ANNUAL
REPORT
2009-10

NIIT technologies

Focus. Foresight…First Choice

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OUR VISION

VALUES, MOTIVES AND BELIEFS

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

•

NIIT IS PEOPLE

WE HAVE POSITIVE REGARD FOR EACH ONE OF US

•

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

•

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

•

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

•

NIIT IS QUALITY AND VALUE

EACH OF US WILL ENSURE THAT IN ANY ASSOCIATION WITH SOCIETY, SOCIETY BENEFITS SUBSTANTIALLY MORE THAN:
(A) WHAT SOCIETY GIVES TO US.
(B) WHAT SOCIETY WOULD GAIN FROM ANY OTHER SIMILAR ASSOCIATION

•

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

•

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

•

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

•

NIIT IS A MISSION

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

•

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

NIIT
technologies

Corporate Information

Board of Directors

Rajendra S Pawar
Chairman & Managing Director

Subroto Bhattacharya
Director

Arvind Thakur
Chief Executive Officer
& Joint Managing Director

Surendra Singh
Director

Vijay K Thadani
Director

Amit Sharma
Director

Company Secretary
Surender Varma

Group Chief Financial Officer
Ashok Arora

Auditors
Price Waterhouse

Financial Institutions/Bankers
Indian Overseas Bank
ICICI Bank Limited
Standard Chartered Bank Limited
Citibank NA
Wachovia Bank of Georgia
Lloyds TSB Bank Plc
NatWest
ING

Registered Office
NIIT Technologies Ltd.
B-234 Okhla Phase - 1
New Delhi 110 020, India
Email: investors@niit-tech.com
Tel : +91-11-41407000
Fax : +91-11-26817344

Corporate Office
NIIT Technologies Ltd.
B-1/H-9, Colosseum, MCIE, Mathura Road
New Delhi 110 044, India
Email: webmaster@niit-tech.com
Tel : +91-11-40570700
Fax : +91-11-40570933

Registrar & Share Transfer Agent
Alankit Assignments Ltd.
Unit - NIIT Technologies Ltd.
2E/21
Jhandewalan Extn.,
New Delhi-110 055
Tel : +91-11-23541234, 42541234
Fax : +91-11-42541967

NIIT Technologies Website
Corporate Website : www.niit-tech.com

Corporate Profile

Company Overview

NIIT Technologies Limited is a global IT solutions organization servicing customers in North America, Europe, Asia and Australia. It focuses on customers in the Banking, Financial Services and Insurance, Travel Transportation & Logistics and Retail & Manufacturing sectors, offering services in Application Development & Management, Enterprise Solutions and Managed Services. It also offers Business Process Outsourcing and GIS Solutions through its subsidiaries. Counted amongst the premier software exporting organizations in India, the Company has built a significant customer base worldwide, including leading global enterprises.

The Company adheres to major global benchmarks and standards, having secured the ISO 9001:2000 certification and the ISO: 27001 Information Security Management accreditation. NIIT Technologies also follows global standards of development assessment at Level 5 of SEI CMMi version 1.2. NIIT SmartServe conforms to the highest quality standards such as COPC and Six Sigma.

FOCUS ON SELECT INDUSTRY SEGMENTS

Banking and Financial Services: NIIT Technologies entire range of offerings around Banking and Financial Services meet challenges , enhance client's efficiencies and helps in remaining competitive. The Company specialises in the areas of retail and wholesale banking operations, mortgages, credit risks, and investment management, having worked with leading banks and financial service companies across the world.

Insurance: NIIT Technologies has built expertise in the areas of life insurance, pensions, annuity, non-life insurance, policy administration and claims management and reinsurance, working for top global insurance companies. Insurers are looking to partner with solutions providers that bring immense domain knowledge and skills and technical expertise, coupled with a deep understanding of the business. ROOM Solutions, a leading name in the Lloyd's market in the UK, acquired by NIIT Technologies in 2006, has strengthened its presence in the commercial insurance space by bringing in deep domain expertise.

Travel, Transportation and Logistics (TTL): The Company has a comprehensive services portfolio and a dynamic approach to enhance passenger experience and management. As part of its redefined vision for the TTL segment, the Company has forayed into fresh sub-verticals with focused offerings and launched Solution Accelerators for value-based selling. Its clients include some of the largest airlines and airports, global leaders in the travel and distribution industry, leading freight and logistics companies and sophisticated surface transport players alongside low cost airlines. The acquisition of Softec, GmbH has reinforced its position as a domain leader in the TTL industry.Recognizing its edge within the TTL realm and the wide ranging benefits it bring its customers, the prestigious Datamonitor Black Book of Outsourcing for the TTL industry has positioned NIIT Technologies as the Number 1 player in the industry.

Manufacturing and Retail: NIIT Technologies has deep understanding of the manufacturing and retail businesses and has helped clients across the world make sound decisions regarding the deployment of automated, transparent and integrated information management systems across their value chain. The Company's unique web-based e-Procurement platform, Procure-Easy, is a simple and user-friendly application that supports complete sourcing value chain involving requisitioning, demand aggregation, bid publishing, response evaluation and purchasing. Today, NIIT Technologies is working closely with customers to increase IT efficiency, provide best-in-class IT infrastructure and adopt best of breed IT processes.

Government: Sharply focused on the Government sector, the Company has vast experience in executing turnkey solutions for various Government departments as well as the nation's paramilitary forces, which have involved Application development, complete Infrastructure setup including Data Centre, rollout and training across multiple locations and facilitating historical data capture. Besides providing turnkey IT solutions to the Government, the Company also offers specialised solutions in Geographic Information Systems (GIS) to this segment.

SERVICE OFFERINGS

Application Development and Management: NIIT Technologies provides Application Development Services and Solutions to meet the diverse requirements of globally dispersed customers in custom software development, business intelligence, migration and modernization. The Company helps customers manage their mission- and time-critical applications by providing cost-effective application management services over a wide range of technologies. NIIT Technologies specialize in functional and regression testing, system testing (load testing, volume testing and compatibility testing) and full lifecycle testing of complex software applications as part of its testing services.

Package Implementation: These solutions involve around SAP implementation. NIIT Technologies' subsidiary, NIIT GIS Limited also provides end-to-end GIS-based solutions.

Managed Services: NIIT Technologies' Managed Services helps companies simplify their IT operational and investment challenges, by delivering IT infrastructure and applications, as completely administered services. Its services help companies to focus on their core business areas by enabling alignment of business goals and IT. The Company's large pool of cross skilled infrastructure technology consultants increase productivity, while simplifying IT operations.

Platform based Services: NIIT Technologies has acquired IP assets through numerous acquisitions. These include its own robust platforms for the Travel and Insurance industries. In addition it has partnered with its clients to use the IP assets created to offer solutions. Using their IP assets, NIIT Technologies provides value added services.

Business Process Outsourcing: NIIT Technologies' subsidiary, NIIT SmartServe, a global business process management organisation, offers outsourcing solutions that manage back office operations, contact centres and help desk support to clients in diverse industry verticals such as finance and insurance, media and entertainment, real estate, technology and education**.**

Geographic Information Systems (GIS): NIIT GIS has been providing end-to-end GIS-based solutions to customers worldwide. NIIT GIS' offerings in this sphere range from software products, training, technical support, data conversion and application development to complete geo-spatial image processing and consulting solutions. NIIT GIS, which commenced operations in 1996, is a strategic alliance between ESRI Inc., USA and NIIT Technologies Ltd.

Cloud Computing: Cloud Computing is reshaping the IT marketplace, creating new opportunities for suppliers and catalyzing changes in traditional IT offerings. It's an emerging megatrend defined as standardized IT capability delivered via the Internet in a pay-per-use and self-service manner. Cloud computing primarily evolved with the growing acceptance of SaaS, and the industry looking to replicate the success of offering software-as-a-service to not just platforms / applications (PaaS) but also infrastructure / hardware (IaaS or HaaS).

NIIT Technologies pursuing its non-linear services model of business is an early entrant in the cloud arena. It announced a partnership with Hitachi Information systems of Japan to jointly offer cloud services. Through this partnership NIIT Technologies and Hitachi Information Systems will provide unmatched value based on the strengths of both companies. Hitachi systems with its reliable and scalable infrastructure would own the Cloud, while NIIT Technologies will harness its competencies and world class process capability in Remote Infrastructure and Managed Services to operate the Cloud. This will enable customers of both firms to experience the highest quality of reliability, security and service. With Cloud Computing gaining impetus, both companies will be able to offer the complete portfolio of services around the Cloud infrastructure to cater to the changing IT landscape.

Awards and Achievements

NIIT Technologies has bagged the following prestigious Awards and recognitions:

- Ranked Number 1 in the Datamonitor Black Book of Outsourcing 2009 Travel Industry survey for the second consecutive year
- Ranked amongst top 7 service providers in Gartner's Industry research report in 2010 "Seven Vendors Dominate the European Market for General Insurance Policy Administration Systems"
- Ranked amongst the Best 5 Companies in Air Transportation by The International Association of Outsourcing Professionals (IAOP) in its The Global Outsourcing 100 listing for the year 2009
- Ranked among the Best 20 Industry leaders in Financial Services (Insurance and Banking) by The International Association of Outsourcing Professionals (IAOP) in its The Global Outsourcing 100 listing for the year 2009
- Ranked amongst the Top 20 Best Managed Outsourcing Vendors by the 2009 Black Book of Outsourcing
- Amongst the top 50 IT Innovators for the year 2009 by NASSCOM
- NIIT GIS received the Best Software Company of the Year award 2009–2010 at the Map India 2010 Conference
- Received the Award for "Innovation in Career Development," from the Global HR Excellence Awards at the Global HRD Congress 2010
- Ranked amongst India's 500 Best Performing Companies by demonstrating exceptional innovation and perseverance by Inc. India for the year 2009

The year gone by

2009-10 at a glance

2009-10 at a glance

NIIT Technologies' priority during the last year was to strengthen the existing client relationships and also enhancing the internal efficiencies. While maintaining this efficiency, the Company looks forward to delivering more value to its clients with imminent recovery. The Company's focus on building strong domain competencies in specific industry segments and early investments in value adding non-linear growth engines will enable it to be the "First Choice" for customers in existing and potential areas. During 2009-10 NIIT Technologies launched numerous initiatives that established its thought leadership. Here's a look at the key highlights of the year:

Bagging awards and recognitions

Datamonitor Black Book of Outsourcing picks NIIT Technologies as No. 1 in the Travel Industry Survey

The Datamonitor Black Book of Outsourcing 2009 Survey placed NIIT Technologies right on top in its listing for the second consecutive year. The Company made a strong comeback in the prestigious Black Book of Outsourcing, ranking Number 1 in its travel industry study. It were the satisfied customers who endorsed the Company's strategies and appreciated the consistent and differentiated business value it had provided them. The Company proved yet again the efficacy of its "focus and differentiate" strategy, which allowed it to build an edge in specific industry segments and compete with the largest organisations. The Number 1 ranking also reiterated NIIT Technologies commitment to becoming the best in its areas of focus.

BLACK BOOK OF OUTSOURCING - TRAVEL INDUSTRY VENDOR RANKING

2009

INFORMATION TECHNOLOGY OUTSOURCING 2009 SURVEY	
1.	NIIT Technologies
2.	TCS
3.	Interglobe IGT
4.	Lionbridge
5.	Oracle
6.	HCL
7.	Xicom
8.	Savvis
9.	Travel DT
10.	Ciber

Seven Vendors Dominate the European Market for General Insurance Policy Administration Systems, which includes NIIT Technologies subsidiary ROOM Solutions

NIIT Technologies' ROOM Solutions was amongst top 7 service providers in Gartner's Industry report dated 9th February, 2010. According to the report the 27 surveyed vendors together had a customer base of 320 insurers. The top seven vendors accounted for almost two-thirds of the entire reported installations. NIIT Technologies' ROOM Solutions with 28 installations was the third amongst the seven.

Bagging an Award for our Best Practices in HR

NIIT Technologies received the Award for "Innovation in Career Development," a part of the Global HR Excellence Awards, conferred by the Global HRD Congress in 2010. The Award recognised the innovative practices the Company had deployed to build robust employee career development strategies, and its commitment to creating a people-centric organisation. The World HRD Congress-2010, was held at Mumbai in March, 2010. The congress was attended and represented by several leading industry leaders, CEOs, Business heads, HR professionals, Management Consultants and Speakers. There were around 137 companies who participated in the same category.

Extending business engagements, entering into new ones

Not only did NIIT Technologies managed to extend its existing business contracts during 2009-10, it also broke new grounds with fresh customers in its client portfolio. 2009-10 was a year when the Company invested aggressively in the Cloud, one of the biggest trends transforming the technology landscape today. The Company further bolstered its offerings by entering into partnerships with leaders in the Cloud space and providing an end-to-end offering for on-demand, pay-as-you-go computing.

DB Systel-NIIT Tech strengthen their relationship

During the year, NIIT Technologies bagged repeat business from its old time customer, DB Systel GmbH, a subsidiary of Deutsche Bahn AG (German Railways). DB Systel develops and powers leading information technology solutions as a full IT solutions and service provider. DB Systel and NIIT Technologies got into a strategic partnership in October 2006 to provide an extended workbench for the company—comprising internationally certified IT specialists and developers—as and when needed. Confident of the Company's ability to make quality deliveries on time, every time, DB Systel signed the extension of the frame contract during the Management Board Meeting in June, 2009 at the Deutsche Bahn HQ in Berlin, Germany. The relationship between DB Systel and NIIT Technologies is structured around collaborative governance, with a well-defined Mission Statement signed by every project team.

DB Systel has appreciated the quality of deliveries being made by NIIT Technologies and its adherence to timelines. Meanwhile, the future outlook of the engagement appears positive with an agreed target to double its size by 2010.

Strengthening it: (L-R) Detlef D. Exner, CEO DB Systel and Arvind Thakur, CEO NIIT Technologies shaking hands and exchanging signed contracts

Getting YBS on board

NIIT Technologies signed an agreement with the Yorkshire Building Society, one of UK's largest building societies with 143 branches and 64 agencies across the country. The Company was selected to develop YBS' Share Plan website, to enable them to compete more effectively, develop new sales opportunities and international capabilities and reiterate the Society's position as a market leader in Share Plan administration.

