

GHOSH KHANNA & CO.
CHARTERED ACCOUNTANTS

L-2A, Hauz Khas Enclave, New Delhi-110016, India
Phones: +91 (011) 2696 2981/2 Fax: +91 (011) 2696 2985
E-mail: gkc@vsnl.com website: www.gkcindia.com

AUDITORS' REPORT

THE MEMBERS OF NIIT GIS LIMITED

Report on the Financial Statements

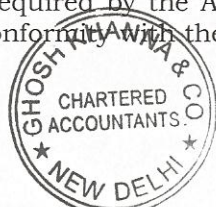
1. We have audited the attached Balance Sheet of **NIIT GIS LTD.** as at 31st March, 2013 and the related Profit and Loss Statement and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



Branches:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013 and
- (b) In the case of the Profit and Loss Statement, of the Profit for the period of twelve months ended on that date.
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

6. As required by Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (together 'the order') issued by the Central Government of India in terms of sub-section(4A) of section 227 of The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we further report that:

i.a. The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.

b. The Fixed Assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the company and its nature of assets and no discrepancies between the book records and physical assets have been noticed.

c. In our opinion and according to information and explanation given to us, a substantial part of fixed assets has not been disposed off by the company during the year.

ii.a. The stocks of the finished goods of the Company at all its locations have been physically verified by the management at reasonable intervals.

b. In our opinion procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of business.

c. The company is maintaining proper records of inventory and the discrepancies between the physical stocks and the book stocks have been properly dealt with and were not material.

iii. The Company has neither granted nor taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.

iv. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of services and goods.



- v. Purchase of goods and materials and sale of goods, material and services in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 aggregating during the year to Rs. 5 Lacs or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices (based on Transfer Pricing study carried out by the company under the Income Tax Act) for such goods, materials or services or the prices at which transactions of similar goods or services have been made with other parties. However, in case of purchase or sale of goods, materials or services of a specialised nature, it is not possible to compare the prices paid or received.
- vi. The Company's present internal audit system is commensurate with its size and nature of business.
- vii. The Central Government has not prescribed under section 209 (1) (d) of the Companies Act, 1956 for maintenance of Cost Records by the Company for any of its products.
- viii. The Company has regularly deposited, during the year, Provident Fund, Employee State Insurance, Income Tax, Custom Duty and other statutory dues with the appropriate authorities in India.
- ix. According to the information and explanation given to us there are no dues of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and Cess, which have not been paid on account of any dispute. There is a demand of Rs.40,375,327 by the Income Tax department for the A.Y 2006-07 Rs.5,43,72,720/- for A.Y 2007-08 and 58,374,769/- for A.Y 2008-09 against which company 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 (Refer Note No. 17).

There is a demand of Rs.2,600,327 by the Income Tax department for the A.Y 2009-10 against which company has preferred an appeal to the Commissioner of Income Tax(Appeals)

The Central Excise, Chandigarh raised a demand of Rs.120,582,449 and equivalent amount of Rs.120,582,449 as penalty. The department has also imposed a penalty of Rs.1,000,000 personally to Financial Controller of the company. The company has received an unconditional stay order from the Excise Tribunal against the said order.

- x. The company has not accepted any deposits to which the provisions of section 58-A of the Companies Act, 1956 are applicable.
- xi. The company has no accumulated losses as at March 31, 2013 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xii. According to the records of the company examined by us and the information and explanations 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.



- xiii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiv. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
- xv. In our opinion, the company is not a dealer or trader in shares, securities. Debentures and other investments.
- xvi. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvii. The company has not obtained any terms loans.
- xviii. On the basis of an overall examination of the balance sheet of the company, on our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- xix. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xx. The company has not issued any debentures hence clause(xix) of the order is not applicable to the company.
- xxi. The company has not raised any money by public issues during the year.
- xxii. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
- xxiii. All other provisions of the Order are not applicable to the Company.

7. As required by section 227(3) of the Act we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit & Loss Statement and cash flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, these accounts have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Act;



- e) On the basis of written representations received from the Directors as on 31st March, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act; 1956.

For **GHOSH KHANNA & CO.**
CHARTERED ACCOUNTANTS

Ashish Ghosh

ASHISH GHOSH
PARTNER

Membership No.81732

Place : New Delhi
Date : 6th May 2013



NIIT GIS Limited

Balance Sheet as at 31st March 2013

	PARTICULARS	Notes	As at 31st March 2013 Rs.	As at 31st March 2012 Rs.
I	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	Share capital	3	10,000,700	10,000,700
	Reserves and surplus	4	534,715,575	508,213,266
2	Non-current liabilities			
	Long-term provisions	7	692,861	-
3	Current liabilities			
	Trade Payables	5	130,057,388	110,905,639
	Other current liabilities	6	41,900,914	35,014,658
	Short-term provisions	7	33,348,165	105,648,508
	TOTAL		750,715,603	769,782,771
II	ASSETS			
1	Non-current assets			
	Fixed assets	8		
	Tangible assets		36,536,569	39,964,262
	Intangible assets		1,197,679	1,035,060
	Deferred tax assets (net)	10	2,986,755	5,525,349
	Long-term loans and advances	11	168,066,100	120,081,621
	Other non-current assets	14	2,593,646	2,565,301
2	Current assets			
	Current investments	9	70,000,000	83,746,957
	Inventories	15	3,763,825	7,389,885
	Cash and bank balances	16	38,558,691	47,642,508
	Short-term loans and advances	11	21,223,916	19,596,123
	Trade receivables	12	368,106,522	375,543,642
	Other current assets	14	37,681,900	66,692,063
	TOTAL		750,715,603	769,782,771

The accompanying notes 1 to 26 referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board

Ashish Ghosh
Ashish Ghosh
 Partner
 Membership No. 81732
 For and on behalf of
 Ghosh Khanna & Co
 Firm Registration No. 003366N
 Chartered Accountants

