tangible fixed assets [Refer Note 10(v)]	(48.07)		-	
Proposed Dividend on Equity Shares	-		(264.23)	
Corporate Dividend Tax on above	-		(27.39)	
Reversal of Corporate Dividend Tax relating to previous year	-		11.72	
Amount transferred to/ (from) Debenture Redemption Reserve	(5.96)	1,083.43	(12.90)	2,298.42
Total		7,785.82		3,865.42

(Rs. Million)

5 LONG-TERM BORROWINGS	As at			
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Non-Current Portion		Current Maturities	
A) SECURED				
i) Non Convertible Debentures	-	166.67	166.67	166.67
ii) Term Loans from Banks:				
- Foreign Currency Term Loan	1,000.56	720.71	-	-
Sub Total (A)	1,000.56	887.38	166.67	166.67
B) UNSECURED				
Finance Lease Obligation	-	-	-	25.61
Sub Total (B)	-	-	-	25.61
Amount disclosed under the head "Other Current Liabilities" (Refer Note 8) (C)	-	-	(166.67)	(192.28)
Total (A+B+C)	1,000.56	887.38	-	-

5.1 Details of Security given against loans

- 12% Non Convertible Debentures issued to Life Insurance Corporation of India are secured by way of first charge on pari-passu basis on the immovable and movable fixed assets of the Company.
- During the current year, the Company has availed FCY Loan for INR 1000 Million equivalent of USD 16.05 Million from Citi Bank N.A, India Branch, which was simultaneously fully hedged by converting it from the floating rate USD loan into fixed rate INR loan through USD INR Currency Swap at a Spot reference (USD INR) exchange rate of USD 1 = INR 62.30, through full maturity of the loan. The said loan is secured by way of whole of the company's tangible and intangible moveable fixed assets both present and future land and building of the Company at Sector 32, Gurgaon. The necessary formalities to create the security are under process as at the year end, as per the terms of agreement. The rate of interest on fully hedged Equivalent amount of INR 1000 Million is fixed at 10.25% p.a. for the full tenure of the loan. The outstanding balance of earlier Foreign Currency Term loan has been repaid in full during the year.
- The Company is in the process of creating charge on assets transferred to Hole-in-the-Wall Education Limited in accordance with the scheme of Arrangement.(Refer Note 31).

5.2 Terms of Repayment

- 12% Non Convertible Debentures are redeemable at par as follows:

Redemption Date	Rs. Million
October 20, 2015	166.67
	166.67

- Foreign Currency Term Loan is repayable as follows:

Repayment Date	Rs. Million
June 5, 2019	200.12
April 5, 2019	200.11
October 5, 2018	200.11
April 5, 2018	200.11
October 5, 2017	200.11
	1,000.56

- Finance Lease Obligation amounting to Rs. 21.48 Million was transferred to wholly owned subsidiary company Hole-in-the-Wall Education Limited on account of transfer of School Business Undertaking pursuant to the Scheme of Arrangement. The remaining balance is repaid by the company during the year. [Refer Note 31]

(Rs. Million)

6	SHORT-TERM BORROWINGS (Refer Notes below)	As at	
		March 31, 2015	March 31, 2014
	SECURED		
	Cash Credit from Banks	79.99	-
	Sub Total (A)	79.99	-
	UNSECURED		
	Inter Corporate Deposits from Subsidiary	-	199.00
	Sub Total (B)	-	199.00
	Total (A+B)	79.99	199.00

Note:

- (i) Details of Security given against working capital limits:
Cash Credit Limits of the Company and sub limits of certain subsidiaries are secured by hypothecation of stocks and book debts of the Company.
- (ii) Inter Corporate deposits from subsidiary no longer exist as the subsidiary company has been merged with NIIT Limited w.e.f. April 1, 2014 Pursuant to Scheme of Arrangement. [Refer Note 31]

(Rs. Million)

7	TRADE PAYABLES [Refer Note 31]	As at	
		March 31, 2015	March 31, 2014
		Current	
	- Due to Micro, Small and Medium Enterprises	-	0.02
	- Due to Others	601.22	728.43
		601.22	728.45

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 (MSMED) Act, 2006 are as follows:

(Rs. Million)

Particulars	As at	
	March 31, 2015	March 31, 2014
a) The principal amount and the interest due thereon remaining unpaid to any supplier		
i) Principal amount	-	0.02
ii) Interest thereon	-	-
b) The amount of payment made to the supplier beyond the appointed day and the interest thereon, during an accounting year		
i) Principal amount	-	0.95
ii) Interest thereon	-	0.11
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	-	-
d) The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
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 [Refer Note 31]	As at			
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Long-Term		Current	
Current Maturities of Long-Term Borrowings (Refer Note 5)	-	-	166.67	192.28
Interest Accrued but not due on Borrowings	-	-	4.75	21.32
Unpaid Dividend*	-	-	10.54	9.45
Unclaimed Fractional Share Payment	-	-	-	0.10
Security Deposits Payable	0.34	0.02	-	-
Payable to Subsidiaries	-	-	71.47	75.67
Deferred Revenue	-	1.11	20.31	61.20
Advances from Customers	-	66.11	270.70	483.27
Statutory Dues	-	-	52.58	76.83
Derivative Instrument Fair Value	-	-	47.43	-
Liability (Refer Note 42)	-	-	163.27	159.60
Other Payables**	-	-	-	-
	0.34	67.24	807.72	1,079.72

* There are no amounts due for payment to the Investor Protection Fund as at the year end.

** includes capital creditors and payable to employees

9 PROVISIONS [Refer Note 31]	As at			
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Long-Term		Short-Term	
Provision for Employee Benefits (Refer Note 25)				
-Provision for Gratuity	-	-	19.66	1.87
-Provision for Compensated Absences	3.88	4.39	47.03	68.23
Others:				
-Proposed Dividend	-	-	-	264.23
-Provision for Corporate Dividend Tax	-	-	0.01	27.39
-Provision for indirect tax under litigation [Refer Note 30 (iii)]	-	-	44.57	-
	3.88	4.39	111.27	361.72

NOTES to the Financial Statements for the year ended March 31, 2015

Contd..

10. FIXED ASSETS

(Rs. Million)

Description of Assets	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK				
	Cost as on 01.04.2014	Additions during the year	Deletion on transfer of undertaking [Refer Note 31]	Sales/ Adj. during the year	Total as on 31.03.2015	As on 01.04.2014	For the year	Deletion on transfer of undertaking [Refer Note 31]	Total as on 31.03.2015	As on 31.03.2015	As on 31.03.2014
Tangible											
Land-Freehold {Footnote (ii)}	20.92	-	-	-	20.92	-	-	-	-	20.92	20.92
Buildings {Footnotes (i) & (iii)}	209.90	-	-	-	209.90	40.81	3.45	-	44.26	165.64	169.09
Plant & Equipment	1,468.50	35.54	0.07	214.96	800.62	1,069.33	90.34	272.72	677.63	122.99	399.17
-Owned	3.99	-	-	0.09	3.90	3.85	0.06	-	3.88	0.07	0.14
-Leased	-	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	419.25	24.58	-	60.96	367.35	288.84	72.75	14.45	292.23	75.12	130.41
Furniture & Fixtures	207.02	2.84	-	24.79	101.88	141.51	6.98	44.08	80.44	21.44	65.51
-Owned	0.11	-	-	-	0.11	0.11	-	-	0.11	-	-
-Leased	-	-	-	-	-	-	-	-	-	-	-
Vehicles	29.77	4.14	-	3.77	30.14	10.73	4.85	-	12.48	17.66	19.04
Office Equipment	144.00	1.85	0.10	5.35	85.70	75.26	17.69	21.33	66.32	19.38	68.74
-Owned	0.04	-	-	0.01	0.03	0.04	-	-	0.03	-	-
-Leased	-	-	-	-	-	-	-	-	-	-	-
Total	2,503.50	68.95	0.17	309.93	1,620.55	1,630.48	196.12	352.58	296.69	443.22	873.02
Amount transferred to Retained Earnings {Footnote (v)}	-	-	-	-	-	-	(48.07)	-	-	-	-
Sub Total (a)	2,503.50	68.95	0.17	309.93	1,620.55	1,630.48	148.05	352.58	296.69	443.22	873.02
Previous Year (b)	3,393.53	102.28	-	992.31	2,503.50	2,206.91	399.64	-	976.07	1,630.48	-
Intangible											
Content/ Products	-	-	-	-	-	-	-	-	-	-	-
- Acquired	186.64	73.79	-	-	97.35	165.21	1.14	69.08	97.27	0.08	21.43
- Internally generated {Footnote (iv) and Note 38}	1,013.65	-	5.50	-	794.29	579.94	205.63	114.07	671.50	122.79	433.71
- Leased	119.65	-	-	-	19.30	105.01	2.89	88.60	19.30	-	14.64
Software Acquired	1,034.33	7.55	-	9.04	941.96	887.32	73.18	61.80	889.66	52.30	147.01
Patents	16.14	-	-	-	14.14	15.73	0.41	2.00	14.14	-	0.41
Sub Total (c)	2,370.41	81.34	5.50	9.04	1,867.04	1,753.21	283.55	335.55	9.04	1,691.87	617.20
Previous Year (d)	2,200.54	187.47	-	17.60	2,370.41	1,490.91	279.50	17.60	1,753.21	617.20	-
Total (a+c)	4,873.91	150.29	5.67	318.97	3,487.59	3,383.69	431.30	688.13	305.73	2,869.20	1,490.22
Previous Year (b+d)	5,594.07	289.75	-	1,009.91	4,873.91	3,927.82	679.54	-	993.67	3,383.69	1,490.22
Intangible assets under development {Refer Note 38 for cost incurred during the year on internally generated intangible assets}											
										35.03	108.07

Intangible assets under development {Refer Note 38 for cost incurred during the year on internally generated intangible assets}

Footnotes :

- Gross Block of Building includes 10 shares of Rs. 50/- each in the Guru Vidya Co-operative Housing Society Limited.
- 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.
- Refer Note 41 (a) (iii) for Building given on Operating Lease.
- Depreciation includes impairment of contents/ products aggregating to Rs. 114.79 Million (Previous year Rs. 30.39 Million). The Company has computed the recoverable value using the value in use method and has considered a discount rate of 13.50% p.a.
- The Company has revised useful life of certain class of fixed assets as per the requirement of Schedule II of the Companies Act, 2013 and also revised residual value of fixed assets. As a result, the depreciation charge for the current year is higher by Rs. 10.72 Million and opening retained earnings have reduced by Rs. 48.07 Million.

(Rs. Million)

11 INVESTMENTS

1) Non-Current Investment

A. TRADE [UNQUOTED]

(Valued at cost less provision for diminution other than temporary)

In Subsidiary Companies

-Equity

	As at	
	March 31, 2015	March 31, 2014
10,662,113 (Previous year 17,162,113) Shares of 1 US \$ each fully paid-up in NIIT (USA) Inc., USA	478.15	769.65
Less: Provision for diminution in value of Investment [Refer Note 30(i)]	-	(398.42)
	478.15	371.23
500,000 (Previous year 500,000) Equity Shares of 1 US \$ or Rp. 2,297 each fully paid-up in PT NIIT Indonesia, Indonesia	17.56	17.56
Less: Provision for diminution in the value of investment	(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	1,628.69	1,628.69
Less: Provision for diminution in value of Investment [Refer Note 30(iv)]	(1,628.69)	(773.53)
	-	855.16
13,000,000 (Previous year Nil) Equity Shares of 0.5 US \$ each fully paid-up in NIIT Antilles NV, Netherlands Antilles	404.56	-
1,000,000 (Previous year 1,000,000) Equity Shares of Rs 10/- each fully paid-up in Hole-in-the-Wall Education Limited	10.50	10.50
Less: Provision for diminution in value of Investment	(10.50)	(10.50)
	-	-
18,064,065 (Previous year Nil) Equity Shares Pending Allotment in Hole-in-the-Wall Education Limited [Footnote (v)]	180.64	-
Less: Provision for diminution in value of Investment	(180.64)	-
	-	-
Nil (Previous year 3,949,175) Equity Shares of Re 1 each fully paid-up in NIIT Online Learning Limited [Footnote (iii)]	-	3.95
Less: Provision for diminution in value of Investment	-	(3.95)
	-	-
Nil (Previous year 9,910,000) Equity Shares of Rs. 10 each fully paid-up in Scantech Evaluation Services Limited [Footnote (iii)]	-	99.06
Nil (Previous year 1,475,096) Equity Shares of Rs. 10/- each fully paid-up in Evolv Services Limited [Footnote (iii)]	-	66.82
155,000 (Previous year 155,000) Equity Shares of 1 GBP each fully paid-up in NIIT Limited-UK	13.10	13.10
8,120,834 (Previous year 8,120,834) Equity Shares of Rs. 10 each fully paid-up in NIIT Institute of Finance Banking and Insurance Training Limited	84.35	84.35
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
20,819,155 (Previous year 17,129,155) Equity Shares of Rs. 10/- each fully paid-up in NIIT Yuva Jyoti Limited [Footnote (i) & (ii)]	208.19	171.29
Share Application money for equity shares of NIIT Yuva Jyoti Limited [Footnote (i) & (ii)]	-	36.90

- Preference

Nil (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. Nil (Previous year Rs. 100/-)]
[Footnote (vi)]

- Debentures

900,000 (Previous year Nil) 0.5% Optionally Convertible Debentures
Pending Allotment in Hole-in-the-Wall-Education Limited [Footnote (v)]
Less: Provision for diminution in value of Investment

900.00

(29.36)

870.64

TRADE [QUOTED]

[Valued at fair value as on appointed date] (Refer Note 31)

In Associate Company

-Equity

14,493,480 (Previous year Nil) Equity Shares of Rs. 10/- each fully paid-up in NIIT Technologies Limited [Footnote (iv)]
(Market Value as on March 31, 2015 - Rs. 5,062.57 Million)

5,186.90

Sub Total (A)

7,410.89

1,862.91

B. LONG TERM, OTHERS [UNQUOTED]

(Valued at cost less provision for other than temporary diminution)

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. 2,400/- (Previous year Rs. 2,400/-)] fully provided for

-

-

Sub Total (B)

-

TOTAL (A+B)

7,410.89

1,862.91

Aggregate amount of Unquoted Investments
Less:- Aggregate Provision for diminution in the value of Investments

4,090.74

3,066.87

(1,866.75)

(1,203.96)

Total Unquoted Investments (C)

2,223.99

1,862.91

Aggregate amount of Quoted Investments

5,186.90

-

Total Quoted Investments (D)

5,186.90

-

GRAND TOTAL (C+D)

7,410.89

1,862.91

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).
- 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.
- Pursuant to the Scheme of Arrangement, subsidiaries NIIT Online Learning Limited, Scantech Evaluation Services Limited and Evolv Services Limited have been amalgamated with the company w.e.f. April 1, 2014 (Refer Note 31).
- Pursuant to the Scheme of Arrangement the investment made by Scantech Evaluation Services Limited in NIIT Technologies Limited as on the appointed date (i.e. April 1, 2014) is transferred to NIIT Limited.
- Pursuant to the Scheme of Arrangement, the company has transferred its School Business Undertaking to one of its wholly owned subsidiary company i.e. Hole-in-the-Wall Education Limited ('HIWEL') for a consideration of Rs. 1,080.64 Million. This consideration is to be discharged by HIWEL as follows [Refer Note 31]
 - 18,064,065 Equity shares of Rs. 10/- each amounting to Rs. 180.64 Million.
 - 900,000 Optionally Convertible Debentures of Rs. 1000/- each at a coupon rate of 0.5% amounting to Rs. 900 Million.

HIWEL is in the process of issuing such shares and debentures and accordingly, these are pending allotment as at the balance sheet date.

- (vi) Pursuant to the Scheme of Arrangement, 5.6 Million Non Convertible Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid-up (at a cost of Rs. 100/-) in HIWEL have been cancelled.

	(Rs. Million)	
	As at	
	March 31, 2015	March 31, 2014
II) Current Investment		
SHORT TERM, NON TRADE [UNQUOTED]		
In Mutual Funds	5.95	-
(Fair Market Value Rs 6.43 Million as on March 31, 2015)		
Total	5.95	-

12 TAXATION

- (a) Upon finalisation of Income Tax Return of financial year ended March 31, 2014 and March 31, 2013 an amount of Rs. 1.16 Million and 0.31 Million respectively (Previous year Rs. 0.60 Million) has been charged to the Statement of Profit and Loss for the current year. Refund of withholding tax in Norway received during the year amounting to Rs. 3.14 Million has been credited to the Statement of Profit and Loss in tax expense relating to earlier years.

- (b) Detailed break-up of Deferred Tax Assets/ Liabilities is as follows:-

	(Rs. Million)	
	As at	As at
	March 31, 2015	March 31, 2014
Deferred Tax Assets:		
Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the Income Tax calculation. [Refer Footnote (iii) below]	166.12	60.89
Provision for doubtful debts and advances	276.45	207.53
Provision for non-moving inventories	3.77	10.16
Provision for Employee Benefits	30.80	32.86
Others	0.34	2.15
Total (A)	477.48	313.59
Deferred Tax Liability:		
Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the Income Tax calculation. (B)	-	-
Timing differences not recognised on account of prudence (C)	344.25	209.81
Total D=(A-B-C)	133.23	103.78
Deferred Tax Assets Charged to the Statement of Profit & Loss (E)	29.45	-
Net Deferred Tax Assets carried to Balance Sheet F=(D-E)	103.78	103.78

- (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.
- (iii) Timing difference aggregating to Rs. 29.45 Million transferred to School Business Undertaking on account of Scheme of Arrangement [Refer Note 31].

(Rs. Million)

13 LOANS AND ADVANCES

[Refer Note 31]

	As at			
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Long-Term		Short-Term	
i) Capital Advances				
Unsecured, considered good	5.59	0.03	-	-
(A)	5.59	0.03	-	-
ii) Security Deposits Receivable				
Unsecured, considered good	294.33	239.91	40.74	51.04
Unsecured, considered doubtful	5.05	5.05	-	-
Less: Provision for doubtful security deposits	(5.05)	(5.05)	-	-
(B)	294.33	239.91	40.74	51.04
iii) Loans to related parties				
Unsecured, considered good	45.00	-	25.00	-
Unsecured, considered doubtful	29.70	29.70	-	-
Less: Provision for doubtful Loans	(29.70)	(29.70)	-	-
(C)	45.00	-	25.00	-
iv) Other recoverable from related parties				
Unsecured, considered doubtful	15.29	15.29	-	-
Less: Provision for doubtful advances	(15.29)	(15.29)	-	-
(D)	-	-	-	-
v) Advances recoverable in cash or in kind				
Unsecured, considered good (Refer Note 13.1 and 13.2 below)	1.81	6.94	177.61	340.98
Unsecured, considered doubtful	3.94	8.58	-	-
Less: Provision for doubtful advances	(3.94)	(8.58)	-	-
(E)	1.81	6.94	177.61	340.98
vi) Other Advances				
a) Advance payment of Fringe Benefit Tax	89.57	88.11	-	-
Less: Provision for Fringe Benefit Tax	(88.66)	(87.40)	-	-
	0.91	0.71	-	-
b) Advance Income Tax	1,183.63	1,120.24	-	-
Less: Provision for Income Tax	(853.82)	(833.39)	-	-
	329.81	286.85	-	-
c) MAT Credit Entitlement				
Opening Balance	65.43	68.34	-	-
Addition on account of Scheme of Arrangement [Refer Note 31]	4.42	-	-	-
Utilised/Reversed during the year	(1.25)	(2.91)	-	-
	68.60	65.43	-	-
(F)	399.32	352.99	-	-
Total (A+B+C+D+E+F)	746.05	599.87	243.35	392.02

13.1 Maximum amount due from Directors or Other officers during the year Rs. 0.63 Million (Previous year Rs. 0.88 Million). Amount outstanding at year end Rs. Nil (Previous year Rs. Nil).

13.2 Short-term Loans and advances include balances with government authorities Rs. 81.34 Million (Previous year Rs. 125.28 Million).

(Rs. Million)

14 TRADE RECEIVABLES [Refer Note 31] (Unsecured)	As at			
	March 31, 2015 Non Current	March 31, 2014	March 31, 2015 Current	March 31, 2014
a) Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	-	-	405.24	456.83
Considered doubtful	681.97	575.38	-	-
Less: Provision for doubtful debts	(681.97)	(575.38)	-	-
(A)	-	-	405.24	456.83
b) Others				
Considered good	-	435.01	926.26	1,359.31
Considered doubtful	-	2.79	55.65	-
Less: Provision for doubtful debts	-	(2.79)	(55.65)	-
(B)	-	435.01	926.26	1,359.31
TOTAL (A+B)	-	435.01	1,331.50	1,816.14

15 MOVEMENT OF PROVISION FOR DOUBTFUL DEBTS

	As at	
	March 31, 2015	March 31, 2014
Opening Provision	578.17	431.82
Add: Provision on account of Amalgamation of subsidiaries [Refer Note 31]	2.71	-
Add: Additional Provision created*	211.60	65.51
Add: Additional Provision for business support on account of change in delivery technology	39.77	80.84
Less: Bad debts written back	(1.34)	-
Less: Bad Debts written off	(93.29)	-
Closing Provision	737.62	578.17

* Provision for doubtful debts amounting to Rs. 225.08 Million (Previous year Rs. 80.84 Million) shown as exceptional item [Refer Note 30 (v) & (vi)].

16 OTHER ASSETS [Refer Note 31]	As at			
	March 31, 2015 Non-Current	March 31, 2014	March 31, 2015 Current	March 31, 2014
Non Current Bank Balances (Refer Note 18)	0.10	-	-	-
Unbilled Revenue	-	39.60	58.46	250.17
Less: Provision for Unbilled Revenue	-	(5.47)	-	-
Interest Receivable	8.57	3.14	10.38	7.09
Less: Provision for Interest Receivable	(8.57)	(3.14)	-	-
Derivative Instrument Fair Value Asset (Refer Note 42)	-	-	-	66.29
Dividend receivable from subsidiary	-	-	-	103.06
	0.10	34.13	68.84	426.61

(Rs. Million)

17 INVENTORIES (Valued at lower of Cost or Net Realisable Value) [Refer Note 31] As at the end of the year	As at	
	March 31, 2015	March 31, 2014
Traded Goods		
a) Courseware and Training Material*	26.74	46.27
b) Software	0.45	1.03
Sub-Total (A)	27.19	47.30
As at the beginning of the year		
Traded Goods		
a) Courseware and Training Material*	46.27	86.00
b) Software	1.03	1.17
Sub-Total (B)	47.30	87.17
(Increase)/ Decrease in Inventory (B-A)	20.11	39.87

* Net of provision for non-moving inventories of Rs. 11.08 Million (Previous year Rs. 29.90 Million) [Refer Note 30 (vi)].

18 CASH AND BANK BALANCES [Refer Note 31]	As at	
	March 31, 2015	March 31, 2014
Cash and Cash Equivalents:		
Balance with Banks		
- Current Accounts	45.28	128.70
- Bank deposits with original maturity of 3 months or less	7.00	-
Cheques and Drafts on hand	21.70	30.95
Cash on hand	2.93	5.64
Sub Total (A)	76.91	165.29
Other Bank Balances:		
Bank Deposits*		
With original maturity of more than 3 months and upto 12 months	42.61	32.82
With original maturity of more than 12 months	0.10	-
Dividend Accounts	10.54	9.45
* Pledged as Margin money		
Sub Total (B)	53.25	42.27
Total (A+B)	130.16	207.56
Amount disclosed under "Other Non Current Assets" (Refer Note 16) (C)	(0.10)	-
Total (A+B+C)	130.06	207.56

19 CONTINGENT LIABILITIES

1. Claims against the Company not acknowledged as debts:-	As at	
	March 31, 2015	March 31, 2014
- Customers	6.10	6.10
- Sales Tax/ VAT	2.50	55.07
- Works Contract Tax	31.32	31.32
- Custom Duty	4.70	-
- Service Tax	20.98	20.98
- Income Tax	369.92	313.37
- Others*	12.74	12.74

*Pertains to alleged dues towards provident fund payable by vendors of the Company which the Company is also contesting.

- (a) It is not practical for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. Management does not foresee any financial implication based on advice of legal counsel.
- (b) The Company does not expect any reimbursements in respect of the above.
2. 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. Orders passed by the CIT u/s 263 for AY 1999-00 to AY 2005-06 have been challenged by the Company in the Income Tax Appellate Tribunal. The Tribunal has since passed order for AY 1999-00. The Tribunal has decided the issue of assumption of jurisdiction against the Company. On merits, Tribunal has allowed some of the issues and dismissed others which were referred back to the assessing officer for fresh examination and at this stage there are no ascertained/ quantified demands. The Company is filing appeal before the High Court against the aforesaid order of the Tribunal. Based on legal opinion, the Company is confident of obtaining adequate relief before the High Court.

3. Guarantees

- i. Guarantees issued by bankers outstanding at the end of the year Rs. 4.50 Million (Previous year Rs. 51.34 Million).
- ii. Corporate Guarantee of Rs. 529.85 Million (USD 8.5 Million) [Previous year Rs. 510.50 Million (USD 8.50 Million, net of settlement of USD 2.50 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 Element K Corporation (erstwhile step down subsidiary of the Company) in prior year.
- iii. Corporate Guarantee given to National Skill Development Corporation to secure loans of Rs. 142.64 Million (Previous year Rs. 142.64 Million) availed by NIIT Yuva Jyoti Limited, a subsidiary of the Company.

4. Other monies for which the company is contingently liable

- i. Security given for working capital limits on behalf of NIIT Institute of Finance Banking and Insurance Training Limited Rs. Nil (Previous year Rs.10 Million) [Amount Outstanding at year end Rs. Nil (Previous year Rs. Nil)] and Hole-in-the-Wall Education Limited Rs. 30 Million (Previous year Rs. 21 Million) [Amount Outstanding at year end Rs. Nil (Previous year Rs. 15.63 Million)] and Evolv Services Limited (Amalgamated with NIIT Limited w.e.f. April 1, 2014) Rs. Nil (Previous Year Rs. 10 Million) [Amount Outstanding at year end Rs. Nil (Previous year Rs. Nil)].
- ii. Standby Letter of Credit Rs. 467.52 Million (USD 7.5 Million) [Previous year Rs. 450.45 Million (USD 7.5 Million)] issued for working capital limits in favour of NIIT (USA) Inc., USA, a subsidiary of the Company by earmarking working capital facility of NIIT Limited.