In terms of design, NIIT Technologies will ensure that the company's new website has a greater visual impact, especially for sales tools and static pages, featuring higher impact graphics, which will be attractive to both clients and their employees. The site will also reduce the level of manual resources required to process Share Plans, improving efficiency and reducing costs for the Society. NIIT Technologies has adopted a dual-shore delivery model for the completion of analysis, development and implementation of the new website. Onsite tasks include requirement capture, user interface

Ravi Pandey, Senior VP and UK Head, of NIIT Technologies, and David Henderson, CIO of the Yorkshire Building Society: Signing on the dotted line

specification and user acceptance testing support. Offshore tasks consist primarily of design, construction and system testing.

Foraying the Cloud with Hitachi

NIIT Technologies tied up with Hitachi Information Systems, Ltd. a leading provider of IT infrastructure services in Japan, to make a joint pitch in the Cloud Computing services arena. Cloud Computing delivers IT capability via the Internet in a pay-per-use and self-service fashion. The Company, pursuing its non-linear services model of business is an early entrant in this segment. Through this partnership, the combine intends to provide customers with an unmatched value proposition based on the strengths of both companies. To begin with, Hitachi Information Systems will leverage NIIT Technologies' data centre in Bangkok and create the first hub outside Japan, networked to its existing infrastructure. Drawing on the benefits of scale, shared infrastructure and standard applications, this partnership will drive down costs while increasing the speed and agility of deploying applications. The operations are expected to begin by the first quarter of the next fiscal.

Iwao Hara, CEO, Hitachi Information Systems and & Arvind Thakur, CEO, NIIT Technologies with their respective teams

Big BSF order comes the way of NIIT Technologies

Border Security Force (BSF), the country's premier paramilitary force tasked with securing its borders gave

NIIT Technologies the contract for its Rs. 228 Crores Intranet Prahari project. As part of the Project, the Company will be setting up the complete infrastructure, network and applications to facilitate operations management, integrated financial activities, and human resources management for the force. NIIT Technologies has a history of successful implementations of IT solutions for defence and paramilitary forces. In the past, the Company has executed a similar turnkey engagement for the Central Reserve Police Force (CRPF) called SELO, an acronym for Service and Loyalty. The Company continues to provide support and maintenance services for this project.

Leading enduring customer relationships

June 15-16, 2009 were the days that nearly 40 Softec customers from across the globe attended a Customer Conference in Nuremberg, Germany. The conclave was propitious in every way for Softec.

It established beyond doubt the maturity and credibility that the Travel and Transportation specialist had achieved in Europe and other international markets. At the Meet, Softec also elicited customer feedback and support for its Monalisa Suite (features and functionalities). At the same time, the conference showcased the overall technical capabilities of NIIT Technologies, the parent group, especially in the areas of ADM and BPM services. When it became a part of the NIIT Technologies umbrella, Softec brought to the Company its loyal customer base, comprising reputed carriers in Europe, Asia, Canada, Africa and other regions. Since its arrival into the NIIT Technologies family, Softec GmbH has acquired six more customers including Myanmar Air, City Airline, Smartwings, Bellview, Air Berlin/LTU and Safi Airways.

Arvind Thakur and Narayanan Kallapiran: Interacting with customers

Completing one year with Cathy Pacific

NIIT Technologies completed one full year of engaging with Cathay Pacific, and working with the global airline on a key project.

It was over a year ago that NIIT Technologies was approached by Cathay to work on its "Warehouse Operating System (WOS)." The objective of WOS was to provide an efficient, secure and reliable system for users that would deliver maximum efficiency, eliminate unnecessary duplicate handling and focus on areas that added tangible value to the customer and the airport. Today, WOS is operational and taking care of some of the most complex requirements of the Cathay Pacific

Cathay Pacific and NIIT Technologies Team

cargo terminal. The solution has not only made the work of the airline easier and simpler, it also helps the airline complete its tasks within the least possible time by keeping them in sync with other flight and airport operations and contributing to smoother functioning.

SITA-NIIT Technologies partnerships enters third year

NIIT Technologies and SITA celebrated their second Anniversary at New Delhi, India. NIIT Technologies has been partnering with SITA, the world's leading specialist in air transport communication and information technology solutions, to provide services and develop applications for its business. Members of the SITA senior

Leadership Team along with NIIT Technologies attended an evening of food and entertainment where guests experienced the true feel of India, the legendary warmth of its people, and the fire of its cuisine.

Eric Eteve and SITA's Charles Coney receiving their awards from Rajendra Pawar and Arvind Thakur respectively

Strengthening the Holcim connect

NIIT Technologies celebrated its magnificent 10 years association with Holcim by hosting a banquet at the Landmark Hotel in Bangkok, Thailand. Over 150 people attended the grand dinner, including representatives from Holcim (HSEA), NIIT Technologies, (its other

NIIT Technologies Chairman, Mr. Rajendra Pawar with Holcim teams

customers, Thai Summit, Tesco, Toyota, etc.) and Partners (TCC, IBM and DCS). The evening kicked off with informal networking and some interesting and engaging games. The keynote address was delivered by the Chief Guest, Khun Paul Hugentobler, a Member of the Holcim Executive Committee, whose powerful and motivating words invigorated the gathering. Hugentobler stated that the past 10 years needed to be the starting point for the next 10 years of the relationship.

The keynote was followed by an address from the Company's Chairman, Mr. Rajendra Pawar, who expressed his appreciation for all the members who had been involved in, and contributed to the success of the partnership.

Mr. Arvind Mehrotra, Executive Vice President and BU Head, APAC with NIIT Technologies and Toyota teams

Remaining on road with Toyota

To acknowledge NIIT Technologies' long standing relationship with Toyota, the Company hosted an event in Bengaluru in March 2010. The idea was also to celebrate post the completion of the TopServ UAT project in silicon city. The invitees in Bengaluru, including participants from the TKM-IS and TKM user teams and the NIIT Technologies project team. Keshavaprakash S.K., Vice President, TKM IS shared his thoughts on the relationship, talking eloquently about the strong partnership between the two companies. At the end of the day, it was a demonstration of the proximity between NIIT Technologies and Toyota, and the "strength in togetherness," that had resulted from the relationship.

NIIT Technologies' ROOM Solutions hosted customer meet at – The Gherkin

NIIT Technologies' subsidiary, ROOM Solutions hosted a "client executives update" event in June 2009 in Central London. Guests were invited to a presentation followed by dinner and drinks. Mr. Rajendra Pawar, Chairman, NIIT Technologies thanked all clients for their support over the past few years and spoke of his ongoing commitment to ROOM. Clients had an opportunity to mingle with the senior executives from NIIT Technologies. Great ambience and even greater opportunity to interact and share resulted in an event which was a great success with positive feedback.

NIIT Technologies' Insurance Leadership Forum rolled out in Miami

The Doral Golf Resort and Spa was the venue for a two-day conference organised by NIIT Technologies for clients and prospective customers in the Insurance vertical. The event held in April 2009, began with a presentation by Mr. Jeff Goldberg of Celent on "Survival Toolkits for the Insurance Industry." Following the address, delegates enjoyed cocktails and dinner.

A special session was organised for attendees on the second day, which featured a welcome address by the Company's CEO, Mr. Arvind Thakur, followed by a keynote by Kimberly Harris, Research Vice President, Gartner. A panel discussion moderated by Harris on the "View from the Top," enabled C-level executives to share different perspectives on the Insurance market. The conference, with its balanced work-fun approach, proved to be a big success. It provided clients and potential users with the opportunity to network with their peers, analysts as well as the Company's executives.

NIIT Technologies President, Mr. Lalit Dhingra with Thrivent team

Directors' Report

Dear Shareholders,

The Board of Directors of the Company take pleasure in presenting the report on its business and for the financial year ended March 31, 2010.

Financial Results

The highlights of the operating financial results for the financial year 2009-10 are as follows –

(Figures in Rs.mn except for EPS)

Particulars	FY 2009-10	FY 2008-09
Consolidated Revenues	9,137	9,799
Standalone financials		
Income from operations	4,936	5,021
Other Income	113	396
Total Income	5,049	5,417
Profit before deprecation and taxes	1,253	1,277
Depreciation	246	296
Provision for tax & deferred tax	57	97
Profit After Tax	951	885
Earning Per Share (Basic) (In Rs.)	16.19	15.07

Review of operations

The year gone by witnessed extreme turbulence and volatility. While robust fundamentals ensured that the recessionary impact on India was relatively moderate, nonetheless in an increasingly globalised environment, India also could not escape declining GDP growths, rising unemployment and weakened consumer demand. The government induced monetary and fiscal measures across global economies propelled the recovery and now the continued sequential growth in revenues and margins reflect that the worst of the impact on the economic environment is behind us.

Inspite of the recessionary forces and downturns, the Company was able to post good results. The total consolidated revenues were down by Rs. 662 mn from Rs 9,799 mn in the previous year to Rs. 9137 mn for the year 2009-10. The profit before taxes for the same period grew to Rs. 1421 mn from Rs.1389 mn in the previous year. The consolidated net profit after taxes for the year 2009-10 attributable to equity shareholders after minority interest stood at Rs.1264 mn as compared to Rs. 1148 mn in the previous year. During the year, the Company's focus on the chosen industry verticals & endeavor to improve performance in businesses across all geographies, helped achieve visible growth rates in revenue & continued profitability. The revenue profile of the Company is well diversified across the three main geographic areas with EMEA contributing 43% to revenues, 34% from Americas and the balance from Asia and Australia which has helped the Company mitigate the single geography risk. The company has identified cloud computing as a thrust area for the coming time.

Outlook

Continuous innovation in newer service offerings like Cloud Computing, strong domain capabilities and inorganic initiatives to expand its market access will be key to the growth in the future years. In the last couple of years, the Company has embarked on a number of initiatives to turn its business model from a linear, IT services-centric one to a non-linear one. The Company believes these initiatives catalyze its momentum and improve its profitability in the future. The Company continues to scale its infrastructure to support its long-term growth strategy, which includes the setting up of an SEZ in Greater Noida.

Employee Stock Option Scheme (ESOP)

During the year 2009-10, 61,150 equity shares of the Company of Rs. 10/- each, fully paid up, were allotted under the Employee Stock Option Plan 2005 of the Company upon exercise of stock options.

Under ESOP 2005, the Compensation Committee, in their meeting held on 19th October, 2009 has granted stock option to select employees/directors of the company/ subsidiary companies. Details of options granted under ESOP 2005 are annexed to this Report, as annexure B, in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Option Purchase Scheme) Guidelines, 1999, and modifications thereto.

Reserves

The Company has transferred an amount of Rs 95 Mn to General Reserve (Rs. 88 Mn last year).

Dividend

The Board has recommended a dividend of Rs.7 per equity share of Rs.10/- each (previous year Rs.6.50 per equity share) on the share capital, subject to approval of the shareholders at the ensuing Annual General Meeting.

Increase in Capital

During the year the Company issued 61,150 shares on the exercise of stock options under the Employee Stock Option Scheme of the Company (ESOP 2005). Due to this the outstanding issued, subscribed and paid up equity capital increased from Rs. 587,266,950 to Rs. 587,878,450 as at March 31, 2010.

Subsidiary Companies

As on March 31, 2010, the Company has subsidiaries in the United States of America, Japan, United Kingdom, Netherlands, Belgium, Germany, Switzerland, Austria, India, Singapore, Thailand, Australia, Canada and Dubai.

As required under the Listing Agreement with the stock exchange(s) a consolidated financial statement of the Company and all its subsidiaries has been prepared and attached hereto.

The Company has been granted exemption by the Ministry of Corporate Affairs vide its letter No. 47/183/2010-CL-III dated April 06, 2010 from attaching the audited accounts of the subsidiaries to the annual accounts of your Company for the current year. The annual accounts of the subsidiary companies and related detailed information will be made available to any member of the Company or subsidiary company upon request and are also available for inspection by any member of the Company, during the business hours, at the registered office of the Company and that of the subsidiary company concerned. The annual accounts of the individual subsidiary companies shall also be made available on the website of the company.

The process of winding up of NIIT SmartServe Limited, U.K, a step down subsidiary, was completed during the financial year and accordingly the name of the Company was stuck off by the Register of Companies, Companies House, U.K on 28th July, 2009, and accordingly stands dissolved effective from this date.

The Company has signed an agreement replacing the Joint Venture Agreement with Adecco Group which provides for, amongst others, the transfer of the entire shareholding held by one of the Joint Venture Partner namely Adecco Holding Europe BV in the Joint Venture Company "Adecco NIIT Technologies Private Limited" to the Company upon completion of certain formalities, after which the Company would become the holding company.

During the year under review the Company entered into an exclusive partnership with Hitachi Information Systems Limited to offer services in Cloud Computing.

During the year, the Company has entered into a strategic partnership with Singapore Airport Terminal Services (SATS) to globally market and implement the state of art COSYS intelligent Solutions "COSYS Intelligent Solutions (CIS)" to help air cargo ground handling agents improve their cargo handling capabilities.

The Company follows global standards of development, including ISO 9001:2000 certification, assessment at Level 5 of SEI-CMMi frameworks and BS 7799 information security management certification.

Postal Ballot

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

Corporate Governance and Management Discussion and Analysis Statement

The Company is in compliance of all mandatory requirements regarding corporate governance as stipulated under Clause 49 of the listing agreement with the stock exchange(s). For the fiscal year ending 2010, the compliance report is provided in the Corporate Governance section of the Annual Report. A certificate issued by the statutory auditors of the Company on confirming compliance of the conditions of corporate governance stipulated in clause 49 of the listing agreement with the stock exchange(s) forms part of the Corporate Governance Report.

The report on Corporate Governance and Management Discussion and Analysis statement is provided in this Annual Report.

Directors

As per the provisions of the Companies Act, 1956 and Articles 67, 68 and 69 of the Articles of Association of the Company, Mr. Subroto Bhattacharya and Mr. Surendra Singh, Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. Mr. Rajendra S Pawar has been re-appointed as Chairman & Managing Director and Mr. Arvind Thakur has been re-appointed as CEO and Jt. Managing Directors by the Board in its meeting held on May 5, 2010, for a period of five years w.e.f. June 01, 2010. The appointment of Mr. Rajendra S Pawar and Mr. Arvind Thakur requires the approval of members at the ensuing Annual General Meeting.