Arvind Thakur
Arvind Thakur
 Director
 DIN - 00042534

Rajesh C Mathur
Rajesh C Mathur
 Director
 DIN - 000471197

Place: New Delhi
 Date: 6th May 2013



NIIT GIS Limited


Statement of Profit & Loss for the year ended 31st March 2013

PARTICULARS	Notes	Year ended	Year ended
		31st March 2013	31st March 2012
		Rs.	Rs.
INCOME			
I. Revenue from Operations	19	771,817,935	872,065,389
II. Other Income	20	13,017,756	20,358,511
III. Total Revenue (I + II)		784,835,691	892,423,900
IV. EXPENDITURE			
(Increase) / Decrease in Inventory	15	3,626,060	(1,785,039)
Production, Development and Bought Out Packages	21	360,123,309	358,694,473
Employee Benefits Expense	22	206,906,433	191,703,331
Other Expenses	24	159,001,817	108,697,148
Finance Costs	26	-	604,057
Depreciation and Amortization Expenses	8	8,005,190	7,156,435
Total Expenses		737,662,809	665,070,405
V. Profit before tax (III- IV)		47,172,882	227,353,495
VI. Tax expense:			
(1) Current tax		1,000,000	46,500,000
(2) Deferred tax		2,538,594	(1,277,056)
(3) MAT Credit Entitlement		(1,000,000)	(42,039,341)
VII. Profit (Loss) for the year		44,634,288	224,169,892
VIII. Earnings per equity share (Face Value Rs.10 each):			
(1) Basic		44.63	224.15
(2) Diluted		44.63	224.15

The accompanying notes 1 to 26 referred to above form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date

Ashish Ghosh
Ashish Ghosh
 Partner
 Membership No. 81732
 For and on behalf of
 Ghosh Khanna & Co
 Firm Registration No. 003366N
 Chartered Accountants

For and on behalf of the Board

Arvind Thakur
 Director
 DIN - 00042534

Rajesh C Mathur
Rajesh C Mathur
 Director
 DIN - 000471197

Place: New Delhi
 Date: 6th May 2013



NIIT GIS Limited
Cash Flow Statement for the year ended 31st March 2013

	Year ended 31st March 2013 Rs.	Year ended 31st March 2012 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax and share of Associates' profits but after exceptional items	47,172,882	227,353,495
Adjustments for:		
Depreciation and Amortisation	8,005,190	7,156,435
Interest Expenses	-	604,057
Interest Income	(248,802)	(198,787)
Profit/ (Loss) on Fixed Assets sold	(135,391)	19,246
Profit/ (Loss) from Investments	8,148,930	13,446,548
Miscellaneous Expenditure written off	-	-
Provision for Doubtful Debts	2,661,150	3,517,008
Provision for Doubtful Advances	25,226,622	-
Provision for slow / non-moving Inventory	-	-
Inventory Scrapped	-	-
Dividend Income	-	-
Advances written off	-	-
Liabilities / Provisions no longer required written back	-	-
Provision for Gratuity & Compensated Absences	3,245,047	4,703,000
Foreign Exchange Adjustments	915,371	(153,740)
Employees Stock Option Expenses	-	-
	47,818,117	29,093,767
Operating profit before working capital changes	94,990,999	256,447,262
Add / (Less): (Increase)/ Decrease in operating working capital:		
Trade Receivables	3,162,444	(93,209,426)
Loans and Advances & Other Current Assets	2,137,454	(44,386,205)
Inventories	3,626,060	(1,785,039)
Current Liabilities and Provisions	26,736,160	(22,270,069)
	35,662,118	(161,650,739)
Cash generated from operations	130,653,117	94,796,523
Taxes paid (including TDS)	(47,966,185)	(69,827,155)
Net cash from Operating activities (A)	82,686,932	24,969,368
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including Capital Work-in-progress)	(4,604,725)	(29,067,736)
Proceeds from sale of Fixed Assets	-	-
Proceeds from sale of Mutual Funds	5,598,027	125,604,073
Purchases of Mutual Funds	-	-
Investment in Equity Shares in Subsidiary Companies	-	-
Dividend received	-	-
(Increase) / Decrease in Receivables on Sale on Investments	-	-
Interest Received	248,802	198,787
	248,802	198,787
Net cash used for Investing activities (B)	1,242,104	96,735,124
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Working Capital / Short Term Borrowings (Net)	-	-
Proceeds / (Payments) relating to Cash Credits (Net)	-	-
Term Loan raised/ (repaid) during the year	-	-
Working Capital Loan in Foreign Currency	-	(604,057)
Interest Paid (including financing charges on finance lease arrangements)	-	(135,946,138)
Dividend Paid	(80,005,600)	(22,053,862)
Dividend Tax Paid	(12,978,908)	-
Government Grants received during the year	-	-
Net cash from / (used in) Financing activities (C)	(92,984,508)	(158,604,057)
Net Increase/(Decrease) in Cash & Cash equivalents (A) + (B) + (C)	(9,055,472)	(36,899,565)
Adjustment on account of Foreign Exchange Fluctuations	-	-
Cash and Cash equivalents as at the beginning of the year (Note 1)	50,207,809	87,107,374
Cash and cash equivalents as at the end of the year (Note 1)	41,152,337	50,207,809

Notes:

	31st March 2013 Rs.	31st March 2012 Rs.
1 Cash and cash equivalents as on		
Cash, Cheques & Drafts (in hand) and Remittances in transit	20,307,788	11,941,837
Balances with banks *	20,844,549	38,265,972
	41,152,337	50,207,809

- 2 The above Cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 as notified under Section 211(3C) of The Companies Act, 1956.
- 3 The schedules from 1 - 23 form an integral part of the Cash Flow Statement.
- 4 Previous year figures, to the extent feasible, have been regrouped/recast wherever necessary to conform to the current year's classification. This is the Cash Flow Statement referred to in our report of even date.

Ashish Ghosh

Ashish Ghosh
Partner
Membership No. 81732
For and on behalf of
Ghosh Khanna & Co
Firm Registration No. 003366N
Chartered Accountants

Arvind Thakur

Arvind Thakur
Director
DIN - 00042534

For and on behalf of the Board

Rajesh C Mathur

Rajesh C Mathur
Director
DIN - 000471197

Place : New Delhi
Date: 6th May 2013



NIIT GIS LTD

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Financials Statements are prepared to comply in all material aspects with the applicable accounting principles in India , the applicable accounting standards notified under section 211(3C) of the Companies Act 1956 and the relevant provision of the Companies Act 1956.

i) Fixed Assets

Fixed Assets are stated at acquisition cost.

ii) Depreciation and Amortization

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

Vehicles	10 years 6 months
Plant and Machinery- Computers and Peripherals	2-5 years
All other assets	Rates prescribed under schedule XIV to the Companies Act, 1956

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) Revenue Recognition

Software Products

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

Software Services.