20 CAPITAL AND OTHER COMMITMENTS

- (a) Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for Rs. 12.83 Million (Previous year Rs. 14.29 Million).
- (b) For commitments related to lease arrangements, refer Note 41.
- (c) The company has issued a letter of support to provide need based financial support to its subsidiaries Hole-in-the-Wall Education Limited, NIIT Institute of Finance Banking and Insurance Training Limited, NIIT Yuva Jyoti Limited, NIIT Antilles NV, Netherlands Antilles and NIIT Limited-UK.
- (d) 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) For commitment in respect of non-disposal of investment in subsidiary, refer note 11 [footnotes (i) and (ii)].

21 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, 2015	March 31, 2014
-	264.23
-	Rs. 1.60/- Per Share

(Rs. Million)

22 REVENUE FROM OPERATIONS

Sale of Products :

-Courseware and Training Material

-Hardware & Accessories

Sale of Services *

Year ended	
March 31, 2015	March 31, 2014
911.94	1,293.23
0.11	88.48
2,573.39	3,820.22
<u>3,485.44</u>	<u>5,201.93</u>

* Revenue for the year includes revenue for the previous year amounting to Rs. 4.89 Million (Previous year Rs. Nil).

23 OTHER INCOME

Interest Income*

Less: Provision for Interest Receivable

Dividend Income from Long Term

Investments in Subsidiaries

Dividend Income from Investments in Associates

Dividend Income from Current Investments

Provision/ Other Liabilities Written Back

Gain on Foreign Currency Translation and

Transaction (net)

Recovery from Subsidiaries for Management Services

Other Non-Operating Income

Year ended	
March 31, 2015	March 31, 2014
14.02	69.84
(5.43)	(3.14)
8.59	66.70
-	430.97
130.44	-
0.46	4.46
5.56	1.34
2.66	-
160.87	92.86
60.66	18.41
<u>369.24</u>	<u>614.74</u>

* Includes interest income for the previous year amounting to Rs. Nil (Previous year Rs. 25.52 Million).

(Rs. Million)

24 EMPLOYEE BENEFITS EXPENSE

Salaries and Benefits

Contribution to Provident and other Funds

Employees Stock Option Expense

Staff Welfare

Year ended	
March 31, 2015	March 31, 2014
1,165.30	1,481.43
67.98	56.87
0.11	1.29
40.86	52.81
<u>1,274.25</u>	<u>1,592.40</u>

25 EMPLOYEE BENEFITS

A) Defined Contribution Plans

The Company makes contribution towards 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, 2015	March 31, 2014
- Employers' Contribution to Provident Fund	0.06	0.00
- Employers' Contribution to Superannuation Fund	8.20	8.58
- Employers' Contribution to Employees Pension Scheme	13.69	19.06
- Employers' Contribution to Employees National Pension System	0.87	0.51
- Employers' Contribution towards Social Security Schemes in foreign territories	0.50	0.54
Contribution towards Superannuation Fund to the defined contribution plans includes following cost for Key Managerial Personnel:		
Particulars	Year ended	
	March 31, 2015	March 31, 2014
- Employers' Contribution to Superannuation Fund	1.63	0.33

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. 20.42 Million (Previous year Rs. 27.90 Million) including Rs. 1.51 Million (Previous year Rs. 0.31 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 year end.

The details of fund and plan assets of the Trust are as follows (limited to the extent provided by the actuary):

(i) Change in Defined Benefit Obligation

Particulars	(Rs. Million)	
	As at	
	March 31, 2015	March 31, 2014
Present value of defined benefit obligation as at the beginning of the year	5.34	3.96
Current service cost	0.75	0.74
Interest Cost	0.49	0.33
Actuarial (gain)/ loss on obligations	(0.94)	0.31
Present Value of Defined Benefit Obligations at the end of the year	5.64	5.34

	(Rs. Million)	
(ii) Change in Fair Value of Assets	As at	
Particulars	March 31, 2015	March 31, 2014
Fair value of plan assets as at the beginning of the year	48.90	48.76
Actuarial (loss) / gain on plan assets	42.86	0.14
Fair value of Plan Assets as at the end of the year	91.76	48.90
(iii) Estimated Net Asset/ (Liability) recognised in the Balance Sheet	As at	
Particulars	March 31, 2015	March 31, 2014
Present value of defined benefit obligation	5.64	5.34
Fair Value of plan assets	91.76	48.90
Funded Status [surplus/ (deficit)]	86.12	43.56
Net Asset/ (Liability) recognised in the Balance Sheet	-	-
(iv) Assumptions used in accounting for provident Fund:-	Year ended	
	March 31, 2015	March 31, 2014
Discount Rate (Per Annum)	7.75%	9.25%
Expected return on Plan Assets	8.60%	8.60%
Expected guaranteed interest rate	8.75% and 8.60% for subsequent years	8.75% and 8.60% for subsequent years

II. Compensated Absences

i) Change in Present value of Obligation:-

	(Rs. Million)	
Particulars	As at	
	March 31, 2015	March 31, 2014
Present value of obligation as at the beginning of the year	72.62	81.73
Reduction on account of transfer of School Business Undertaking (Refer Note 31)	(9.87)	-
Addition on account of amalgamation of wholly owned Subsidiaries (Refer Note 31)	0.55	-
Current service cost	16.24	21.43
Interest Cost	5.84	6.73
Benefits Paid	(0.28)	(0.24)
Actuarial (gain)/ loss on Obligations	(34.19)	(37.03)
Present value of obligation as at the end of the year	50.91	72.62
Classification in the balance sheet		
Short-Term	47.03	68.23
Long-Term	3.88	4.39
Total	50.91	72.62

ii) Assumptions used in accounting for Compensated Absences:-	As at	
	March 31, 2015	March 31, 2014
Discount Rate (per annum)	7.75%	9.25%
Future Salary Increase		
-For First 5 Years	7.00%	10.00%
-Thereafter	7.00%	7.00%

Estimates of future salary increase (cost to the Company) considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

III. Gratuity Fund
(Rs. Million)

Particulars	As at	
	March 31, 2015	March 31, 2014
i) Change in Present value of Obligation:-		
Present value of obligation as at the beginning of the year	90.94	96.67
Reduction on account of transfer of School Business Undertaking (Refer Note 31)	(7.09)	-
Addition on account of amalgamation of wholly owned Subsidiaries (Refer Note 31)	0.62	-
Interest cost	7.26	7.40
Current service cost	8.27	10.75
Acquisition Cost/ (Credit)	2.27	0.07
Benefits paid	(12.03)	(14.00)
Actuarial (gain)/ loss on obligations	16.26	(9.95)
Present value of obligation as at the end of the year	106.50	90.94
ii) Change in Plan Assets:-		
Fair value of Plan Assets as at the beginning of the year	89.07	88.77
Reduction on account of transfer of School Business Undertaking (Refer Note 31)	(6.94)	-
Addition on account of amalgamation of wholly owned Subsidiaries (Refer Note 31)	0.24	-
Acquisition Adjustment	2.27	(0.07)
Expected return on Plan Assets	7.51	7.98
Contributions*	7.10	6.32
Benefits Paid	(12.03)	(14.00)
Actuarial (loss) / gain on Plan Assets	(0.38)	0.07
Fair value of Plan Assets as at the end of the year	86.84	89.07

* Contributions include recoveries from Associates and Subsidiaries.

Actuary's estimates of contributions for the next financial year is Rs. 29.50 Million (Previous year Rs. 11.06 Million).

Particulars	As at				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
iii) Amount of Asset/ (obligation) recognised in the Balance Sheet:-					
Fair value of Plan Assets as at the end of the year	86.84	89.07	88.77	89.53	87.00
Present value of obligation as at the end of the year	106.50	90.94	96.67	94.04	88.44
Asset/ (obligation) recognised in Balance Sheet	(19.66)	(1.87)	(7.90)	(4.51)	(1.44)

Particulars	Year ended	
	March 31, 2015	March 31, 2014
iv) Net Gratuity Cost recognised in Statement of Profit and Loss:-		
Current service cost	8.27	10.75
Interest cost	7.26	7.40
Expected return on Plan Assets	(7.51)	(7.98)
Net Actuarial (gain)/ loss recognised during the year	16.59	(9.88)
Expense recognised in the Statement of Profit and Loss*	24.61	0.29
Actual return on plan assets	7.13	7.91

*Gross of Recoveries from Associates & Subsidiaries (Current year Rs. 0.37 Million, Previous year Rs. 0.01 Million) and also includes Rs. 5.86 Million (Previous year Rs. 0.28 Million) towards contribution for Key Managerial Personnel.

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

	Year ended	
	March 31, 2015	March 31, 2014
v) Assumptions used in accounting for gratuity plan:-		
Discount Rate (Per annum)	7.75%	9.25%
Future Salary Increase	6.00%	5.00%
Expected Rate of return on plan assets	9.00%	9.40%

Estimates of future salary increase (cost to the Company) considered in actuarial valuation takes into account 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.

NOTES to the Financial Statements for the year ended March 31, 2015

Contd..

The summary of options granted is as follows:

Particulars	Grant V						Grant VI					
	Vest 1		Vest 2		Vest 3		Vest 1		Vest 2		Vest 3	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
	26-Oct-09	26-Oct-09	26-Oct-09	26-Oct-09	26-Oct-09	26-Oct-09	23-Jan-10	23-Jan-10	23-Jan-10	23-Jan-10	23-Jan-10	23-Jan-10
Date of Grant												
Date of Vesting												
Live options at the beginning of the year (Nos.)												
Granted during the year (Nos.)												
Forfeited/ lapsed till vesting period (Nos.)												
Options Vested (Nos)												
Forfeited/ lapsed post vesting (Nos)												
Options exercised (Nos)												
Outstanding/ exercisable at the end of the year (Nos)												
Exercise Price (Rs.)												
Remaining Contractual Life (Days)												
Fair value of the options based on Black and Scholes Model (Rs.)												
Intrinsic Value of the options granted (Rs.)												

NOTES to the Financial Statements for the year ended March 31, 2015

Contd..

Particulars	Grant VII						Grant VIII					
	Vest 1		Vest 2				Vest 1		Vest 3			
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Date of Grant	22-Oct-10	22-Oct-10	22-Oct-10	22-Oct-10	22-Oct-10	22-Oct-10	08-May-12	08-May-12	08-May-12	08-May-12	08-May-12	08-May-12
Date of Vesting	22-Oct-11	22-Oct-11	22-Oct-12	22-Oct-12	22-Oct-13	22-Oct-13	08-May-13	08-May-13	08-May-14	08-May-14	08-May-14	08-May-14
Live options at the beginning of the year (Nos.)	12,000	20,510	12,000	20,510	12,000	20,510	-	50,000	25,000	50,000	25,000	50,000
Granted during the year (Nos.)	-	-	-	-	-	-	-	-	-	-	-	-
Forfeited/ lapsed till vesting period (Nos.)	-	-	-	-	-	-	-	-	-	-	-	25,000
Options Vested (Nos)	-	-	-	-	-	-	-	-	-	-	-	-
Forfeited/ lapsed post vesting (Nos)	12,000	8,510	-	8,510	-	8,510	-	-	-	-	-	-
Options exercised (Nos)	-	-	-	-	-	-	-	50,000	25,000	-	25,000	-
Outstanding/ exercisable at the end of the year (Nos)	-	12,000	12,000	12,000	12,000	12,000	-	-	-	-	25,000	-
Exercise Price (Rs.)	67.65	67.65	67.65	67.65	67.65	67.65	2.00	2.00	2.00	2.00	2.00	2.00
Remaining Contractual Life (Days)	-	204	205	570	570	935	-	769	-	-	-	1134
Fair value of the options based on Black and Scholes Model (Rs.)	28.35	28.35	32.00	32.00	34.35	34.35	40.64	40.64	39.71	39.71	43.05	43.05
Intrinsic Value of the options granted (Rs.)	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	Grant IX			Grant X			Grant XI		
	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3
	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15
Date of Grant	21-May-14	21-May-14	21-May-14	28-Aug-14	28-Aug-14	28-Aug-14	17-Oct-14	17-Oct-14	17-Oct-14
Date of Vesting	20-May-15	20-May-16	20-May-17	28-Aug-15	28-Aug-16	28-Aug-17	17-Oct-15	17-Oct-16	17-Oct-17
Live options at the beginning of the year (Nos.)	-	-	-	-	-	-	-	-	-
Granted during the year (Nos.)	495,900	495,900	498,200	123,332	123,332	123,336	200,000	200,000	200,000
Forfeited/ lapsed till vesting period (Nos.)	26,600	26,600	26,800	-	-	-	-	-	-
Options Vested (Nos)	-	-	-	-	-	-	-	-	-
Forfeited/ lapsed post vesting (Nos)	-	-	-	-	-	-	-	-	-
Options exercised (Nos)	-	-	-	-	-	-	-	-	-
Outstanding/ exercisable at the end of the year (Nos)	469,300	469,300	471,400	123,332	123,332	123,336	200,000	200,000	200,000
Exercise Price (Rs.)	35.40	35.40	35.40	49.75	49.75	49.75	48.50	48.50	48.50
Remaining Contractual Life (Days)	1,877	2,242	2,607	1,977	2,342	2,707	1,741	1,741	1,741
Fair value of the options based on Black and Scholes Model (Rs.)	10.66	11.45	14.35	15.50	16.61	19.78	14.71	15.23	15.80
Intrinsic Value of the options granted (Rs.)	-	-	-	-	-	-	-	-	-

NOTES to the Financial Statements for the year ended March 31, 2015

Contd..

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

Particulars	Grant V			Grant VI			Grant VII			Grant VIII	
	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	72.2	72.2	72.2	69.2	69.2	69.2	67.65	67.65	67.65	45.05	45.05
Exercise price	72.2	72.2	72.2	69.2	69.2	69.2	67.65	67.65	67.65	2	2
Dividend yield	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	2.55%	2.55%
Volatility	71.63%	66.14%	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	3.5	4.5	2.5	3.5	4.5	2.5	3.5	4.5	2.5	3.5
Risk free rate	6.55%	6.92%	7.19%	6.19%	6.51%	6.80%	7.36%	7.56%	7.73%	8.15%	8.22%

Particulars	Grant IX			Grant X			Grant XI				
	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Market price considered	35.4	35.4	35.4	49.75	49.75	49.75	48.5	48.5	48.5	48.5	48.5
Exercise price	35.4	35.4	35.4	49.75	49.75	49.75	48.5	48.5	48.5	48.5	48.5
Dividend yield	3.96%	3.96%	3.96%	3.96%	3.96%	3.96%	3.96%	3.96%	3.96%	3.96%	3.96%
Volatility	39.04%	37.65%	48.22%	40.75%	39.51%	46.99%	42.47%	41.13%	40.48%	39.82%	39.88%
Average life of the options (in years)	3.5	4.5	5.5	3.5	4.5	5.5	3.11	3.61	4.11	4.61	5.07
Risk free rate	8.68%	8.73%	8.78%	8.78%	8.73%	8.70%	8.48%	8.49%	8.50%	8.50%	8.51%

Other information regarding employee share based payment is as below:

Particulars	Grant V			Grant VI				
	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 3	Vest 3
Additional expense had the Company recorded the ESOP Expense based on fair value of the options*	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
	-	-	-	-	-	-	-	-

Particulars	Grant VII			Grant VIII				
	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 2	Vest 2
Additional expense had the Company recorded the ESOP Expense based on fair value of the options*	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
	-	-	-	-	0.08	-	-	-

Particulars	Grant IX			Grant X			Grant XI				
	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Additional expense had the Company recorded the ESOP Expense based on fair value of the options*	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15
	2.23	1.20	1.01	0.46	0.25	0.20	1.34	0.69	0.48	0.37	0.31

*Net of amount attributable to the employees of subsidiaries Rs 5.46 Million (Previous year Rs. Nil)
For impact on Basic and Dilutive EPS, had fair value of the option been used for determining ESOP expense, Refer Note 36.

	Year ended March 31, 2015	(Rs. Million) Year ended March 31, 2014
27 FINANCE COSTS		
Interest Expense	127.57	174.73
Other Borrowing Costs	2.35	-
	<u>129.92</u>	<u>174.73</u>
28 OTHER EXPENSES	Year ended March 31, 2015	Year ended March 31, 2014
[Refer Note 38]		
Equipment Hiring	53.29	222.84
Royalties	10.91	-
Freight and Cartage	11.31	28.70
Rent (net of recoveries)	261.21	339.36
Rates and Taxes	2.73	7.41
Power & Fuel	73.29	83.32
Communication	86.42	97.99
Legal and Professional	95.64	91.21
Travelling and Conveyance	203.38	221.28
Provision for Doubtful Debts	26.29	65.51
Bad debts Written off	4.63	3.47
Provision for Unbilled Revenue	-	5.47
Provision for Doubtful Advances and Deposits	3.13	2.16
Advances Written off	-	0.59
Insurance	5.58	6.71
Repairs and Maintenance		
- Plant and Machinery	21.94	23.31
- Buildings	4.40	3.34
- Others	49.31	57.98
Consumables	34.66	48.57
Loss on Sale of Fixed Assets (Net)	2.88	1.14
Loss on Foreign Currency Translation and Transaction (net)	-	44.81
Security and Administration Services	24.84	33.62
Bank Charges	9.85	13.36
Marketing & Advertising Expenses	286.41	442.24
Discounts & Rebates	44.83	76.13
Sundry Expenses	33.76	25.20
	<u>1,350.69</u>	<u>1,945.72</u>
29 PAYMENT TO AUDITORS	Year ended March 31, 2015	Year ended March 31, 2014
As Auditor		
- Audit Fee	6.85	5.85
- Tax Audit Fee	0.50	0.50
- Limited Review Fee	1.50	1.50
Other Certification Fee	2.04	0.51
Reimbursement of expenses (including service tax)	2.67	1.79
	<u>13.56</u>	<u>10.15</u>

	Year ended March 31, 2015	(Rs. Million) Year ended March 31, 2014
30 EXCEPTIONAL ITEMS (Net)		
Income:		
Profit on buy back of shares by subsidiary	111.86	124.22
Provision for diminution in value of Investment in NIIT (USA) Inc. written back	398.42	-
Profit on transfer of School Business Undertaking	27.45	-
Expenses:		
Expenses incurred for business restructuring	(40.45)	-
Provision for indirect tax under litigation	(44.57)	-
Provision for diminution in value of investment in wholly owned subsidiaries	(1,065.16)	-
Provision for Doubtful Debts	(185.31)	-
Provision for business support on account of change in delivery technology	(39.77)	(80.84)
Provision for Inventory	(3.21)	(24.20)
Provision for Security Deposit	(6.86)	-
	(847.60)	19.18

Exceptional items as above comprise, items of income/ (expenditure), arising from ordinary activities of the Company of such size, nature or incidence that their separate disclosure is considered appropriate to better explain the performance for the year.

- (i) During the year, NIIT (USA) Inc., USA a wholly owned overseas subsidiary of the Company, has bought back 6.50 Million (Previous year 7.00 Million) equity shares from the Company for a consideration of USD 1.01 per share based on a valuation carried out by an independent valuer. The difference in the fair value and the book value of shares aggregating to Rs. 111.86 Million (Previous year Rs. 124.22 Million) has been recognised as an exceptional income in the financial statements. NIIT (USA) Inc., USA continues to be a wholly owned subsidiary post this transaction. Further, in view of consistent improvement in financial performance of NIIT (USA) Inc. USA, strong order book and financial projections, the Company has written back the provision for diminution, other than temporary, in value of investments amounting to Rs. 398.42 Million.
- (ii) Pursuant to the Scheme of Arrangement (Refer Note 31), the Company has transferred the School Business Undertaking to its wholly owned subsidiary company, Hole-in-the-Wall Education Limited, for a consideration of Rs. 1,080.64 Million against a net book value of Rs. 1,053.19 Million. The difference between consideration and book value amounting to Rs. 27.45 Million has been credited to Statement Profit and Loss. Further, expenditure incurred in relation to the Scheme of Arrangement amounting to Rs. 40.45 Million has been charged to the Statement of Profit and Loss.
- (iii) The Company has made a provision of Rs. 44.57 Million towards Value added tax basis ongoing proceedings with the concerned authorities in respect of customer contracts executed in earlier years.
- (iv) During the year, the company has made a provision for diminution, other than temporary, in value of investment amounting to Rs. 855.16 Million and Rs. 210.00 Million for the investment made in wholly owned subsidiaries, NIIT Antilles NV, Netherlands Antilles and Hole-in-the-Wall Education Limited respectively, based on future business direction, cash generating capabilities and revised business plans.
- (v) Owing to significant delays in collections, persistent follow up and management's defocus from government and other contracts, the Company has made one time provision in respect of receivable balance from the customers of Rs. 185.31 Million (Previous year Rs. Nil).
- (vi) During the year, the Company has completed transition from physical mode of courseware delivery to Cloud and Collaborative Delivery Model. On account of change in delivery technology, the Company has made provision for inventory aggregating to Rs. 3.21 Million (Previous year Rs. 24.20 Million) lying with the Company and made provision for business support amounting to Rs. 39.77 Million (Previous year Rs. 80.84 Million) as one time credit to eligible business partners.
- (vii) Pursuant to slow down in IT training business the Company has made a provision for impairment of intangibles which is included in Note 10 under Fixed assets.

31 Scheme of Arrangement

The Board of Directors have at its meeting held on August 26, 2014 approved a Composite Scheme of Arrangement ('the Scheme') between the Company and its erstwhile subsidiaries Scantech Evaluation Services Limited ('SESL'), Evolv Services Limited ('ESL'), NIIT Online Learning Limited ('NOLL') (also, collectively referred to as 'the amalgamating companies') and Hole-in-the-Wall Education Limited ('HiWEL' or 'the transferee company') and their respective shareholders and creditors under sections 391 to 394 of the Companies Act, 1956, for streamlining of the group structure, consolidation of business operations and reduction in costs. SESL is engaged in the business of making investment into shares and securities of other companies/ body corporates, ESL is in the business of providing training to corporate customers in areas of professional life and NOLL is in the business of online learning through use of web-based technologies. The transferee company is involved in research and development activities involving elementary education and life skills of children.

Pursuant to the Scheme, the amalgamating companies stand transferred to and vest with the Company and the School Business Undertaking of the Company, as defined in the Scheme ('the Undertaking'), stands transferred to the transferee company for a lumpsum consideration of Rs. 1,080.64 Million retrospectively with effect from April 1, 2014 ('the appointed date'). The Scheme has been approved by the shareholders and the Hon'ble High Court of Judicature at Delhi ('the Hon'ble High Court') on January 31, 2015 and May 8, 2015 respectively. The Scheme came into effect upon filing of the order of the Hon'ble High Court with the Registrar of Companies on May 23, 2015 ('the effective date'). From the effective date, the amalgamating companies stand dissolved without being wound up and their business continues to be carried out by the Company.

A. In respect of amalgamation of amalgamating companies

Pursuant to the Scheme, the businesses of the amalgamating companies, together with all the properties, assets, rights, liabilities and interest therein, stand transferred to and vest in the Company, as a going concern, with effect from April 1, 2014 and the business of the amalgamating companies is carried out for and on account of and in trust by the Company. The authorised share capital of the Company stands increased by an amount of Rs. 636 Million.

The amalgamation is accounted for using 'Purchase' method as set out in Accounting Standard (AS) 14 Accounting for Amalgamations.

In accordance with the Scheme all the assets and liabilities as on the appointed date, of the amalgamating companies become the assets and liabilities of the Company and were recorded at fair values in the books of the Company based on a report of an independent valuer and the difference between the fair value of assets and liabilities of the amalgamating companies were credited to Capital Reserve Account after adjusting inter-company balances as approved by the Board of Directors in their meeting held on July 17, 2015*.

Adjustments made upon amalgamation are as follows:-

(Rs. Million)

Particulars	SESL	NOLL	ESL	Total
Balances as per Fair Valuation Report as at the appointed date				
Fixed Assets	0.01	-	5.66	5.67
Investment (Refer Note 11)	5,186.90	5.95	-	5,192.85
Trade receivables	-	-	24.67	24.67
Cash and bank balances	1.14	0.41	5.33	6.88
Loans and advances	199.22	1.37	30.36	230.95
Other current and Non-Current assets	12.88	-	2.73	15.61
Total Assets (A)	5,400.15	7.73	68.75	5,476.63
Current Liabilities and Provisions	120.74	0.06	13.25	134.05
Total Liabilities (B)	120.74	0.06	13.25	134.05
Net Fair value of Assets/ (Liabilities) acquired (C=A-B)	5,279.41	7.67	55.50	5,342.58
Less : Cancellation of Investment (D)	(99.10)	(4.39)	(66.81)	(170.30)
Net Surplus/ (Deficit) credited to Capital Reserve (C-D) (Refer Note 4)	5,180.31	3.28	(11.31)	5,172.28

* As stated in Note 2.2, based on opinion received from EAC of ICAI ('EAC') subsequent to the meeting of the Board of Directors held on May 27, 2015, the Company accounted for assets and liabilities at fair values by applying the Purchase Method in accordance with Accounting Standard -14 and other generally accepted accounting principles in India. As a result, the Investments and Reserves & Surplus are higher by Rs. 5,172.28 Million respectively.