Directors' Responsibility Statement

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

a) That in preparation of Annual Accounts for the financial year, applicable Accounting Standards have been followed along with the proper explanations relating to material departures;

b) That they have selected the accounting policies described in the notes to accounts, which have been consistently applied, except where otherwise stated and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit or loss of the Company for that year;

c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

d) That the Annual Accounts have been prepared on the historical cost convention, as a going concern basis and on accrual basis.

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

- Conservation of energy

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

- Technology absorption

In today's world, perpetually evolving technologies and increasing competition define the global market space. In order to maintain its position of leadership, the Company has continuously and successfully developed innovative methods for absorbing, adapting and effectively deploying new technologies.

- Research & Development

During the year, the Company continued its research in software engineering. These efforts have resulted in innovative products in software engineering to support both maintenance and development projects. Expenditure on research and development is not significant in relation to the nature and size of operations of the Company.

- Export and Foreign Exchange Earnings and Outgo

The details of foreign exchange earnings and outgo are mentioned in Note Nos. 10 and 12 contained in the Notes to Accounts (Schedule No. 18) forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended on that date.

Public Deposits

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

Particular of Employees

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

Auditors

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

Auditors' Report

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

Export Initiatives

During the year 90% of the revenues were derived from exports. The Company has developed a substantial direct marketing network across the various countries in America, Europe and Asia Pacific. These offices are equipped with sales and marketing team, who market is the services to the international clients in the respective countries.

During the year the Company participated in various conferences, seminar and summits across the world to enhance the company's business growth and awareness of the services being offered to various prospective clients.

Awards and Achievements

During the year, the Company bagged several recognitions at the Indian and global levels. Few of the significant honors amongst all are mentioned hereinbelow:

- Ranked amongst top 7 service providers in Gartner's Industry research report in 2010 "Seven Vendors Dominate the European Market for General Insurance Policy Administration Systems"
- NIIT GIS received the Best Software Company of the Year award 2009–2010 at the Map India 2010 Conference
- Received the Award for "Innovation in Career Development," from the Global HR Excellence Awards at the Global HRD Congress 2010
- Amongst the top 50 IT Innovators for the year 2009 by NASSCOM
- Ranked Number 1 in the Datamonitor Black Book of Outsourcing 2009 Travel Industry survey for the second consecutive year
- Ranked amongst the Best 5 Companies in Air Transportation by The International Association of Outsourcing Professionals (IAOP) in its The Global Outsourcing 100 listing for the year 2009
- Ranked among the Best 20 Industry leaders in Financial Services (Insurance and Banking) by The International Association of Outsourcing Professionals (IAOP) in its The Global Outsourcing 100 listing for the year 2009
- Ranked amongst the Top 20 Best Managed Outsourcing Vendors by the 2009 Black Book of Outsourcing

- Ranked amongst India's 500 Best Performing Companies by demonstrating exceptional innovation and perseverance by Inc. India for the year 2009

Human Resource Initiatives

The Human Resource initiatives of the Company in the year under review were aligned to the overall business strategy of the organisation as well as the career aspirations of staff members. Learning and development of the workforce was a priority during the year and focused around leadership development, achieving better productivity and building a sales-driven organisation. Processes and policies enabled greater involvement of staff members in the execution of the organisational strategy. There was a steep increase in the average days of training per staff member and the overall staff coverage in learning initiatives. Recruitment processes were further strengthened. Processes and policies enabled job rotations, career growth and helped maintain a healthy work environment. ESOP program in the year covered staff members in Middle manager level and above to keep the focus of organisation tide over global crisis and take the next level of managers to participate in brave and bold initiatives taken by the organisation in cost management and other people related initiatives.

Acknowledgement

The Directors take this opportunity to thank all investors, business partners, clients, technology partners, vendors, financial institutions/banks, regulatory and government authorities, media and Stock Exchanges, for their continued support during the year. Your Directors place on record their appreciation of the contribution made by NIITians at all levels for their commendable teamwork, dedicated and wholehearted efforts, without which your Company's consistent growth would not have been possible.

For and on behalf of the Board

Place : New Delhi
Dated : May 05, 2010

Rajendra S Pawar
Chairman
(DIN 00042516)

NIIT technologies

ANNEXURE – A

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2010

A. Employed throughout the year and in receipt of remuneration not less than Rs. 24,00,000 for the year

Name	Age	Qualification	Designation	Experience	Nature of Duties	Date of Joining	Remuneration (In Rs.)	Previous Employement
Rajendra Singh Pawar (DIN 00042516)	59	B. Tech.	Chairman & Managing Director	38	Chairman & Managing Director	12-Jun-04	2,871,776	NIIT Limited, Chairman & Managing Director
Arvind Thakur (DIN 00042534)	55	B.Tech., PGDIE	Chief Executive Officer & Jt. Managing Director	32	Chief Executive Officer	12-Jun-04	13,631,464	NIIT Limited, Whole Time Director
Alok Jauhary	51	BE./B.Tech., MBA	Vice President	28	Delivery Head - APAC -India Govt.	19-Jul-04	2,801,277	Perot Systems TSI(India) Ltd., General Manager
Anil Tikoo	49	BE./B.Tech.	Vice President - Sales And Marketing	22	Head - Sales and Marketing for APAC Business Unit	16-Oct-06	2,630,131	Polaris Software Lab Limited - Chennai , Vice president and Head - Corporate sales office
Arvind Mehrotra	48	MBE	Executive Vice President	27	Responsible for APAC Business Operations and Strategic Initiatives	1-Apr-03	6,776,874	NIIT Limited , General Manager
Ashok Shetty	37	BE./B.Tech.	Lead Architect	15	Architect for Custom Software Development and Maintenance (CSDM)	1-Apr-03	2,564,227	NIIT Limited- Architech
Ashok Kumar Arora	55	B.Com.	Group Chief Financial Officer	34	Group Chief Financial Officer	1-Apr-03	4,540,100	NIIT Limited , Chief Financial officer
Bhaskar Chavali	52	BE., ME	Executive Vice President	28	EVP - Custom Software Development and Maintenance (CSDM) Practice & Resource Head for Software division	1-Apr-03	5,715,103	NIIT Limited , Vice President
Dinesh Verma	43	BE./B.Tech.	Vice President	22	Delivery Head - ING Project in US Insurance Vertical	1-Apr-03	2,762,745	NIIT Limited – Sr. Project Manager
Harish Kumar Sharma	50	ME./M.Tech.	Vice President - Travel & Transport USA	27	Delivery Head - Sabre in TTL Vertical	1-Oct-07	3,087,305	Perot Systems TSI (India) Ltd.-Director, Travel & Transport
Harita Gupta	47	M.Sc.	Vice President	26	Delivery Head	1-Apr-03	2,486,341	-
Kul Taran Singh Anand	52	M.Com., FCA	Chief Financial Officer	28	Chief Financial Officer	4-Apr-03	6,511,454	TCNS Ltd., Vice President (Finance & Manufacturing) and SBU Head
Lalgudi Venkatraman Sridhar	52	MBA	Vice President	28	Responsible for Rest of UK business delivery.	22-Dec-08	2,711,605	Satyan Computers - Senior Solution Architect
Mukund Kolhekar	43	M.Com., ICWA	Senior Functional Specialist	12	Program Head for SSB-India Corp	7-Nov-05	2,405,851	National Semiconductor Corporation Sr.Sap Analyst
Narayanan Kallapiran	51	BE./B.Tech.	Senior Vice President	28	Head - TTL Vertical	12-Jan-09	4,120,783	Gameshastra Solutions Head - India Operations
Nilabh Kumar Bajpai	50	BE./B.Tech.	General Manager	20	Practice Head - APAC India Corp	30-Jun-05	2,415,236	Wipro , Saudi Arabia - Process And Resouce Manager
Phalguna Sharma	51	M.Sc. , MBA	Delivery Manager	27	Program Head - Client Projects	26-Oct-06	2,430,383	Wipro Technologies - Sr. Delivery Manager

Name	Age	Qualification	Designation	Exper-ience	Nature of Duties	Date of Joining	Remuneration (In Rs.)	Previous Employement
Piyush Srivastava	55	MA	Senior Vice President - Commercial Services	31	Head - Commercial Services	1-Apr-03	4,885,412	NIIT Limited – Sr. Vice President Commercial
Prabhat Kumar Goenka	43	CA,CS,ICWA	Head - Internal Audit	18	Head - Internal Audit Department	28-Dec-07	2,734,907	HCL Technologies Ltd (Associate Vice President - Finance and Accounts)
Pulok Kumar Nandi	49	M.Sc., ME./M.Tech.	Practice Leader	24	Practice Leader - Legacy Modernization & Maintainence (LMM Practice)	1-Apr-03	2,655,625	NIIT Limited-Practice Leader
Rajiv Jalota	57	B.Sc.	Senior Vice President	22	Business Unit head - Asia	1-Apr-09	3,844,763	NIIT GIS Limited – Sr. Vice President
Ritu Gupta	41	MBA	Practice Leader	19	Practice Leader -SSB Insurance Vertical	1-Apr-03	2,659,834	NIIT Limited , Senior Project Manager
Rosita Rabindra	50	B.Sc.,MSW	Executive Vice President-Human Resources	28	Head -Human Resources Department.	1-Apr-03	6,122,701	NIIT Limited , Sr. Vice President Human Resources
Rupesh Deorah	39	CA	Controller	18	Division Head – Finance & Accounts (Overseas Geographies)	11-Jul-05	2,440,484	Nicholas Piramal India Ltd.- Senior Deputy General Manager
Samir Chandrakant Sao	44	MBA	General Manager	22	Role - Delivery Head (Client Project)	12-Sep-05	2,957,831	Datamatics - Lead Software Consultant
Sanjay Kapur	46	MCA	General Manager	20	Delivery Head - Client Project.	1-Apr-03	2,427,171	-
Satish Kumar Syal	60	BE.,M.Tech.	Executive Vice President - Managed Services	37	Head - Managed Services & CIO .	1-Apr-03	5,782,637	NIIT Limited , Chief Information Officer
Surender Varma	40	ICWAI, ACS, LLB,	General Manager	18	Head-Legal & Secretarial	20-May-08	3,802,354	Emaar MGF Land Ltd – Head (Corporate Legal & Secretarial)
Tarun Malik	48	BE.,MBA	Vice President	23	Business line head for Software Engineering Process Group	10-May-08	2,781,975	NIIT Technologies Co. Ltd., Japan,, General Manager
Udayan Banerjee	55	BE./B.Tech.	Vice President	33	Senior Architect - Internal Group BMA - Build My Application	1-Apr-03	2,565,710	NIIT Limited , General Manager
Venkataramani Rajaraman	50	B.Sc.	Vice President	27	Business Line Head - APAC (India Corporate Business Group)	2-Apr-08	2,598,514	Siemens Information Systems Limited -Business Head
Vijay Ghei	52	BE.	Vice President	29	Practice Head - Consulting & Innovation .	1-Apr-03	3,315,583	NIIT Limited , General Manager
Vijay Kumar	58	BE./B.Tech., MBA	Group Executive Vice President	33	Group Executive Vice President-Merger & Acquisitions	1-Apr-03	3,787,215	NIIT Limited , Sr. Vice President

B. Employed for part of the year and in receipt of remuneration not less than Rs. 2,00,000 per month

Name	Age	Qualification	Designation	Exper-ience	Nature of Duties	Date of Joining	Remuneration (In Rs.)	Previous Employement
Arun Pingaley*	44	B.Com., ICWAI	Vice President - Banking	21	Responsible for Business Growth (Banking Vertical)	5-Dec-08	1,675,357	Oracle Financial Services Software Ltd. (i-flex Solutions) - Head Product Management
Devendra Gupta*	48	BE/B.Tech., PGDOM	General Manager	24	Head - Infrastructure Projects	1-Sep-06	1,997,597	HCL Technologies Ltd -DGM Infrastructure
Goutam Kundu*	42	MBA	Vice President - Insurance	21	Responsible for Business Growth of Insurance Vertical .	16-Feb-09	3,102,450	NIIT Technologies Inc. USA, VP Insurance Procurement
John Terry Fletcher	48	Diploma in IT	Product Design Head	29	Product Design Head – New Product	1-Sep-09	5,593,078	Room Solutions Limited, UK
Natarajan M	43	CA	General Manager - Accounts	18	Function Head – F & A (Corporate Accounts)	9-Nov-09	1,103,372	Aircent Technologies (Holdings) Ltd. - Asst. Vice President - Finance
Parag Jaikrishna Rajadhyaksha*	53	MBA	General Manager	26	Delivery head for - APAC India Corporate	1-Apr-03	2,393,834	NIIT Limited –Deputy General Manager (Software Solutions)
Rajiv Arora	44	BE/B.Tech.	Vice President - Banking	22	Responsible for Growth of Banking Vertical Business	1-Oct-09	1,941,988	IBM India - Partner Consulting
Rakesh Kumar Malik*	45	B.E	Practice Leader	22	Practice Leader –Clients Business	10-Oct-06	122,608	TCIL Ltd., General Manager, IT Consultancy
Romy Chopra	51	M.Sc. / MBA	Senior Vice President - Manufacturing	27	Responsible for Growth of Business in Manufacturing & Retail Vertical	4-Aug-09	2,320,285	Acme Tele Power Ltd. - CIO
Sachin Sharma*	38	CA	Controller	14	Division Head - Finance (India Accounts)	29-Sep-05	981,576	Intrasphere Infotech – Head Finance
Satinder Juneja	40	MBA	Vice President - Sales And Marketing	16	Head - Corporate Marketing & Communications	1-Dec-09	1,143,000	Microsoft - Marketing Head - SMB Market
Srinivasan Prakash	56	ME./M.Tech..	Delivery Manager	27	Program Head -Clients	14-Oct-09	1,729,587	Airlines IT Consultant
Suman Jadhav	39	B.Com.	Program Manager	19	Architect (Client)	4-Mar-10	233,709	ATOS Origin India P.Ltd - Sr. Consultant

*Resigned during the year

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 and Superannuation Fund. The gross remuneration of employees do not include provision for gratuity and provision for leave encashment.
2. None of the above employees are related to any Director of the Company.
3. None of the employees holds 2% or more of the paid-up Equity Share Capital of the Company.
4. The nature of Employment in all above cases is contractual.