The revenue from time and material contracts is recognized on a man month basis. Revenue from fixed price contracts is recognized on proportionate completion method basis and foreseeable loss on the completion of contracts if any, is provided for

Annual Maintenance Contracts

Revenue from Annual Maintenance Contracts are recognized in relation to time elapsed on Straight line basis.



NIIT GIS LTD

v) Employee Benefits

a) Retirement Benefit Plans:

- Provident Fund

The company has obtained permission dated 13th August 2009 from the office of Regional Provident Commissioner, New Delhi for participation into NIIT Technologies Limited Employees Provident Fund Trust. Accordingly the company has started making Provident Fund contribution to the Trust benefit from 1st August 2009. It is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investment of the Trust and interest rate notified every year by the Government. The Company's obligation in this regard is determined and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

The Company made defined contribution to Regional Provident Fund Commissioner w.e.f. 1st October 2005 till 31st July 2009 in respect of Provident Fund. The Company does not have any further obligation in this respect.

For the period up to 30th September 2005, the Company made contribution to NIIT Limited Employees' Provident Fund Trust (NIIT Limited Trust) established for the purpose of Provident Fund by NIIT Limited 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 investment of the Trust and interest rate notified every year by the Government. The Company's obligation towards any possible shortfall is actuarially determined and provided for. The company is in the process of completing the formalities of transferring the accumulated balances of Corpus of NIIT Limited Trust as relatable to NIIT GIS Limited to the NIIT Technologies Limited Employees' Provident Fund Trust.

The Company's contribution towards provident fund is charged to Profit and Loss Account..

- Superannuation

The Company has made defined contribution to a Trust established for the purpose by NIIT Technologies Limited. The Company has no further obligation beyond its monthly contributions.

- Gratuity

Gratuity is a post employment defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. Actuarial gains and losses arising from changes in actuarial assumptions are charged or credited to the Profit and loss account in the year in which such gains or losses arise.

b) Compensated absences

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



NIIT GIS LTD

vi) Foreign Currency Transaction

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

vii) Leases

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

viii) 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 temporary timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. As a matter of prudence deferred tax assets are recognized and carried forward only to the extent, there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Current tax is determined based on the provisions of Income-tax Act, 1961.

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

ix) 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.

x) Inventory

Inventory is carried at lower of cost or Net realizable value.

2. **OTHER NOTES:**

(i) **Earnings per Share:**

	2012-13	2011-12
Profit Attributable to Shareholders (Rs.)	44,634,288	224,169,892
Basic/Diluted average Equity Shares (Nos.)	1,000,070	1,000,070
Nominal Value of Equity Share (Rs.)	10	. 10
Basic / Diluted Earnings per share	44.63	224.15

Note:

The company does not have any outstanding dilutive potential equity shares. Consequently, the basic and dilutive EPS of the company remains the same.



NIIT GIS LTD

(ii) EARNINGS IN FOREIGN CURRENCY

	2012-13 (Rs.)	2011-12 (Rs.)
Software Services	80,484,536	53,053,882

(iii) CIF VALUE OF IMPORTS

	2012-13 (Rs.)	2011-12 (Rs.)
Bought out packages / products & Raw Materials	3,702,943	28,932,727

(iv) EXPENDITURE IN FOREIGN CURRENCY (Considered on accrual basis)

	2012-13 (Rs.)	2011-12 (Rs.)
Travel	12,083,224	8,931,368
Royalty (Net of TDS)	134,248,026	119,593,767
Others	15,806,027	158,324

(v) RELATED PARTY TRANSACTION AS PER ACCOUNTING STANDARD 18:

(a) Related parties relationship where controls exist

Holding Company

- (i) NIIT Technologies Limited, India

Fellow Subsidiaries

- (i) NIIT SmartServe Limited, India
(ii) NIIT Technologies Limited, United Kingdom
(iii) NIIT Technologies BV, Netherlands
(iv) NIIT Technologies Pte Limited, Singapore
(v) NIIT Technologies Ltd, Thailand
(vi) NIIT Technologies Pty Ltd, Australia
(vii) NIIT Technologies Co. Ltd, Japan
(viii) NIIT Technologies GmbH, Germany
(ix) NIIT Technologies AG, Austria
(x) NIIT Technologies AG, Switzerland
(xi) NIIT Technologies Inc, USA
(xii) NIIT Technologies NV, Belgium
(xiii) NIIT Insurance Technologies Limited, U.K (erstwhile ROOM Solutions Limited)
(xiv) NIIT Technologies Limited, Canada
(xv) NIIT Airline Technologies GmbH, Germany (Softec GmbH)
(xvi) NIIT Technologies FZ LLC, Dubai
(xvii) NIIT Healthcare Technologies Inc. USA



NIIT GIS LTD

(b) Other related parties with whom the company has transacted:

- (i) Parties of whom the company is an associate:
 - NIIT Limited, India
 - Environmental Systems Research Institute, Inc. USA

- (ii) Key managerial Personnel
 - Rajesh C Mathur

(c) Details of transaction with related parties on an arms length basis.

(Amount in Rs.)