B. In respect of transfer of the Undertaking

Upon the Scheme becoming effective and from the appointed date, the Undertaking is transferred to and vested in the transferee company and the business of the Undertaking is carried out for and on account of and in trust for the transferee company upto the effective date. Pursuant to the Scheme, the consideration over the excess of book values of the assets of the Undertaking comprising fixed assets, trade receivable, cash and bank balances and other assets and the aggregate of the transferred liabilities is credited to the statement of profit and loss of the Company. The net gain of Rs. 27.45 Million, arising on such transfer, has been determined as below:

Particulars	Rs. Million
Consideration received (A)	1,080.64
Less :	
Assets transferred as at April 1, 2014	
Fixed Assets	535.18
Intangibles under development	57.29
Inventories	6.02
Trade Receivables (net)	256.56
Cash and Bank balances	150.00
Loans and Advances	167.12
Other current/ Non-current assets	224.20
Total assets (B)	1,396.37
Liabilities transferred as at April 1, 2014	
Deferred tax liability	29.45
Borrowings	21.48
Current Liabilities and Provisions	292.25
Total liabilities (C)	343.18
Net Assets as at April 1, 2014 (D)= (B-C)	1,053.19
Net gain recognised and included in exceptional items (Refer Note 30) (A-D)	27.45

The consideration is being discharged by Hole-in-the-Wall Education Limited ("HIWEL") through issuance of 18,064,065 equity shares of Rs. 10/- each fully paid up and 900,000 Optionally Convertible Debentures (OCDs) of Rs. 1,000/- each fully paid at a coupon rate of 0.5% for a period of 5 years from the date of allotment. The Company shall have the right to convert such OCDs into equity shares at the expiry of third year from the date of allotment, as approved by the Board of Directors of HIWEL in their meeting held on May 25, 2015. HIWEL is in the process of allotting such shares and OCDs. Pending such allotment, the Investment have been disclosed as investment in Share Capital Pending Allotment and Debentures Pending Allotment respectively in these financial statements.

The Company is in the process of filing necessary documents (with the concerned authorities) and agreements with respective customers and vendors including creation of charge on the assets transferred to Hole-in-the-Wall Education Limited in respect of the loans outstanding.

Previous year figures are not comparable with current year owing to effect of the Scheme of Arrangement.

32. CIF VALUE OF IMPORTS

(Rs. Million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Purchase of Traded Goods	109.20	149.31
Capital Goods	0.09	1.44

33. EXPENDITURE IN FOREIGN CURRENCY

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Employees Benefits Expense	61.64	55.76
Professional and Technical Outsourcing Expense	166.89	141.90
Legal & Professional	2.12	6.64
Traveling and Conveyance	30.63	21.56
Others	11.58	18.75

34. DIVIDEND REMITTED IN FOREIGN CURRENCY

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
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	0.16
Year to which the dividend related (Financial year)	2013-14	2012-13

35. EARNINGS IN FOREIGN CURRENCY

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Export of Services & Products	1,363.81	1,134.95
Interest (Net of Taxes)	0.01	-
Recovery from Overseas Subsidiaries	52.63	63.27
Dividend Income (Net of Taxes)	-	278.72

36. EARNINGS PER SHARE

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Profit/(loss) attributable to Equity Shareholders (Rs. Million) - (A)	(1,160.96)	(77.77)
Weighted average number of Equity Shares outstanding during the year (Nos.) - (B)	165,163,885	165,126,830
Nominal Value of Equity Shares (Rs.)	2/-	2/-
Basic Earnings/(loss) per Share (Rs.) (A/B)	(7.03)	(0.47)
Add : Effect of Potential Dilutive Shares (being employee stock options) (Nos.)	297,885	22,958
Weighted average Shares outstanding considered for determining Diluted Earnings/(loss) per Share (Nos.) - (C)	165,461,770	165,149,788
Profit/(loss) after considering increased earnings of Dilutive Shares (Rs. Million) (D)	(1,160.96)	(77.77)
Diluted Earnings/(loss) per Share (Rs.) (D/C)*	(7.03)	(0.47)

EARNINGS PER SHARE {had fair value method been employed for accounting of employee stock options (Refer Note 26)}		
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Profit/(loss) attributable to Equity Shareholders (Rs. Million) -(E)	(1,169.50)	(77.85)
Profit/(loss) attributable to Equity Shareholders with diluted equity shares (Rs. Million) -(F)	(1,169.50)	(77.85)
Basic Earnings/(loss) per Share (Rs.) (E/B)	(7.08)	(0.47)
Diluted Earnings/(loss) per Share (Rs.) (F/C)*	(7.08)	(0.47)

*As the impact of dilution is anti-dilutive, the basic and diluted earning/ (loss) per share remains the same.

37 RELATED PARTY TRANSACTIONS AS PER ACCOUNTING STANDARD 18:

A. Related party relationship where control exists:

Subsidiaries

- 1 NIIT Online Learning Limited (Amalgamated with NIIT Limited w.e.f. April 1, 2014)
- 2 Hole-in-the-Wall Education Limited
- 3 Scantech Evaluation Services Limited (Amalgamated with NIIT Limited w.e.f. April 1, 2014)
- 4 NIIT Yuva Jyoti Limited
- 5 NIIT Institute of Finance Banking and Insurance Training Limited
- 6 NIIT Institute of Process Excellence Limited
- 7 Evolv Services Limited (Amalgamated with NIIT Limited w.e.f. April 1, 2014)
- 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 (Amalgamated with NIIT (USA) Inc., USA w.e.f. December 1, 2014)
- 20 PT NIIT Indonesia, Indonesia (Under liquidation)
- 21 NIIT West Africa Limited, Nigeria
- 22 Qingdao NIIT Information Technology Company Limited, China
- 23 Chongqing An Dao Education Consulting Limited, China
- 24 Zhangjiagang NIIT Information Services Limited, China
- 25 Chengmai NIIT Information Technology Company Limited, 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)
- 2 Vijay K Thadani (Vice-Chairman & Managing Director)
- 3 P Rajendran (Joint Managing 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 NIIT University

4 Pace Industries Private Limited

5 NIIT Network Services Limited

6 Naya Bazaar Novelties Private Limited

C.Details of significant transactions with related parties described above carried out :

(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)}	0.05 (2.82)	- (-)	- (-)	- (-)	0.48 (0.76)	0.53 (3.58)
Sale of Goods {Footnote (iii)}	- (0.43)	- (-)	- (-)	- (-)	- (-)	- (0.43)
Purchase of Fixed Assets (including services received for development of intangible assets) {Footnote (iv)}	- (11.99)	- (-)	- (-)	- (-)	- (-)	- (11.99)
Sale of Fixed Assets {Footnote (v)}	0.44 (0.93)	- (-)	- (-)	- (-)	0.05 (-)	0.49 (0.93)
Sale of Services {Footnote (vi)}	1,057.94 (936.90)	2.12 (-)	- (-)	- (-)	1.29 (3.52)	1,061.35 (940.42)
Purchase of services- Employee Cost {Footnote (vii)}	0.71 (1.75)	- (-)	- (-)	- (-)	0.36 (-)	1.07 (1.75)
Purchase of Services - Professional Technical & Outsourcing Services {Footnote (viii)}	29.57 (42.25)	- (-)	- (-)	- (-)	4.77 (11.53)	34.34 (53.78)
Purchase of Services -Others {Footnote (ix)}	13.43 (-)	19.92 (19.77)	- (-)	- (-)	2.52 (0.60)	35.87 (20.37)
Recovery from subsidiaries for Management Services {Footnote (x)}	131.52 (49.33)	- (-)	- (-)	- (-)	- (-)	131.52 (49.33)
Recovery of Employee Benefits expenses from {Footnote (xi)}	0.71 (0.99)	0.20 (0.29)	- (-)	- (-)	8.67 (15.34)	9.58 (16.62)
Recovery of Professional Technical & Outsourcing expenses from {Footnote (xii)}	0.06 (0.04)	- (-)	- (-)	- (-)	- (-)	0.06 (0.04)
Recovery of other expenses from {Footnote (xiii)}	106.94 (54.54)	3.89 (5.40)	- (-)	- (-)	7.01 (4.45)	117.84 (64.39)
Recovery of Employee Benefits expenses by {Footnote (xiv)}	- (-)	- (-)	- (-)	- (-)	- (0.42)	- (0.42)
Recovery of Professional Technical & Outsourcing expenses by {Footnote (xv)}	83.17 (51.90)	- (-)	- (-)	- (-)	- (-)	83.17 (51.90)
Recovery of other expenses by {Footnote (xvi)}	15.40 (27.23)	- (-)	- (-)	1.82 (1.66)	12.05 (0.66)	29.27 (29.55)
Royalty paid {Footnote (xvii)}	1.91 (4.54)	- (-)	- (-)	- (-)	- (-)	1.91 (4.54)
Investments made {Footnote (xviii)}	404.56 (101.70)	- (-)	- (-)	- (-)	- (-)	404.56 (101.70)

Investment received back {Footnote (xix)}	403.36 (439.80)	- (-)	- (-)	- (-)	- (-)	403.36 (439.80)
Loans Given {Footnote (xx)}	99.70 (-)	- (-)	- (-)	- (-)	- (1.00)	99.70 (1.00)
Loans Given Received Back {Footnote (xxi)}	- (-)	- (-)	- (-)	- (-)	- (1.00)	- (1.00)
Inter Corporate Deposits Taken {Footnote (xxii)}	- (199.00)	- (-)	- (-)	- (-)	- (-)	- (199.00)
Repayment of Inter Corporate Deposits taken {Footnote (xxiii)}	- (175.50)	- (-)	- (-)	- (-)	- (-)	- (175.50)
Interest Income {Footnote (xxiv)}	5.45 (3.49)	- (-)	- (-)	- (-)	- (0.08)	5.45 (3.57)
Interest expenditure {Footnote (xxv)}	- (16.30)	- (-)	- (-)	- (-)	- (-)	- (16.30)
Remuneration {Footnote (xxvi)}	- (-)	- (-)	30.28 (8.06)	- (-)	- (-)	30.28 (8.06)
Other Income {Footnote (xxvii)}	25.99 (45.25)	- (-)	- (-)	- (-)	- (-)	25.99 (45.25)
Dividend Income {Footnote (xxviii)}	- (430.97)	130.44 (-)	- (-)	- (-)	- (-)	130.44 (430.97)
Provision for Doubtful Debts and Advances {Footnote (xxix)}	- (3.14)	- (-)	- (-)	- (-)	- (-)	- (3.14)
Recovery of Corporate Guarantee Charges {Footnote (xxx)}	3.36 (-)	- (-)	- (-)	- (-)	- (-)	3.36 (-)
Payment of Guarantee & Collaterals {Footnote (xxxi)}	8.92 (-)	- (-)	- (-)	- (-)	- (-)	8.92 (-)

Note:- Refer Notes 19 and 20 for guarantees, collaterals and commitments and Note 31 for the Scheme.

Footnotes:-

- i) Previous year figures are given in parenthesis.
- ii) **Includes Purchase of Goods from:**
 - Naya Bazaar Novelties Pvt. Limited Rs. 0.48 Million (Previous year Rs. 0.59 Million)
 - Hole-in-the-Wall Education Limited Rs. 0.05 Million (Previous year Rs. 0.03 Million)
 - NIIT Yuva Jyoti Limited Rs. Nil (Previous year Rs. 2.80 Million)
 - NIIT Foundation Rs. Nil (Previous year Rs. 0.76 Million)
- iii) **Includes Sale of Goods to:**
 - NIIT Yuva Jyoti Limited Rs. Nil (Previous year Rs. 0.43 Million)
- iv) **Includes Purchase of Fixed Assets (including services received for development of intangible assets) from:**
 - NIIT (USA) Inc. Rs. Nil (Previous year Rs. 11.51 Million)
 - NIIT Yuva Jyoti Limited Rs. Nil (Previous year Rs. 0.48 Million)
- v) **Includes Sale of Fixed Assets to:**
 - NIIT Institute of Finance, Banking & Insurance Training Limited Rs. 0.44 Million (Previous year Rs. Nil)
 - NIIT Institute of Information Technologies Rs. 0.05 Million (Previous year Rs. Nil)
 - NIIT Yuva Jyoti Limited Rs. Nil (Previous year Rs. 0.93 Million)
- vi) **Includes sale of Services to:**
 - NIIT (USA) Inc. Rs. 810.14 Million (Previous year Rs. 792.96 Million)
 - NIIT Antilles NV, Netherlands Antilles Rs. 21.54 Million (Previous year Rs. 18.73 Million)
 - NIIT Limited, UK Rs. 208.92 Million (Previous year Rs. 108.66 Million)
 - NIIT Technologies Limited Rs. 2.01 Million (Previous year Rs. Nil)
 - NIIT Institute of Process Excellence Limited Rs. 4.18 Million (Previous year Rs. 5.81 Million)

Hole-In-The-Wall Education Limited Rs. 0.09 Million (Previous year Rs. Nil)
 NIIT GIS Limited Rs. 0.08 Million (Previous year Rs. Nil)
 NIIT Malaysia, Sdn, Bhd Rs. 0.76 Million (Previous year Rs. Nil)
 NIIT University Rs. 1.29 Million (Previous year Rs. 2.27 Million)
 NIIT Institute of Finance Banking and Insurance Training Limited Rs. 12.31 Million (Previous year Rs. 10.73 Million)
 NIIT Smart Serve Limited Rs. 0.03 Million (Previous year Rs. Nil)

vii) Includes Purchase of services-Employee Cost from:

NIIT Institute of Process Excellence Limited Rs. 0.71 Million (Previous year Rs. Nil)
 NIIT University Rs. 0.36 Million (Previous year Rs. Nil)
 Evolv Services Limited Rs. Nil (Previous year Rs. 1.75 Million)

viii) Includes Purchase of services- Professional and Technical Outsourcing Expense from:

NIIT University Rs. 4.77 Million (Previous year Rs. 11.53 Million)
 Evolv Services Limited Rs. Nil (Previous year Rs. 22.40 Million)
 NIIT Institute of Finance Banking and Insurance Training Limited Rs. 7.26 Million (Previous year Rs. 0.90 Million)
 NIIT Institute of Process Excellence Limited Rs. 11.19 Million (Previous year Rs. 12.57 Million)
 NIIT USA Inc. Rs. 11.11 Million (Previous year Rs. 3.73 Million)

ix) Includes Purchase of services- Others from:

NIIT Institute of Process Excellence Limited Rs. 0.81 Million (Previous year Rs. Nil)
 NIIT Yuva Jyoti Limited Rs. 10.98 Million (Previous year Rs. Nil)
 NIIT Technologies Limited Rs. 19.92 Million (Previous year Rs. 19.77 Million)
 NIIT University Rs. 2.38 Million (Previous year Rs. 0.20 Million)
 NIIT Network Services Limited Rs. 0.14 Million (Previous year Rs. Nil)
 NIIT Limited, UK Rs. 1.64 Million (Previous year Rs. Nil)

x) Includes Recovery from subsidiaries for Management Services:

NIIT Antilles N.V. Rs. 11.60 Million (Previous year Rs. 12.73 Million)
 NIIT Institute of Finance Banking and Insurance Training Limited Rs. 16.23 Million (Previous year Rs. 16.82 Million)
 NIIT Institute of Process Excellence Limited Rs. 5.65 Million (Previous year Rs. 4.29 Million)
 NIIT (USA) Inc. Rs. 8.93 Million (Previous year Rs. 5.27 Million)
 NIIT Yuva Jyoti Limited Rs. 10.03 Million (Previous year Rs. 6.64 Million)
 NIIT Limited, UK Rs. 3.42 Million (Previous year Rs. 1.69 Million)
 Hole-In-The-Wall Education Limited Rs. 75.63 Million (Previous year Rs. 0.34 Million)
 NIIT Malaysia, Sdn, Bhd Rs. 0.03 Million (Previous year Rs. Nil)

xi) Includes Recovery of Employee Benefit Expenses from:

NIIT University Rs. 8.63 Million (Previous year Rs. 15.32 Million)
 NIIT Institute of Finance Banking and Insurance Training Limited Rs. 0.54 Million (Previous year Rs. 0.20 Million)
 NIIT Yuva Jyoti Limited Rs. 0.13 Million (Previous year Rs. 0.72 Million)
 Hole-In-The-Wall Education Limited Rs. 0.01 Million (Previous year Rs. 0.02 Million)
 NIIT Institute of Process Excellence Limited Rs. 0.03 Million (Previous year Rs. 0.03 Million)
 NIIT Technologies Limited Rs. 0.20 Million (Previous year Rs. 0.29 Million)
 NIIT Foundation Rs. 0.04 Million (Previous year Rs. Nil)

xii) Includes Recovery of Professional technical and outsourcing expenses from:

Hole-In-The-Wall Education Limited Rs. 0.01 Million (Previous year Rs. Nil)
 NIIT Institute of Finance Banking and Insurance Training Limited Rs. 0.02 (Previous year Rs. 0.03 Million)

NIIT Yuva Jyoti Limited Rs. 0.02 Million (Previous year Rs. Nil)

NIIT Institute of Process Excellence Limited Rs. 0.01 Million (Previous year Rs. Nil)

xiii) Includes Recovery of other Expenses from:

NIIT Institute of Finance Banking and Insurance Training Limited Rs. 39.00 Million (Previous year Rs. 30.23 Million)

NIIT (USA) Inc. Rs. 12.40 Million (Previous year Rs. 10.64 Million)

NIIT Yuva Jyoti Limited Rs. 10.96 Million (Previous year Rs. 8.47 Million)

Hole-In-The-Wall Education Limited Rs. 30.43 Million (Previous year Rs. 1.59 Million)

NIIT Antilles N.V. Rs. 0.39 Million (Previous year Rs. 0.06 Million)

NIIT Institute of Process Excellence Limited Rs. 2.07 Million (Previous year Rs. 1.97 Million)

NIIT University Rs. 4.43 Million (Previous year Rs. 2.39 Million)

NIIT Limited, UK Rs. 11.69 Million (Previous year Rs. 0.16 Million)

NIIT Technologies Limited Rs. 3.89 Million (Previous year Rs. 5.00 Million)

NIIT Foundation Rs. 2.58 Million (Previous year Rs. 1.06 Million)

NIIT GIS Limited Rs. 0.03 Million (Previous year Rs. 0.40 Million)

NIIT Smart Serve Limited Rs. 0.01 Million (Previous year Rs. Nil)

xiv) Includes Recovery of Employee benefit Expenses by:

NIIT University Rs. Nil (Previous year Rs. 0.42 Million)

xv) Includes Recovery of Professional technical and outsourcing expenses by:

NIIT Limited UK Rs. 83.17 Million (Previous year Rs. 51.90 Million)

xvi) Includes Recovery of other Expenses by:

NIIT Institute of Finance Banking and Insurance Training Limited Rs. 6.78 Million (Previous year Rs. 8.81 Million)

NIIT (USA) Inc. Rs. 8.62 Million (Previous year Rs. 12.67 Million)

Renuka Thadani Rs. 1.09 Million (Previous year Rs. 0.99 Million)

Veena Oberoi Rs. 0.73 Million (Previous year Rs. 0.66 Million)

NIIT Limited, UK Rs. Nil (Previous year Rs. 5.02 Million)

NIIT University Rs. 11.04 Million (Previous year Rs. Nil)

NIIT Foundation Rs. 0.28 Million (Previous year Rs. Nil)

Pace Industries Pvt. Ltd. Rs. 0.73 Million (Previous year Rs. 0.66 Million)

xvii) Includes Royalty paid to:

NIIT Institute of Finance Banking and Insurance Training Limited Rs. 1.91 Million (Previous year Rs. 4.17 Million)

Evolv Services Limited Rs. Nil (Previous year Rs. 0.37 Million)

xviii) Represents Investments made in:

NIIT Antilles N.V. Rs. 404.56 Million (Previous year Rs. Nil)

NIIT Yuva Jyoti Limited Rs. Nil (Previous year Rs. 101.70 Million)

xix) Represents Investments received back from:

NIIT (USA) Inc., USA Rs. 403.36 Million (Previous year Rs. 439.80 Million)

xx) Loans Given relates to:

NIIT Institute of Finance, Banking & Insurance Training Limited Rs. 45.00 Million (Previous year Rs. Nil)

Hole-In-The-Wall Education Limited Rs. 54.70 Million (Previous year Rs. Nil) [Footnote (ii)]

NIIT Foundation Rs. Nil (Previous year Rs. 1.00 Million)

xxi) Loans Given Received Back relates to:

NIIT Foundation Rs. Nil (Previous year Rs. 1.00 Million)

xxii) Inter Corporate Deposits Taken from:

Scantech Evaluation Services Limited Rs. Nil (Previous year Rs. 199.00 Million)

xxiii) Repayment of Inter Corporate Deposits taken:

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

xxiv) Interest Income from:

Hole-in-the-Wall Education Limited Rs. 5.43 Million (Previous year Rs. 3.49 Million)

NIIT Institute of Finance, Banking & Insurance Training Limited Rs. 0.02 Million (Previous year Rs. Nil)

NIIT Foundation Rs. Nil (Previous year Rs. 0.08 Million)

xxv) Interest Expenditure includes:

Scantech Evaluation Services Limited Rs. Nil (Previous year Rs. 16.30 Million)

xxvi) Remuneration to:

Rajendra S Pawar Rs. 4.38 Million (Previous year Rs. 2.64 Million)

Vijay K Thadani Rs. 5.37 Million (Previous year Rs. 2.69 Million)

P Rajendran Rs. 20.53 Million (Previous year Rs. 2.73 Million)

xxvii) Other Income includes:

NIIT Antilles NV, Netherlands Antilles Rs. 25.99 Million (Previous year Rs. 43.58 Million)

NIIT Institute of Finance Banking and Insurance Training Limited Rs. Nil (Previous year Rs. 1.07 Million)

xxviii) Dividend Income includes:

NIIT Technologies Limited Rs. 130.44 Million (Previous year Rs. Nil)

Scantech Evaluation Services Limited Rs. Nil (Previous year Rs. 103.06 Million)

NIIT (USA) Inc., USA Rs. Nil (Previous year Rs. 327.91 Million)

xxix) Provision for Doubtful Debts and Advances

Hole-in-the-Wall Education Limited Rs. Nil (Previous year Rs. 3.14 Million)

xxx) Recovery of Corporate Guarantee Charges

NIIT USA Inc. Rs. 2.65 Million (Previous year Rs. Nil)

NIIT Yuva Jyoti Limited Rs. 0.71 Million (Previous year Rs. Nil)

xxxi) Payment of Guarantee & Collaterals

Hole-in-the-Wall Education Limited Rs. 8.92 Million (Previous year Rs. Nil)

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

(Rs. Million)

Particulars	As at March 31, 2015		As at March 31, 2014	
	Recoverable	Payables	Recoverable	Payables
Subsidiaries	469.65	69.04	437.28	272.27
Associates	4.65	10.65	2.82	4.55
Parties in which Key Managerial Personnel of the Company are interested	11.33	8.84	1.91	1.94

Footnotes:-

- Refer Notes 19 and 20 for guarantees, collaterals and commitments as at the year end.
- Loan of Rs. 29.70 Million extended during the year and Rs. 25.70 Million given as a fresh loan.

- 38 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, 2015	Year ended March 31, 2014
Opening Capital -Work-in progress	108.07	116.90
Less:- Reduction on account of transfer of School Business Undertaking (Refer Note 31)	(57.29)	-
Add:-Expenditure during the Year		
Salary and other Employee Benefits	46.21	84.25
Professional & Technical Outsourcing Expense	1.36	31.85
Rent	6.71	17.36
Other Expenses	3.78	12.52
Less:-Intangible capitilised during the year	(73.79)	(154.81)
Closing Capital Work-in progress	35.05	108.07

- 39 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, 2015	As at March 31, 2014	2014-15	2013-14
Hole-in-the-Wall Education Limited	54.70	29.70	54.70	29.70
NIIT Institute of Finance Banking and Insurance Training Limited	45.00	-	45.00	-
NIIT Foundation	-	-	-	1.00
Total	99.70	29.70	99.70	30.70

40 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	1,903.31 (3,804.75)	10,715.51 (7,518.39)	155.96 (289.72)
America	814.72 (805.07)	- (-)	- (-)
Europe	541.50 (323.29)	- (-)	- (-)
Asia Pacific	225.91 (268.82)	5.64 (5.23)	- (0.03)
Total	3,485.44 (5,201.93)	10,721.15 (7,523.62)	155.96 (289.75)

Also includes impact on account of Scheme of Arrangements (Refer Note 31)

Previous year figures are given in parenthesis.

41 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, 2015	As at March 31, 2014
Not later than 1 year	67.92	78.11
Later than 1 year but not later than 5 years	73.58	50.12

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

(Rs. Million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
In respect of Premises*	241.89	319.76
In respect of Equipments**	31.70	200.94
In respect of Vehicles	19.72	20.03

* 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, 2015			As at March 31, 2014		
	Gross Value	Accumulated Depreciation	Net Book Value	Gross Value	Accumulated Depreciation	Net Book Value
Buildings	32.24	11.04	21.20	32.24	10.51	21.73

The aggregate depreciation charged on the above assets during the year is Rs. 0.53 Million (Previous year Rs. 0.54 Million)

b) Finance Leases:

i. Assets acquired under finance lease comprise intangibles (Contents/ Products). There are no exceptional/ restrictive covenants in the lease agreement.