Annexure B

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

(a) Options granted;	Grant I : 660,750 (August 2, 2005) Grant II : 70,600 (August 11, 2005) Grant III : 280,000 (June 20, 2007) Grant IV : 477,750 (July 28, 2008)* Grant V(Vest I) : 1,199,700 (October 19, 2009)* Grant V(Vest II) : 1,199,700 (October 19, 2009)* Total : 3,888,500 *The options were granted after issuance of bonus shares.
(b) the pricing formula;	At a price not less than the then existing face value of the share of the Company. Grant Price Market Price Discount Grant I : Rs. 115.00 Rs. 149.50 23% of Market Price Grant II : Rs. 150.85 Rs. 150.85 No Grant III: Rs. 523.50 Rs. 523.50 No Grant IV: Rs. 108.00 Rs. 107.40 No Grant V : Rs. 127.20 Rs. 127.20 No (Note: Prices for Grant IV & V are post bonus issue)
(c) options vested;	As at March 31, 2010 Grant I : 597,400 Grant II : 16,000 Grant III: 100,105 Grant IV: 438,750 Grant V : Nil Total : 1,152,255
(d) options exercised;	As at March 31, 2010 Grant I : 516,575 Grant II : 16,000 Grant III: NIL Grant IV: 46,525 Grant V : NIL Total : 579,100
(e) the total number of shares arising as a result of exercise of option;	579,100
(f) options lapsed;	As at March 31, 2010 Grant I: 186,525 Grant II: 54,600 Grant III: 339,702 Grant IV: 61,500 Grant V(Vest I) : 95,700 Grant V(Vest II): 95,700 Total : 833,727
(g) variation of terms of options;	None
(h) money realized by exercise of options;	Grant I: Rs. 56,952,050 Grant II: Rs. 2,413,600 Grant IV: Rs. 5,240,700 Total : Rs. 64,606,350
(i) total number of options in force;	Grant I : NIL Grant II : NIL Grant III : 80,298* Grant IV : 369,725 Grant V (Vest I) : 1,104,000 Grant V (Vest II) : 1,104,000 Total : 2,658,023 *Post bonus adjustment
(j) employee wise details of options granted to:-	
(i) senior managerial personnel during the year	A summary** of options granted to senior managerial* personnel are as under : No. of employees covered : 14 (Fourteen) No. of options granted to such personnel : 362,250 (Three Lakh Sixty Two Thousand Two Hundred and Fifty Only *includes employees who are one level below the Board or CEO working in executive capacity. **only summary given due to sensitive nature of information, details of which can be obtained from the Registered Office by the members of the Company, upon request.

(ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	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
(k) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS 20) 'Earnings Per Share'	Rs. 16.19 (previous year: Rs. 15.07)
(l) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	Please refer to Notes Nos. 20 and 24 contained in the Notes to Accounts (Schedule No.18) forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended on that date.
(m) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted Average Exercise Price (Rs.)Weighted average Fair Value (Rs.) Grant I* 115.00 59.20 Grant II* 150.85 41.18 Grant III* 523.50 168.11 Grant IV 108.00 43.78 Grant V(Vest I) 127.20 50.24 Grant V (Vest II)127.20 56.16 * Pre bonus issue
(n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	
(i) risk-free interest rate,	Grant I 7% Grant II 7% Grant III 7.93% Grant IV 9.24% Grant V (Vest I) 6.83% Grant V (Vest II) 7.01%
(ii) expected life,	Grant I 2.5 years Grant II 2.5 years Grant III 2.5 years Grant IV 2.5 years Grant V (Vest I) 2.5 years Grant V (Vest II) 3.5 years
(iii) expected volatility	Grant I: 10% Grant II: 10% Grant III: 51.13% Grant IV: 65.62% Grant V Vest I: 66.17% Grant V Vest II: 64.78%
(iv) expected dividends, and	The shares to be issued under stock options shall rank pari-passu, including the right to receive dividend. Expected dividend payouts to be paid during the life of the option reduce the value of a call option by creating drop in market price of the stock. Adjustments for known dividend payouts over the life of the option are made to the formulae under Black Scholes method. However, in the present case, as the life of the option is greater than one year, there is considerable difficulty in estimating the amount and time of future dividend payouts with certainty. Hence, future dividend payouts have not been incorporated in the valuation analysis
(v) the price of the underlying share in market at the time of option grant	For Grant I the market price was Rs. 149.50 For Grant II the market price was Rs. 150.85 For Grant III the market price was Rs. 523.50 For Grant IV the market price was Rs. 107.40 For Grant V the market price was Rs. 127.20

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

Management Discussion and Analysis

Industry Structure and Overview

Navigating through one of the worst recession in past 60 years

The Domino effect post bursting of the US housing bubble, followed by the financial crisis precipitated by fall of Lehman Inc's in Sept 2008, brought the world to a standstill and pushed most of the developed economies in to recession. While robust fundamentals ensured that the impact of the recession was relatively moderate on India, in an increasingly globalised environment, India could not escape declining GDP growths. However, prompt action including the stimulus packages announced by governments across the developed and developing economies ascertained to contain the downfall.

Review of Financial Year (FY) 2009-10 (April – March)

The Indian Information Technology (IT) Industry showed resilience to the global meltdown which was witnessed in past 2 years. The financial year 2009-10 saw the bottoming out and also a slow, but steady recovery of business for the industry. For NIIT Technologies Ltd, the revenues de-growth bottomed out in 1QFY10. Although the Global Software industry is beginning to come out of the shadow of Global recession, it continues to reel under environment of high volatility and uncertainty, arising out of fresh challenges from wide currency movements and Sovereign debt issues of the Euro zone.

However the worst seems to be behind us and corporations are beginning to invest in programs to maintain their competitiveness in a tougher economic environment. Although IT budgets have been curtailed, Indian IT companies, including NIIT Technologies Ltd have benefitted on account of their robust offshore value proposition. Companies globally remained cautious about spending as the early signs of global recovery could well be illusory; coming on the back of impetus from stimulus packages announced by various governments across the world.

Glance at the Global IT Market

As per NASSCOM Strategic review 2010, worldwide technology products and services related spend is estimated to reach USD ~1.5 trillion in Calendar Year (CY) 2009, a decline of 2.9 per cent over CY 2008. The decline was steeper at 8 percent for Hardware spends, while the Software services spend was marginally lower at USD 589 bn in CY 2009 versus USD 591 bn in CY 2008, with demand stronger for outsourcing than for discretionary and project based services.

Global sourcing outpaced the IT spend, which led to a stagnant first half but a resurgent second half in the year of 2009. According to NASSCOM, the aggregate revenues for Indian IT players in FY 09-10 were USD 73.1 bn, with IT Software & Services providing USD 63.7 bn in revenues. There was a 5.4 percent growth in global business (exports) taking the total exports to USD 50.1 bn. Customers were more focused on resetting the operating costs, which led to decline in their technology spending by 3 percent. This impact was majorly visible in hardware spending, which declined by a good 8 percent. The IT Services market remained flat with some decline visible in EMEA market and Banking, Financial Services and Insurance (BFSI) segment. Travel and tourism took a significant hit with airlines reducing IT spend by as much as 7 percent. Spend on compliance requirements remained steady.

Outlook for CY10

Worldwide spending on Information Technology will continue to feel the effects of the global recession throughout 2010. However, Forrester Research Inc, expects IT to recover faster than the overall economy, driven by renewed focus on innovations like smart computing systems and integrated solutions that combine the elements of hardware, software and services. Smaller vendors, or those that lack substantial elements of an integrated portfolio, will need to more tightly couple with partners to weave their offerings into smart solutions, while service companies will find opportunities to be the glue that delivers these complex structures to clients.

Forrester expects IT services to grow at 6 percent-7 percent in CY 2010. Service-level agreements (SLAs) and pricing will be more explicitly tied to business outcomes while project financing will become even more popular when customer liquidity remains a key financial issue. Customer engagements will be consulting led to demonstrate understanding of business context for technology decisions.

Overall, IDC forecasts that worldwide IT spending will reach USD 1.48 trillion in CY 2010, still below the USD 1.5 trillion recorded in CY 2008. IT spending is not expected to fully recover from the global recession until sometime in CY 2011. On a global basis, IDC expects hardware spending to grow by 5 percent in CY 2010, while software spending and IT services spending will grow by 2 percent and 3 percent respectively, in constant currency. According to Forrester Research, Software will show the most robust growth of any IT market segment in CY 2010, up 9.7 percent from CY 2009.

Indian IT geared up to Cross the USD 50 billion mark

The performance estimates from NASSCOM - India's premier trade body and the chamber of commerce of the IT-BPO industries in India, expects IT export revenue for the Indian IT-BPO industry to reach USD~50 billion in FY10. Indian software industry contributes ~25 percent to total Indian exports and ~6 percent to India's GDP.

NASSCOM also expects the Software and services exports revenues to grow by 13-15 percent and domestic revenues to grow by 15-17 percent in FY11 after mid single digit growth in previous year

Financial Year	Exports (USD bn)	Growth %	Domestic (INR bn)	Growth percent
FY 09-10	49.7	5.5%	662	12%
FY10-11 (outlook)	56-57	13% - 15%	761-775	15%-17%

Source-NASSCOM

IT Sector was a net hirer in FY10; with total direct employment crossing ~2.3 million and ~90,000 jobs added during the year. Also with improving business environment for FY11 the manpower addition is expected to be much higher than FY10.

On the growth drivers NASSCOM estimates Indian Government IT spend at around INR 250 billion by FY11 – a CAGR of 30 percent. It also expects Asia Pacific (APAC) region to be fastest growing geography with an estimated growth of 10 percent in FY11

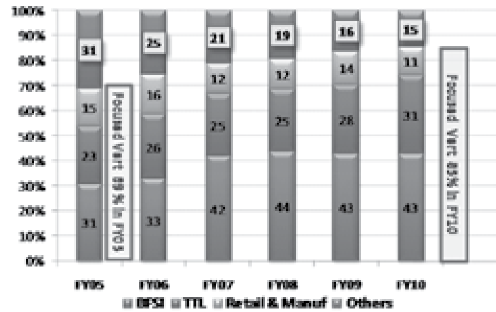
Company Overview

NIIT Technologies Ltd (NTL) is a global IT solutions organization, servicing customers in North America, Europe, Asia and Australia. It offers Technology and Business Services to organizations in select industry segments.

NIIT Technologies has a business philosophy to be the "best" in the chosen segments and be "big enough"; in contrast to being the "biggest" and just "good enough. By virtue of this specialization it has been acknowledged by a number of independent surveys as the best in class. It follows the highest standards of operations which includes ISO 9001:2000 certification, assessment at Level 5 of SEI-CMMi version 1.2, ISO 27001 information security management certification. Its data centre operations are assessed at the international ISO 20000 IT management standards"

Strategy

Post its de merger with NIIT Ltd in Year 2004, NIIT Technologies embarked upon a strategy to "Focus and differentiate". Company has been able to walk the talk on its strategy, reflected through the contribution of its focused verticals of – BFSI, Travel Transportation & Logistics and Retail & Manufacturing, which has gone up from 69 percent of revenue in FY05, to 85 percent of revenues in FY10. Of the remaining 15 percent, increasingly business is getting focussed on the Government sector which is set to become another major segment.



Business Transformation

The first phase in transformation journey of NIIT Technologies was completed when it reinvented itself from being a provider of generic technology services to be an industry specific solution provider. The Company's next phase of transformation involves making the business non-linear by evolving new service offerings (integrated services, platform based services, cloud services) to provide higher value to its clientele'.

Business Innovation - Thrust on Non linear Business

Innovation is the key to transformation. NIIT Technologies has emphasized in increasing its share of business from new methods of services deliveries which are non-linear as compared to Full Time Equivalent (FTE). These new methods of services deliveries exists in various forms like that of Intellectual Property (IP) based Products and solutions, Platform based services, SaaS, Managed services, Utility based pricing, pay as you use and SLA based pricings. The traditional IT services methodologies of delivery like the Time & Material (T&M) are rapidly being replaced by innovative ways of services deliveries mentioned above. NIIT Technologies has been in the fore-front in adopting these for its clients and has been able to gain good traction.

Managed Services

Three years ago the Company announced its foray into the new business segment of Remote Infrastructure Management (RIM). It has been amongst the first to do so among comparable peers. The Company has also integrated this offering with its Application Management and Business Process Management to provide a compelling & unique value proposition of integrated services to its customers. Managed services contributed 13 percent of Revenues in FY10

IP / Platform based services

Over the last 2 years, the Company has made investments into reworking its frameworks & products (both owned & acquired) into Platform-based services. Rooms Solutions which is NIIT Technologies' wholly owned subsidiary has its Insurance Platform "Subscribe", which has a sizable share in Lloyds insurance market. Likewise its German subsidiary Softec GMBH owns a revenue accounting platform "Monalisa" which is deployed across over 30 airlines. These services contribute 14 percent of revenue in FY10

Cloud Computing

Cloud computing is reshaping the IT marketplace, creating new opportunities for suppliers and catalyzing changes in traditional IT offerings

It is an emerging megatrend defined as standardized IT capability delivered via the Internet in a pay-per-use and self-service manner. Cloud computing primarily evolved with the growing acceptance of SaaS, and the industry looking to replicate the success of offering software-as-a-service (SaaS) to not just platforms / applications (PaaS) but also infrastructure / hardware (IaaS or HaaS).

NIIT Technologies pursuing its non-linear services model of business is an early entrant in the cloud arena. During the year, it has announced a partnership with Hitachi Information systems of Japan to jointly offer cloud services. Through this partnership NIIT Technologies and Hitachi Information Systems will provide unmatched value based on the strengths of both companies. Hitachi systems with its reliable and scalable infrastructure would own the Cloud, while NIIT Technologies will harness its competencies and world class process capability in Remote Infrastructure and Managed Services to operate the Cloud. This will enable customers of both firms to experience the highest quality of reliability, security and service. With Cloud computing gaining impetus, both companies will be able to offer the complete portfolio of services around the Cloud infrastructure to cater to the changing IT landscape.

Geographic Information System (GIS)

Geographic Information System which integrates hardware, software, and data for capturing, managing, analyzing, and displaying all forms of geographically referenced information is being increasingly used by Customers and Governmental department as an enabler to bring in increased efficiencies in revenue generation and costs curtailments. NIIT Technologies has a JV with ESRI Inc, the world leader in GIS space. Company is focusing on leveraging the world class GIS products of ESRI and to offer solutions to customers including Government and quasi-governmental organizations.