Nature of Transaction	Holding Company and Fellow Subsidiaries	Parties to whom company is an associate	Key Managerial personnel	Total
Sale of Goods	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Purchase of Goods (Note 2)	NIL (NIL)	9,850,158 (58,915,300)	NIL (NIL)	9,850,158 (58,915,300)
Payment of Royalty/Other Ser. (Note 3)	NIL (NIL)	118,635,794 (146,372,591)	NIL (NIL)	118,635,794 (146,372,591)
Rendering of services/Sale of software (Note 4)	61,988,011 (26,321,397)	NIL (1,663,298)	NIL (NIL)	61,988,011 (27,984,695)
Receiving of services (Note 5)	6,615,243 (5,794,794)	NIL (NIL)	NIL (NIL)	6,615,243 (5,794,794)
Transfer of expenses from (Note 6)	48,047,357 (35,380,798)	914,532 (2,021,958)	NIL (NIL)	48,961,889 (37,402,756)
Transfer of expenses to (Note 7)	737,164 (1,497,135)	NIL (NIL)	NIL (NIL)	737,164 (1,497,135)
Remuneration	NIL (NIL)	NIL (NIL)	5,770,282 (5,904,588)	5,770,282 (5,904,588)
Total	117,387,775 (68,994,124)	129,400,484 (208,973,147)	5,770,282 (5,904,588)	252,558,541 (283,871,859)

(d) Details of balances with related parties as at year end

Amount in Rs.

Nature of Transaction	Parent Company and Fellow Subsidiaries	Parties to whom company is an associate	Key Managerial personnel	Total
Receivable (Note 8)	22,046,500 (14,449,261)	1,496,968 (1,663,298)	NIL (NIL)	23,543,468 (16,112,559)
Payable (Note 9)	11,866,876 (21,726,508)	2,274,404 (5,395,714)	2,666 (4,969)	14,143,946 (27,127,191)



NIIT GIS LTD

Notes: 1. Figure in parenthesis represents previous year's figure.

2. Includes transactions for the year mainly with;
Environmental Systems Research, Inc., USA Rs.9,850,158 (Previous year Rs.58,915,300)
3. Includes transactions for the year mainly with;
Environmental Systems Research, Inc., USA Rs.118,635,794 (Previous year Rs.146,372,591)
4. Includes transactions for the year mainly with;
NIIT Technologies Inc., USA Rs.53,812,696 (Previous year Rs.15,649,983)
NIIT Technologies Limited Rs.5,107,506 (Previous year Rs. 3,905,355)
NIIT Technologies PTE Ltd., Singapore Rs.3,067,809 (Previous year Rs.6,766,059)
NIIT Limited Rs.NIL (Previous year Rs.1,663,298)
5. Includes transactions for the year mainly with;
NIIT Technologies Limited Rs.5,598,036 (Previous year Rs.5,794,794)
NIIT Smart Serve Limited Rs.1,017,207 (Previous Year Rs.NIL)
6. Includes transactions for the year mainly with;
NIIT Technologies Limited Rs.44,528,075 (Previous year Rs.34,330,081)
NIIT Smart Serve Limited Rs.NIL (Previous year Rs1,050,717)
NIIT Technologies FZ LLC, Dubai Rs.3,519,282 (Previous year Rs. NIL)
NIIT Limited, India Rs.914,532 (Previous year Rs.2,021,958)
7. Includes transactions for the year mainly with;
NIIT Technologies Limited Rs.737,164 (Previous year Rs. 500,277)
NIIT Technologies Pte Limited, Singapore Rs.NIL (Previous year Rs.996,858)
8. Includes balances mainly with;
NIIT Technologies Limited Rs.4,380,453 (Previous year Rs.3,603,472)
NIIT Technologies Inc., USA Rs.14,598,238 (Previous year Rs.3,673,146)
NIIT Technologies Pte Limited, Singapore Rs.3,067,809 (Previous year Rs.7,172,643)
NIIT Limited, India Rs.1,496,968 (Previous Year Rs.1,663,298)
9. Includes balances mainly with;
NIIT Technologies Limited Rs.8,009,774 (Previous year Rs.21,510,395)
NIIT Smart Serve Limited Rs.337,820 (Previous Year Rs.216,113)
NIIT Technologies FZ LLC, Dubai Rs.3,519,282 (Previous year Rs. NIL)
NIIT Limited, India Rs.2,251,986 (Previous year Rs.3,768,271)
Environmental Systems Research Institute, Inc. Rs.22,418 (Previous year Rs.1,627,443)
Rajesh C Mathur Rs.2,666 (Previous year Rs. 4,969)

(vi). Employee Benefits:

The company has calculated the various benefits provided to employees as under:

A. Defined Contribution Plans

- a) Provident Fund.
- b) Superannuation Fund.



NIIT GIS LTD

During the year the Company has recognized the following amounts in the Statement of Profit and Loss :-

	<u>2012-2013</u>	<u>2011-2012</u>
Employers Contribution to Provident Fund.*	3,678,153	3,026,635
Employers Contribution to Superannuation Fund.*	864,437	841,481

B. State Plans

- a) Employers Contribution to Employee State Insurance.*
- b) Employers Contribution to Employee's Pension Scheme 1995.*

During the year the Company has recognized the following amounts in the Profit and Loss account:-

	<u>2012-2013</u>	<u>2011-2012</u>
Employers Contribution to Employee State Insurance.*	153,242	146,401
Employers Contribution to Employee's Pension Scheme 1995.*	1,552,589	1,437,241

* Included in Contribution towards Provident and Other Funds under Personnel Expenditure (Refer Note 22)

C. Defined Benefit Plans

- a) Provident Fund:

An actuarial analysis of the interest earning of the Provident Fund Trust to whom the company had made contribution was carried out by an independent actuary. The actuary has recommended that no additional provision is required considering overall interest earning, cumulative surplus and present statutory rate of interest. Accordingly no additional provision in respect of provident fund liability is considered necessary.