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, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Not later than 1 year	-	27.56	-	25.61
Later than 1 year but not later than 5 years	-	-	-	-

Particulars	As at March 31, 2015	As at March 31, 2014
Minimum Lease Payments	-	27.56
Less : Finance Charges	-	1.95
Present Value of Lease Payments	-	25.61

42 Derivative Instruments

a) 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 as per agreement

b) The following table summarises the movement in the derivatives during the current year: (USD Million)

Particulars	As at March 31, 2015	As at March 31, 2014
Opening balance as at beginning of the year	12.00	12.00
Additions during the current year	16.05	-
Pre-payment during the year	(12.00)	-
Closing balance as at the end of the year	16.05	12.00

c) An amount of Rs.45.95 Million (Previous year Rs. 2.99 Million) (net) has been charged to Hedging Reserve in the Balance Sheet (Refer Note 4).

d) The Company has the following Unhedged foreign currency exposure as at year end:

Particulars	Currency	As at March 31, 2015		As at March 31, 2014	
		Amount in respective currency (Million)	Amount (Rs. Million)	Amount in respective currency (Million)	Amount (Rs. Million)
Trade Receivables	AUD	0.01	0.29	0.01	0.34
	EUR	0.03	1.97	-	-
	GBP	1.07	98.59	0.77	77.13
	MYR	0.06	0.96	0.01	0.20
	SGD	0.03	1.22	0.03	1.28
	USD	5.78	360.30	5.93	356.35
Trade Payables	AUD	0.01	0.44	-	-
	EUR	0.19	13.05	0.05	3.87
	GBP	0.05	4.30	0.04	4.42
	NOK	4.30	33.25	5.12	51.33
	AED	0.00	0.07	-	-
	BRL	0.00	0.06	-	-
	SGD	0.00	0.22	0.00	0.05
	USD	0.62	38.36	0.48	28.60
Bank Balances	CNY	0.01	0.14	0.01	0.14
	NOK	0.00	0.02	0.01	0.11
	USD	0.00	0.28	0.00	0.27

43 Previous year figures have been regrouped/ reclassified to conform the current year classification. Figures for the previous years are not comparable pursuant to the effect of the Scheme as stated in Note 31.

Signatures to Notes '1' to '43' of these Financial Statements.

For and on behalf of the Board

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

Rajendra S Pawar
Chairman
DIN - 00042516

Vijay K Thadani
Vice-Chairman & Managing Director
DIN - 00042527

Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Advisor

Rohit Kumar Gupta
Chief Financial Officer

Mukesh Kumar
Company Secretary

Place : New Delhi
Date : July 17, 2015

To the Members of NIIT Limited

Report on the Consolidated Financial Statements

1. This report is issued in supersession of our earlier report dated May 27, 2015 to the extent of matters stated in paragraph 9 below.
2. We have audited the accompanying consolidated financial statements of NIIT Limited ("hereinafter referred to as the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and associate company; (refer Note 2.1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

3. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

4. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. 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 auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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 of the consolidated state of affairs of the Group and its associate as at March 31, 2015, their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

9. We draw attention to Notes 2.2 and 32 of these updated financial statements relating to the receipt of the opinion from the Expert Advisory Committee of Institute of Chartered Accountants of India ('EAC opinion') subsequent to the date of approval of the financial statements by the Board of Directors on May 27, 2015, but prior to placing of these in the Annual General Meeting for consideration by the shareholders, regarding accounting for the Scheme of Arrangement ('the Scheme') for amalgamation of the wholly owned subsidiaries by applying the purchase method of accounting in compliance with Accounting Standard 14 : Accounting for Amalgamation (AS 14) and generally accepted accounting principles in India and the financial impact thereof. Pending receipt of the said opinion, the assets and liabilities of the amalgamating companies under the Scheme were recognized at their book values in accordance with the pooling of interest method of accounting as specified in AS 14 in the financial statements referred above. Subsequent to the receipt of the EAC opinion which requires the accounting of the Scheme by applying the purchase method, the Board of Directors have decided to give effect of the same and therefore, the financial statements as approved on May 27, 2015 and our audit report of even date, stand updated only to the extent of this revision. Our procedures on subsequent events are restricted solely to this amendment in the financial statements. Our report is not qualified in respect of this matter.

Other Matters

10. We did not audit the financial statements of 18 subsidiaries, whose financial statements reflect total assets of Rs. 2,183 million and net assets of Rs. 1,200 million as at March 31, 2015, total revenue of Rs. 4,162 million, net loss of Rs. 482 million and net cash flows amounting to Rs. 167 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and associate company incorporated in India (Refer Note 2.1 to the consolidated financial statements), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law have been maintained by the Holding Company, its subsidiaries included in the Group and associate company incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and associate company

incorporated in India including relevant records relating to the preparation of the consolidated financial statements.

- (d) In our opinion, aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2015 on the consolidated financial position of the Group and its associate – Refer Note 19 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2015 – Refer: (a) Note 10 to the consolidated financial statements in respect of such items as it related to the Group and its associate and (b) the Group's share of net profit in respect of its associate.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, subsidiary companies and associate company incorporated in India, during the year ended March 31, 2015.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Place: New Delhi
Date: July 17, 2015

Usha Rajeev
Partner
Membership Number 087191

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the Members of NIIT Limited on the Consolidated Financial Statements as of and for the year ended March 31 2015.

- i. (a) The Holding Company, its subsidiaries, and associate incorporated in India are maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the respective Managements of the Holding Company, its subsidiaries, and associate incorporated in India 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 aforesaid Holding Company, its subsidiaries, and associate and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the respective Managements of the aforesaid Holding Company, its subsidiaries and associate during the year and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory has been physically verified by the respective Managements of the Holding Company and its subsidiaries incorporated in India during the year. In our opinion, the frequency of verification is reasonable.

The audit report dated May 5, 2015 in case of NIIT Technologies Limited, an associate of the Holding Company, reports as follows:

"The inventory (excluding stocks in transit in case of NIIT Technologies Limited) has been physically verified by the respective managements of NIIT Technologies Limited and one of its subsidiary incorporated in India during the year. According to the information and explanations given to us, NIIT Technologies Limited procures inventories specifically for the purpose of executing certain contracts and the inventory-in-transit has been certified by the management. In our opinion, and based on reports received from the other auditors, the frequency of verification is reasonable. The other two subsidiaries of associate incorporated in India do not hold any inventory and hence the provisions of clause 3(ii)(a) are not applicable to them."

- (b) In our opinion, the procedures of physical verification of inventory followed by the respective Managements of the Holding Company, its subsidiaries and associate incorporated in India are reasonable and adequate in relation to the size of the aforesaid Holding Company, its subsidiaries and associate and the nature of their respective businesses.

The audit report dated May 5, 2015 in case of NIIT Technologies Limited, an associate of the Holding Company, reports as follows:

"The other two subsidiaries of associate incorporated in India do not hold any inventory and hence the provisions of clause 3(ii)(b) are not applicable to them."

- (c) On the basis of our examination of the inventory records and the reports of the other auditors, in our opinion, the Holding Company, its subsidiaries and associate incorporated in India are maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory of the aforesaid Holding Company, its subsidiaries and associate as compared to the respective book records were not material.

The audit report dated May 5, 2015 in case of NIIT Technologies Limited, an associate of the Holding Company, reports as follows:

"The other two subsidiaries of associate incorporated in India do not hold any inventory and hence the provisions of clause 3(ii)(c) are not applicable to them."

- iii. The Holding Company has granted unsecured loans to two of its wholly owned subsidiaries covered in the register maintained under Section 189 of the Act. The Holding Company has not granted any secured/unsecured loan to firms or other parties covered in the register maintained under Section 189 of the Act.

- (a) The repayment terms of unsecured loans granted in the previous years to one of its wholly owned subsidiary as referred to in clause (iii) above have been extended. The outstanding loan which is considered doubtful of recovery has been provided for in the books of account.

The audit report dated May 5, 2015 in case of NIIT Technologies Limited, an associate of the Holding Company, reports as follows:

"NIIT Technologies Limited and basis the reports of other auditors, one of its subsidiaries incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the aforesaid Holding Company and its one subsidiary.

Basis the reports of other auditor, one subsidiary of NIIT Technologies Limited has granted an unsecured loan, to the Holding Company covered in register maintained under Section 189 of the Act during the year. The maximum amount involved during the year and year-end balance of such loan aggregates to Rs. 200 Million and Rs. 200 Million respectively.

Basis the reports of other auditor, one subsidiary of NIIT Technologies Limited had granted an unsecured loan, to the Holding Company covered in register maintained under Section 189 of the Act during the previous year. The maximum amount involved during the year and year-end balance of such loan aggregates to Rs. 150 Million and Rs. Nil respectively."

- (b) In respect of the aforesaid loans, in the cases where the overdue amount is more than Rupees One Lakh, in our opinion, reasonable steps have been taken by the Holding Company for the recovery of the principal amounts and interest.

Based on the examination of records of two subsidiaries audited by us, reports of other auditor received in respect of two subsidiaries not audited by us incorporated in India, the subsidiaries incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189, of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the aforesaid Companies.

The audit report dated May 5, 2015 in case of NIIT Technologies Limited, an associate of the Holding Company, reports as follows:

"Basis the reports of the other auditors, in respect of the aforesaid loans, there is no overdue amount of more than Rupees One Lac."

- 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 Holding Company, its subsidiaries, and associate incorporated in India and the nature of their respective businesses 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 aforesaid Holding Company and the reports of the other auditor or on two subsidiaries, and associateas furnished to us, 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. The Holding Company, its subsidiaries, and associate incorporated in India have not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Holding Company and a subsidiary (NIIT Institute of Finance Banking and Insurance Training Limited), incorporated in India in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and based on such review, are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

In respect of the associate and based on the report of other two auditors in case of subsidiaries incorporated in India, the Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the aforesaid companies incorporated in India.

In respect of one subsidiary (NIIT Yuva Jyoti Limited) of the Holding Company, as the overall turnover from all products and services during the immediate preceding financial year did not exceed rupees thirty five crore, the Company is not required to maintain cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

- vii. (a) In our opinion, and according to the information and explanations given to us and the records of the Holding Company examined by us, the Holding Company is generally regular in depositing undisputed statutory dues in respect of income tax (tax deducted at source), service tax, works contract tax, professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, wealth tax, duty of customs, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.

Based on the report of the other auditor received in respect of one subsidiary (NIIT Institute of Process Excellence Limited) incorporated in India, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable with the appropriate authorities.

Based on the report of one subsidiary (NIIT Yuva Jyoti Limited) incorporated in India, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, service tax, value added tax and other material statutory dues, as applicable, with the appropriate authorities.

Based on the report of other auditor in respect of one subsidiary (Hole-in-the-Wall-Education Limited) incorporated in India, the Company is generally regular in depositing undisputed statutory dues in respect of Service tax, works contract tax and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including tax deducted at source, provident fund, employees' state insurance, sales tax, value added tax and duty of customs, and other material statutory dues, as applicable with appropriate authorities.

Based on the report of one subsidiary (NIIT Institute of Finance Banking and Insurance Training Limited), the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax and other material statutory dues, as applicable, with the appropriate authorities.

The audit report dated May 5, 2015 in case of NIIT Technologies Limited, an associate of the Holding Company, reports as follows:

"According to the information and explanations given to us and the records of NIIT Technologies Limited examined by us, in our opinion, the associate company is generally regular in depositing undisputed statutory dues in respect of income tax, service tax and value added tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, wealth tax, duty of customs, duty of excise, and other material statutory dues, as applicable, with the appropriate authorities. Based on the reports of the other auditors of the associate company subsidiaries incorporated in India, the associate company subsidiaries are generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities."

- (b) According to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the Holding company's subsidiaries, and associate incorporated in India the particulars of dues of income tax, sales tax and service tax as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the Company	Relationship	Name of the statute	Nature of dues	Amount (Rs. Millions)	Period to which the amount relates	Forum where the dispute is pending
NIIT Limited	Holding Company	Andhra Pradesh General Sales Tax Act, 1957	Works Contract Tax	31.32	2001-2004	Supreme Court of India
		Central Sales Tax Act, 1956	Sales Tax	22.35	June 2005 to November 2011	Appellate Deputy Commissioner (A), Hyderabad
			Sales Tax	2.50	2011-2012	Joint Commissioner, Kolkata
		Finance Act, 1994	Service Tax	20.98	2004-2005	Custom Excise & Service Tax Appellate Tribunal
		Customs Act, 1962	Customs Duty	4.70	2012-13 and 2013-14	Directorate of Revenue Intelligence, Jaipur
		Income Tax Act, 1961	Income Tax	0.41	2004-2005	Income Tax Appellate Tribunal
			Income Tax	30.87	2009-10	Income Tax Appellate Tribunal
			Income Tax	20.39	2010-11	Commissioner of Income Tax (Appeals)
			Income Tax	53.46	2011-12	Commissioner of Income Tax (Appeals)
			Income Tax	51.48	2007-08	Income Tax Appellate Tribunal
NIIT Technologies Limited	Associate	Income Tax Act, 1961	Income Tax Interest	31.04	2006-07	Income Tax Appellate Tribunal
			Income Tax Interest	17.39	2007-08	Income Tax Appellate Tribunal
			Income Tax Interest	101.59	2008-09	Income Tax Appellate Tribunal
			Income Tax Interest	7.45	2009-10	Income Tax Appellate Tribunal
			Income Tax Interest	1.77	2010-11	Commissioner of Income Tax (Appeal)
			Income Tax Interest	67.76	2010-11	Commissioner of Income Tax (Appeal)
Hole in the Wall Education Limited	Subsidiary	Central Sales Tax Act, 1956	Central Sales Tax (DVAT Department)	0.28	2010-11	Assistant Commissioner Department of Trade and Taxes, Govt. of NCT of Delhi
NIIT Institute of Finance Banking and Insurance Training Limited	Subsidiary	Finance Act, 1994	Service Tax	32.35	June 2008 to February 2010	Customs, Excise and Service Tax Appellate Tribunal

*In respect of associate full amount as reported has been disclosed.

In respect one subsidiary (NIIT Yuva Jyoti Limited) and based on the report of other auditor in case of subsidiary (NIIT Institute of Process Excellence Limited) incorporated in India, there are no dues of income-tax, sales-tax, service-tax or value added tax which have not been deposited on account of any dispute.

The audit report dated May 5, 2015 in case of NIIT Technologies Limited, an associate of the Holding Company, reports as follows:

- There is a demand of Rs. 40.38 Million by the Income Tax department for the AY 2006-07 and Rs. 54.37 Million for AY 2007-08 against which the subsidiary of associate has preferred an appeal to the Commissioner of Income Tax (Appeals) and demands set aside by CIT (A) matter now in departmental appeal at ITAT & favorable order received from ITAT.
 - There is a demand of Rs. 58.37 Million by the Income Tax department for the AY 2008-09 against which subsidiary of associate has preferred an appeal to the Commissioner of Income Tax (Appeals) and demands set aside by CIT (A) matter now in departmental appeal to ITAT.
 - There is a demand of Rs. 2.60 Million by the Income Tax department for the AY 2009-10 against which the subsidiary of associate has filed an appeal to the Commissioner of Income Tax (Appeals) & received the favorable order.
 - There is a demand of Rs. 33.79 Million by the Income Tax department for the AY 2010-11 against which the subsidiary of associate has preferred an appeal to the Commissioner of Income Tax (Appeals).
 - The Income Tax department has raised a demand of Rs. 13.91 Million for the AY 2011-12, primarily on account of disallowance of claim u/s 80IC of the Income Tax Act, 1961. The subsidiary of associate will file an appeal with the Commissioner of Income Tax (Appeals).
 - The Central Excise, Chandigarh raised a demand of Rs. 120.58 Million and equivalent amount of Rs. 120.58 Million as penalty. The subsidiary of associate has received an unconditional stay order from the Excise Tribunal against the said Order.
 - The Central Excise & Service Tax Chandigarh raised a demand of Rs. 42.35 Million. However, the subsidiary of associate has received the favorable order from the Commissioner Central Excise & Service Tax Chandigarh. Now department has filed a case against that order.
- c) There are no amounts required to be transferred by the Holding Company and its subsidiaries incorporated in India to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

Based on the examination of records of one associate (NIIT Technologies Limited) incorporated in India, the amount required to be transferred to Investor Education and Protection Fund by the aforesaid associate have been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

- viii. The Holding Company and associate incorporated in India have no accumulated losses as at the end of the financial year and they have not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

Based on the report of other auditor in respect of one subsidiary (Hole in the Wall Education Limited), incorporated in India, it has accumulated losses exceeding fifty percent of its networth as at the end of the financial year and it has not incurred cash losses during the financial year ended on that date but has incurred cash losses in the immediately preceding financial year.

Based on the examination of records of its one subsidiary (NIIT Institute of Finance Banking and Insurance Training Limited), incorporated in India, it has accumulated losses exceeding fifty percent of its networth as at the end of the financial year and has also incurred cash losses during the financial year ended on that date but had not incurred cash losses in the immediately preceding financial year.

Based on the examination of records of its one subsidiary (NIIT Yuva Jyoti Limited), as the Company is registered for a period less than five years, the provisions of Clause 3(viii) of the Order is not applicable to the Company.

Based on the report of other auditor in respect of one subsidiary (NIIT Institute of Process Excellence Limited) incorporated in India, the accumulated losses of the Company did not exceed fifty percent of its net worth 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.

The audit report dated May 5, 2015 in case of NIIT Technologies Limited, an associate of the Holding Company, reports as follows:

"Based on the reports of the other auditors, for one of the subsidiaries of the associate incorporated in India, the accumulated losses exceed fifty percent of its net worth as at March 31, 2015; and this subsidiary has also incurred cash losses during the financial year covered by our audit."

- ix. According to the records of the Holding Company examined by us and the information and explanation given to us and based on the report of the other auditor, the Holding Company, its subsidiary, and associate incorporated in India have not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

Based on the examination of records of two subsidiaries and report of the other auditor in respect of one subsidiary incorporated in India, they do not have any borrowings from any financial institution or bank nor have they issued any debentures as at the balance sheet date, the provisions of Clause 3(ix) of the Order are not applicable to the aforesaid companies.

- x. In our opinion, and according to the information and explanations given to us, the terms and conditions of charge on the assets of the Holding Company for loans taken by its subsidiaries from the banks 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 interest of the Holding Company.

Based on the examination of records of two subsidiaries, and reports of other auditors in respect of two subsidiaries, incorporated in India, the aforesaid subsidiaries have not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the aforesaid companies.

Based on the examination of records of one associate (NIIT Technologies Limited) incorporated in India, the terms and conditions of the guarantees given by the aforesaid associate amounting to Rs. 687 million for loans taken by others from banks or financial institutions during the year, are not considered prejudicial to the interest of the Company.

- xi. In our opinion, and according to the information and explanations given to us, the term loans obtained by the Holding Company and associate incorporated in India have been applied for the purposes for which they were obtained.

Based on the examination of records of two subsidiaries, and reports of the other auditors of two subsidiaries furnished to us, incorporated in India, the subsidiaries have not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the aforesaid subsidiaries.

- xii. During the course of our examination of the books and records of the Holding Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and based on the reports of the other auditors, we/ the other auditor have neither come across any instance of material fraud on or by the Holding Company, its subsidiaries and associate incorporated in India noticed or reported during the year, nor have we/ the other auditor been informed of any such case by the respective Managements of the aforesaid Holding Company, its subsidiaries and associate.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Usha Rajeev
Partner

Membership Number 087191

Place: New Delhi
Date: July 17, 2015

CONSOLIDATED BALANCE SHEET as at March 31, 2015

	Note	As at March 31, 2015 (Rs. Million)	As at March 31, 2014 (Rs. Million)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	330.35	330.30
Reserves and Surplus	4	6,966.81	6,411.87
		<u>7,297.16</u>	<u>6,742.17</u>
Minority Interest	5	60.32	76.03
Non-Current Liabilities			
Long-Term Borrowings	6	1,147.79	1,048.39
Deferred tax liabilities	13	29.32	41.57
Other Long-Term Liabilities	9	50.07	82.57
Long-Term Provisions	10	4.14	34.48
		<u>1,231.32</u>	<u>1,207.01</u>
Current Liabilities			
Short-Term Borrowings	7	217.27	15.63
Trade Payables	8	1,447.26	1,440.88
Other Current Liabilities	9	1,295.52	1,321.48
Short-Term Provisions	10	167.79	446.29
		<u>3,127.84</u>	<u>3,224.28</u>
TOTAL		<u>11,716.64</u>	<u>11,249.49</u>
ASSETS			
Non-current assets			
Fixed assets	11		
-Tangible Assets		682.68	1,072.52
-Intangible Assets		422.10	781.98
-Intangible Assets under Development		36.39	178.31
Non-Current Investments	12	5,258.46	2,896.59
Deferred Tax Assets	13	138.93	116.56
Long-Term Loans and Advances	14	811.43	714.02
Trade Receivables	15	297.54	435.07
Other Non-Current Assets	16	12.27	61.49
		<u>7,659.80</u>	<u>6,256.54</u>
Current Assets			
Current Investments	12	5.95	3.51
Inventories	17	44.86	55.49
Trade Receivables	15	1,874.69	2,542.10
Cash and Bank Balances	18	863.15	876.02
Short-Term Loans and Advances	14	672.68	854.43
Other Current Assets	16	595.51	661.40
		<u>4,056.84</u>	<u>4,992.95</u>
TOTAL		<u>11,716.64</u>	<u>11,249.49</u>

The accompanying Notes form an integral part of the 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
DIN - 00042516

Vijay K Thadani
Vice-Chairman & Managing Director
DIN - 00042527

Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Advisor

Rohit Kumar Gupta
Chief Financial Officer

Mukesh Kumar
Company Secretary

Place : New Delhi
Date : July 17, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2015

	Note	Year ended March 31, 2015 (Rs. Million)	Year ended March 31, 2014 (Rs. Million)
INCOME			
Revenue from Operations	23	9,573.82	9,509.96
[Includes revenue for prior period Rs. 4.89 Million (Previous year Nil)]			
Other Income [includes prior period income Nil (Previous year Rs.25.85 Million)]	24	131.38	101.56
Total Revenue		9,705.20	9,611.52
EXPENSES			
Purchase of Traded Goods		525.71	604.36
(Increase)/ Decrease in Inventory	17	10.63	40.18
Employee Benefits Expense	25	3,040.43	2,617.75
Professional & Technical Outsourcing Expenses		3,172.39	2,748.42
Finance Costs	28	138.04	163.36
Depreciation and Amortisation Expenses	11	1,072.79	778.70
Other Expenses	29	2,601.86	2,989.48
Total Expenses		10,561.85	9,942.25
Loss before Exceptional items and Tax		(856.65)	(330.73)
Exceptional items	31	(802.97)	66.67
Loss before Tax		(1,659.62)	(264.06)
Tax expense:			
- Current Tax		56.00	102.41
- Deferred Tax (Credit)/ Charge		(34.97)	79.78
- MAT Credit Entitlement		(5.55)	(52.50)
- Provision/ (Reversal) for Tax relating to earlier years	13	(3.72)	(36.96)
Loss after tax before Share of results of Associate's Profit and Minority Interests		(1,671.38)	(356.79)
Share of Associate's net profit		270.79	550.52
Net Loss/ (Profit) attributable to Minority		15.27	(16.03)
Profit/ (Loss) attributable to Equity shareholders		(1,385.32)	177.70
Earnings/ (Loss) per equity share (Face Value Rs. 2/- each):	34		
- Basic		(8.39)	1.08
- Diluted		(8.39)	1.08

The accompanying Notes form an integral part of the 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
DIN - 00042516

Vijay K Thadani
Vice-Chairman & Managing Director
DIN - 00042527

Usha Rajeev
Partner
Membership No. 087191
Place : New Delhi
Date : July 17, 2015

Ashok Arora
Group Chief Financial Advisor

Rohit Kumar Gupta
Chief Financial Officer

Mukesh Kumar
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2015

	Year ended March 31, 2015 (Rs. Million)	Year ended March 31, 2014 (Rs. Million)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Consolidated Loss before Exceptional Items, Tax and share of Associate's profits	(856.65)	(330.73)
Add/ (Less) :		
Depreciation and Amortisation	1,072.79	778.70
Finance Cost	138.04	163.36
Interest Income	(35.21)	(76.81)
Loss on Fixed Assets sold	6.88	1.10
Dividend Income from Current Investment	(0.46)	(0.37)
Provision for Doubtful Debts	48.75	103.58
Bad Debts written off	4.63	3.47
Provision for Doubtful Advances	3.23	0.87
Provision/ (Write back) for Slow/ Non-moving Inventory (Net)	(17.27)	(0.07)
Government Grants	(1.65)	(2.93)
Advances Written off	0.56	0.09
Liabilities/ Provisions no longer required written back	(42.09)	(1.62)
Unrealised Foreign Exchange (Gain)/ Loss	34.79	(58.50)
Employees Stock Option Expenses	0.11	1.29
Operating profit before Working Capital Changes	356.45	912.16
Movements in Working Capital:		
Increase/ (Decrease) Trade Payables	(94.08)	(482.47)
Increase/ (Decrease) Other Current Liabilities	(54.91)	29.86
Increase/ (Decrease) Other Long-Term Liabilities	(32.50)	(49.10)
Increase/ (Decrease) Provision for Gratuity & Compensated Absences	15.78	(11.49)
Increase/ (Decrease) Provision for Contingency	44.57	-
Increase/ (Decrease) Provision for Indemnity	(62.41)	(92.79)
(Increase)/ Decrease Current Trade Receivables	665.10	1,342.03
(Increase)/ Decrease Non Current Trade Receivables	(756.26)	(249.89)
(Increase)/ Decrease Inventories	24.69	16.05
(Increase)/ Decrease Short-Term Loans and Advances	216.51	(109.25)
(Increase)/ Decrease Long-Term Loans and Advances	(49.00)	72.00
(Increase)/ Decrease Other Current Assets	67.89	(67.17)
(Increase)/ Decrease Other Bank Balances	67.06	(214.54)
(Increase)/ Decrease Other Non-current Assets	49.22	106.08
Cash generated from operations	458.11	870.75
Direct Tax- (paid including TDS)/ refund received (net)	(132.27)	(253.58)
Net Cash from Operating activities before Exceptional Items	325.84	617.17
Exceptional Items (Other than those disclosed in Movements in Working Capital)	(18.12)	-
Net Cash from Operating activities (A)	307.72	617.17
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including Capital Work-in-progress, Internally Developed Intangibles and Capital Advances)	(432.36)	(515.40)
Proceeds from sale of Fixed Assets	61.88	15.67
Sale of Mutual Funds	295.46	1,924.07
Purchase of Mutual Funds	(295.00)	(1,923.00)
Purchase of Shares in Subsidiary from Minority	(0.44)	(3.86)
Dividend Received	130.44	123.20
Tax paid on dividend received from Subsidiary	-	(49.19)
Interest Received	33.21	19.49
Net Cash used in Investing activities (B)	(206.81)	(409.02)

Consolidated Cash Flow Statement for the year ended March 31, 2015

Contd..