People Resources

As of March 31, 2010, the global staff strength of NIIT Technologies stood at 4,476 against 4,238 in FY09. At the year end the Company has an offshore development capacity of around 400,000 square feet. The construction work for the campus in Greater Noida is almost complete and it is expected to be operational by end of FY11.

Financial Highlights

Consolidated Financial Highlights

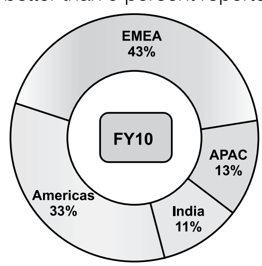
The consolidated financials take into account the financials of NIIT Technologies Limited and its subsidiaries, including subsequent level companies after eliminating inter-company transactions. NIIT Technologies posted a consolidated income of Rs 9,137 million for the financial year ending March 31, 2010. Through the year the Company grew sequentially quarter on quarter, however, overall revenues were marginally lower representing a 7 percent decline over previous year's revenues of Rs 9,799 million.

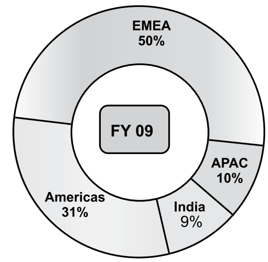
Segmental Revenue

NIIT Technologies Ltd derives its revenue primarily from exports which contribute 89 percent of Company's revenues, while domestic markets account for 11 percent of revenues; this is largely similar to FY09.

Geography Mix

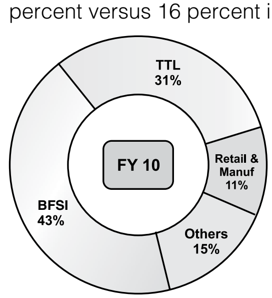
NIIT Technologies has a balanced mix of revenues coming across globe. For FY10, EMEA (Europe, Middle East and Africa) accounted for around 43 percent of revenues, versus 50 percent in previous year. The lower share was on account more challenging conditions in Europe and adverse fluctuations in GBP and Euro. Americas accounted for 33 percent versus 31 percent in previous year. Share of APAC was 13 percent in FY10 versus 10 percent in previous year. India accounted for 11 percent of revenues shade better than 9 percent reported in FY09.

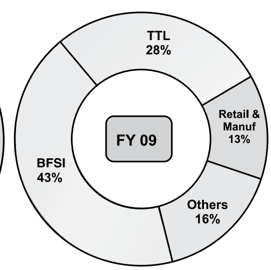




Vertical Mix

Company focuses on 3 verticals which contribute 85 percent of revenues in FY10 versus 84 percent in FY09. TTL (Travel Transportation and Logistics) vertical contributes 31 percent to revenues in FY10 versus 28 percent in FY09. BFSI contributes 43 percent in FY10 similar to FY09. Retail and Manufacturing share has been lower at 11 percent in FY10 as compared to 13 percent in FY09, other verticals including government contribute 15 percent versus 16 percent in FY09

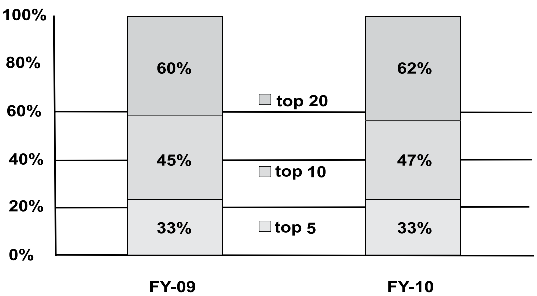




Client profile

The Company's client-wise revenues are more broad-based. The Top five clients contributed 33 percent of the revenues similar to previous year. The Top 10 clients contributed 47 percent of the revenues versus 45 percent in FY09, while 62 percent of the revenues contribution was from the Top 20 customers against 60 percent the previous year. The Company continued to bag fresh orders at a regular pace, and its total intake in FY10 stood at USD 276 million.

Top Client Mix



Audited Consolidated Profitability — Rs Million

	FY 2010	FY 2009	FY 2008
Revenue	9,137	9,799	9,415
Expenses	7,249	8,035	7,652
Operating Profit	1,888	1,764	1,763
Operating Profit margin	21%	18%	19%
PBT	1,421	1,389	1,509
PAT	1,264	1,148	1,353

An expense analysis of the Company shows that personnel constituted the highest element of cost at 56 percent (57 percent in FY09) of revenues, development and bought-out materials constituted 8 percent, selling, marketing General and administration at 16 percent. Depreciation and amortization accounted for 4 percent, leaving a PBT margin of 16 percent for the year versus 14 percent margins in the previous year.

Audited Consolidated Balance Sheet — Rs Million

Particulars as on	March 31, 2010		March 31, 2009	
Sources of Funds				
Share Capital	588		587	
ESOP Outstanding	-		2	
Reserves and Surplus	5,210		3,287	
Net Worth		**5,798**		**3,876**
Minority Interest		**28**		**22**
Loan funds		**217**		**348**
Total		**6,043**		**4,246**
Application of Funds				
Fixed Assets				
Gross Block	4,559		4,737	
Depreciation	2,706		2,632	
Net Block		**1,853**		**2,105**
Capital Work in Progress		**1,288**		**1,052**
Investment		**465**		**-**
Deferred Tax Asset		**107**		**435**
Net Current Assets		**2,330**		**654**
Total		**6,043**		**4,246**

Share Capital

The paid up share capital of the Company stands at Rs 588 million constituting 587,878,450 equity shares of Rs 10/- each

1. EMPLOYEE STOCK OPTION PLAN:

(i) The Company established NIIT Technologies Stock Option Plan 2005 (ESOP 2005) in the year 2005-06 and the same was approved at the Annual General Meeting of the Company on 29th July 2004. The plan was set up so as to offer and grant for the benefit of employees of the company and its subsidiaries, who are eligible under Securities Exchange Board of India (SEBI) Guidelines (excluding promoters), options of the company in aggregate up to 3,850,000 options under ESOP 2005, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard. As per the plan each option is exercisable for one equity share of face value of Rs 10 each fully paid up on payment to the company for such shares at a price to be determined in accordance with ESOP 2005. SEBI has issued the Employee's Stock Option scheme and Employee Stock Purchase Scheme Guideline, 1999 which is applicable to the above ESOP 2005.

Description	Grant I		Grant III		Grant IV		Grant V	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Date of Grant	August 02, 2005		June 20, 2007		July 28, 2008		October 19,2009	
Date of Vesting	August 02, 2006		June 20, 2008		July 28, 2009		October 18,2010	October 18,2011
Live grants at beginning (during the year Nos)	74,850	106,300	92,155	378,750	461,250	477,750	1,199,700	1,199,700
Forefeited/ lapsed till vesting period (Nos)	-	-	-	278,645	22,500	16,500	95,700	95,700
Options vested (Nos)	-	-	-	100,105	438,750	-	-	-
Options forefeited post vesting (Nos)	60,225	3,150	11,857	7,950	22,500	-	-	-
Options Exercised (Nos)	14,625	28,300	-	-	46,525	-	-	-
Exercisable/ outstanding at the end of the year (Nos)	-	74,850	80,298	92,155	369,725	461,250	1,104,000	1,104,000
Exercise Price	Rs.76.67	Rs.76.67	Rs.349	Rs.349	Rs.108	Rs.108	Rs.127.20	Rs.127.20
Remaining Contractual Life	Nil	123 days	446 days	811 days	849 days	1,214 days	1,299 days	1664 days
Fair value of Options based on Black and Scholes model (as per independent valuer's report) Pre-Bonus Post-Bonus	Rs.59.20 Rs.39.46	Rs.59.20 Rs.39.46	Rs.168.11 Rs.112.07	Rs168.11 Rs112.07	- Rs.43.78	- Rs.43.78	- Rs.50.23	- Rs.56.16
Intrinsic value of options	Rs.23	Rs.23	-	-	-	-	-	-

Note:

During the year, the Compensations/Remuneration Committee at its meeting held on October 19, 2009 has approved issue of 2,399,400 options (Grant-V) out of the option under ESOP 2005, to Managerial Personnel of the Company / Subsidiaries.

The assumptions used by the independent valuer for determination of fair value as per the Black & Scholes model is as follows:

a) Market price considered is the latest available closing price, prior to the date of the grant.

b) Exercise price is the price payable by the employees for exercising the option.

c) As the life of the option is greater than one year there is considerable difficulty in estimating the amount and time of future dividend payouts with certainty, hence future dividend payout have not been incorporated in the valuation analysis.

d) Volatility - Variance in the stock price is considered as 10 percent (for Grant I) , 51.13 percent (for Grant III) , 65.62 percent (for Grant IV), 66.12 percent (for Grant V Tranche I) and 64.75 percent (for Grant V Tranche II) is based on historical volatility in the share price movement of the company and four other comparable companies.

e) Average life of the options is considered to be 2.5 Years for Grant I, Grant III, Grant IV, Grant V Tranche I and 3.5 years for Grant V Tranche II.

f) Risk less interest rate has been assumed at 7 percent (Grant I), 7.93 percent (Grant III), 9.24 percent (Grant IV), 9.83 percent (Grant V Tranche I) and 7.01 percent (Grant V Tranche II) based on long term government bonds of ten year residual maturity.

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

Description	Grant III		Grant IV		Grant V	
					Tranche I	Tranche II
	2009-10	2008-09	2009-10	2008-09	2009-10	2009-10
Expense accounted for during the period based on intrinsic value of the option	-	-	-	-	-	-
Additional expense had the Company recorded the ESOP expense based on fair value of the option	Nil	2,320,290	5,277,262	13,665,207	26,389,532	13,194,766

For impact on Basic and Diluted earnings Per Share, had fair value of the option been used for determining Employee Stock Option Plan expense, refer notes.

Minority Interest

The minority shareholding includes the interest of third parties in one of the Company's subsidiaries, NIIT GIS Limited (as minority shareholders), provision for which has been made based on the profits of the respective subsidiary.

Loan Funds

The loans funds primarily secured loan stood at Rs 217 million in FY10 versus Rs 348 million, Company repaid its Term Loan as per the repayment schedule

Fixed Assets

During the year, capital investment of Rs. 178 million were made for project - related capital assets and capacity increases. Capital Work in Progress (CWIP) is at Rs. 1287 million largely for the new SEZ campus development at Greater Noida.

Investments

Investments of Rs 465 million reflect investments made in short term liquid mutual funds

Net Current Assets

The elements of net current assets are as follows:

Current Assets, Loans and Advances

- Trade Receivables: Debtor days stand at 74, on a total sundry debtor's position of Rs.1,851 million
- Cash and Bank: Cash and Bank balance as on March 31, 2010 is Rs. 1,430 million
- Other Current Assets: This primarily includes unbilled revenues & Interest Receivable stand at Rs 156 million
- Loans and Advances: This includes advances, pre-paid expenses, security deposits made by the company in the normal course of business and advance taxes deposited. These stood at Rs 1089 million

Current Liabilities and Provisions:

This represents sundry creditors, including capital creditors, advances from customers, unearned revenues, security deposits, provisions for leave encashment, gratuity, dividend and other liabilities. Current liabilities and Provisions stand at Rs 2200 million

Related Party Transactions

Related Party transactions are defined as transactions of the company with the Promoters, Directors or the Management, their subsidiaries or other related parties who may have a potential conflict with the interests of the company at large. All transactions covered under related party transactions were regularly ratified and/or approved by the Board, the guiding principles being arm's length, fairness and transparency. The details of related party transactions are given in the Notes to Accounts section.

NIIT TECHNOLOGIES LTD: STANDALONE

Rs Million

	FY 2010	FY 2009
Revenue	4,936	5,021
PBT	1,008	981
PAT	951	885

Revenue from Operations

The revenues from operations for the year stood at Rs 4,936 versus 5,021 million in FY 09

Other Income

The other income earned by the Company includes Capital Gains and Dividend Income on the mutual fund investments, Recoveries made from subsidiaries for common services and asset usage charges recovered from the Group Company. The company reported Rs. 113 million of Other Income in FY10 versus Rs 396 in FY09

Revenue Recognition Policy

The significant Accounting policies and practices followed by NIIT Technologies Limited are disclosed in Note 1 of Schedule "18" (Notes to Accounts) for the year.

Rs Million

Impact of Foreign Currency	FY 2010	FY 2009
Earning in Foreign currency	4,465	4,559
Revenue Expenditure in Foreign Currency	1,536	1,578
Net Revenue Earning in Foreign Currency	2,929	2,981
Capital Expenditure in Foreign Currency	21	107
Net Foreign Currency Earnings	2,908	2,874

EXPENDITURE

Personnel

The personnel cost was Rs 2,546 million, 52 percent of the revenue line, same percentage as compared with last year's

Development, Production and Execution

This cost constituted 8 percent of revenues. It includes the cost of products purchased for resale.

Other Expenditure

Other expenditure including administration, marketing spend, travel and communication costs were lower at 17 percent as compared with 21 percent of last year. This was as result of stringent cost management during year at backdrop of challenging business environment

Depreciation

The Company's depreciation charge was Rs 246 million, 5 percent of revenues.

Profit after Tax

PAT for company was at Rs 951 million in FY10 versus Rs 885 million in previous year.

Dividend

The Board of Directors of the Company has recommended a dividend of Rs. 7.00 per Equity Share of Rs.10/- each, higher than Rs. 6.50 declared in Previous year.

BALANCE SHEET

Fixed Assets

During the year, the Company added Rs. 156 million to its gross block of assets for project related capital expenditure and capacity increases.

Investments

Rs Million

	FY2010	FY 2009
Investment in subsidiaries & JV	1,146	1,086
Mutual funds	465	-
Total	1,611	1,086

Current Assets, Loans and Advances Cash and Bank

Rs Million

	FY2010	FY 2009
Fixed Deposits	281	260
Cash in hand & balances with Banks	23	248
Total	304	508

Other Current Assets

This includes Unbilled Revenue of Rs. 29 million, Interest Receivable of Rs 7 million and Dividend Receivable of Rs 44 million.

Loans and Advances

The loans and advances stand at Rs. 834 million at the end of the year. The outstanding amount represents loan to subsidiaries, Pre-paid expenses and other constituents in the normal course of business. These also include advances to suppliers, advance tax (net of provision), rent advances and security deposits given for premises.

Capital Structure

The share capital of the Company stands at Rs 588 million versus Rs 587 million in FY09.