- b) Contribution to Gratuity Funds – Employee's Gratuity Fund

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

Particulars	Revenue from Customers by location of customers		Carrying amount of segment assets by location of the assets		Addition to fixed assets	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
India	691,333,400	819,733,812	725,897,644	744,707,113	5,340,780	29,098,666
America	54,278,929	16,962,077	15,064,472	4,407,006	Nil	Nil
Europe	471,231	Nil	471,231	Nil	Nil	Nil
Asia Pacific	9,762,436	7,844,668	3,152,624	7,530,470	Nil	Nil
Middle East	15,971,940	27,524,832	9,394,707	13,138,182	Nil	Nil
Total	771,817,936	872,065,389	753,980,678	769,782,771	5,340,780	29,098,666



NIIT GIS LTD

(viii). All operating leases entered into by Company are cancelable on giving notice of 1 to 3 months. Aggregate expenditure in respect of operating lease amounts to Rs 2,262,226 (Previous year Rs.2,058,000)

(ix). **Investments:**

During the period the Company acquired and sold units of mutual funds on various dates as per detail below:

Scheme	As on 1 st April 2012		No. of units purchased	Purchase value (Rs)	No. of units sold	Sale Value (Rs)	As on 31 st March 2013		
	No. of Units at the beginning of the year	Value of units in hand at the beginning of the year (Rs)					No. of units in hand at the year end at cost	Value of units in hand at the year end at (Rs)	Market value of units in hand (Rs)
QIP / FMP :									
Reliance QIP Series I-Growth	3,018,864	43,746,957			3,018,864	44,156,314			
Liquid Scheme :									
Kotak Floater Long Term – Growth	2,561,049	40,000,000			2,561,049	43,961,431			
HDFC Cash Mgm Fund-Growth			422,770	10,000,000			422,770	10,000,000	10,856,153
HDFC Cash Mgm Fund-Growth			422,770	10,000,000			422,770	10,000,000	10,856,153
Rel. Money Manager – Growth			29,980	44,156,314	29,980	44,237,906			
Rel. Money Manager – Growth			6,742	10,000,000	6,742	10,620,429			
Rel. Money Manager – Growth			6,742	10,000,000	6,742	10,620,429			
Kotak Floater Long Term – Growth			579,566	10,000,000	579,566	10,301,722			
Kotak Floater Long Term – Growth			579,566	10,000,000	579,566	10,632,596			
Kotak Floater Long Term – Growth			578,005	10,000,000	578,005	10,054,275			
Rel. Money Manager – Growth			3,361	5,000,000	3,361	5,016,802			
Templeton Ultra Short Bond			703,443	10,000,000	703,443	10,544,465			
Templeton Ultra Short Bond			703,443	10,000,000			703,443	10,000,000	10,626,416
Kotak Floater Long Term – Growth			568,398	10,000,000	568,398	10,427,720			
Rel. Money Manager – Growth			6,609	10,000,000	6,609	10,411,776			
Templeton Ultra Short Bond			701,479	10,000,000			701,479	10,000,000	10,596,748
HDFC Cash Management Fund-Gr			411,678	10,000,000			411,678	10,000,000	10,571,327
Templeton Low Duration Fund-Gr			810,333	10,000,000			810,333	10,000,000	10,289,937
Kotak Floater Long Term - Growth			548,700	10,000,000	548,700	10,066,338			
Rel. Liquid Fund –Treasury Plan			3,539	10,000,000			3,539	10,000,000	10,104,874
TOTAL	5,579,913	83,746,957	7,087,124	209,156,314	9,191,025	231,052,203	3,476,012	70,000,000	73,901,608
Previous Year	13,643,141	222,797,578	17,202,858	465,856,307	25,266,086	618,353,474	5,579,913	83,746,957	87,557,626

(x). **TAXATION**

CURRENT TAX

The Company avails deduction under the provisions of section 80 IC of the Income Tax Act, available to certain undertakings or enterprises setup in certain special category States. The current tax charge during the year relates to Minimum Alternate Tax under section 115 JB, part of which is expected to be recovered in future years. Accordingly amount aggregating to Rs.947.00 Lacs (including 10 Lacs for the Financial Year 2012-13 Rs.419.57 lacs for Financial Year 2011-12, Rs.105.48 lacs for Financial Year 2010-11, Rs.167.95 lacs for Financial Year 2009-10, Rs.53.61 lacs for Financial Year 2008-09, Rs.123.28 lacs for Financial Year 2007-08 and Rs.67.11 lacs for the Financial Year 2006-07) has been recognized as MAT credit entitlement in these accounts.

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



NIIT GIS Limited

3	SHARE CAPITAL	As at	
		31st March 2013	31st March 2012
		Rs.	
	Authorised 2,000,000 Equity Shares of Rs.10/- each (Previous year 2,000,000 Equity Shares of Rs. 10/- each)	20,000,000	20,000,000
		20,000,000	20,000,000
	Issued 1,000,070 Equity Shares of Rs. 10/- each (Previous year - 1,000,070 Equity Shares of Rs. 10/- each)	10,000,700	10,000,700
		10,000,700	10,000,700
	Subscribed and fully paid 1,000,070 Equity Shares of Rs. 10/- each (Previous year - 1,000,070 Equity Shares of Rs. 10/- each)	10,000,700	10,000,700
		10,000,700	10,000,700

3.1	Reconciliation of the number of shares outstanding	31st March 2013		31st March 2012	
		No. of shares	Value Rs.	No. of shares	Value Rs.
	Equity Shares				
	Shares outstanding at the beginning of the year	1,000,070	10,000,700	1,000,070	10,000,700
	Shares Issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	1,000,070	10,000,700	1,000,070	10,000,700

3.2 Note on rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the

Rights, preferences and restrictions attached to shares:-

Equity Shares: The company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of 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 in respect of each class in the company held by	Name of the company	Class of shares Equity/ Preference	As at	As at
				31st March 2013 No. of shares	31st March 2012 No. of shares
	Holding company	NIIT Technologies Limited	Equity	890,000	890,000
	Ultimate holding company				
	Subsidiaries of holding company;				
	Subsidiaries of ultimate holding company;				
	Associates of holding company				
	Associates of ultimate holding company				

3.4	Shares held by each shareholder holding more than 5% shares	31st March 2013		31st March 2012	
		% of holding	No. of shares	% of holding	No. of shares
	Equity Shares				
	Environmental Systems Research Institute Inc, USA	10%	100,000	10%	100,000
	Total	10%	100,000	10%	100,000



NIIT GIS Limited

4	RESERVES AND SURPLUS	As at 31st March 2013 Rs.	As at 31st March 2012 Rs.
	General Reserve (Note 1 below)		
	As per Last Balance Sheet	163,624,608	141,207,619
	Less: General Reserve of Associates		-
	Add : Transferred from Profit and Loss Account	4,463,429	22,416,989
		168,088,037	163,624,608
	Profit & Loss Account		
	Balance Brought Forward from Previous year	344,588,658	235,820,263
	Add : Current Year Profit / (Loss) attributable to Share Holders	44,634,288	224,169,892
	Less:-		
	Proposed Dividend on Equity Shares	15,601,092	80,005,600
	Corporate Dividend Tax	2,530,887	12,978,908
	Transferred to General Reserve	4,463,429	22,416,989
	Transferred to/ (from) Debenture Redemption Reserve	-	-
	Share in Corporate Dividend Tax of Associates	-	-
		366,627,538	344,588,658
		<u>534,715,575</u>	<u>508,213,266</u>

Notes :
1 General Reserve above represents General Reserve as per the Indian Companies Act, 1956 in respect of Indian Companies.