	Year ended March 31, 2015 (Rs. Million)	Year ended March 31, 2014 (Rs. Million)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Receipt from issue of equity shares in subsidiaries		
from Minority Shareholders	-	11.30
Term Loan raised during the year in Foreign Currency	1,000.56	-
Term Loan repaid during the year in Foreign Currency	(650.96)	-
Proceeds from Long Term Borrowing	-	63.00
Proceeds from Short Term Borrowing	137.14	-
Proceeds/ (Payments) relating to Cash Credits (Net)	64.50	(4.49)
Redemption of Non Convertible Debentures	(166.67)	(366.66)
Issue of Shares under ESOP Scheme	0.05	-
Interest Paid	(140.70)	(168.12)
Dividend Paid	(263.14)	(262.71)
Dividend Tax Paid	(44.90)	(32.44)
Net Cash used in Financing activities (C)	(64.12)	(760.12)
Net Increase/ (Decrease) in Cash & Cash equivalents (A + B + C)	36.79	(551.97)
Adjustment on account of Foreign Exchange Fluctuations	17.40	155.42
Cash and Cash equivalents as at the beginning of the year (Note 1)	606.21	1,002.76
Cash and cash equivalents as at the end of the year	660.40	606.21

Notes:

- Cash and Cash equivalents

Balance with banks		
Current Accounts	517.01	471.70
[Includes Rs. 58.49 Million (Previous year Rs. 3.31 Million) pertaining to amount earmarked for specific contract]		
Exchange Earners' Foreign Currency Account	0.07	0.15
Bank deposits with original maturity of 3 months or less	113.79	92.92
Cheques and drafts on hand	23.37	32.45
Cash on hand	6.16	8.99
	660.40	606.21
- 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, 2013.
- Figures in parenthesis indicate cash outgo.
- Transfer/ Amalgamation of Assets and Liabilities pursuant to the Scheme of Arrangement (Refer Note 32) did not involve any cash inflow/ outflow.
- 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 the 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
DIN - 00042516

Vijay K Thadani
Vice-Chairman & Managing Director
DIN - 00042527

Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Advisor

Rohit Kumar Gupta
Chief Financial Officer

Mukesh Kumar
Company Secretary

Place : New Delhi
Date : July 17, 2015

1 CORPORATE INFORMATION

NIIT is a talent development company which was set up in 1981. NIIT ('the Company') currently offers learning and knowledge solutions across the globe to individuals, enterprises and various institutions.

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 are eliminated.

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

Name of Company	Proportion of ownership interest		Country of incorporation
	As at March 31, 2015 %	As at March 31, 2014 %	
1. Hole-in-the-Wall Education Limited	100	99.99	India
2. NIIT Institute of Finance Banking and Insurance Training Limited	80.30	80.30	India
3. Scantech Evaluation Services Limited (Amalgamated with NIIT Limited, Refer Note 32)	NA	100	India
4. NIIT Online Learning Limited (Amalgamated with NIIT Limited, Refer Note 32)	NA	90	India
5. Evolv Services Limited (Amalgamated with NIIT Limited, Refer Note 32)	NA	100	India
6. NIIT Institute of Process Excellence Limited	75	75	India
7. NIIT Yuva Jyoti Limited	90	90	India
8. NIIT (USA) Inc., USA	100	100	United States
9. NIIT Ventures Inc., USA [Amalgamated with NIIT (USA) Inc., USA w.e.f. December 1, 2014] (Refer Note 33)	NA	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	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. NIIT West Africa Limited	100	100	Nigeria
22. Qingdao NIIT Information Technology Company Limited	100	100	China
23. Chongqing An Dao Education Consulting Limited	65	65	China
24. Zhangjiagang NIIT Information Services Limited	60	60	China
25. Chengmai NIIT Information Technology Company Limited	100	100	China

- (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 except those stated at fair values pursuant to the Scheme (Refer Note 32) with consequential adjustments, 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, 2015)

Name of Associate Company	NIIT Technologies Limited Description of Business :- Software Services & Solutions and Integrated Systems	
	As at March 31, 2015	As at March 31, 2014
Proportion of ownership interest and voting power	23.74%	23.88%

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

- (i) These consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis except for assets and liabilities stated at fair values which are acquired pursuant to Scheme of Arrangement (Refer Note 32). Pursuant to the section 133 of the Companies Act, 2013, read with the rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, 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 other relevant provisions of the Companies Act, 2013 and/ or 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 III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

- (ii) The Board of Directors had approved a Composite Scheme of Arrangement ('the Scheme') between the Company and its erstwhile wholly-owned subsidiaries Scantech Evaluation Services Limited ('SESL'), Evolv Services Limited ('ESL'), NIIT Online Learning Limited ('NOLL') (also, collectively referred to as 'the amalgamating companies') and Hole-in-the-Wall Education Limited ('HiWEL' or 'the transferee company') and their respective shareholders and creditors under sections 391 to 394 of the Companies Act, 1956. The Scheme was approved by the shareholders and the Hon'ble High Court of Judicature at Delhi ('the Hon'ble High Court') on January 31, 2015 and May 8, 2015 respectively. The Scheme was filed with the Registrar of Companies on May 23, 2015 and became effective on the said date.

The Scheme allowed the Board of Directors to record the amalgamation in the financial statements in accordance with the applicable accounting standards and generally accepted accounting principles in India. The Board of Directors had decided to account for the Scheme by applying the purchase method of accounting whereby the assets and liabilities of the amalgamating companies were to be recognized at fair values in the books of the Company. Given the lack of clarity on whether such treatment would be in accordance with Accounting Standard 14: Accounting for Amalgamation (AS 14) and generally accepted accounting principles in India, the Company sought to clarify the accounting treatment from the Expert Advisory Committee of the Institute of Chartered Accountants of India ('EAC') on whether the assets and liabilities of the amalgamating entities (wholly owned subsidiaries) can be recognized, by applying purchase method of accounting. The opinion from the EAC was not received within the mandatory timeline for finalization of statutory accounts for listed companies. Consequently, the Board of Directors decided out of abundant caution, that pending receipt of the EAC opinion, the assets and liabilities of the amalgamating companies will be recognized in the financial statements at book value by applying the pooling of interest method and further decided that adjustments, if any, would be made upon the receipt of the opinion from the EAC (with effect from the appointed date).

Subsequent to the approval of such financial statements by the Board of Directors, but prior to placing of the financial statements in the Annual General Meeting for consideration by the shareholders, the Company has received the opinion from the EAC, wherein the EAC has opined that application of purchase method of accounting would be in compliance with AS 14 and generally accepted accounting principles in India. In view of the EAC opinion, the Board of Directors has decided to comply with the same and has decided to recognize the assets and liabilities at fair values by applying the purchase method, as originally intended, as against the pooling of interest method which was used in the financial statements approved earlier. Accordingly, the financial statements earlier approved on May 27, 2015 have been superseded only to this extent, including the related disclosures as explained in Note 32. The particulars with respect to accounting for the Scheme of Arrangement are detailed in Note 32.

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, net of accumulated depreciation and accumulated impairment losses, if any, except where they are taken over pursuant to an acquisition at a consolidated price. Individual fixed assets taken over pursuant to an acquisition are recorded at their fair value on the date of acquisition based on valuation carried out by independent valuers. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Consolidated Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the useful lives of the assets which in some cases are higher than the rates prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual useful life of the assets.

Description of Assets	Current Year	Previous Year
Buildings	58 Years	58 Years
Plant and Equipments including:		
- Computers, Printers and related accessories	3 Years	2-5 years
- Computer Servers and Networks	5 Years	
- Electronic Equipments	8 Years	
- Air Conditioners	10 Years	10 Years
Office Equipments	5 Years	8 years
Furniture, Fixtures & Electric Fittings	7 Years	7-10 years
Leasehold Improvements	3-5 years or lease period, whichever is lower	3-5 years or lease period, whichever is lower
Assets under employee benefits scheme except vehicles	3 Years	3 Years
Assets acquired under lease (Included under Plant & Equipment and Furniture & Fixtures)	Lease Period or useful life, whichever is shorter	Lease Period or useful life, whichever is shorter
All other assets (including Vehicles)	Rates prescribed under Schedule II to the Companies Act, 2013	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 or useful life assessed as above, whichever is shorter.

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". Expenses incurred during the research phase till the establishment of commercial feasibility is charged to the Consolidated Statement of Profit and Loss. Intangible Fixed Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses.

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

Particulars	Useful life
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 for their economic useful life each year for any impairment triggers as per Accounting Standard 28, "Impairment of Assets". 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 carried at their acquisition cost except those acquired at fair values pursuant to Scheme of Arrangement (Refer Note 32) . 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 (except those acquired pursuant to the Scheme at fair values) or market value, whichever is lower. Investments in Associates are accounted for based on "Equity Method" in accordance with provisions of Accounting Standard 23, "Accounting for Investments in Associates" in Consolidated Financial Statements and other relevant provisions of the Companies Act, 2013.

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 as per trade practice and agreed terms 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 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 hardware & 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 hardwares is recognised on delivery of the hardware when substantial risks and rewards of ownership in such hardware passes to the customer based on contractual terms of the respective contracts. Deferred Revenue represents amounts billed to customers in advance for products, services or subscriptions for which revenue is yet to be recognised.

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 Statement of Profit and Loss over the lease period of the respective product.

Revenue is net of trade 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 (using projected unit credit method) at the end of the year and any shortfall/ surplus in the fund size maintained by the Trust set up by the Company with Life Insurance Corporation of India (LIC) is charged/ credited to the Consolidated Statement of Profit and Loss.

Liability for certain entities which are not funded through the Trust maintained with Life Insurance Corporation of India, is actuarially determined at the end of the year using projected unit credit method 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.

Accumulated compensated absences, which are expected to be availed within twelve months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected undiscounted cost of accumulated compensated absences expected to be availed based on the unutilised entitlement at the year end.

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. The Group has no further obligations beyond its monthly contributions. 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 group'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 group'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 and charged to Consolidated Statement of Profit and Loss.

Pension Fund

The Group makes defined contribution to a government administered pension fund towards its pension plan on behalf of its employees. The Group has no further obligations beyond its monthly contributions and the 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.

National Pension System

The Group makes defined contribution towards National Pension System for certain employees for which Group has no further obligation. Contributions made during the year are charged to Consolidated Statement of Profit and Loss.

x) Employees Stock Option Plan (ESOP)

Equity settled stock options, 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 General Reserve 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 including buy back of equity, whether wholly or partially, of non-Indian subsidiaries, the proportionate 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 & 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, 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 on straight line basis as per the terms of the related agreements.

Finance lease transactions are considered as financing arrangements in accordance with Accounting Standard 19 "Leases" 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 measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdiction. 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 respective jurisdiction in future. MAT Credit is utilised in the year when normal income tax is higher than the Minimum Alternate Tax (MAT).

xvi) 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 "Accounting for Investments in Associates" in Consolidated Financial Statements.

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

xvii) 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.

xviii) 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.

(Rs. Million)

	As At	
	March 31, 2015	March 31, 2014
3 SHARE CAPITAL		
Authorised		
250,000,000 Equity Shares of Rs. 2/- each	500.00	500.00
(Previous year 250,000,000 Equity Shares of Rs. 2/- each)		
13,600,000 Equity Shares of Rs. 10/- each*	136.00	-
(Previous year Nil)		
150,000,000 Equity Shares of Re. 1/- each*	150.00	-
(Previous year Nil)		
2,500,000 Redeemable Preference Shares of Rs.100/- each	250.00	250.00
(Previous year 2,500,000 Redeemable Preference Shares of Rs.100/- each)		
350,000,000, 8.5% Cumulative Redeemable Preference Shares of Re. 1/- each *	350.00	-
(Previous year Nil)		
* Pursuant to the Scheme of Arrangement (Refer Note 32)		
	1,386.00	750.00
Issued		
165,176,597 Equity Shares of Rs. 2/- each	330.35	330.30
(Previous year 165,151,597 Equity Shares of Rs. 2/- each)		
	330.35	330.30
Subscribed and Paid-up		
165,170,597 Equity Shares of Rs. 2/- each	330.34	330.29
(Previous year 165,145,597 Equity Shares of Rs. 2/- each)		
Add: Forfeited Shares (amount originally paid-up)	0.01	0.01
	330.35	330.30

3.1 Reconciliation of the number of shares outstanding

As at

	March 31, 2015		March 31, 2014	
	No. of shares	Rs. Million	No. of shares	Rs. Million
Equity Shares				
Shares outstanding at the beginning of the year	165,145,597	330.29	165,095,597	330.19
Shares Issued during the year	25,000	0.05	50,000	0.10
Shares outstanding at the end of the year	165,170,597	330.34	165,145,597	330.29

3.2 Rights, preferences and restrictions attached to shares:

Equity Shares: The Company has issued 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, 2015		March 31, 2014	
	No. of shares	% of holding	No. of shares	% of holding
Pace Services Limited	23,503,913	14.23%	23,503,913	14.23%
Global Solutions Private Limited	22,527,346	13.64%	22,527,346	13.64%
Total	46,031,259	27.87%	46,031,259	27.87%

3.4 Shares reserved for issue under Employee Stock

Option Plan (ESOP) in the Company

	As at			
	March 31, 2015		March 31, 2014	
	No. of shares	Rs. Million	No. of shares	Rs. Million
Equity shares (For details refer Note 27)	3,717,081	7.43	2,185,973	4.37
Total	3,717,081	7.43	2,185,973	4.37

(Rs. Million)

4 RESERVES AND SURPLUS

	As at			
	March 31, 2015		March 31, 2014	
Capital Reserve				
Opening Balance	58.54		58.56	
Less: Adjustment on Amalgamation (Footnote 3)	(2.54)		-	
Add: Capital Reserve (on amalgamation) (Footnote 3)	5,172.28		-	
Less: Reversal of Capital Reserve on account of reduction on Preference share capital (Footnote 3)	(56.00)		-	
Less: Share in Capital Reserve of Associate	(0.01)	5,172.27	(0.02)	58.54
Securities Premium Reserve				
Opening Balance	593.32		575.36	
Less: Adjustment on Amalgamation (Footnote 3)	(55.47)		-	
Add: Additions during the year on account of exercise of ESOP's	1.07		2.15	
Add: Share in Share Premium of Associate	13.80	552.72	15.81	593.32
Debenture Redemption Reserve				
Opening Balance	77.38		156.15	
Less: Transferred to General Reserve	(41.67)		(91.67)	
Add: Transferred from Consolidated Statement of Profit and Loss	5.96	41.67	12.90	77.38
Employees Stock Option Outstanding				
ESOP Outstanding	2.16		4.31	
Less: Transferred to securities premium reserve on ESOP exercised	(1.07)		(2.15)	
Less: Transferred to General Reserve	(1.08)		-	
Less: Deferred Compensation Expense	(0.01)	-	(0.12)	2.04
General Reserve (Foot Note 1)				
Opening Balance	1,059.44		974.59	
Less: Adjustment on Amalgamation (Footnote 3)	(42.49)		-	
Add/ (Less): Share in General Reserve of Associate	(17.08)		(31.45)	
Add : Transferred from Debenture Redemption Reserve	41.67		91.67	
Add : Tranferred from Employee Stock Option Outstanding	1.08		-	
Add/ (Less) : Transferred from/ (to) Surplus in Consolidated Statement of Profit and Loss	(0.79)	1,041.83	24.63	1,059.44

(Rs. Million)

		As at	
	March 31, 2015	March 31, 2015	March 31, 2014
Hedging Reserve Account (Debit Balance) [Refer Note 45]			
Opening Balance	18.10	(30.66)	
Less: Adjustment on Amalgamation (Footnote 3)	(21.09)	-	
Add: Impact of restatement of derivative	69.75	(69.29)	
Add: Impact of restatement of interest	1.01	(0.03)	
Add: Movement in Derivative Instrument Fair Value Asset/ (Liability)	(113.72)	96.99	
Add: Share in Hedging Reserve of Associate	9.98	(35.97)	21.09
			18.10
Surplus in Consolidated Statement of Profit and Loss			
Balance Brought Forward from Previous year	3,966.94	4,133.43	
Less: Adjustment on Amalgamation (Footnote 3)	(2,597.20)	-	
Add : Current year profit attributable to Shareholders	(1,385.32)	177.70	
Less : Transitional impact consequent to change in useful lives of tangible fixed assets	(59.66)	-	
Less: Appropriations			
Proposed Dividend on Equity Shares	-	(264.23)	
Corporate Dividend Tax on above	-	(44.91)	
Reversal of Corporate Dividend Tax relating to previous year (Refer Foot Note 2)	-	11.72	
Transferred to/ (from) General Reserve	0.79	(24.63)	
Transferred to Debenture Redemption Reserve	(5.96)	(12.90)	
Share in Corporate Dividend Tax of Associate	(28.03)	(108.44)	(9.24)
			3,966.94
Government Grant - Fund			
Opening Balance	6.06	8.99	
Less: Income recognised during the year	(1.65)	4.41	(2.93)
			6.06
Currency Translation Reserve			
Opening Balance	630.05	467.44	
Less: Adjustment on Amalgamation (Footnote 3)	(201.01)	-	
Add : Share in Currency Translation Reserve of Associate	(47.45)	115.63	
Less : Reversal on account of repurchase of shares by subsidiary	(107.86)	(119.86)	
Add : Increase during the year on translation of balances	24.59	298.32	166.84
			630.05
Total	6,966.81	6,411.87	

Footnotes :

- General Reserve represents requirement to transfer specific sums to a General Reserve as per the local laws of respective jurisdiction.
- Reversal of Corporate Dividend Tax on account of partial set off of dividend income received from foreign subsidiary company Nil (previous year Rs. 11.72 Million).
- Refer Note 32 in respect of adjustment of reserves consequent to the Scheme.

(Rs. Million)

5 MINORITY INTEREST	As at	
	March 31, 2015	March 31, 2014
Opening Balance	76.03	49.41
Add : Increase in Minority Share Capital	-	11.30
Less: Decrease in Minority Share due to purchase from minority	(0.44)	(0.71)
Add/ (Less): Minority Share in Profit of Current year [Minority Share of loss of the subsidiary companies in excess of their interest Rs. 14.72 Million (Previous year Nil) has been absorbed by the Majority Shareholders]	(15.27)	16.03
Balance at the end of the year	60.32	76.03

6 LONG-TERM BORROWINGS	As at			
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Non-Current Portion		Current Maturities	
A) SECURED				
i) Non Convertible Debentures	-	166.67	166.67	166.67
ii) Term Loans from Banks:				
- Foreign Currency Term Loan	1,000.56	720.71	-	-
iii) Term Loans from Others	142.64	142.64	-	-
Sub Total (A)	1,143.20	1,030.02	166.67	166.67
B) UNSECURED				
i) Finance Lease Obligation	4.59	18.37	14.47	48.90
Sub Total (B)	4.59	18.37	14.47	48.90
Amount disclosed under the head "Other Current Liabilities" (Refer Note 9) (C)	-	-	(181.14)	(215.57)
Total (A+B+C)	1,147.79	1,048.39	-	-

6.1 Details of security given against Loans

- 12% Non Convertible Debentures issued to Life Insurance Corporation of India are secured by way of first charge on pari-passu basis on the immovable and movable fixed assets of the Company.
- During the current year, the Holding Company has availed FCY Loan for INR 1000 Million equivalent of USD 16.05 Million from Citi Bank N.A, India Branch, which was simultaneously fully hedged by converting it from the floating rate USD loan into fixed rate INR loan through USD INR Currency Swap at a Spot reference (USD INR) exchange rate of USD 1 = INR 62.30, through full maturity of the loan. The said loan is secured by way of whole of the company's tangible and intangible moveable fixed assets both present and future land and building of the Company at Sector 32, Gurgaon. The necessary formalities to create the security are under process as at the year end, as per the terms of agreements subsequent to the said loan. The rate of interest on fully hedged Equivalent amount of INR 1000 Million is fixed at 10.25% p.a. for the full tenure of the loan. The outstanding balance of earlier Foreign Currency Term Loan has been repaid in full during the year.
- The Holding Company is in the process of creating charge on assets transferred to Hole-in-the-Wall Education Limited in accordance with the Scheme of Arrangement (Refer Note 32).
- Term Loan from others comprises loan availed by NIIT Yuva Jyoti Limited ("NYJL") 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 of NYJL. The entire loan amount is also covered by a corporate guarantee from the Holding Company, NIIT Limited.

6.2 Terms of repayment

- (i) 12% Non Convertible Debentures are redeemable at par as follows:

Redemption Date	Rs. Million
October 20, 2015	166.67
	<u>166.67</u>

- (ii) Foreign Currency Term Loan is repayable as follows:

Repayment Date	Rs. Million
June 5, 2019	200.12
April 5, 2019	200.11
October 5, 2018	200.11
April 5, 2018	200.11
October 5, 2017	200.11
	<u>1,000.56</u>

- (iii) Term Loan from others is repayable in installments over a period of 10 years upto March 31, 2022 after the initial moratorium period upto March 31, 2017. Loan is interest free for period upto March 31, 2015 and thereafter, interest is chargeable at the rate of 7.5% p.a.

- (iv) Finance Lease Obligation is repayable in equated monthly installments during the tenure of lease.

(Rs. Million)

	As at	
	March 31, 2015	March 31, 2014
7 SHORT TERM BORROWINGS		
SECURED		
From Banks - Cash Credit	80.13	15.63
Working Capital Loan	137.14	-
Total	<u>217.27</u>	<u>15.63</u>

7.1 Details of Security given against Loans

- i) Cash Credit Limits are secured by hypothecation of stocks and book debts of NIIT Limited.
- ii) During the previous year, the Group availed working capital facility of USD 7.50 Million (INR 467.52 Million) (@ Libor + 2.50% per annum) with Bank of West in NIIT USA Inc. (USA). This facility was renewed during November 2014 for another period of 1 year. The Company has utilised USD 2.20 Million (INR 135.59 Million) as of March 31, 2015, out of the above stated facility.

(Rs. Million)

	As at	
	March 31, 2015	March 31, 2014
8 TRADE PAYABLES		
	Current	
Sundry Creditors	1,447.26	1,440.88
	<u>1,447.26</u>	<u>1,440.88</u>

	As at		
	March 31, 2015	March 31, 2014	March 31, 2014
9 OTHER LIABILITIES			
	Long-Term	Current	
Current Maturities of Long Term- Borrowings (Refer Note 6)	-	181.14	215.57
Interest accrued but not due on borrowings	-	4.75	8.43
Unpaid dividends *	-	10.54	9.45
Unclaimed fractional share payment	-	-	0.10
Security Deposits Payable	0.61	0.85	-
Deferred Revenue	0.75	47.31	63.97
Advances from Customers	46.15	495.83	542.63
Statutory Dues	-	130.47	121.18
Derivative instrument fair value liability (Refer Note 45)	-	47.43	-
Other Payables ** (Refer Note 40)	2.56	377.20	360.15
	<u>50.07</u>	<u>1,295.52</u>	<u>1,321.48</u>

* There are no amounts due for payment to the Investor Protection Fund as at the year end.

** Includes capital creditors and payable to employees.

(Rs. Million)

10 PROVISIONS

	As at			
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Long-Term		Short-Term	
Provision for Employee Benefits (Refer note 26):				
-Provision for Gratuity	-	-	28.58	4.55
-Provision for Compensated Absences	4.14	4.45	94.63	102.57
Proposed Dividend	-	-	-	264.23
Provision for Corporate Dividend Tax	-	-	0.01	44.91
Provision for indirect tax under litigation (Refer Note 31)	-	-	44.57	-
Provision for Indemnity	-	30.03	-	30.03
	4.14	34.48	167.79	446.29

10.1 Movement in Provision for Indemnity (Refer note 31) :

	As at	
	March 31, 2015	March 31, 2014
Opening Balance	60.06	253.78
Additions/ (Reversal)	-	(134.45)
Payment	(62.41)	(92.79)
Effect of Currency Translation	2.35	33.52
Balance at the year end	-	60.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

Contd..