Reserves

The reserves and surplus of the company are as follows:

Rs Million

	FY2010	FY 2009
Capital redemption reserve	17	17
Share premium	10	4
General Reserves	1113	1016
Hedging Reserve	(248)	(1515)
Profit and Loss Account	3270	2889
Total	**4162**	**2412**

Loan Funds

The Company had secured Loans amounting to Rs 9 million versus Rs 9 million in FY09

Awards and Recognitions

- Ranked Number 1 in the Datamonitor Black Book of Outsourcing 2009 Travel Industry survey for the second consecutive year
- Ranked amongst top 7 service providers in Gartner's Industry research report in 2010 "Seven Vendors Dominate the European Market for General Insurance Policy Administration Systems"
- Ranked amongst the Best 5 Companies in Air Transportation by The International Association of Outsourcing Professionals (IAOP) in its The Global Outsourcing 100 listing for the year 2009
- Ranked amongst the Best 20 Industry leaders in Financial Services (Insurance and Banking) by The International Association of Outsourcing Professionals (IAOP) in its The Global Outsourcing 100 listing for the year 2009
- Ranked amongst the Top 20 Best Managed Outsourcing Vendors by the 2009 Black Book of Outsourcing
- Amongst the top 50 IT Innovators for the year 2009 by NASSCOM
- NIIT GIS received the Best Software Company of the Year award 2009–2010 at the Map India 2010 Conference
- Received the Award for "Innovation in Career Development," from the Global HR Excellence Awards at the Global HRD Congress 2010
- Ranked amongst India's 500 Best Performing Companies by demonstrating exceptional innovation and perseverance by Inc. India for the year 2009

Opportunities, Threats, Risk and Concerns, Risk Mitigation

Opportunities

Challenging macroeconomic environment also throws in pockets of opportunities. Although the global slowdown and recessionary conditions would have adverse impact on most of the global corporations; they would have a larger impact on organisation in the Banking, Financial Services and Insurance space (BFSI) which constitute 43 percent of NTL's revenues in 2010. Also the nature of the Industry like Airline in Travel Transportation posed more difficulties during recession. However, major global corporations, which are crawling back to normalcy are still in the cost cutting mode, which is why they have been demanding to deliver "More for Less" in the IT services space. NIIT Technologies understands the factors in play and has supported its clients as their technology partner, knowing their challenges, the paths they choose, the strategies and tactics they have to deploy to strengthen themselves.

NTL has a dominant positioning in the verticals it has presence in. For example in Travel vertical, NTL has been being ranked at No 1 amongst global IT vendors by the Data Monitor Black Book of outsourcing; consecutively for year 2008 and 2009. Also it has been ranked at No 3 in Insurance vertical in year 2008

The sub-prime crisis, inflationary environment fuelled by high oil & commodity prices & volatile exchange rate scenarios are all part of the business environment. In such an environment, the key to growth is likely to be innovative service offerings, and a deep understanding of customer needs. The external growth factors include the growing impact of technology-led innovation, which leads to increasing demand for global sourcing and the gradually evolving socio-political attitudes.

The value proposition of the Indian ITES industry is largely supported by its abundant talent that is expected to support diverse operations, cost advantage, emphasis on quality, information security and rapid growth in key business infrastructure.

Risks and Risk Mitigation

The ITES Industry thrives under a dynamically changing and highly competitive business environment. The Company too faces several business risks, of which some prominent ones are discussed hereunder alongside the risk mitigation approach followed by the Company:

Concentration risks

The Company has taken significant steps to ensure that it does not become too dependent on few clients or any particular geography. EMEA and the America contributed 43 percent and 33 percent revenues respectively during FY10, with the balance contribution coming from the Asian region, including India which contributed 11 percent to revenue.

However, considerable efforts are being made to generate business from new geographies. Revenue from clients are also spread across with top 20 customers contributing 62 percent the business in FY 10.

M&A execution risks

The Company has chosen organic and inorganic route to grow exponentially in the future years. During the course, the Company may be exposed to risks such as, increase in cost on account of staffing/advisory fees, due diligence lapses and practical challenges in integration.

The Company follows a strategic approach in pursuance of its M & A activities and many of the risks are mitigated by restricting the choice of target companies by applying certain rigorous selection criteria as also by proper resourcing of the integration efforts. The Company also uses team of experts in carrying out the due diligence thereby reducing the risk of lapses. It has successful track record of integrating two acquisitions in recent years.

Investment portfolio related risks

In order to deal with surplus cash, the Company, as a policy, does not prefer to invest in high risk assets such as equities and low liquidity assets like real estate etc. The primary area of risk for the Company's market exposures are related to the interest rate risk on its investment securities. To mitigate interest rate risk, all surplus funds are invested in appropriate avenues upon a review by the investment committee. All investment decisions are driven by certain guiding principles like, safety of investments, liquidity and returns

Employee-related risks

Attrition: Human Resource functions and initiatives of the Company are driven by a strong set of values and policies. The Company has maintained a competitive, healthy and harmonious work environment at all levels. The Company has taken new initiatives to strengthen its recruitment processes, values and vision programmes, leadership and performance management programmes to retain the best talent.

Constraints in availability of skilled resources

The Company offers competitive salary constantly benchmarked to the market, world class infrastructure, excellent work culture, high class training and career development and long term growth prospect, to remain an employer of choice. The Company's development centers are in cities which have good availability of skilled manpower.

Competition-related risk

Indian IT services market remains a very competitive space. The Company is facing competition from large Indian IT vendors and global vendors which are increasing their India presence by setting up offshore delivery centres.

The Company follows global standards of development, including an ISO 9001:2000 certification, assessment at Level 5 of SEI-CMMi frameworks and BS 7799 information security management certification.

The Company/Subsidiaries are managed by locally recruited professionals and talents across all geographies. They have established strong interaction with various analyst firms worldwide through participation in IT conferences and industry specific events attended by CIO's and executives of major corporations. Sales & marketing and delivery infrastructure of the Company is world class. This helps the Company to maintain its competitive edge over other players.

Exchange rate risk: Hedge Accounting

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

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

The functional currencies for the Company and its subsidiaries' operations are the respective currencies of the countries in which they operate. Substantial portion of the Company's revenues is derived from foreign exchange; any fluctuation in this could have an impact on the Company's performance. The Company actively books foreign exchange forward covers/derivative options to hedge against foreign currency fluctuations related to its bills receivables and anticipated realisations from projected revenues.

Geo-political risks

The ability of Indian ITES services companies to secure offshore projects from client organisations abroad is often subject to threat perceptions as regards the Indian subcontinent. Current civil situations in neighbouring countries of India may have negative implications for the operations of the Company. To mitigate these risks and to ensure continued delivery of services to clients irrespective of any geo-political disturbances, the Company has been taking appropriate measures in respect of disaster recovery and business continuity in different locations.

Liquidity Risk

Company has strong processes and account management systems for collection of Receivables, its DSO's as of 31st March 2010 stand at 74 days. Also company shares long term relationships with its clients and generates around 92 percent repeat business. It also monitors projects on regular basis and tracks issues relating to cost escalations. Company has sturdy process for contract evaluation procedure and multiple vetting systems. Company get sizable business from Government and semi government departments, though the receivable days tend to be higher than company average, management takes adequate measures to restrict these within acceptable levels.

Obsolescence Risk

NIIT Technologies Ltd operates in a highly dynamic IT services industry, which exposes itself to change in technologies, software, products, method of services delivery, systems, processes, standards etc. NTL operated in multiple aspect of technology like developing application, maintaining new and old applications, software application support, IT Infrastructure management, ERP implementations, offering managed services, remote infra management, data center management, product sale, platform based services, BPO services etc. Hence NIIT Technologies keep a tab on the disruptive models in global software products and services which impacts its business competitiveness. Further Company operates under highest global standards of development

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

ADDITIONAL DISCLOSURES

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

Certain statements made in this report relating to the Company's objectives, projections, outlook, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such estimates or projections etc., whether expressed or implied. Several factors including but not limited to climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities, etc., over which the Company does not have any direct control, could make significant difference to the Company's operations.

Report on Corporate Governance

OVERVIEW

The Company's philosophy on Corporate Governance envisages striving towards the highest level of transparency, accountability and equity in all facets of its operations, its interactions with all stakeholders including shareholders, employees, clients and government. The Company believes that good Corporate Governance practices are crucial for enhancement and retention of stakeholders' trust. The Company has always been committed to the principles of good Corporate Governance to promote the effective functioning of the Board and its Committees. The Board is committed in its responsibility towards all stakeholders including investors, regulatory authorities and employees. The Company believes that the essence of Corporate Governance is transparency, accountability, investor protection, better compliance of statutory laws and regulations leading to value creation for stakeholders. The Company is compliant with the provisions of Clause 49 of the Listing Agreement as amended from time to time.

The Board represents the interests of various stakeholders, in optimizing long-term value by providing the necessary guidance and strategic vision on stakeholders' behalf. The Board is also responsible for ensuring that the Company's management and employees operate with the highest degree of ethical standards.

BOARD OF DIRECTORS

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

Composition of Board

The composition of Board alongwith the number of directorship and chairmanship/membership of committees held by them, is given here-under:

Name	Present Designation	Category	No. of Directorships held in all public companies#	No. of Committees memberships held in all public companies@	No. of Board Committees Chairmanships held in all public companies @
Mr. Rajendra S Pawar (DIN 00042516)	Chairman & Managing Director	Promoter & Executive	13	4	1
Mr. Arvind Thakur (DIN 00042534)	CEO & Joint Managing Director	Executive	5	3	1
Mr. Vijay K Thadani (DIN 00042527)	Director	Promoter & Non-executive	9	4	1
Mr. Subroto Bhattacharya (DIN 00009524)	Director	Non-executive, Independent	6	4	4
Mr. Surendra Singh (DIN 00003337)	Director	Non-executive, Independent	5	5	2
Mr. Amit Sharma (DIN 00050254)	Director	Non-executive, Independent	3	1	1

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

@ Board committee for this purpose includes audit committee and shareholders'/ investors' grievance committee

Board meetings and director's attendance

During the year April 1, 2009 to March 31, 2010 the Board met six times.
Attendance of each director at the Board meetings and the last annual general meeting is as follows :

Name of Director	Board Meeting						AGM
	May 26, 2009	July 29, 2009	October 19, 2009	January 15, 2010	March 15, 2010	March 25, 2010	July 27, 2009
Mr. Rajendra S Pawar (DIN 00042516)	Y	Y	Y	Y	Y	Y	Y
Mr. Arvind Thakur (DIN 00042534)	Y	Y	Y	Y	Y	Y	Y
Mr. Vijay K Thadani (DIN 00042527)	Y	Y	Y	Y	Y	Y	Y
Mr. Subroto Bhattacharya (DIN 00009524)	Y	Y	Y	Y	Y	Y	Y
Mr. Surendra Singh (DIN 00003337)	Y	Y	Y	Y	Y	Y	Y
Mr. Amit Sharma (DIN 00009524)	Y	Y	Y	N	Y	Y	Y

Y : Attended N : Leave of absence granted

THE BOARD COMMITTEES

In accordance with the requirement of the listing agreement with the stock exchange(s), the following committees were in operation.

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

Audit Committee

The Audit Committee is responsible for the effective supervision of the financial reporting processes to ensure proper disclosure of financial statements, their credibility, and compliance with the Accounting Standards, Stock Exchanges and other legal requirements, reviewing with internal and external audit and internal control systems, assessing their adequacy ensuring compliance with internal controls; reviewing findings of internal audit, reviewing the Company's financial and risk management policies and ensuring follow up action on significant findings, and reviewing quarterly, half yearly and yearly annual accounts.

The Audit Committee comprises of three Non-Executive Independent Directors. Mr. Subroto Bhattacharya is the Chairman of the Committee, and the other members are Mr. Surendra Singh and Mr. Amit Sharma. The constitution of the Committee meets the requirements of Section 292A of the Companies Act, 1956, as well as the Listing Agreement.

Meetings and Attendance during the year 2009-10

The particulars of meetings attended by the members of the Audit Committee and the dates of meetings held during the year 2009-10 are given below:

Name of Members	Audit Committee				
	May 26, 2009	July 29, 2009	October 19, 2009	January 15, 2010	March 15, 2010
Mr. Subroto Bhattacharya	Y	Y	Y	Y	Y
Mr. Surendra Singh	Y	Y	Y	Y	Y
Mr. Amit Sharma	Y	Y	Y	N	Y

Y : Attended
N : Leave of absence granted

Compensation Committee

The Compensation Committee determines, on behalf of the Board and shareholders, as per agreed term of reference, the Company's policy on specific remuneration packages for executive directors including pension rights and compensation payment. The broad functions of Compensation Committee are to evaluate remuneration and benefits for the Executive Directors and to frame policies and systems for the Stock Options Plan, as approved by the shareholders. The role and responsibilities/committee has been enhanced to oversee the company's nomination process for key leadership positions, specifically at the Board level.

The Compensation Committee has the powers to determine and recommend to the Board the amount of remuneration, including performance/achievement bonus and perquisites, payable to the Executive/ Managing Directors. The Company ensures that the remuneration by way of salary and other allowances and monetary value of perquisites is within the overall limit as specified under the Companies Act, 1956.

The composition of Compensation Committee is three non executive independent directors. The committee is headed by Mr. Amit Sharma, while Mr. Subroto Bhattacharya and Mr. Surendra Singh are other members of the committee.

Meetings held and attendance during the year

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

Name of Director	May 26, 2009	July 29, 2009	October 19, 2009
Mr. Amit Sharma	Y	Y	Y
Mr. Subroto Bhattacharya	Y	Y	Y
Mr. Surendra Singh	Y	Y	Y

Y: Attended

Details of remuneration paid to Directors during the year April 1, 2009 to March 31, 2010

A. Executive Directors

(Amount in Rs.)

Name of Director	Mr. Rajendra S Pawar	Mr. Arvind Thakur
Salary and Allowances	2,474,800	6,226,200
Part – A Perquisites	-	721,995
Part – B Contribution to Provident Fund, Superannuation Fund or Annuity Fund	618,700	972,200
Performance- linked Bonus* ** Paid during the year pertaining to the year 2008-09*	-	5,750,335
Total	3,093,500	13,670,730

Service Contracts	The current term of Mr Rajendra S Pawar and Mr Arvind Thakur will expire on May 31, 2010.
Notice period:	As determined by the Compensation Committee and the Board.
Severance Fees:	No severance fees, unless otherwise agreed by the Board
Performance criteria:	As determined by the Compensation Committee and the Board.