NIIT GIS Limited

5	Trade Payables	Non Current		Current	
		As at	As at	As at	As at
		31st March 2013	31st March 2012	31st March 2013	31st March 2012
		Rs.	Rs.	Rs.	Rs.
	- Due to Micro Enterprises and Small Enterprises	-	-	130,057,388	110,905,639
	- Due to Others	-	-	130,057,388	110,905,639

6	OTHER LIABILITIES	Long Term Liabilities		Current Liabilities	
		As at	As at	As at	As at
		31st March 2013	31st March 2012	31st March 2013	31st March 2012
		Rs.	Rs.	Rs.	Rs.
	Current Maturities of Long Term Borrowings	-	-	-	-
	Interest accrued but not due on borrowings	-	-	-	-
	Interest accrued and due on borrowings	-	-	-	-
	Unpaid dividends	-	-	-	-
	Unclaimed fractional share payment	-	-	-	-
	Security Deposits Payable	-	-	-	-
	Deferred Revenue	-	-	5,162,055	3,870,071
	Advances from Customers	-	-	1,099,679	1,560,750
	Other Payables	-	-	35,639,180	29,583,837
		-	-	41,900,914	35,014,658

7	Provisions	LONG-TERM		SHORT-TERM	
		As at	As at	As at	As at
		31st March 2013	31st March 2012	31st March 2013	31st March 2012
		Rs.	Rs.	Rs.	Rs.
	Provision for employee benefits :				
	Provision for Gratuity	692,861	-	-	-
	Provision for Compensated Absences	-	-	15,216,186	12,664,000
	Others :				
	Proposed dividend	-	-	15,601,092	80,005,600
	Provision for Corporate Dividend Tax	-	-	2,530,887	12,978,908
		692,861	-	33,348,165	105,648,508



NIIT GIS Limited

8 Fixed Assets

(Amount in Rs.)

Description of Assets	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK			
	Cost As on 01.04.2012	Additions during the year	Sales / Adj. during the year	Total as on 31.03.2013	As on 01.04.2012	For the year	Sales / Adj. during the year	Total as on 31.03.2013	As on 31.03.2013	As on 31.03.2012
i) Tangible										
Plant & Equipment										
- Plant & Machinery	30,257,092	814,448	-	31,071,540	21,192,199	3,510,588	-	24,702,787	6,368,753	9,064,893
- Others	20,762,114	578,736	-	21,340,850	2,710,160	1,388,573	-	4,098,733	17,242,117	18,051,954
Furniture & Fixtures -Owned	5,880,302	1,932,154	-	7,812,456	2,590,415	1,299,875	-	3,890,290	3,922,166	3,289,887
Vehicles	14,095,817	1,083,953	2,619,665	12,560,105	4,538,289	1,037,284	2,019,001	3,556,572	9,003,633	9,557,528
Sub Total (a)	70,995,325	4,409,291	2,619,665	72,784,951	31,031,063	7,236,320	2,019,001	36,248,382	36,536,569	39,964,262
ii) Intangible										
Computer Software	5,549,766	931,489	-	6,481,255	4,514,706	768,870	-	5,283,576	1,197,679	1,035,060
Sub Total (b)	5,549,766	931,489	-	6,481,255	4,514,706	768,870	-	5,283,576	1,197,679	1,035,060
Total (a+b)	76,545,091	5,340,780	2,619,665	79,266,206	35,545,769	8,005,190	2,019,001	41,531,958	37,734,248	40,999,322
Previous Year	48,622,126	29,098,666	1,175,701	76,545,091	29,514,859	7,156,435	1,125,525	35,545,769	40,999,322	19,107,267



NIIT GIS Limited

9 INVESTMENTS	Current			
	As at		As at	
	31st March 2013		31st March 2012	
	Rs.		Rs.	
SHORT TERM, NON TRADE [UNQUOTED] In Mutual Funds		70,000,000		83,746,957
		70,000,000		83,746,957



NIIT GIS Limited

10 Deferred Tax Asset (net)

Rs.

Deferred Tax Assets/Liabilities	Opening	Charged/	Closing
	As on 01.04.2012	(Credited) to Profit & Loss	As on 31.03.2013
Deferred Tax Liabilities:			
a) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	-733,718	218,975	-514,743
Total (A)	-733,718	218,975	-514,743
Deferred Tax Assets:			
a) Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax:			
-Provision for doubtful debts and advances	4,530,558	-4,449,826	80,732
-Provision for Inventory			
-Provision for Compensated Absences, Bonus, Gratuity and other timing differences	1,728,509	1,692,257	3,420,766
-Deferred Income on sale and lease back transaction			
-Provision for Employee Reimbursements on claim basis	-	-	-
Total (B)	6,259,067	-2,757,569	3,501,498
Net Deferred Tax (Liabilities) / Assets (A+B)	5,525,349	-2,538,594	2,986,755
<i>Previous Year</i>			

Deferred Tax Assets and Liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.