11 FIXED ASSETS

(Rs. Million)

Description of Assets	GROSS BLOCK				DEPRECIATION AND AMORTISATION					NET BLOCK				
	As on 01.04.2014	Additions during the Year	Sales / Adj. during the Year	Adjustment on account of Assets held for sale	Translation Adjustment increase / (decrease)	Total As on 31.03.2015	As on 01.04.2014	Charge For the Year	Sales / Adj. during the Year	Adjustment on account of Assets held for sale	Translation Adjustment increase / (decrease)	Total As on 31.03.2015	As on 31.03.2015	As on 31.03.2014
Tangible														
Land - Freehold (Footnote i)	20.92	-	-	-	-	20.92	40.82	3.45	-	-	-	44.26	20.92	20.92
Building (Footnote ii)	209.90	-	-	-	-	209.90	-	-	-	-	(0.01)	-	165.64	169.08
Plant & Equipments	1,696.94	55.32	254.07	13.37	6.33	1,491.15	1,185.01	250.61	238.40	9.46	3.30	1,191.06	300.09	511.93
- Owned	36.84	-	-	-	1.24	38.08	12.52	8.36	-	-	0.64	21.52	16.56	24.32
- Leased	460.24	24.95	80.76	-	0.04	404.47	317.69	83.11	73.10	-	0.04	327.74	76.73	142.55
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	280.46	27.70	29.65	2.51	2.61	278.61	177.28	69.71	27.73	1.73	1.23	218.76	59.85	103.18
- Owned	0.12	-	-	-	(0.01)	0.11	0.12	-	-	-	(0.01)	0.11	-	-
- Leased	43.55	4.57	6.88	-	0.19	41.43	16.54	7.14	4.71	-	0.15	19.12	22.31	27.01
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipments	155.33	2.53	8.14	3.40	0.17	146.49	81.80	53.69	7.89	1.81	0.12	125.91	20.58	73.53
- Owned	0.04	-	-	-	-	0.03	0.04	-	-	-	-	0.03	-	-
- Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total	2,904.34	115.07	379.51	19.28	10.57	2,631.19	1,831.82	476.07	351.84	13.00	5.46	1,948.51	682.68	1,072.52
Amount transferred to Retained Earnings (Footnote vii)	-	-	-	-	-	-	-	(59.66)	-	-	-	-	-	-
Sub Total (a)	2,904.34	115.07	379.51	19.28	10.57	2,631.19	1,831.82	416.41	351.84	13.00	5.46	1,948.51	682.68	1,072.52
Intangible														
Educational Content/ Products Acquired (Footnote iii)	94.69	-	-	-	-	94.69	73.49	21.47	-	-	(0.27)	94.69	-	21.20
- Internally Generated (Footnote iii, iv & v)	1,243.90	267.01	-	-	7.38	1,518.29	747.92	454.11	-	-	4.91	1,206.94	311.35	495.98
- Leased	119.65	-	-	-	-	119.65	105.02	14.63	-	-	-	119.65	-	14.63
Software	1,994.06	35.12	11.68	-	33.21	2,050.71	1,787.72	132.36	10.86	-	33.89	1,943.11	107.60	206.34
Acquired Patents	16.14	-	-	-	-	16.14	15.73	0.42	-	-	(0.01)	16.14	-	0.41
Goodwill on Consolidation (Footnote vii)	44.92	-	40.27	-	-	44.65	1.50	-	-	-	-	1.50	3.15	43.42
Goodwill	129.39	33.39	-	-	4.91	167.69	129.39	33.39	-	-	4.91	167.69	-	-
Sub Total (c)	3,642.75	335.52	51.95	-	45.50	3,971.82	2,860.77	656.38	10.86	-	43.43	3,549.72	422.10	781.98
Previous year (d)	3,315.50	234.86	17.60	-	109.99	3,642.75	2,447.88	325.17	17.60	-	105.32	2,860.77	781.98	-
Total (a + c)	6,547.09	450.59	431.46	19.28	56.07	6,603.01	4,692.59	1,072.79	362.70	13.00	48.89	5,498.23	1,104.78	1,854.50
Previous year (b + d)	7,001.22	434.40	1,012.12	-	123.59	6,547.09	4,797.07	778.70	995.35	-	112.17	4,692.59	1,854.50	-
Intangible assets under development (Footnote iv)	-	-	-	-	-	-	-	-	-	-	-	-	36.39	178.31

Footnotes :

- Out of the total land as above, 25 acres of land amounting Rs. 6.52 Million at Telsil Behar, 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 Guru Vidya Co-operative Housing Society Limited.
- Depreciation charge for the year includes provision for impairment of content/ products of Rs. 367.82 Million (Previous year Rs. 33.29 Million). The group has computed the recoverable value using the value in use method and has considered a discount rate of 13.50% to 18.00%.
- Refer Note 36 for cost incurred during the year on internally generated intangible assets.
- Intangible includes content and software products (tools and platform) whose remaining amortisation period is 1 to 7 years. However none of these are individually material to the financial statements as whole.
- Depreciation for the year includes an amount of Rs. 59.66 Million charged through retained earnings on account of revision in estimated useful life of fixed assets as per rates prescribed under Schedule II to the Company Act, 2013.
- Reversal of Goodwill on Consolidation amounting to Rs. 40.27 Million is on account of Amalgamation of Subsidiary (Refer Note 32).

(Rs. Million)

12 INVESTMENTS

A. TRADE (QUOTED)

In Associate

NIIT Technologies Limited

	As at			
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Non-Current		Current	
- Capital Reserve*	-	(415.86)	-	-
- Net Assets Value (Opening Value)*	3,312.45	2,773.31	-	-
- Fair Valuation Adjustment*	1,874.45	-	-	-
- Share / (Adjustment) in Post Acquisition Reserves	(68.79)	111.82	-	-
- Share of Associate's net profit	270.79	550.52	-	-
- Dividend Received	(130.44)	(123.20)	-	-
Sub Total (A)	5,258.46	2,896.59	-	-

* Consequent to the accounting of the Scheme by recording assets and liabilities at fair values by applying the Purchase Method, the difference between the fair values of the investment acquired as at the appointed date and proportionate share of the net assets value has been recognised as Fair Value Adjustment. Refer Note 32 for details.

B. NON TRADE [UNQUOTED]

In Mutual Fund, Debts and Money Market Securities

Opening Investment	-	-	3.51	4.21
Fair Valuation Adjustment	-	-	2.44	-
Add : Purchases	-	-	295.00	1,923.00
Less : Sales	-	-	(295.00)	(1,923.70)
[Fair Market value as at year end Rs. 6.43 Million (Previous year Rs. 5.95 Million)]				
Sub Total (B)	-	-	5.95	3.51
Total (A + B)	5,258.46	2,896.59	5.95	3.51

13 TAXATION

(I) Geography :- India

- (a) Upon finalisation of Income Tax Return of financial year ended March 31, 2014 and March 31, 2013 an amount of Rs. 1.16 Million and Rs. 0.31 Million respectively (Previous year Rs. 0.60 Million) has been charged to the Consolidated Statement of Profit and Loss for the current year. Refund of withholding tax in Norway branch received during the year amounting to Rs. 3.14 Million has been credited to the Consolidated Statement of Profit and Loss in tax expense relating to earlier years.
- (b) Detailed break-up of Deferred Tax Assets/ (Liabilities) are as follows:

(Rs. Million)

Deferred Tax Assets/ (Liabilities)	As at	
	March 31, 2015	March 31, 2014
Deferred Tax Liabilities:		
Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the Income Tax calculation	-	-
Total (A)	-	-
Deferred Tax Assets:		
Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the Income Tax calculation	166.12	60.89
Provision for doubtful debts and advances	276.45	207.53
Provision for non-moving inventories	3.77	10.16

Provision for Employee Benefits	30.80	32.86
Others	0.34	2.15
Total (B)	477.48	313.59
Timing differences not recognised on account of prudence (C)	373.70	209.81
Net Deferred Tax Assets/ (Liabilities) (A+B-C)	103.78	103.78

(II) Geography :- USA

(a) Provision for tax for earlier years relates to tax impact (credit) aggregating to Rs. 2.05 Million (Previous year Rs. 36.27 Million).

(b) Detailed break-up of Deferred Tax Assets/ (Liabilities) are as follows:

(Rs. Million)

Deferred Tax Assets/ (Liabilities)	As at	
	March 31, 2015	March 31, 2014
Deferred Tax Liabilities:		
Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the Income Tax calculation	(37.83)	(71.78)
Total (A)	(37.83)	(71.78)
Deferred Tax Assets:		
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	8.27	6.71
-Others	0.24	23.50
Total (B)	8.51	30.21
Net Deferred Tax Assets/ (Liabilities) (A+B)	(29.32)	(41.57)

(III) Geography :- UK

(a) Provision for tax for earlier years relates to tax impact (credit) Nil (Previous year Rs.1.29 Million).

(b) Detailed break-up of Deferred Tax Assets/ Liabilities are as follows:

Deferred Tax Assets/ (Liabilities)	As at	
	March 31, 2015	March 31, 2014
Deferred Tax Liabilities:		
Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the Income Tax calculation.	-	-
Total (A)	-	-
Deferred Tax Assets:		
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under Income Tax:		
-Others	2.71	2.93
Total (B)	2.71	2.93
Net Deferred Tax Assets/ (Liabilities) (A + B)	2.71	2.93

(IV) Geography :- China & Others

(a) Detailed break-up of Deferred Tax Assets/ (Liabilities) are as follows:

(Rs. Million)

Deferred Tax Assets/ (Liabilities)	As at	
	March 31, 2015	March 31, 2014
Deferred Tax Liabilities:		
Others	(8.93)	(27.46)
Total (A)	(8.93)	(27.46)
Deferred Tax Assets:		
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under Income Tax:		
-Provision for doubtful debts and advances	19.90	19.91
-Provision for Compensated Absences, Bonus, Gratuity and other timing differences	18.55	14.45
-Provision for Inventory	1.18	1.14
-Deferred Revenue	1.74	1.81
Total (B)	41.37	37.31
Net Deferred Tax Assets/ (Liabilities) (A+B)	32.44	9.85

Deferred Tax Assets (I+III+IV)	138.93	116.56
Deferred Tax (Liabilities) (II)	(29.32)	(41.57)

Notes :

- Deferred Tax Assets and Liabilities are being offset to the extent they relate to taxes on income levied by the same governing taxation laws.
- 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, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Long-Term		Short-Term	
i) Capital Advances				
Unsecured, considered good	5.73	0.03	-	-
(A)	5.73	0.03	-	-
ii) Security Deposits Receivable				
Unsecured, considered good	307.98	261.94	48.73	55.33
Unsecured, considered doubtful	5.05	5.05	-	-
Less: Provision for doubtful Deposits	(5.05)	(5.05)	-	-
(B)	307.98	261.94	48.73	55.33
iii) Advances recoverable in cash or in kind				
Unsecured, considered good	3.58	7.38	411.33	622.90
Unsecured, considered doubtful	101.67	9.24	-	-
Less: Provision for doubtful advances	(101.67)	(9.24)	-	-
(C)	3.58	7.38	411.33	622.90
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	1,298.93	1,240.67	180.25	145.83
Less : Provision for Income Tax	(887.92)	(876.54)	(13.18)	(13.52)
	411.01	364.13	167.07	132.31
c) MAT Credit entitlement				
- Opening Balance	79.43	76.73	43.89	-
- Reversal of MAT credit	(1.30)	(5.91)	-	-
- Addition during the year	3.89	8.61	1.66	43.89
	82.02	79.43	45.55	43.89
(D)	494.14	444.67	212.62	176.20
Total (A+B+C+D)	811.43	714.02	672.68	854.43

(Rs. Million)

15 TRADE RECEIVABLES

	As at			
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Non-Current		Current	
a) Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	507.65	649.33
Unsecured, considered doubtful	2,140.49	1,438.14	-	34.06
Less: Provision for doubtful debts	(2,140.49)	(1,438.14)	-	(34.06)
(A)	-	-	507.65	649.33
b) Others				
Unsecured, considered good	297.54	435.07	1,367.04	1,892.77
Unsecured, considered doubtful	41.12	1.86	55.65	-
Less: Provision for doubtful debts	(41.12)	(1.86)	(55.65)	-
(B)	297.54	435.07	1,367.04	1,892.77
Total (A+B)	297.54	435.07	1,874.69	2,542.10

16 OTHER ASSETS

	As at			
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Non-Current		Current	
Non Current Bank Balances (Note 18)	0.78	1.01	-	-
Unbilled revenue	11.49	92.30	715.52	597.43
Less : Provision for Unbilled Revenue	-	(31.82)	(136.49)	(19.47)
Interest Receivable	-	-	12.61	10.61
Assets held for sale	-	-	3.87	-
Derivative Instrument Fair Value Asset (Refer Note 45)	-	-	-	66.29
Other Receivables	-	-	-	6.54
	12.27	61.49	595.51	661.40

17 INVENTORIES

	As at	
	March 31, 2015	March 31, 2014
As at the end of the year		
a) Education and Training Material*		
- Others	42.69	53.66
b) Software	2.17	1.83
	44.86	55.49
As at the beginning of the year		
a) Education and Training Material		
- Others	53.66	93.41
b) Software	1.83	2.26
	55.49	95.67
(Increase)/ Decrease in Inventory	10.63	40.18

* Net of provision for non-moving inventories of Rs. 20.81 Million (Previous year Rs. 34.87 Million) and includes amount of Rs. 3.21 Million (Previous year Rs. 24.20 Million) that has been shown as exceptional item (Refer note 31).

(Rs. Million)

18 CASH AND BANK BALANCES

	As at			
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Non-Current		Current	
Cash and cash equivalents:				
Balance with banks				
- Current Accounts	-	-	517.01	471.70
[Includes Rs. 58.49 Million (Previous year Rs. 3.31 Million) pertaining to amount earmarked for specific contract]				
- Exchange Earners' Foreign Currency Account	-	-	0.07	0.15
- Bank deposits with original maturity of 3 months or less	-	-	113.79	92.92
Cheques and drafts on hand	-	-	23.37	32.45
Cash on hand	-	-	6.16	8.99
Sub Total (A)	-	-	660.40	606.21
Other bank balances:				
Bank deposits *				
- With original maturity of more than 3 months and upto 12 months	-	-	192.11	260.26
- With original maturity of more than 12 months	0.78	1.01	0.10	0.10
Dividend Accounts	-	-	10.54	9.45
* pledged as margin money				
Sub Total (B)	0.78	1.01	202.75	269.81
Total (A + B)	0.78	1.01	863.15	876.02
Amount disclosed under "Other Non Current Assets" (Refer note 16) (C)	(0.78)	(1.01)	-	-
Total (A + B + C)	-	-	863.15	876.02

19 CONTINGENT LIABILITIES

- a) i) Claims against the Group (including Associate Company) not acknowledged as debts:-

	As at	
	March 31, 2015	March 31, 2014
- Customers	53.34	7.41
- Sales Tax/ VAT	2.50	55.07
- Works Contract Tax	31.32	31.32
- Excise Matters	67.31	57.59
- Custom Duty	4.70	-
- Service Tax	53.33	53.33
- Income Tax	506.03	465.20
- Others*	12.74	12.74

*Pertains to alleged dues towards provident fund payable by vendors of the Company which the Company is contesting.

- ii) 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. Orders passed by the CIT u/s 263 for AY 1999-00 to AY 2005-06 have been challenged by the Company in the Income Tax Appellate Tribunal. The Tribunal has since passed order for AY 1999-00. The Tribunal has decided the issue of assumption of jurisdiction against the Company. On merits, Tribunal has allowed some of the issues and dismissed others which were referred back to the assessing officer for fresh examination and at this stage there are no ascertained/ quantified demands. The Holding Company is filing appeal before the High Court against the aforesaid order of the Tribunal. Based on legal opinion, the Company is confident of obtaining adequate relief before the High Court.

iii) It is not practical for the company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. Management does not foresee any financial implication based on the advise of legal counsel.

b) Guarantees

- i) Guarantees issued by bankers outstanding at the end of the year Rs. 38.26 Million (Previous year Rs. 51.69 Million).
- ii) Guarantees issued to bankers outstanding at the end of accounting year Rs. 163.09 Million (Previous year Rs. 15.96 Million) relating to Associate Company.
- iii) Corporate Guarantees outstanding at the end of accounting year Rs. 359.83 Million (Previous year Rs. 465.82 Million) relating to Associate Company.
- iv) Corporate Guarantee of Rs. 529.85 Million (USD 8.5 Million) [Previous year Rs. 510.50 Million (USD 8.5 Million, net of settlement of USD 2.5 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 Element K Corporation (erstwhile step down subsidiary of the Company).
- v) Corporate Guarantee given to National Skill Development Corporation to secure the loan of Rs. 142.64 Million (Previous year Rs. 142.64 Million) availed by NIIT Yuva Jyoti Limited, subsidiary of the Holding Company.

c) Other monies for which the Group is contingently liable

- i) Security given for working capital limits on behalf of NIIT Institute of Finance Banking and Insurance Training Limited Nil (Previous year Rs. 10 Million) [Amount Outstanding at year end Nil (Previous year Nil)] and Hole-in-the-Wall Education Limited Rs. 30 Million (Previous year Rs. 21 Million) [Amount Outstanding at year end Nil (Previous year Rs. 15.63 Million)] and Evolv Services Limited (merged with NIIT Limited w.e.f. April 1, 2014) Nil (Previous year Rs. 10 Million) [Amount Outstanding at year end Nil (Previous year Nil)].
- ii) Standby Letter of Credit issued by BNP India to Bank of the West by earmarking working capital facility of the Holding Company aggregating, Rs. 467.52 Million [USD 7.5 Million] (Previous year Rs. 450.45 Million [USD 7.5 Million]). Corresponding loan availed as at year end is Nil (Previous year Nil).

20 CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided (including Associate Company) for Rs. 207.78 Million (Previous year Rs. 245.48 Million).

21 OTHER COMMITMENTS

- a) For commitments related to lease arrangements, refer note 38.
- b) There are certain contracts with state governments under which the Group is required to transfer ownership of the fixed assets and equipments under leasing arrangements at the end of the contract term. The Group does not anticipate any cash outflow or expense on such transfer.
- c) 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.
- d) 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 7, 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).

22 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, 2015	March 31, 2014
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-	264.23
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-	Rs. 1.60/- Per Share
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(Rs. Million)

23 REVENUE FROM OPERATIONS

	Year ended	
	March 31, 2015	March 31, 2014
Sale of Products :		
Courseware Revenue	1,583.80	2,109.64
Hardware & Accessories Revenue	88.27	89.89
Sale of Services*	7,901.75	7,310.43
	9,573.82	9,509.96

* Revenue for the year includes revenue for the previous year amounting to Rs. 4.89 Million (Previous year Nil).

24 OTHER INCOME

	Year ended	
	March 31, 2015	March 31, 2014
Interest Income*	35.21	76.81
Profit on sale of Current Investments (Net)	-	0.37
Dividend Income from Current Investments	0.46	4.46
Provision/ Other Liabilities written back	42.09	1.62
Other non-operating income	53.62	18.30
	131.38	101.56

*Other income includes interest income for the previous year Nil (Previous year Rs. 25.85 Million).

25 EMPLOYEE BENEFITS EXPENSES *

	Year ended	
	March 31, 2015	March 31, 2014
Salaries and Benefits	2,808.32	2,417.12
Contribution to Provident and Other Funds	164.00	124.91
Employees Stock Option Expenses	0.11	1.29
Welfare and Other expenses	68.00	74.43
	3,040.43	2,617.75

* Net of expenses amounting to Rs. 10.17 Million (Previous year Rs. 9.00 Million) (Refer Note 40).

26 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 Provident and Other Funds in the Consolidated Statement of Profit and Loss:-

(Rs. Million)

Particulars	Year ended	
	March 31, 2015	March 31, 2014
Employers' Contribution to Provident Fund	25.76	18.40
Employers' Contribution to Superannuation Fund	12.53	11.05
Employers' Contribution to Employees Pension Scheme	48.04	49.97
Employers' Contribution to Employee National Pension System	1.04	0.51
Contribution to 401 (K) and Other plans	16.14	13.84
Total	103.51	93.77

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

(Rs. Million)

	Year ended	
	March 31, 2015	March 31, 2014
Employers' Contribution to Superannuation Fund	1.63	0.33

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]. The Group contributed Rs. 27.85 Million (Previous year Rs. 29.24 Million) including Rs. 1.51 Million (Previous year Rs. 0.31 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, 2015.

The details of fund and plan assets of the Trust as at March 31, 2015 (limited to the extent provided by the actuary):

(Rs. Million)

(i) Change in Defined Benefit Obligation

Particulars	As at	
	March 31, 2015	March 31, 2014
Present Value of Defined Benefit Obligation as at the beginning of the year	5.34	3.96
Current service cost	0.75	0.74
Interest Cost	0.49	0.33
Actuarial (gain)/ loss on Obligations	(0.94)	0.31
Present Value Defined Benefit Obligation as at the end of the year	5.64	5.34

(ii) Change in Fair Value of Assets

Particulars	As at	
	March 31, 2015	March 31, 2014
Fair value of Plan Assets as at the beginning of the year	48.90	48.76
Actuarial (loss)/ gain on Plan Assets	42.86	0.14
Fair value of Plan Assets as at the end of the year	91.76	48.90

(Rs. Million)

(iii) Estimated Net Asset/ (Liability) recognised in the Balance Sheet :

Particulars	As at	
	March 31, 2015	March 31, 2014
Present value of Defined Benefit Obligation	5.64	5.34
Fair Value of Plan Assets	91.76	48.90
Funded Status [Surplus/(Deficit)] with the trust	86.12	43.56
Net Asset/ (Liability) recognised in the Balance Sheet	-	-

(iv) Assumptions used in accounting for provident Fund:-

Particulars	Year ended	
	March 31, 2015	March 31, 2014
Discount Rate (Per Annum)	7.75%	9.25%
Expected return on Plan Assets	8.60%	8.60%
Expected guaranteed interest	8.75% and 8.60% for subsequent years	8.75% and 8.60% for Subsequent years

II. Compensated Absences

(Rs. Million)

Particulars	Year ended	
	March 31, 2015	March 31, 2014
i) Change in Present value of Obligation:-		
Present value of obligation as at the beginning of the year	107.02	112.71
Interest Cost	7.98	7.76
Current service cost	28.83	30.37
Benefits Paid	(0.58)	(0.57)
Actuarial (gain)/ loss on Obligations	(44.48)	(43.25)
Present value of obligation as at the end of the year	98.77	107.02

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

Particulars	Year ended	
	March 31, 2015	March 31, 2014
For entities in China:		
Discount Rate (per annum)	3.70%	4.80%
Future Salary Increase		
-For First 5 Years	10.00%	10.00%
-Thereafter	7.00%	7.00%
For Netherlands Antilles :		
Discount Rate (per annum)	3.30%	3.30%
Future Salary Increase		
-For First 5 Years	10.00%	10.00%
-Thereafter	7.00%	7.00%
For South Africa :		
Discount Rate (per annum)	NA	8.00%
Future Salary Increase		
-For First 5 Years	NA	10.00%
-Thereafter	NA	7.00%
For Other Entities :		
Discount Rate (per annum)	7.75%	9.25%
Future Salary Increase		
-For First 5 Years	7.00%	10.00%
-Thereafter	7.00%	7.00%

Estimates of future salary increase (cost to the Company) considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

III. Gratuity Fund

I. Funded

(Rs. Million)

Particulars	Year ended	
	March 31, 2015	March 31, 2014
i) Change in Present value of Obligation:-		
Present value of obligation as at beginning of the year	97.97	102.84
Interest cost	8.45	7.86
Current service cost	10.53	12.15
Benefits paid	(15.48)	(15.13)
Actuarial (gain)/ loss on obligations	24.08	(9.75)
Present value of obligation as at the year end	125.55	97.97
ii) Change in Plan Assets:-		
Fair value of Plan Assets as at the beginning of the year	93.82	93.54
Expected return on Plan Assets	8.60	8.41
Contributions	8.54	7.03
Benefits Paid	(15.48)	(15.18)
Actuarial (loss)/ gain on Plan Assets	1.81	0.02
Fair value of Plan Assets as at the end of the year	97.29	93.82

Actuary's estimates of contributions for the next financial year is Rs. 42.40 Million (Previous year Rs. 15.00 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, 2015	97.29	125.55	(28.26)
As at March 31, 2014	93.82	97.97	(4.15)
As at March 31, 2013	93.54	102.84	(9.30)
As at March 31, 2012	95.17	99.26	(4.09)
As at March 31, 2011	90.22	91.67	(1.45)

* Net of assets recognised in Balance Sheet Rs. 0.29 Million (Previous year Rs. 0.33 Million)

Particulars	Year ended	
	March 31, 2015	March 31, 2014
iv) Net Gratuity Cost recognised in Consolidated Statement of Profit and Loss:-		
Current service cost	10.53	12.15
Interest cost	8.45	7.86
Expected return on Plan Assets	(8.60)	(8.41)
Net Actuarial (gain)/ loss recognised during the year	22.22	(9.77)
Expense recognised in Consolidated Statement of Profit and Loss	32.60	1.83
Actual return on plan assets	8.13	8.30

v) Assumptions used in accounting for gratuity plan:-	Year ended	
	March 31, 2015	March 31, 2014
Discount Rate (Per Annum)	7.75%	9.25%
Future Salary Increase	6.00%	5.00%
Expected Rate of return on plan assets	9.00%	9.40%

Estimates of future salary increase considered in actuarial valuation, takes into account 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 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, 2015	March 31, 2014
i) Change in Present value of Obligation:-		
Present value of obligation as at beginning of the year	0.07	-
Current service cost	0.04	0.06
Benefits paid	(0.08)	-
Actuarial (gain)/ loss on obligations	-	0.01
Present value of obligation as at the year end	0.03	0.07

ii) Net Gratuity cost recognised in Contribution to Retirement Benefit Funds in Consolidated Statement of Profit and Loss:

Current service cost	0.04	0.06
Net Actuarial (gain)/ loss recognised during the year	-	0.01
Expense recognised in Consolidated Statement of Profit and Loss	0.04	0.07

iii) Assumptions used in accounting for gratuity plan:-	Year ended	
	March 31, 2015	March 31, 2014
Discount Rate (Per Annum)	7.75%	9.25%
Future Salary Increase	6.00%	5.00%

For Netherlands Antilles :

Discount Rate (per annum)	3.30%	3.30%
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. 32.64 Million (Previous year Rs. 1.90 Million). Gratuity liability recognised for funded and non-funded schemes as at year end amounts to Rs. 28.58 Million (Previous year Rs. 4.55 Million).

27 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

Contd..