B. Non-Executive Directors

The remuneration paid to non executive Directors by way of Commission is in accordance with the resolution passed by the shareholders of the Company on July 27, 2009. The non executive Directors are paid sitting fee for attending Board/Committee meetings. The Independent

Directors do not have any pecuniary relationship or transactions with the Company, its promoters, directors, senior management or subsidiaries other than the remuneration received in capacity of Director.

The details of commission and sitting fees paid:

(Amount in Rs.)

	Mr. Vijay K Thadani	Mr. Subroto Bhattacharya	Mr. Surendra Singh	Mr. Amit Sharma
Commission	5,00,000	5,00,000	5,00,000	5,00,000
Sitting Fee	1,20,000	2,20,000	2,20,000	1,80,000

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

Name	Mr. Vijay K Thadani	Mr. Subroto Bhattacharya	Mr. Surendra Singh	Mr. Amit Sharma
No. of options granted	NIL	43200	43200	43200
Entitlement due to bonus issue	NIL	NIL	NIL	5850
No. of options exercised during the year 2006-07	NIL	11700	11700	NIL
No. of options exercised during the year 2007-08	NIL	NIL	NIL	NIL
No of options exercised during the year 2008-09	NIL	NIL	NIL	17550 (including bonus shares)
No of options exercised during the year 2009-10	NIL	NIL	NIL	NIL
Date of allotment of shares	NIL	October 17, 2006	January 23, 2007	July 15, 2008
Outstanding Options as on March 31, 2010	NIL	31500	31500	31500

Details of equity shareholding of Non-Executive Directors as on March 31, 2010

Name	Number of shares held
Mr. Vijay K Thadani	110274
Mr. Subroto Bhattacharya	17550
Mr. Surendra Singh	3950
Mr. Amit Sharma	21205

Shareholders'/Investors' Grievances Committee

The Shareholders'/Investors' Grievances Committee has delegated work related to share transfer, issue of duplicate shares, Dematerialisation/Rematerialisation of shares and other related work to Share Transfer Committee which reports to Shareholders'/Investors Grievances Committee.

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

Meetings & Attendance during the year

The particulars of the meeting attended by the members of the Shareholders'/Investors' Grievances Committee and the date of the meetings held during the year are given below:

Name of Member	Shareholders'/Investors' Grievances Committee			
	May 26, 2009	July 29, 2009	October 19, 2009	January 15, 2010
Mr. Amit Sharma	Y	Y	Y	N
Mr. Vijay K Thadani	Y	Y	Y	Y
Mr. Arvind Thakur	Y	Y	Y	Y

Y : Attended

During the year April 1, 2009 to March 31, 2010 the Company received a total of 398 queries/complaints from various Investors'/Shareholders' relating to Change of address/Non-receipt of Dividend, Bonus Shares, Annual Report/Change of Bank account details/Transfer of Shares/Dematerialization of shares, etc. The same were attended to the satisfaction of the Investors. At the end of the year March 31, 2010 no complaint was pending for redressal and no shares were pending for transfer/ dematerialization.

Details of queries/complaints in numbers received and resolved during the year April 1, 2009 to March 31, 2010

Nature of query/complaint	Received	Resolved	Unresolved
Change of address	24	24	-
Change of Bank	20	20	-
Correction in Dividend warrant and issue of DD	207	207	-
Non receipt of Dividend	81	81	-
Non receipt of Annual Report	4	4	-
Non receipt of Bonus shares/Remat	2	2	-
Request for Annual Report	8	8	-
Request for Bonus shares	3	3	-
Request for duplicate share certificates	3	3	-
Request for shareholding details	1	1	-
Revalidation of Dividend warrants	35	35	
Share Certificates Lodged for transfer	9	9	-
SEBI/Stock Exchange	1	1	-
Total	**398**	**398**	**-**

There was no complaint pending at the beginning/end of the year.

Other Committees

The Board has constituted following committees :-

1. Operations Committee
2. ESOP Allotment Committee
3. Share Transfer Committee

GENERAL MEETINGS

a. Particulars of the last three Annual General Meetings.

Year	Location	Date	Day	Time	Special Business
2009	FICCI Auditorium Tansen Marg, New Delhi	July 27	Monday	10:00 A.M.	Payment of Commission to the Non-Executive Directors of the Company
2008	FICCI Auditorium Tansen Marg, New Delhi	July 28	Monday	10.00 A.M.	Delisting of Equity Shares of the Company from Ahmedabad, Calcutta, Delhi and Madras Stock Exchanges
2007	FICCI Auditorium Tansen Marg, New Delhi	July 25	Wednesday	10.00 A.M.	a) Increase in Authorized Share capital of the Company from Rs. 45.00 crore to Rs. 75.00 crore; b) Amendment in the Articles of Association of the Company; c) Issue of Bonus shares; d) Appointment of Mr. Rajendra S Pawar under section 269 of the Companies Act, 1956; e) Minimum Remuneration payable to Mr. Rajendra S Pawar, Chairman & Managing Director. f) Appointment of Mr. Arvind Thakur under section 269 of the Companies Act, 1956; g) Minimum Remuneration payable to Mr. Arvind Thakur as Chief Executive Officer & Joint Managing Director.

DISCLOSURES

a. Related Party Transactions

There are no materially significant related party transactions of the Company which have a potential conflict with the interests of the Company at large. The related party transactions (as per Accounting Standard 18) of the Company in the ordinary course of business during the year April 1, 2009 to March 31, 2010 are reported under **Note 15 of Schedule 18** of the Financial Statements. The same, as per the provisions of Clause 49 of the Listing Agreement, were placed before the Audit Committee of the Company. For further details, please refer to Notes, forming part of the Balance Sheet of the Company.

b. Accounting Treatment in preparation of financial statements

The Company has followed the professional pronouncement of ICAI and accounting standards as per the Companies (Accounting Standard) Rules, 2006 in preparation of financial statements of the company and there has been no deviation from the aforesaid accounting standard/pronouncement.

c. Risk Management

The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures. All the designated officials submit quarterly reports, through online risk management system, which is reviewed periodically to ensure effective risk identification and management.

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

There was no public issue/right issue/preferential issues etc. during the review period.

e. Code of Conduct

The Company has a well defined policy framework, which lays down procedures to be followed by the employees for ethical professional conduct. The code of conduct has been laid down for all the Board Members and Senior Management of the Company. The Board members and Senior Management personnel have affirmed compliance with the Company's code of conduct for the year 2009-10. This code has been displayed on the Company's website.

f. Management discussion and Analysis

A detailed report on Management's discussion and analysis is provided separately as a part of this Annual Reprt.

g. Disclosure regarding appointment/re-appointment of Directors

All the directors except the directors in executive capacity, are liable to retire by rotation and if, eligible, may offer themselves for reappointment. Accordingly, Mr. Subroto Bhattacharya and Mr. Surendra Singh, are liable to retire by rotation at the ensuing annual general meeting and being eligible have offered themselves for reappointment.

Mr. Rajendra S Pawar and Mr. Arvind Thakur whose term as executive director expire on 31st May 2010, have been re-appointed for another period of five years by the board subject to approval of members in forthcoming AGM.

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

COMPLIANCE OF THE REQUIREMENT OF CLAUSE 49 OF THE LISTING AGREEMENT

a. Mandatory Requirements

The Company has complied with all the applicable mandatory requirements of Clause 49 of the Listing Agreement with Stock Exchange(s). For detailed compliance of each requirement of Clause 49 (mandatory) of Listing Agreement please refer to "Annexure A"-Clause 49-Compliance Status relevant to the financial year 2009-10.

b. Non-mandatory Requirements

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

i. Compensation Committee: The Company has a functioning Compensation Committee. Please see the para on Compensation Committee for details.

ii. Whistle Blower Policy: The Company does not have a separate whistle blower policy. However, the code of conduct of the Company reflects the mechanism by which the employees may report to the Management their concerns about unethical behaviors, actual or suspected frauds or violation of the Company's code of conduct or ethics policy.

c. Code for prevention of Insider -Trading Practices

In compliance with the SEBI regulation on prevention of insider trading, the Company has laid down a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of NIIT Technologies Limited and cautioning them of the consequences of violations.

d. Statutory Compliance, Penalties and Strictures

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

e. Compliance Officer

Mr. Surender Varma, Company Secretary is the Compliance Officer. The Compliance officer can be contacted for any investor related matter of the Company. His contact no. is +91-11-40570700, Fax no. is +91-11-40570933 and e-mail ID is investors@niit-tech.com

MEANS OF COMMUNICATION

a. The quarterly/half yearly/annual results are published in the leading English and Hindi Newspapers (the details of the publications are given hereunder) and displayed on the web site of the Company – www.niit-tech.com where official news releases, financial results, consolidated financial highlights, quarterly shareholding pattern and presentations are also displayed.

b. The Company had Quarterly Earnings Calls on May 26, 2009, July 29, 2009, October 29, 2009, January 15, 2010 and Press Conferences in the months of May 2009, July 2009, October 2009, January 2010 and February 2010 for the investors of the Company immediately after the declaration of Quarterly/Annual results.

c. The Business Review and Financial Highlights are part of the Annual Report.

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

During the financial year 2009-10 the Company published its financial results in the following newspapers:

Financial Results	Newspapers	Date of publication
Unaudited financial results for the quarter ended June 30, 2009	Business Standard (English & Hindi)	July 30, 2009
Unaudited financial results for the quarter ended September 30, 2009	Financial Express - English Jansatta - Hindi	October 20, 2009
Unaudited financial results for the quarter ended December 31, 2009	Financial Express - English Jansatta - Hindi	January 16, 2010
Audited financial results for the quarter and year ended March 31, 2010	Financial Express - English Jansatta - Hindi	May 06, 2010

SHAREHOLDERS' INFORMATION

a. Annual General Meeting

Date: Friday, July 9, 2010

Time: 09.30 A.M.

Venue: Parkland Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110 074.

Book Closure Date : 02/07/2010 to 09/07/2010 (both days inclusive)

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

Financial reporting for the first quarter ending 30th June, 2010	By 2nd week of August
Financial reporting for the second quarter ending 30th September, 2010	By 2nd week of November
Financial reporting for the third quarter ending 31st December, 2010	By 2nd week of February
Financial reporting for the year ending 31st March, 2011	By the last week of May
Annual General Meeting for the year ending 31st March, 2011	By the last week of July

c. Dividend

The Board has recommended a dividend of Rs. 7/- per Equity Share of Rs.10/- each, subject to approval of the shareholders' at the ensuing Annual General Meeting. The dividend, if declared, shall be paid to the shareholders within 30 days from the date of AGM as per the provisions of the Companies Act, 1956

The dividend, if declared, would be paid to such shareholders whose names appear in the Register of Members as on 9th July, 2010. In respect of shares held in electronic mode, the dividend will be paid on the basis of list of beneficial owners as furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of the business hours on 1st July, 2010.

No unpaid/unclaimed dividend was pending for transfer to the Investor Education and Protection Fund of the Central Government, pursuant to Section 205A of the Companies Act, 1956.

d. Nomination Facility

The Companies (Amendment) Act, 1999, has provided for a nomination facility to the Shareholders of the Company. The Company is pleased to offer the facility of nomination to Shareholders and Shareholders may avail this facility by sending the duly completed Form 2B as revised vide Notification No. GSR 836(E) dated 24th October 2000, issued by the Department of Company Affairs, to the Registered Office of the Company/Registrar of the Company in case shareholding is in physical forms. In case of demat holdings the request is to be submitted to the concerned Depository Participant.

e. Listing of Shares

The Equity shares of the Company are currently listed at the Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd. Listing fees for the period April 1, 2010 to March 31, 2011 have been paid to both the Stock Exchanges.

f. Stock Code

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

g. Compliance certificate of the Auditors

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

h. Stock Market Data

The monthly High and Low Share Prices and Market Capitalization of Equity Shares of the Company traded at The Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. from April 1, 2009 to March 31, 2010 and the comparison of share prices of the Company vis-à-vis the Sensex and Nifty Indices are given hereunder:

Share Price Movement during the year April 1, 2009 to March 31, 2010

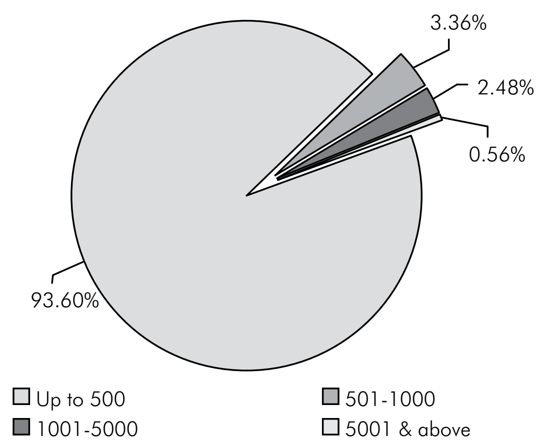
	Bombay Stock Exchange, Mumbai				National Stock Exchange			
Month	Sensex	High (Rs.)	Low (Rs.)	M Cap* (Rs. in millions)	NIFTY	High (Rs.)	Low (Rs.)	M Cap* (Rs. in millions)
Apr-09	11403	76.95	52.50	4,082	3474	76.95	52.70	4,087
May-09	14625	113.00	70.00	6,407	4449	112.85	70.00	6,416
Jun-09	14494	117.70	92.00	5,887	4291	119.80	92.00	5,873
Jul-09	15670	114.00	94.05	5,858	4636	114.25	94.30	5,887
Aug-09	15667	145.30	99.25	7,434	4662	145.20	99.35	7,437
Sep-09	17129	132.95	113.15	7,237	5084	132.90	115.25	7,231
Oct-09	15896	154.25	122.15	7,983	4712	154.35	120.20	8,021
Nov-09	16926	165.00	132.60	9,513	5033	165.60	132.00	9,537
Dec-09	17465	194.70	160.75	10,572	5201	194.90	160.05	10,560
Jan-10	16358	203.90	166.50	9,964	4882	204.00	167.00	9,981
Feb-10	16430	184.50	156.50	10,066	4922	230.70	157.00	10,102
Mar-10	17528	184.50	167.05	10,009	5249	184.30	158.10	9,979

*Market capitalized at closing price of the month.