NIIT GIS Limited

11	LOANS AND ADVANCES	Long Term		Short Term	
		As at 31st March 2013 Rs.	As at 31st March 2012 Rs.	As at 31st March 2013 Rs.	As at 31st March 2012 Rs.
	i) Security Deposits Receivable (refer note below)				
	Unsecured, considered good	2,307,273	2,288,979	-	-
	Unsecured, considered doubtful	-	-		
	Less: Provision for doubtful security deposits	-	-		
	(A)	2,307,273	2,288,979	-	-
	ii) Advances recoverable in cash or in kind				
	Unsecured, considered good	-	-	21,223,916	19,596,123
	Unsecured, considered doubtful	-	-	-	-
	Less: Provision for doubtful advances	-	-	-	-
	(B)	-	-	21,223,916	19,596,123
	iii) Other Advances				
	a) Advance payment of Fringe Benefit Tax	1,878,589	1,878,589	-	-
	Less: Provision for Fringe Benefit Tax	(1,878,589)	(1,878,589)	-	-
		-	-	-	-
	b) Advance Tax	295,358,827	247,392,642	-	-
	Less : Provision for Tax	(224,300,000)	(223,300,000)	-	-
		71,058,827	24,092,642	-	-
	c) MAT Credit entitlement				
	- Opening Balance	93,700,000	51,660,659		
	- Reversal of MAT credit	-			
	- Created during the Year	1,000,000	42,039,341		
		94,700,000	93,700,000	-	-
	(C)	165,758,827	117,792,642	-	-
	Total (A+B+C)	168,066,100	120,081,621	21,223,916	19,596,123



NIIT GIS Limited

12	Trade Receivables	Current	
		As at 31st March 2013 Rs.	As at 31st March 2012 Rs.
a)	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	57,584,804	47,546,188
	Unsecured, considered doubtful	2,661,150	45,137,762
	Less: Provision for doubtful debts	(2,661,150)	(45,137,762)
		57,584,804	47,546,188
b)	Other Trade Receivables		
	Unsecured, considered good	310,521,718	327,997,454
	Unsecured, considered doubtful	-	-
	Less: Provision for doubtful debts	-	-
		310,521,718	327,997,454
		368,106,522	375,543,642

13	Provision for Doubtful Debts	Current	
		As at 31st March 2013 Rs.	As at 31st March 2012 Rs.
	Opening Provision	45,137,762	46,341,728
	Add: Additional Provision Created	20,030,955	2,795,858
	Add: Balances transferred from an associate company		
	Less: Provision written back	3,763,251	3,999,824
	Less: Provision utilised	58,744,316	
	Closing Provision	2,661,150	45,137,762



NIIT GIS LIMITED

14	OTHER ASSETS	Non Current		Current	
		As at 31st March 2013 Rs.	As at 31st March 2012 Rs.	As at 31st March 2013 Rs.	As at 31st March 2012 Rs.
	Non Current Bank Balances (Re	2,593,646	2,565,301	-	-
	Unbilled revenue	-	-	37,313,356	66,518,914
	Interest Receivable	-	-	368,544	173,149
	Other Receivables	-	-	-	-
		2,593,646	2,565,301	37,681,900	66,692,063



		As at 31st March 2013 Rs.	As at 31st March 2012 Rs.
15 Inventories			
	As at the end of the year		
	Raw Material	582,815	285,599
	Traded Goods	2,678,449	6,719,251
	Finished Goods	502,561	385,035
		3,763,825	7,389,885
	As at the beginning of the year		
	Raw Material	285,599	190,100
	Traded Goods	6,719,251	4,969,051
	Finished Goods	385,035	445,695
		7,389,885	5,604,846
	(Increase) / Decrease in Inventory	3,626,060	(1,785,039)

16 Cash and Bank Balances	Non Current		Current	
	As at 31st March 2013 Rs.	As at 31st March 2012 Rs.	As at 31st March 2013 Rs.	As at 31st March 2012 Rs.
Cash and cash equivalents:				
Balance with banks			18,250,903	35,700,671
Current Accounts			-	-
Bank deposits with original maturity of 3 months or less			-	28,528
Cash on hand			20,307,788	11,913,309
Cheques, drafts on hand				
			38,558,691	47,642,508
Other bank balances:				
Bank deposits:				
With original maturity of more than 3 months and upto 12 months			-	-
With original maturity of more than 12 months [Includes Rs. 2,593,646 (Previous year Rs. 2,565,301) pledged as margin money]	2,593,646	2,565,301	-	-
Dividend Accounts			-	-
	2,593,646	2,565,301	-	-
	2,593,646	2,565,301	38,558,691	47,642,508
Amount disclosed under non-current assets (Note14)	(2,593,646)	(2,565,301)		
	-	-	38,558,691	47,642,508

17 Contingent Liabilities

(a) Bank Guarantees at the period end Rs.5,904,555 (Previous year Rs.2,920,155)

(b)The Income Tax department has raised a demand of Rs.40,375,327 for A.Y 2006-07 primarily on account of disallowance of claim u/s 80IC of the Income Tax Act 1961. The company has preferred an appeal to the Commissioner of Income Tax (Appeal) and demands set aside by CIT (A) matter now in departmental appeal at ITAT.

(c) The Income Tax department has raised a demand of Rs.54,372,720 for A.Y 2007- 08 primarily on account of disallowance of claim u/s 80IC of the Income Tax Act, 1961. The company 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.

(d) The income Tax Department has raised a demand of Rs. 58,374,769 for the Assessment year 2008-09, primarily on account of disallowance of claim u/s 80IC of the income Tax Act, 1961. The company 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

(e) The income Tax Department has raised a demand of Rs. 2,600,307 for the Assessment year 2009-10, primarily on account of disallowance of claim u/s 80IC of the income Tax Act, 1961. The company has preferred an appeal to the Commissioner of Income Tax (Appeals)

(f) The Central Excise, Chandigarh raised a demand of Rs.120,582,449 and equivalent amount of Rs.120,582,449 as Penalty. The department has also imposed a penalty of Rs.1,000,000 personally to Financial Controller of the company on January 20, 2012. However GIS has been granted unconditional stay from CESTAT, New Delhi. The order of stay has been extended by the order of Tribunal dated 3rd August 2012 till further order since the appeal could not be heard by Tribunal in stipulated 180 days

18 Proposed Dividend

Dividend proposed of Rs.15,601,092 (Rs.15.60 per Equity Share)



NIIT GIS Limited

19	Revenue from Operations	Year ended 31st March 2013 Rs.	Year ended 31st March 2012 Rs.
	Sale of Products : Computer Software & Hardware	565,308,621	672,370,616
	Sale of Services	206,509,314	199,694,773
		<u>771,817,935</u>	<u>872,065,389</u>