The summary of options granted is as follows:

Particulars	Grant V				Grant VI			
	Vest 1	Vest 2	Vest 3	Vest 4	Vest 1	Vest 2	Vest 3	Vest 4
2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
Date of Grant	26-Oct-09	26-Oct-09	26-Oct-09	26-Oct-09	23-Jan-10	23-Jan-10	23-Jan-10	23-Jan-10
Date of Vesting	26-Oct-10	26-Oct-11	26-Oct-12	26-Oct-12	23-Jan-11	23-Jan-12	23-Jan-13	23-Jan-13
Live options at the beginning of the year (Nos.)	-	1,138,825	1,138,825	976,828	1,109,436	-	71,330	63,630
Granted during the year (Nos.)	-	-	-	-	-	-	-	69,940
Forfeited/ lapsed till vesting period (Nos.)	-	-	-	-	-	-	-	-
Options Vested (Nos)	-	-	-	-	-	-	-	-
Forfeited/ lapsed post vesting (Nos)	-	1,138,825	1,018,105	120,720	116,257	132,608	-	-
Options exercised (Nos)	-	-	-	-	-	-	-	-
Outstanding/ exercisable at the end of the year (Nos)	-	-	-	-	-	-	-	-
Exercise Price (Rs.)	72.20	72.20	72.20	72.20	69.20	69.20	66.410	52,510
Remaining Contractual Life (Days)	-	-	208	209	574	-	297	663
Fair value of the options based on Black and Scholes Model (Rs.)	32.00	34.77	36.64	36.64	30.47	32.91	32.91	34.74
Intrinsic Value of the options granted (Rs.)	-	-	-	-	-	-	-	-

Particulars	Grant VII				Grant VIII			
	Vest 1	Vest 2	Vest 3	Vest 4	Vest 1	Vest 2	Vest 3	Vest 4
2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
Date of Grant	22-Oct-10	22-Oct-10	22-Oct-10	22-Oct-10	08-May-12	08-May-12	08-May-12	08-May-12
Date of Vesting	22-Oct-11	22-Oct-12	22-Oct-13	22-Oct-13	08-May-13	08-May-14	08-May-14	08-May-14
Live options at the beginning of the year (Nos.)	12,000	20,510	12,000	20,510	-	50,000	25,000	50,000
Granted during the year (Nos.)	-	-	-	-	-	-	-	-
Forfeited/ lapsed till vesting period (Nos.)	-	-	-	-	-	-	-	-
Options Vested (Nos)	-	-	-	-	-	-	-	-
Forfeited/ lapsed post vesting (Nos)	12,000	8,510	-	8,510	-	-	-	-
Options exercised (Nos)	-	-	-	-	-	-	-	-
Outstanding/ exercisable at the end of the year (Nos)	-	-	-	-	-	50,000	25,000	-
Exercise Price (Rs.)	67.65	12,000	12,000	12,000	-	-	-	-
Remaining Contractual Life (Days)	-	204	205	570	935	769	-	1134
Fair value of the options based on Black and Scholes Model (Rs.)	28.35	32.00	34.35	34.35	40.64	40.64	39.71	39.71
Intrinsic Value of the options granted (Rs.)	-	-	-	-	43.05	43.05	43.05	43.05

Particulars	Grant IX				Grant X				Grant XI			
	Vest 1	Vest 2	Vest 3	Vest 4	Vest 1	Vest 2	Vest 3	Vest 4	Vest 1	Vest 2	Vest 3	Vest 4
2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
Date of Grant	21-May-14	21-May-14	21-May-14	21-May-14	28-Aug-14	28-Aug-14	28-Aug-14	28-Aug-14	17-Oct-14	17-Oct-14	17-Oct-14	17-Oct-14
Date of Vesting	20-May-15	20-May-16	20-May-17	20-May-17	28-Aug-15	28-Aug-16	28-Aug-16	28-Aug-16	17-Oct-15	17-Oct-16	17-Oct-17	17-Sep-19
Live options at the beginning of the year (Nos.)	-	-	-	-	-	-	-	-	-	-	-	-
Granted during the year (Nos.)	495,900	495,900	498,200	498,200	123,332	123,332	123,336	123,336	200,000	200,000	200,000	200,000
Forfeited/ lapsed till vesting period (Nos.)	26,600	26,600	26,800	26,800	-	-	-	-	-	-	-	-
Options Vested (Nos)	-	-	-	-	-	-	-	-	-	-	-	-
Forfeited/ lapsed post vesting (Nos)	-	-	-	-	-	-	-	-	-	-	-	-
Options exercised (Nos)	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding/ exercisable at the end of the year (Nos)	469,300	469,300	471,400	471,400	123,332	123,332	123,336	123,336	200,000	200,000	200,000	200,000
Exercise Price (Rs.)	35.40	35.40	35.40	35.40	49.75	49.75	49.75	49.75	48.50	48.50	48.50	48.50
Remaining Contractual Life (Days)	1,877	2,242	2,607	2,607	1,977	2,342	2,707	2,707	1,741	1,741	1,741	1,741
Fair value of the options based on Black and Scholes Model (Rs.)	10.66	11.45	14.35	15.50	16.61	19.78	19.78	15.23	15.80	16.27	16.79	16.79
Intrinsic Value of the options granted (Rs.)	-	-	-	-	-	-	-	-	-	-	-	-

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 V			Grant VI			Grant VII			Grant VIII	
	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	72.2	72.2	72.2	69.2	69.2	69.2	67.65	67.65	67.65	45.05	45.05
Exercise price	72.2	72.2	72.2	69.2	69.2	69.2	67.65	67.65	67.65	2	2
Dividend yield	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	2.55%	2.55%
Volatility	71.63%	66.14%	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	3.5	4.5	2.5	3.5	4.5	2.5	3.5	4.5	3.5	3.5
Risk free rate	6.55%	6.92%	7.19%	6.19%	6.51%	6.80%	7.36%	7.56%	7.73%	8.15%	8.22%

Particulars	Grant IX			Grant X			Grant XI				
	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Market price considered	35.4	35.4	35.4	49.75	49.75	49.75	48.5	48.5	48.5	48.5	48.5
Exercise price	35.4	35.4	35.4	49.75	49.75	49.75	48.5	48.5	48.5	48.5	48.5
Dividend yield	3.96%	3.96%		3.96%	3.96%	3.96%	3.96%	3.96%	3.96%	3.96%	3.96%
Volatility	39.04%	37.65%	48.22%	40.75%	39.51%	46.99%	42.47%	41.13%	40.48%	39.82%	39.88%
Average life of the options (in years)	3.5	4.5	5.5	3.5	4.5	5.5	3.11	3.61	4.11	4.61	5.07
Risk free rate	8.68%	8.73%	8.78%	8.78%	8.73%	8.70%	8.48%	8.49%	8.50%	8.50%	8.51%

Other information regarding employee share based payment is as below:

(Rs. Million)

[illegible]

Particulars	Grant VII						Grant VIII			
	Vest 1		Vest 2		Vest 3		Vest 1		Vest 2	
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
Additional expense had the Company recorded the ESOP expense based on fair value of the options	-	-	-	-	-	0.08	-	-	-	-

Particulars	Grant IX			Grant X			Grant XI				
	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
Additional expense had the Company recorded the ESOP expense based on fair value of the options	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15
	4.32	2.32	1.95	1.13	0.61	0.48	1.34	0.69	0.48	0.37	0.31

For impact on Basic and Dilutive EPS, had fair value of the option been used for determining ESOP expense, refer Note 34.

(Rs. Million)

28 FINANCE COSTS

	Year ended	
	March 31, 2015	March 31, 2014
Interest Expense	135.69	163.36
Other Borrowing Costs	2.35	-
	<u>138.04</u>	<u>163.36</u>

29 OTHER EXPENSES *

	Year ended	
	March 31, 2015	March 31, 2014
Equipment Hiring	402.82	430.78
Royalties	2.69	10.28
Freight and Cartage	26.05	30.56
Rent (net of recoveries)	385.20	446.34
Rates and Taxes	12.52	18.43
Power & Fuel	100.10	104.83
Communication	115.76	123.48
Legal and Professional (Refer Note 30)	173.71	168.47
Travelling and Conveyance	449.44	434.02
Provision for Doubtful Debts	48.75	103.58
Bad Debts Written off	4.63	3.47
Provision for Doubtful Advances	3.23	0.87
Provision for Unbilled Revenue	5.30	24.94
Advances Written off	0.56	0.09
Insurance	14.13	11.97
Repairs and Maintenance		
- Plant and Machinery	27.68	29.04
- Buildings	5.30	3.50
- Others	67.83	72.99
Consumables	69.17	57.72
Loss on Sale of Fixed Assets (Net)	6.88	1.10
Loss on foreign currency translation and transactions (net)	34.77	86.85
Security and Administration Services	35.71	43.18
Bank Charges	31.49	22.72
Marketing & Advertising Expenses	476.20	634.15
Sales Commission	6.97	6.37
Discounts & Rebates	44.88	76.13
Sundry Expenses	50.09	43.62
	<u>2,601.86</u>	<u>2,989.48</u>

* Net of expenses amounting to Rs. 26.11 Million (Previous year Rs. 17.32 Million) (Refer Note 40).

(Rs. Million)

30 PAYMENT TO AUDITORS

	Year ended	
	March 31, 2015	March 31, 2014
a) Payment to the Holding Company auditor:		
- Audit Fee	9.08	8.07
- Tax Audit Fee	0.50	0.65
- Limited Review Fee	1.50	1.50
For other Certification	2.04	0.56
For reimbursement of expenses (including service tax)	3.18	2.32
	<u>16.30</u>	<u>13.10</u>

b) Payment to other auditors amounting to Rs. 9.46 Million (Previous year Rs. 8.31 Million).

31 EXCEPTIONAL ITEMS

	Year ended	
	March 31, 2015	March 31, 2014
Income:		
Gain on Currency Translation Reserve transferred to Consolidated Statement of Profit and Loss on buy back of shares by subsidiary	107.86	119.86
(Expenditure)/ Reversal of provision in connection to sale of erstwhile subsidiary	-	134.45
Reduction of Preference Share Capital	56.00	-
Expenses:		
Expenses incurred for business restructuring	(40.45)	-
Legal and Professional Expenses & Settlement of litigation	(26.70)	(82.60)
Provision for indirect tax under litigation	(44.57)	-
Provision for doubtful debts and other balances	(805.27)	-
Provision for business support on account of change in delivery technology	(39.77)	(80.84)
Provision for Inventory	(3.21)	(24.20)
Provision for Security Deposit	(6.86)	-
	<u>(802.97)</u>	<u>66.67</u>

Exceptional items as above comprise; items of income/ (expenditure), arising from ordinary activities of the Company, of such size, nature or incidence that their separate disclosure is considered appropriate to better explain the performance of the year.

- During the year, NIIT (USA) Inc., bought back a part of its equity. Such buy back tantamounts to partial disposal of investment. Accordingly, the proportionate amount of currency translation reserve has been transferred to Consolidated Statement of Profit and Loss.
- During the previous year, the Group reversed an amount of Rs. 134.45 Million (Refer Note 10 and 10.1) in respect of provision made in an earlier year for an indemnity upon settlement of the claim with the buyers of the erstwhile step down subsidiary, Element K Corporation, USA.
- Pursuant to Scheme of Arrangement, Hole-in-the-Wall Education Limited has cancelled its issued Preference Share Capital. Such reduction in capital has been credited to the Consolidated Statement of Profit and Loss.
- Expenditure incurred in relation to the Scheme of Arrangement (Refer Note 32), amounting to Rs. 40.45 Million (Previous year Nil) has been charged to the Consolidated Statement of Profit and Loss.
- NIIT (USA) Inc., incurred legal and professional costs aggregating Rs. 23.51 Million (Previous year Rs. 51.69 Million) in connection with defending lawsuits in respect of sale of its erstwhile step down subsidiary, Element K Corporation, USA and civil lawsuits in respect of purchase of business in earlier years. Further NIIT (USA) Inc., also incurred Rs. 3.19 Million towards interest on tax in respect of Element K Corporation, USA, the tax amount of which amounting to Rs. 28.96 Million towards settlement of litigation has been disclosed under

current tax expense. The amount of Rs. 30.91 Million in the previous year pertains to provision towards the settlement of civil lawsuit in respect of purchase of business in earlier years.

- (vi) The Group has made a provision of Rs. 44.57 Million (Previous year Nil) towards Value Added Tax basis ongoing proceedings with the concerned authorities in respect of customer contracts executed in earlier years.
- (vii) Owing to significant delays in collections on account of claims disputed by government and other customers, persistent follow up, management's defocus from government and other contracts in India and Other geographies, change in Business model in China, the Group has made a provision of Rs. 805.27 Million (Previous year Nil).
- (viii) During the year, the Holding Company has completed transition from physical mode of courseware delivery to Cloud and Collaborative Delivery Model. On account of change in delivery technology, the Group has made provision for inventory aggregating to Rs. 3.21 Million (Previous year Rs. 24.20 Million) and made provision for business support amounting to Rs. 39.77 Million (Previous year Rs. 80.84 Million) as one time credit to eligible business partners.

32 SCHEME OF ARRANGEMENT

The Board of Directors have at its meeting held on August 26, 2014 approved a Composite Scheme of Arrangement ('the Scheme') between the Holding Company and its erstwhile subsidiaries Scantech Evaluation Services Limited ('SESL'), Evolv Services Limited ('ESL'), NIIT Online Learning Limited ('NOLL') (also, collectively referred to as 'the amalgamating companies') and Hole-in-the-Wall Education Limited ('HiWEL' or 'the transferee company') and their respective shareholders and creditors under sections 391 to 394 of the Companies Act, 1956, for streamlining of the group structure, consolidation of business operations and reduction in costs. SESL is engaged in the business of making investment into shares and securities of other companies/body corporates, ESL is in the business of providing training to corporate customers in areas of professional life and NOLL is in the business of online learning through use of web-based technologies. The transferee company is involved in research and development activities involving elementary education and life skills of children.

Pursuant to the Scheme, the transferor companies stand transferred to and vest with the Holding Company and the School Business Undertaking of the Company, as defined in the Scheme ('the Undertaking'), stands transferred to the transferee company for a lumpsum consideration of Rs. 1,080.64 Million retrospectively with effect from April 1, 2014 ('the appointed date'). The Scheme has been approved by the shareholders and the Hon'ble High Court of Judicature at Delhi ('the Hon'ble High Court') on January 31, 2015 and May 8, 2015 respectively. The Scheme came into effect upon filing of the order of the Hon'ble High Court with the Registrar of Companies on May 23, 2015 ('the effective date'). From the effective date, the transferor companies stand dissolved without being wound up and their business continues to be carried out by the Holding Company.

A. IN RESPECT OF AMALGAMATION OF AMALGAMATING COMPANIES

Pursuant to the Scheme, the businesses of the amalgamating companies, together with all the properties, assets, rights, liabilities and interest therein, stand transferred to and vest in the Holding Company, as a going concern, with effect from April 1, 2014 and the business of the amalgamating companies is carried out for and on account of and in trust by the Holding Company. The authorised share capital of NIIT Limited stands increased by an amount of Rs. 636 Million.

In accordance with the Scheme all the assets and liabilities as on the appointed date, of the amalgamating companies become the assets and liabilities of the Company and were recorded at fair values in the books of the Company based on a report of an independent valuer and the difference between the fair value of assets and liabilities of the amalgamating companies were credited to Capital Reserve Account, after adjusting inter-company balances, as approved by the Board of Directors in their meeting held on July 17, 2015*.

Particulars	SESL	NOLL	ESL	Total
Balances as per Fair Valuation Report as at the Appointed Date :				
Fixed Assets	0.01	-	5.66	5.67
Investment (Refer Note 12)	5,186.90	5.95	-	5,192.85
Trade receivables	-	-	24.67	24.67
Cash and bank balances	1.14	0.41	5.33	6.88
Loans and advances	199.22	1.37	30.36	230.95
Other current and Non-Current assets	12.88	-	2.73	15.61
Total Assets (A)	5,400.15	7.73	68.75	5,476.63
Current Liabilities and Provisions	120.74	0.06	13.25	134.05
Total Liabilities (B)	120.74	0.06	13.25	134.05
Net Fair Value of Assets/ (Liabilities) (C=A-B)	5,279.41	7.67	55.50	5,342.58
Less : Cancellation of Investment (D)	(99.10)	(4.39)	(66.81)	(170.30)
Net Surplus/ (Deficit) credited to Capital Reserve (C-D) [Refer Note 4]	5,180.31	3.28	(11.31)	5,172.28
Add : Adjustment of Goodwill on Consolidation due to amalgamation of subsidiary (Refer Note 11)				40.27
Less : Net Adjustment to reserve and surplus due to amalgamation of subsidiaries (Refer Note 4)				2,919.80
Net increase in Non-Current Investment and Reserves				2,292.75

* As stated in Note 2.2 (ii), based on opinion received from EAC of ICAI ('EAC') subsequent to the meeting of the Board of Directors held on May 27, 2015, the Company accounted for assets and liabilities at fair values by applying the Purchase Method in accordance with Accounting Standard -14 and other generally accepted accounting principles. As a result, the investments and reserves are higher by Rs. 2,292.75 Million respectively.

B. IN RESPECT OF TRANSFER OF THE UNDERTAKING

Upon the Scheme becoming effective and from the appointed date, the Undertaking is transferred to and vested in the transferee company and the business of the Undertaking is carried out for and on account of and in trust for the transferee company upto the effective date. Pursuant to the Scheme, the consideration over the excess of book values of the assets of the Undertaking comprising fixed assets, trade receivable, cash and bank balances and other assets and the aggregate of the transferred liabilities is credited to the Consolidated Statement of Profit and Loss of the Company.

Further, the Preference Share Capital of the transferee company stands cancelled as laid down in the Scheme. Accordingly, the amount of Rs. 56.00 Million appearing under Capital Reserve has been transferred to the Consolidated Statement of Profit and Loss (Refer Note 31).

- 33 The Board of Directors of NIIT (USA) Inc., at its meeting held on December 1, 2014 approved a Plan of Merger ('the Merger') between the NIIT (USA) Inc., and its erstwhile subsidiary, NIIT Ventures Inc., USA (also, referred to as 'the transferor company'), for the streamlining of the group structure. This merger was effective from December 1, 2014 as approved by the Secretary, State of Georgia vide their certificate dated December 2, 2014.

Pursuant to the Merger plan, the businesses of the transferor company, together with all the properties, assets, rights, liabilities and interest therein were transferred to and vest in the NIIT (USA) Inc., as a going concern, with effect from December 1, 2014.

The Merger is accounted for using 'Pooling of Interest' method as set out in Accounting Standard (AS) 14 Accounting for Amalgamations. As the subsidiary was a part of the Group, there is no impact in these consolidated financial statements.

34 EARNINGS PER SHARE

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Profit/ (Loss) attributable to Equity Shareholders (Rs. Million) (A)	(1,385.32)	177.70
Weighted average number of Equity Shares outstanding during the year (Nos.) – (B)	165,163,885	165,126,830
Add : Effect of Potential Dilutive Shares (being Stock options) (Nos.)	297,885	22,958
Weighted average shares outstanding considered for determining Diluted Earnings per Share (Nos.) - (C)	165,461,770	165,149,788
Nominal Value of Equity Shares (Rs.)	2/-	2/-
Basic Earnings/ (Loss) per Share (Rs.) (A/B)	(8.39)	1.08
Diluted Earnings/ (Loss) per Share (Rs.) (A/C)	(8.39)	1.08
EARNINGS PER SHARE [had fair value method been employed for accounting for Employee Stock Options (Refer note 27)]		
Profit/ (Loss) attributable to Equity Shareholders (Rs. Million) - (D)	(1,399.32)	177.62
Basic Earnings/ (Loss) per Share (Rs.) (D/B)	(8.47)	1.08
Diluted Earnings/ (Loss) per Share (Rs.) (D/C)	(8.47)	1.08

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 GIS Limited
- 3 NIIT Smart Serve Limited
- 4 NIIT Technologies Inc., USA
- 5 NIIT Technologies Pte Limited, Singapore
- 6 NIIT Technologies Limited, UK
- 7 NIIT Insurance Technologies Ltd UK
- 8 NIIT Smart Serve Limited, UK
- 9 NIIT Technologies FZ-LLC, Dubai
- 10 NIIT MediaTechnologies LLC, UK

Key Managerial Personnel

- 1 Rajendra S Pawar (Chairman)
- 2 Vijay K Thadani (Vice-Chairman & Managing Director)
- 3 P Rajendran (Joint Managing 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
- 5 NIIT University
- 6 Naya Bazaar Novelties Private Limited

b) Details of significant transactions and balances with related parties : (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
Dividend Income (Footnote i)	130.44 (123.20)	- (-)	- (-)	- (-)	130.44 (123.20)
Loan Given (Footnote ii)	- (-)	- (-)	- (-)	- (1.00)	- (1.00)
Loan Given Received Back (Footnote iii)	- (-)	- (-)	- (-)	- (1.00)	- (1.00)
Other Income (Footnote iv)	0.58 (-)	- (-)	- (-)	- (-)	0.58 (-)
Purchase of Goods (Footnote v)	- (-)	- (-)	- (-)	0.45 (0.76)	0.45 (0.76)
Purchase of Services (Footnote vi)					
Employee Benefit Expense	- (-)	- (-)	- (-)	0.58 (-)	0.58 (-)
Other Expenses	- (-)	- (-)	- (-)	3.74 (7.82)	3.74 (7.82)
Other Services (Included in Other Expenses)	19.92 (19.77)	- (-)	- (-)	1.88 (0.60)	21.80 (20.37)
Professional Technical & Outsourcing Expenses	- (4.05)	- (-)	- (-)	4.78 (11.54)	4.78 (15.59)
Recovery of Expenses By (Footnote vii)					
Employee Benefit Expense	0.13 (-)	- (-)	- (-)	- (0.42)	0.13 (0.42)
Other Expenses	5.39 (4.88)	- (-)	1.81 (1.66)	11.82 (1.29)	19.02 (7.83)
Other Services (Included in Other Expenses)	0.44 (0.21)	- (-)	- (-)	- (-)	0.44 (0.21)
Professional Technical & Outsourcing Expenses	- (-)	- (-)	- (-)	7.11 (5.12)	7.11 (5.12)
Recovery of Expenses From (Footnote viii)					
Employee Benefit Expense	12.44 (7.58)	- (-)	- (-)	8.66 (15.33)	21.10 (22.91)
Other Expenses	3.88 (5.54)	- (-)	- (-)	7.59 (4.45)	11.47 (9.99)
Other Services (Included in Other Expenses)	19.21 (19.06)	- (-)	- (-)	- (-)	19.21 (19.06)
Remuneration (Footnote ix)	- (-)	30.28 (8.06)	- (-)	- (-)	30.28 (8.06)
Sale of Courseware (Footnote x)	- (-)	- (-)	- (-)	0.53 (1.80)	0.53 (1.80)
Sale of Services (Footnote xi)	5.77 (31.40)	- (-)	- (-)	5.27 (3.72)	11.04 (35.12)
Sale of Goods (Footnote xii)	- (-)	- (-)	- (-)	1.03 (1.53)	1.03 (1.53)
Interest Income (Footnote xiii)	- (-)	- (-)	- (-)	- (0.08)	- (0.08)
Sale of Fixed Assets (Footnote xiv)	- (-)	- (-)	- (-)	0.05 (-)	0.05 (-)

Refer Notes 19, 20 & 21 for guarantees, collaterals and commitments

Footnotes:-

Previous year figures are given in parenthesis.

i) Includes Dividend Income from:

NIIT Technologies Limited Rs. 130.44 Million (Previous year Rs. 123.20 Million)

ii) Loans Given relates to:

NIIT Foundation (formerly known as NIIT Education Society) Nil (Previous year Rs. 1.00 Million)

iii) Loans Given Received Back relates to:

NIIT Foundation (formerly known as NIIT Education Society) Nil (Previous year Rs. 1.00 Million)

iv) Other Income includes:

NIIT Technologies Limited Rs. 0.58 Million (Previous year Nil)

v) Includes Purchase of Goods from:

NIIT Foundation (formerly known as NIIT Education Society) Rs. Nil (Previous year Rs. 0.76 Million)

Naya Bazaar Novelties Private Limited Rs. 0.45 Million (Previous year Rs. 0.59 Million)

vi) Includes Purchase of Services from:**Employee Benefit Expense**

NIIT University Rs. 0.58 Million (Previous year Nil)

Other Expenses

NIIT University Rs. 3.74 Million (Previous year Rs. 2.01 Million)

NIIT Foundation (formerly known as NIIT Education Society) Nil (Previous year Rs. 5.82 Million)

Other Services (Included in Other Expenses)

NIIT University Rs.1.88 Million (Previous year Rs. 0.20 Million)

NIIT Technologies Limited Rs.19.92 Million (Previous year Rs. 19.77 Million)

NIIT Foundation (formerly known as NIIT Education Society) Nil (Previous year Rs. 0.40 Million)

Professional Technical & Outsourcing Services

NIIT University Rs. 4.78 Million (Previous year Rs. 11.53 Million)

NIIT Foundation (formerly known as NIIT Education Society) Rs. Nil (Previous year Rs. 0.01 Million)

NIIT Technologies Pte Ltd Nil (Previous year Rs. 1.78 Million)

NIIT Technologies Inc., USA Nil (Previous year Rs. 2.27 Million)

vii) Includes Recovery of Expenses by:**Employee Benefit Expense**

NIIT University Nil (Previous year Rs. 0.42 Million)

NIIT Technologies Inc., USA Rs. 0.13 Million (Previous year Nil)

Other Expenses

NIIT University Rs.10.91 Million (Previous year Nil)

NIIT Technologies Limited, UK Rs. 5.39 Million (Previous year Rs.4.88 Million)

NIIT Network Services Limited Rs. 0.14 Million (Previous year Nil)

NIIT Foundation (formerly known as NIIT Education Society) Rs. 0.05 Million (Previous year Rs. 0.63 Million)

Renuka Thadani Rs. 1.09 Million (Previous year Rs. 0.99 Million)

Veena Oberoi Rs. 0.73 Million (Previous year Rs. 0.66 Million)

Pace Industries Private Limited Rs. 0.73 Million (Previous year Rs. 0.66 Million)

Other Services (Included in Other Expenses)

NIIT Technologies Inc., USA Rs. 0.14 Million (Previous year Rs. 0.21 Million)

NIIT Technologies Limited Rs. 0.30 Million (Previous year Rs. 0.00 Million)

Professional Technical & Outsourcing Services

NIIT Foundation (formerly known as NIIT Education Society) Rs. 5.41 Million (Previous year Rs. 5.12 Million)

NIIT Technologies Pte Ltd Rs. 1.70 Million (Previous year Nil)

viii) Includes Recovery of Expenses From:**Employee Benefit Expense**

NIIT Foundation (formerly known as NIIT Education Society) Rs. 0.04 Million (Previous year Nil)

NIIT Technologies Inc., USA Rs. 0.85 Million (Previous year Rs. 0.91 Million)

NIIT Technologies Limited Rs. 11.59 Million (Previous year Rs. 6.67 Million)

NIIT University Rs. 8.62 Million (Previous year Rs. 15.33 Million)

Other Expenses

NIIT Foundation (formerly known as NIIT Education Society) Rs. 2.58 Million (Previous year Rs. 1.06 Million)

NIIT GIS Limited Rs. 0.35 Million (Previous year Rs. 0.40 Million)

NIIT Institute of Information Technology Nil (Previous year Rs. 1.00 Million)

NIIT Technologies Limited Rs. 3.84 Million (Previous year Rs. 5.13 Million)

NIIT University Rs. 5.01 Million (Previous year Rs. 2.39 Million)

Other Services (Included in Other Expenses)

NIIT MediaTechnologies LLC, UK Rs. 2.44 Million (Previous year Rs. 1.89 Million)

NIIT Technologies Limited Rs. 6.90 Million (Previous year Rs. 5.23 Million)

NIIT Technologies Inc., USA Rs. 9.87 Million (Previous year Rs. 11.94 Million)

ix) Remuneration Paid to :

Rajendra S Pawar Rs. 4.38 Million (Previous year Rs. 2.64 Million)

Vijay K Thadani Rs. 5.37 Million (Previous year Rs. 2.69 Million)

P Rajendran Rs. 20.53 Million (Previous year Rs. 2.73 Million)

x) Includes Sale of Courseware :

NIIT Foundation (formerly known as NIIT Education Society) Rs. 0.53 Million (Previous year Rs. 1.80 Million)

xi) Sale of Services

NIIT Foundation (formerly known as NIIT Education Society) Rs. 2.84 Million (Previous year Rs. 1.25 Million)

NIIT Technologies FZ LLC Nil (Previous year Rs. 1.09 Million)

NIIT Technologies Limited Rs. 2.01 Million (Previous year Rs. 26.06 Million)

NIIT GIS Limited Rs. 0.08 Million (Previous year Rs. 0.07 Million)

NIIT Smart Serve Limited Rs. 0.12 Million (Previous year Rs. 0.28 Million)

NIIT University Rs. 2.43 Million (Previous year Rs. 2.47 Million)

NIIT Technologies Pte Limited, Singapore Rs. 3.56 Million (Previous year Rs. 3.85 Million)

xii) Includes Sale of Goods :

NIIT Foundation (formerly known as NIIT Education Society) Rs. 1.03 Million (Previous year Rs. 1.53 Million)

xiii) Includes Interest Income :

NIIT Foundation (formerly known as NIIT Education Society) Nil (Previous year Rs. 0.08 Million)

xiv) Sale of Fixed Assets

NIIT Institute of Information Technology Rs. 0.05 Million (Previous year Nil)

c) Outstanding Balances :

(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	11.06 (1.27)	- (-)	- (-)	12.20 (2.10)	23.26 (3.37)
Payable	11.30 (5.76)	- (-)	- (-)	9.11 (0.15)	20.41 (5.91)

Note:- Refer Notes 19, 20 and 21 for guarantees, collaterals and commitments as at the year end.