20	Other Income	Year ended 31st March 2013 Rs.	Year ended 31st March 2012 Rs.
	Interest Income	248,802	198,787
	Profit on sale of Long Term Investments (Net)	-	-
	Profit on sale of Current Investments (Net)	8,148,930	13,446,548
	Gain on Sale of Fixed Assets (Net)	-	19,246
	Gain on foreign currency translation and transaction (net)	-	-
	Other non-operating income (net of expenses)	4,620,024	6,693,930
		<u>13,017,756</u>	<u>20,358,511</u>

21	Production, Development and Bought Out Packages	Year ended 31st March 2013 Rs.	Year ended 31st March 2012 Rs.
	COGS - Education & Training Material	-	665,924
	Internal Production Offset	-720,099	-96,906
	Cost of Goods Sold	-	39,033
	Cost of Goods Sold - Software	29,458,538	75,906,946
	Cost of Goods Sold - Services	39,259,589	26,095,517
	Production Consumable	1,079,978	748,648
	Professional Services Expenses for Production	114,162,163	98,452,463
	Hiring Expenses for Production	4,413,434	3,175,203
	Equipment Hiring - Non Production	78,871	266,324
	Royalties	175,233,750	150,702,327
	Computer Room Consumables	304,384	48,386
	Dispatch/Shipping Costs	458,506	898,745
	Packing Material Costs	20,255	6,824
	Increase / (Decrease) in Inventory	-3,626,060	1,785,039
		<u>360,123,309</u>	<u>358,694,473</u>



NIIT GIS Limited

22 Employee Benefits Expenses	Year ended 31st March 2013 Rs.	Year ended 31st March 2012 Rs.
Salaries and Benefits	195,727,730	181,742,633
Contribution to Provident and Other Funds	8,520,102	6,279,118
Welfare and Other expenses	2,658,601	3,681,580
	206,906,433	191,703,331

23 Disclosure of AS 15

Disclosures as per actuarial report of independent actuary:

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

Description	Year ended 31st March 2013 (Rs. In '000)	Year ended 31st March 2012 (Rs. In '000)
Present value of obligation as at the beginning of the year	4,410.53	3,223.00
Interest Cost	341.72	256.86
Current Service Cost	1,201.50	818.26
Benefit paid	(659.42)	(103.85)
Actuarial (gain) / loss on obligations	1,261.49	216.26
Present value of obligation as at the end of the year	6,555.82	4,410.53

Change in Plan Assets:

Description	Year ended 31st March 2013 (Rs. In '000)	Year ended 31st March 2012 (Rs. In '000)
Plan assets at the beginning at fair value	4,446.57	3,320.56
Expected return on plan assets	454.31	340.79
Contributions	1,696.69	911.77
Benefit paid	(659.42)	(103.85)
Actuarial gain / (loss) on plan assets	(75.19)	(22.70)
Present value of obligation as at the end of the year	5,862.96	4,446.57

Amount of the obligation recognized in the Balance Sheet:

Description	Year ended 31st March 2013 (Rs. In '000)	Year ended 31st March 2012 (Rs. In '000)
Present value of the defined benefit obligation at the end of the year	6,555.82	4,410.53
Fair value of plan assets at the end of the year	5,862.96	4,446.57
Net Asset/(Liability) recognized in the Balance Sheet	-692.86	36.04

Amount of gratuity expense recognized in the Profit and Loss account:

Description	Year ended 31st March 2013 (Rs. In '000)	Year ended 31st March 2012 (Rs. In '000)
Current service cost	1,201.50	818.26
Interest Cost	341.72	256.86
Expected return on plan assets	(454.31)	(340.79)
Actuarial (gain) / loss recognized during the year	1,336.68	238.96
Total	2,425.59	973.29



Investment details of plan assets:

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

Principal actuarial assumptions at the balance sheet date:

Description	2012-13	2011-12
Discounting Rate	8.10%	8.60%
Expected Rate of return on plan assets	9.15%	9.15%

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



24 Other Expenses	Year ended 31st March 2013 Rs.	Year ended 31st March 2012 Rs.
Freight and Cartage	458,506	898,745
Rent (net of recoveries)	32,876,065	23,816,295
Rates and Taxes	751,709	187,075
Power & Fuel	6,924,244	4,921,841
Communication	3,495,371	3,020,207
Legal and Professional	25,794,466	21,548,635
Traveling and Conveyance	35,309,478	29,373,833
Provision for Doubtful Debts	2,661,150	3,517,008
Bad Debts	25,226,622	-
Insurance	1,945,366	1,290,304
Repairs and Maintenance		
- Plant and Machinery	1,035,775	818,868
- Buildings	39,000	17,195
- Others	5,603,137	3,507,664
Loss on Sale of Fixed Assets (Net)	135,391	-
Loss on foreign currency translation and transaction (net)	1,331,290	3,110,975
Security and Administration Services	3,963,486	2,621,388
Miscellaneous Expenditure written off	-	-
Bank Charges	659,566	871,859
Advertisement and Publicity	2,949,815	4,094,770
Other Marketing Expenses	5,710,201	3,818,447
Sundry Expenses	2,131,179	1,262,039
	<u>159,001,817</u>	<u>108,697,148</u>

25 Payment to Auditors	Year ended 31st March 2013 Rs.	Year ended 31st March 2012 Rs.
Audit fee	600,000	600,000
Tax Audit fees	100,000	100,000
Reimbursement of expenses (including Service Tax)	-	80,373
	<u>700,000</u>	<u>780,373</u>

26 Finance costs	Year ended 31st March 2013 Rs.	Year ended 31st March 2012 Rs.
Interest Expense	-	604,057
	<u>-</u>	<u>604,057</u>

Ashish Ghosh
Ashish Ghosh
 Partner
 Membership No. 81732
 For and on behalf of
 Ghosh Khanna & Co
 Firm Registration No. 003366N
 Chartered Accountants

For and on behalf of the Board
Arvind Thakur
Arvind Thakur
 Director
 DIN - 00042534

Rajesh C Mathur
Rajesh C Mathur
 Director
 DIN - 000471197



Place: New Delhi
 Date: 6th May 2013