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, 2015	March 31, 2014
Salary and Other employee benefits	106.84	124.76
Professional & Outsourcing Expenses	20.45	69.26
Rent	11.17	18.34
Other Expenses	7.58	20.23
Total	146.04	232.59

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	4,191.66 (4,875.49)	9,685.64 (8,747.90)	333.97 (323.75)
America	2,777.22 (2,482.45)	1,245.58 (1,621.63)	111.75 (65.71)
Europe	2,070.33 (1,553.96)	425.61 (335.94)	2.17 (1.92)
Rest of the World	534.61 (598.06)	359.81 (544.02)	2.70 (43.02)
Total	9,573.82 (9,509.96)	11,716.64 (11,249.49)	450.59 (434.40)

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	(Rs. Million)	
	As at	
	March 31, 2015	March 31, 2014
Not later than 1 year	139.88	115.17
Later than 1 year but not later than 5 years	175.89	125.09
Later than 5 years	14.56	31.10

Aggregate payments during the year under operating leases in respect of equipments, vehicles and premises for office and employees accommodation amounting to Rs. 647.60 Million (Previous year Rs. 655.70 Million).

Sub lease receipts recognised in the Consolidated Statement of Profit and Loss for the year amounting to Rs. 0.23 Million (Previous year Rs. 0.22 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 furniture & fixtures and Intangibles. 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	(Rs. Million)	
	As at	
	March 31, 2015	March 31, 2014
Not later than 1 year		
Minimum lease payments	15.51	52.79
Finance charges	1.04	3.88
Present value of lease payments	14.47	48.91
Later than 1 year but not later than 5 years		
Minimum lease payments	4.85	20.48
Finance charges	0.26	2.12
Present value of lease payments	4.59	18.36
Total		
Minimum lease payments	20.36	73.27
Finance charges	1.30	6.00
Present value of lease payments	19.06	67.27

39 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 Corporation (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.

- 40 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. Nil (Previous year Rs. 119.84 Million) from NSDC. NYJL has incurred Rs. 36.28 Million (Previous year Rs.26.32 Million) during the year. The balance amount of Rs. 75.96 Million (Previous year Rs. 112.24 Million) is included in Other Payables under the head Other Current Liabilities.
- 41 In consideration of National Skill Development Corporation ("NSDC") supporting the skill development activities and initiatives of 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 beginning April 1, 2017.
- 42 The net worth of NIIT Institute of Finance Banking and Insurance Training Limited ("NIFBIT") is substantially eroded as at the year end owing to lower student registrations and corporate orders. NIFBIT expects an increase in registrations in the ensuing financial year based on requirements for trained banking professionals from its largest customer, ICICI Bank. Further, it has initiated plans to leverage the network of the holding company which shall result in expanding its reach across cities and enhance the utilisation of Company's resources and reduce costs. Further, the holding company has also committed financial and operational support to the Company. Based on such future plans, orders in pipeline and committed support from the holding company, Financial Statements of NIFBIT's have been prepared on a going concern basis.
- 43 The net worth of NIIT Institute of Process Excellence Limited ("NIPE") stood substantially eroded as on March 31, 2015. However during the year NIPE has been able to earn profits, which has significantly improved the position. NIPE is in the process of expanding its reach through acquisition of new customers. Based on the business estimates and financial projections, the future outlook of the NIPE looks bright and expects to witness improved performance in following years. Accordingly NIPE's Financial Statements have been prepared on an going concern basis.
- 44 The net worth of Hole-in-the-Wall Education Limited (HIWEL) stood significantly eroded as at March 31, 2015. However as result of transfer of Undertaking, pursuant to the Scheme of Arrangement, Board of the Directors of the HIWEL are confident that based on the future business projections of School business, the future outlook of the HIWEL looks bright and is expected to witness improved performance in following years. Further, the holding company has also committed financial and operational support to the Company. Accordingly HIWEL's Financial Statements have been prepared on an going concern basis.
- 45 **Derivative Instruments**
- a) During the year, the Holding 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 as per the agreement.
- b) The following table summarises the movement of the principal swap during the year:

(USD Million)

Particulars	March 31, 2015	March 31, 2014
Opening balance as at beginning of the year	12.00	12.00
Additions during the current year	16.05	-
Matured during the year	(12.00)	-
Closing balance as at the end of the year	16.05	12.00

- c) An amount of Rs. 45.95 Million (Previous year Rs. 2.99 Million) (net) has been charged to Hedging Reserve in the Balance Sheet excluding Share in Hedging Reserve of Associates amounting to Rs. 9.98 Million (Previous year 21.09 Million) (Refer Note 4).

46 Disclosures mandated by Schedule III of the Companies Act, 2013 by way of additional information

Name of the entity	Year	Net Assets		Share in Profit or (Loss)	
		As % of Consolidated net assets	Amount (Rs Million)	As % of Consolidated profit or loss	Amount (Rs Million)
Parent Company					
NIIT Limited	2015	11.45	842.68	47.26	(654.71)
	2014	33.47	2,281.98	(286.85)	(509.74)
Indian Subsidiaries					
1. Hole-in-the-Wall Education Limited	2015	5.92	435.93	30.44	(421.64)
	2014	(0.90)	(61.04)	(5.09)	(9.05)
2. NIIT Institute of Finance Banking and Insurance Training Limited	2015	(0.02)	(1.23)	4.55	(63.01)
	2014	0.76	51.79	56.52	100.43
3. Scantech Evaluation Services Limited	2015	-	-	-	-
	2014	4.30	293.06	6.25	11.10
4. NIIT Online Learning Limited	2015	-	-	-	-
	2014	(0.73)	(49.85)	(0.05)	(0.08)
5. Evolv Services Limited	2015	-	-	-	-
	2014	0.81	55.51	3.70	6.57
6. NIIT Institute of Process Excellence Limited	2015	1.46	107.67	(2.68)	37.14
	2014	1.17	79.81	19.04	33.83
7. NIIT Yuva Jyoti Limited	2015	(1.21)	(89.07)	6.81	(94.30)
	2014	0.08	5.15	(58.13)	(103.29)
Foreign Subsidiaries					
1. NIIT (USA) Inc., USA	2015	8.16	600.54	(5.10)	70.60
	2014	13.26	903.82	110.47	196.31
2. NIIT Ventures Inc., USA	2015	-	-	-	-
	2014	0.01	0.48	(0.02)	(0.04)
3. NIIT Limited, UK	2015	0.05	3.50	1.42	(19.65)
	2014	0.43	29.23	9.20	16.35
4. NIIT Antilles NV	2015	1.34	98.82	21.47	(297.40)
	2014	(0.14)	(9.87)	(60.12)	(106.83)
5. NIIT Malaysia Sdn. Bhd	2015	0.61	45.18	(0.37)	5.13
	2014	0.65	44.06	1.91	3.40
6. NIIT GC Limited	2015	(0.02)	(1.39)	0.20	(2.80)
	2014	0.02	1.41	(1.67)	(2.97)
7. NIIT China (Shanghai) Limited	2015	(0.59)	(43.48)	12.33	(170.86)
	2014	1.89	128.54	9.12	16.21
8. NIIT WuXi Service Outsourcing Training School	2015	0.49	35.99	4.24	(58.72)
	2014	1.06	72.29	(6.52)	(11.59)
9. WuXi NIIT Information Technology Consulting Limited	2015	(0.03)	(1.95)	(0.00)	0.03
	2014	(0.03)	(1.97)	1.47	2.62
10. Chongqing NIIT Education Consulting Limited	2015	(0.21)	(15.66)	1.13	(15.69)
	2014	0.04	2.53	(1.51)	(2.69)
11. Changzhou NIIT Information Technology Consulting Limited	2015	0.10	7.36	(0.20)	2.71
	2014	0.08	5.18	7.66	13.62
12. Su Zhou NIIT Information Technology Consulting Limited	2015	0.32	23.23	(1.46)	20.17
	2014	0.12	8.48	8.76	15.56
13. PT NIIT Indonesia (Under Liquidation)	2015	-	-	-	-
	2014	-	-	(0.51)	(0.91)
14. NIIT West Africa Limited	2015	(0.46)	(33.74)	0.61	(8.44)
	2014	(0.31)	(21.37)	(4.10)	(7.29)
15. Qingdao NIIT Information Technology Company Limited	2015	0.03	2.35	0.83	(11.49)
	2014	0.20	13.69	(6.98)	(12.41)
16. Chongqing An Dao Education Consulting Limited	2015	0.14	10.50	(0.48)	6.70
	2014	0.08	5.36	1.62	2.88
17. Zhangjiagang NIIT Information Services Limited	2015	0.08	5.88	(0.28)	3.89
	2014	0.04	2.91	(4.69)	(8.33)
18. Chengmai NIIT Information Technology Company Limited	2015	0.08	5.59	(0.07)	0.96
	2014	0.06	4.40	(0.25)	(0.45)

Name of the entity	Year	Net Assets		Share in Profit or (Loss)	
		As % of Consolidated net assets	Amount (Rs Million)	As % of Consolidated profit or loss	Amount (Rs Million)
Minority Interest in all subsidiaries					
Indian					
1. NIIT Institute of Finance Banking and Insurance Training Limited	2015	0.01	0.89	(0.90)	12.40
	2014	0.20	13.31	(7.88)	(14.01)
2. NIIT Institute of Process Excellence Limited	2015	0.49	35.90	0.67	(9.29)
	2014	0.39	26.62	(4.76)	(8.45)
3. NIIT Yuva Jyoti Limited	2015	-	-	(0.01)	0.08
	2014	0.01	0.82	5.90	10.48
4. NIIT Online Learning Limited	2015	-	-	(0.06)	0.84
	2014	0.01	0.52	0.01	0.01
Foreign					
1. NIIT WuXi Service Outsourcing Training School	2015	0.25	18.68	(1.48)	20.46
	2014	0.44	29.91	1.47	2.62
2. WuXi NIIT Information Technology Consulting Limited	2015	0.03	1.98	0.00	(0.01)
	2014	0.03	1.98	(0.42)	(0.75)
3. Chongqing NIIT Education Consulting Limited	2015	0.02	1.62	(0.01)	0.17
	2014	0.02	1.62	0.43	0.77
4. Changzhou NIIT Information Technology Consulting Limited	2015	(0.01)	(0.58)	0.06	(0.77)
	2014	(0.01)	(0.58)	(2.19)	(3.89)
5. Su Zhou NIIT Information Technology Consulting Limited	2015	(0.02)	(1.43)	0.42	(5.76)
	2014	(0.02)	(1.43)	(2.50)	(4.44)
6. Chongqing An Dao Education Consulting Limited	2015	0.02	1.53	0.13	(1.74)
	2014	0.02	1.53	(0.42)	(0.75)
7. Zhangjiagang NIIT Information Services Limited	2015	0.02	1.73	0.08	(1.11)
	2014	0.03	1.73	1.34	2.38
Associate					
1.NIIT Technologies Limited	2015	71.47	5,258.46	(19.55)	270.79
	2014	42.48	2,896.59	309.80	550.52
Total	2015	100.00	7,357.48	100.00	(1,385.32)
	2014	100.00	6,818.20	100.00	177.70

47 Previous year figures, to the extent feasible, have been regrouped/ recast wherever necessary to conform to the current year's classification. Figures for the previous year are not comparable pursuant to the effect of the Scheme as stated in Note 32.

Signatures to Notes ' 1 ' to ' 47 ' 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
DIN - 00042516

Vijay K Thadani
Vice-Chairman & Managing Director
DIN - 00042527

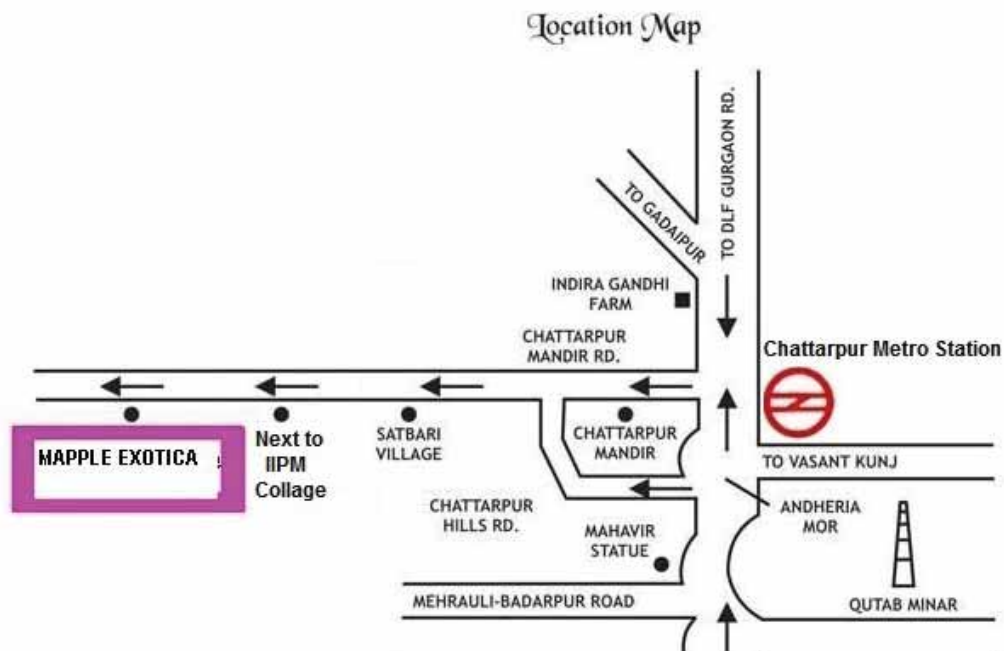
Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Advisor

Rohit Kumar Gupta
Chief Financial Officer

Mukesh Kumar
Company Secretary

Place : New Delhi
Date : July 17, 2015



Chattarpur Mandir to Mapple Exotica Around 4Km



PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

32nd Annual General Meeting – September 8, 2015

Name of the Member(s):

--

Registered Address:

Email:

--

DP ID:

--	--	--	--	--	--	--	--

Folio No. / Client ID No.:

[illegible]

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint:

1) Name: _____ Address: _____

E-mail Id: _____

Signature: _____

or failing him/her

2) Name: _____ Address: _____

E-mail Id: _____

Signature: _____

or failing him/her

3) Name: _____ Address: _____

E-mail Id: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Tuesday, September 8, 2015 at 10.00 A.M. IST, at Mapple Exotica, Khasra No. 123, Chatarpur Mandir Road, Satbari, New Delhi – 110 074 and at any adjournment thereof in respect of such resolutions as are indicated below:



NIIT Limited

CIN: L74899DL1981PLC015865

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

NIIT

Proxy Form Cont...

Resolution Number	Resolution	Vote (Optional see Note 2)		
		No. of shares	For	Against
Ordinary Business				
1	Adoption of : (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015 and report of the Auditors thereon			
2	Appoint a Director in place of Mr. P Rajendran (DIN: 00042531), who retires by rotation and being eligible, offers himself for re-appointment			
3	Ratify the appointment of M/s Price Waterhouse, Chartered Accountants, (Firm Registration Number FRN301112E), as Statutory Auditors of the Company.			
Special Business				
4	Approval for Alteration in Authorized Share Capital of the Company			
5	Ratification of remuneration of Cost Auditor			
6	Appointment of Mr. Vijay K Thadani as Managing Director of the Company			

Signed this _____ day of _____ 2015

Signature of Member _____

Signature of Proxy holder(s) _____

Affix Revenue
Stamp not less
than Rs.0.15

Notes:

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, either in person or through post, not later than 48 hours before the commencement of the Annual General Meeting.
2. It is optional to indicate your preference. If you leave the For/Against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
3. A proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes. In case, both the member and proxy attend the meeting, the proxy shall automatically stand revoked.
5. A proxy form which does not state the name of proxy and/or which are undated, unstamped or inadequately stamped or upon which the stamps have not been cancelled shall not be considered as valid.
6. Proxy-holder shall carry his/her identity proof (Driving License, Voter ID Card, Passport, PAN card) in order to prove his/her identity at the Annual General Meeting.
7. In case the meeting gets adjourned, the proxy given for the adjourned meeting shall revoke the proxy for the original meeting.
8. A proxy later in date shall revoke any proxy/proxies dated prior to such proxy.
9. For the resolutions, statement pursuant to Section 102 of the Companies Act, 2013 and notes, please refer Notice of the 32nd Annual General Meeting.

NIIT Limited

CIN: L74899DL1981PLC015865

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

NIIT

ATTENDANCE SLIP

32nd Annual General Meeting – September 8, 2015

DP ID:

--	--	--	--	--	--	--	--

Folio No. / Client ID No.:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

No. of Shares held:

--	--	--	--	--	--	--	--	--	--

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 32nd Annual General Meeting of the Company held on Tuesday, September 8, 2015 at 10.00 A.M. IST. at Mapple Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi – 110 074

Name of the Member : _____

Name of the Proxy : _____

Signature : _____

Note: Please complete this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting hall. Members are requested to bring their copy of the Annual Report for reference at the meeting.

Form No. MGT-12**Ballot/Polling Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

S No.	Particulars	Details
1	Name of the First Named Shareholder (IN BLOCK LETTERS)	
2	Postal address	
3	Registered Folio No. / *DPID Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4	Class of Share	Equity share of Rs.2/- each

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Item	No. of shares held	I assent to the resolution ("For")	I dissent from the resolution ("Against")
Ordinary Business				
1	Adoption of: (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015 and report of the Auditors thereon			
2	Appoint a Director in place of Mr. P Rajendran (DIN: 00042531), who retires by rotation and being eligible, offers himself for re-appointment			
3	Ratify the appointment of M/s Price Waterhouse, Chartered Accountants, (Firm Registration Number FRN301112E), as Statutory Auditors of the Company.			
Special Business				
4	Approval for Alteration in Authorized Share Capital of the Company			
5	Ratification of remuneration of Cost Auditor			
6	Appointment of Mr. Vijay K Thadani as Managing Director of the Company			

Place:

Date:

(Signature of the shareholder/proxy holder)

Notes:

- Signature of shareholder/proxy holder should be as per specimen registered/recorded with the Company/Depository.
- Any cutting/overwriting on this Polling Paper should be signed by the shareholder/Proxy holder.

INSTRUCTIONS

1. Shareholder(s) desiring to exercise vote by Ballot, should complete the Ballot Form and sent it to the Scrutinizer at the address mentioned on the self –addressed pre-paid postage business reply envelope. Postage will be borne and paid by the Company. Envelope containing the Ballot Form, if deposited in person or sent by courier at the expenses of the Shareholder(s) will also be accepted.
2. The Ballot Form should be completed and signed by the Shareholder, as per the specimen signature registered with the Company or the Depository Participant(s), as the case may be. In case of joint holding, the form should be completed and signed by the first named Shareholder and in his/her absence, by the next named Shareholder. In case Ballot Form is signed through an attorney, a copy of the Power of Attorney attested by the Shareholder shall be annexed to the Ballot Form.
3. There will be only one Ballot Form for every Folio/Client ID irrespective of the number of joint holders.
4. In the case of shares held by companies, trusts, societies etc., the duly completed Ballot Form should be accompanied by a certified true copy of Board Resolution/Authority Letter together with the specimen signatures of the duly authorized signatory(ies).
5. A tick mark (✓) should be placed in the relevant box signifying assent / dissent for the resolution, as the case may be, before mailing the Ballot form. The assent / dissent received in any other form shall not be considered valid. Ballot Form bearing (✓)mark in both the columns will render the form invalid.
6. Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten Postal Ballot Form will be rejected. The Scrutinizer's decision on the validity of the Postal Ballot Form shall be final and binding.
7. Duly completed Ballot Form should reach the Scrutinizer not later than 5.00 P.M. (IST) on September 7, 2015. Ballot Form received after this date and time, will be strictly treated as if the reply from such Shareholder(s) has not been received.
8. Shareholders are requested to complete the Ballot Form in in delible ink. [avoid completing it by using erasable writing medium(s) like pencil].
9. The Ballot shall not be exercised by a Proxy.
10. Shareholders are requested not to send any other paper along with the Ballot Form in the enclosed self-addressed postage prepaid envelope. If any extraneous papers are found, the same will be destroyed by the Scrutinizer.
11. Kindly note that the Shareholders can opt for only one mode of voting, i.e. either by Ballot or remote e-voting. If you are opting for remote e-voting, then do not vote by Ballot also and vice versa. However, in case Shareholders cast their vote through e-voting facility as well as send physical Ballot Form, then voting through e-voting shall prevail and voting done by physical Ballot shall be treated as invalid.
12. The Scrutinizers' decision on the validity of a Ballot Form and other related matters will be final.
13. These instructions shall not be apply to the shareholders who opts for voting at the Annual General Meeting through Ballot.

AMERICAS

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1050 Crown Pointe Parkway
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Fax: +1 770 551 9229

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Evanston IL 60201, USA
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Fax: +1 847 425 8510

NIIT Antilles NV
Landhuis Joonchi
Kaya Richard J Beaujon z/n
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Curacao
Phone: +00 5999 7331800

EUROPE

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2nd Floor, 47 Mark Lane
London EC3R 7QQ
United Kingdom
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Fax: +44 207 002 0701

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Fax: +0049 0 69 174872

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Fax: +44-20700-20701

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(Netherlands Branch)
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Phone: +44-20700-20700
Fax: +44-20700-20701

ASIA

- India
- NIIT Limited
 - NIIT Institute of Finance Banking and Insurance Training Limited
 - NIIT Institute of Process Excellence Limited
 - NIIT Yuva Jyoti Limited

Registered Office:
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8, Balaji Estate, First Floor
Guru Ravi Das Marg, Kalkaji
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Fax: +91 11 41407120

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Fax: +91 124 4293333

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Fax: +86 21 52581541

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6th Floor, Plaza See Hoy Chan
Jalan Raja Chulan
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DID: +603 2050 1955
Tel: +603 2050 1888
Fax: +603 2031 8618

NIIT (USA) Inc Singapore Branch
1, North Bridge Road # 19-04/05
High Street Center
Singapore 179094
Phone: +65 63372472
Fax: +65 63382844

MIDDLE EAST

Dubai
NIIT Antilles NV Middle East
(Branch)
Dubai Airport Free Zone
Office No.531, 6EA East Wing
PO Box 293566
Dubai, UAE
Phone: +9714 4211369

AFRICA

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Fax: +230 403 6060

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South Africa
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Mobile: +27 726663082

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Phone: +02 9392 8686
Fax: +02 9299 8195

#niitgoplaces

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CENTRE FOR PROCESS EXCELLENCE
AN NIIT GENPAC VENTURE

NIIT
Yuva Jyoti
skills for jobs

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

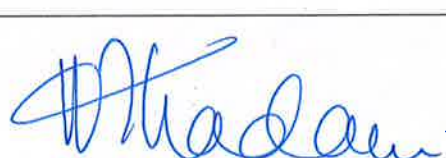
FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

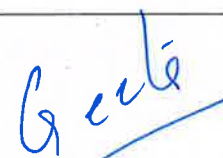
1.	Name of the Company	NIIT Limited
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit observation	~~Un-qualified~~ / Matter of Emphasis
4.	Frequency of observation	~~N.A.~~ / First Time
5.	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	

For Price Waterhouse
Firm Registration No.: 301112E


Usha Rajeev
Partner
Membership No. 087191


Vijay K Thadani
Vice-Chairman & Managing
Director


Rohit Kumar Gupta
Chief Financial Officer


Geeta Mathur
Chairperson - Audit
Committee Meeting

Date: July 17, 2015
Place: New Delhi