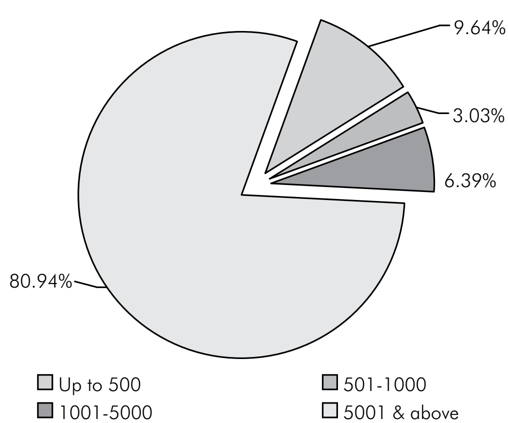
Share Holding Distribution as on March 31, 2010

Range	No. of Shareholders	% to Total Shareholders	No. of Shares	% to Total Shares
Up to -500	67701	93.60	5,665,469	9.64
501-1000	2427	3.36	1,781,760	3.03
1001-5000	1792	2.48	3,758,341	6.39
5001 & above	404	0.56	47,582,275	80.94
TOTAL	72324	100.00	58,787,845	100.00

No. of Shareholders



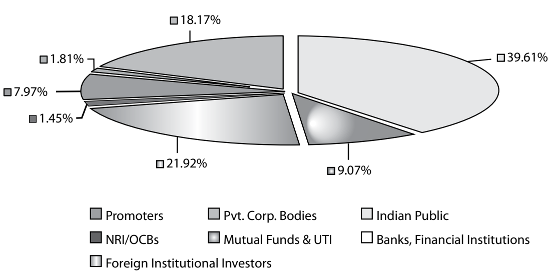
No. of Shares



Shareholding Pattern as on March 31, 2010

Category	No. of shares	% of Holding
Promoters Shareholding		
- Indian Promoters*	23,283,480	39.61
- Foreign Promoters	-	-
Total Promoters Shareholding	23,283,480	39.61
*Scantech(100% subsidiary of NIIT Limited) has created pledge of 14,493,390 equity shares, held in the company, in the favour of ICICI Bank Limited, Behrain		
Public Shareholding		
Institutional Investors		
Mutual Funds and UTI	4,683,029	7.97
Banks, Financial Institutions / Insurance Companies (Central / State Govt. Institutions/Non Government Institutions)	1,063,168	1.81
Foreign Institutional Investors	10,684,676	18.17
Others		
Private Corporate Bodies/Trust	5,329,726	9.07
Indian Public	12,893,768	21.92
NRI/OCBs/Foreign Individuals	849,998	1.45
Total Public Shareholding	**35,504,365**	**60.39**
Grand Total	**58,787,845**	**100.00**

Share Holding Pattern



i. Dematerialisation of Shares

The Shares of the Company are compulsorily traded in dematerialised form by all categories of investors. The Company has arrangements with both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), to establish electronic connectivity of the shares for scrip less trading. As on March 31, 2010, 99.21 percent shares of the Company were held in dematerialised form.

j. Liquidity of shares

The Shares of the Company are traded electronically on the Bombay Stock Exchange and National Stock Exchange. The Company's shares are included in indices of BSE-500,and Small- cap index.

k. Share Transfer System

The Company has appointed a common Registrar for physical share transfer and dematerialisation of shares. The shares lodged for physical transfer/ transmission/ transposition are registered within a period of 15 days if the documents are complete in all respects. For this purpose, the Share Transfer Committee (a sub-committee of Shareholders'/Investors' Grievance Committee of the Board) meets as often as required. During the review period, the Committee met 27 times. Adequate care is taken to ensure that no transfers are pending for more than a fortnight. Physical Shares requested for dematerialisation were confirmed mostly within a fortnight.

l. Registrar for Dematerialisation (Electronic Mode) of shares & Physical Transfer of shares

The Company has appointed a Registrar for dematerialisation and transfer of shares whose details are given below:–

Alankit Assignments Limited
Unit: NIIT Technologies Limited
2E/21, Jhandewalan Extension,
New Delhi – 110 055.
Phone Nos. : 011-42541234, 23541234
Fax Nos. : 011-42541967,
E-mail : rta@alankit.com

m. Registered Office

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

n. Address for correspondence

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

(The Compliance Officer)
NIIT Technologies Limited
NIIT House, Investor Services
B-234, Okhla Phase - I
New Delhi - 110 020.
Tel Nos. : 91 11 41407000
Fax : 91 11 26817344
e-mail : investors@niit-tech.com

o. Subsidiaries

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

Acknowledgements

The Directors wish to express their sincere thanks and grateful appreciation for co-operation and support received from vendors, customers, banks, financial institutions, shareholders and the society at large. The Directors also take on record, their appreciation for the contribution and hard work of employees across all levels. Without their commitment, inspiration and hard work, the Company's consistent growth would not have been possible. The Directors also wish to place on record their sincere thanks to government and regulatory agencies for their assistance and support provided to the Company and look forward to their continued support.

CERTIFICATE RELATING TO COMPLIANCE WITH THE PROVISIONS OF CLAUSE 49 OF THE LISTING AGREEMENT(S) IN RELATION TO THE CODE OF CONDUCT FOR DIRECTORS/SENIOR MANAGEMENT

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

1. The code of conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
2. The code of conduct has been posted on the website of the Company.
3. The Board members and Senior Management personnel have affirmed compliance with the Company's code of conduct for the year 2009-10.

Sd/-
Arvind Thakur
Chief Executive Officer

Dated : May 05, 2010
Place : New Delhi

CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To,
The Board of Directors
NIIT Technologies Limited
B-234, Okhla Phase 1,
New Delhi – 110 020

We hereby certify that for the Financial Year 2009-10

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 2009-10 which are fraudulent, illegal or violate the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, if any, of which we are aware, in the design or operation of the internal control systems and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:-
   a. significant changes, if any, in internal control over financial reporting during this year.
   b. significant changes, if any, in accounting policies during this year 2009-10 and that the same have been disclosed in the notes to the financial statements; and
   c. instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	Sd/-	Sd/-
	Arvind Thakur	K T S Anand
Place: New Delhi	Chief	Chief
Dated: May 05, 2010	Executive Officer	Financial Officer

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To the Members of NIIT Technologies Limited,

We have examined the compliance of conditions of Corporate Governance by NIIT Technologies Limited, for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

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

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

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

For Price Waterhouse
Firm Regn. No. FRN 301112E
Chartered Accountants

Sd/-
H. Singh
Partner
Membership No:F-86994

Place: New Delhi
Dated: May 05, 2010

Annexure A
Clause 49-Compliance Status relevant to the Financial Year 2009-10

Board of Directors

Clause 49 (IA) **Composition of Board**

Standard

The Board of the Company should have optimum combination of executive and non-executive directors. However, not less than 50 per cent of the board of directors should comprise Non-executive directors.
If the Chairman of the Board is an executive director, at least half of the board should comprise of Independent directors. Provided that where the non-executive Chairman is a promoter of the Company or is related to any promoter or person occupying management positions at the Board level below the Board, at least one half of the Board of the Company shall consist of independent directors.
Provided that where the non-executive chairman is a promoter of the company or is related to any promoter or person occupying management positions at the Board level or at one level blow the Board, at least one-half of the Board of the Company shall consists of independent directors.

Our practice

- The total strength of the Board of the Company is 6 Directors.
- Composition:
  Executive director : 2 (33.33%)
  Non executive directors : 4 (66.67%)
  Independent directors : 3 (50%)
- The Chairman is Executive Director and is a promoter of the Company.

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

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

Standard

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

Our Practice

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

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

Standard

There shall be at least four board meetings in a year with maximum time gap of not more than four months between any two meetings. Information given in Annexure-1A of clause 49 should be made available to the Board. The Board shall also review compliance report of all laws applicable to the company.
A director shall not be a member in more than 10 committees or act as a chairman of more than five committees across all companies in which he is a director. The directors should annually inform the company about the committees positions held by them in other companies.

Our practice

- During the year under review, the Board of the Company met 10 Times and the maximum time gap was less than 90 days between two consecutive Board meetings.
- The information regularly placed before the Board inter-alia includes the information given under Annexure-1A, wherever applicable.
- The information regularly placed before the Board inter-alia includes the information given under Annexure-1A, wherever applicable.
- A compliance Report, with respect to applicable laws, signed by the Compliance officer is placed before the Board on quarterly basis.
- None of the directors of the Company is member of more than 10 committees or Chairman of more than five committees. An assurance in this regard is given by the directors by way of certification to the Board.
- Company receives an annual certification by director about the committee position he occupies in other companies. The directors are also expected to notify changes when they take place.

Clause 49(ID) **Code of conduct**

Standard

The Board shall lay down a Code of Conduct for all Board members and senior management of the Company and the same shall be posted on the website of the Company. All Board members and senior management personnel shall affirm compliance with the code on an annual basis. The Annual Report of the company shall contain a declaration to this effect signed by the CEO.

Our practice

- The Board has adopted a code of conduct for directors and senior management personnel and this Code is available on the official website of the Company www.niit-tech.com
- All directors and senior management personnel affirm compliance with the code of conduct of the Company on annual basis.
- A declaration in this regard duly signed by Chief Executive Officer is published elsewhere in this Annual Report.

Audit Committee

Clause 49(II A) **Qualified and Independent Audit Committee**

Standard

The Company shall have an audit committee comprising not less than three members. All members of the committee shall be financially literate and two third members shall be Independent directors.
The Chairman of committee shall be an Independent director and should be present in AGM of the Company. At least one member of the committee shall have accounting or related financial management expertise.
The committee may invite such executive, as it considers appropriate (particularly head of finance) to be present in meeting. The Company Secretary should act as secretary to the committee.

Our Practice

- Company has qualified and independent audit committee, which comprises of 3 members. All members of audit committee are Non-executive and Independent.
- All members of Audit Committee are financial literate and a majority of them have accounting/financial management expertise.
- A brief background of members of Audit Committee:
  — Mr. Subroto Bhattacharya is a Chartered Accountant. He spent his early career with DCM Limited where he rose to the position of Director on its Board. In the late eighties, he joined the HCL Group and subsequently joined the Board of the flagship Company HCL Limited. He is a Director on the Board of many HCL Companies including four listed flagship companies namely HCL Technologies Ltd., HCL Infosystems Ltd., NIIT Ltd. & NIIT Technologies Ltd. Mr. Bhattacharya has an experience of more than 44 years with specialization in Finance and Management.
  — Mr. Surendra Singh, a retired IAS Officer, has held very senior positions in the Central and State Governments. Starting his Public Service in 1959,

Mr. Singh has held positions like Cabinet Secretary to the Government of India, and Special Secretary to the Prime Minister of India, responsible for all the economic work in the PM's Office, Cabinet Secretary to the Government of India, Secretary to the Council of Ministers and Secretary, Ministry of Industry. He was an Executive Director on the Board of the World Bank, representing India, Bangladesh, Sri Lanka and Bhutan. He was also a Director on the Board of the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA).

— Mr. Amit Sharma is the Executive Vice President and President, Asia of American Tower Company. Prior to this he led country teams in India and Southeast Asia for Motorola, as Country President, India and as Head of Strategy, Asia-Pacific. He also served on Motorola's Asia Pacific Board and was a member of its senior leadership team. Mr. Sharma was educated at the Indian Institute of Technology (IIT), Kharagpur. He is also an M.Sc in computers & information Sciences from the MOORE School, University of Pennsylvania & MBA in International Business from Wharton School of Business.

- Mr. Subroto Bhattacharya, is the Chairman of the Audit Committee.
- Management personnel are invited to the meeting/discussion, whenever required by Audit Committee.
- The Company Secretary of the Company acts as a secretary to the Audit Committee.

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

Standard

There should be at least four meetings of audit committee in a year and not more then four months shall elapse between two meetings. Two members or one third of the members of the committee whichever is greater shall constitute quorum for the meeting, but there should be minimum of two independent members present.

Our practice

- During the year under review, the Audit Committee met Fivetimes and maximum gap between two Audit Committee meeting was less than 90 days between two consecutive Audit Committee meetings.
- Requirement as to quorum had been complied with at every Audit Committee meeting.

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

Standard

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

Our practice

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

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

Standard

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

Our practice

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

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

Standard

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

Our practice

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

Clause 49 (III) **Subsidiary Companies**

Standard

This sub clause requires representation of Company's director on the Board of its material non-listed Indian Subsidiary. It also prescribes for the review of financial statements of unlisted subsidiary by the audit committee.
The minutes of the board meeting and a statement of all significant transaction and arrangements entered into by the unlisted subsidiary company is also required to be placed at the Board meeting of the listed holding company.

Our practice

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

Disclosures

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

Standard

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

Our practice

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

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

Standard

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

Our practice

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

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

Standard

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

Our practice

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

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

Standard

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

Our practice

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

Clause 49 (IV E) Remuneration of Directors

Standard

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

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

Our practice

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

Clause 49 (IV F) Management

Standard

A Management discussion and analysis report should form part of Annual Report of the Company.

Senior management of the Company shall make disclosure to the board relating to all material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the company at large.

Our practice

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

Clause 49 (IV G) Shareholders

Standard

In case of the appointment of a new director or re-appointment of a director the shareholders must be provided with brief details of the appointee.

Quarterly results and presentations made by the company to analysts shall be put on company's web-site.

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

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

Our practice

- A brief profile of directors being appointed/re-appointed has been provided in the notice convening the Annual General Meeting.
- Quarterly results are uploaded on website of the Company within 24 hours of approval by the Board. Presentation to analysts, if any, is uploaded on the website of the Company.
- Company has formed a committee named 'Shareholders'/Investors' Grievance Committee' under the chairmanship of Mr. Amit Sharma, a Non-executive & Independent director.
- The work of share transfer has been delegated to Registrar & Share Transfer Agent of the Company under the supervision of Share Transfer Committee which is a sub committee of Shareholders'/ Investors' Grievance Committee of the Board.

Clause 49 (V) CEO/CFO Certification

Standard

The CEO, i.e. the Managing Director and the CFO i.e. the Whole-time Finance Director or any other person heading the finance function discharging that function shall inter-alia certify to the Board accuracy of financial statement and adequacy of internal controls for financial reporting purpose.

Our practice

- Chief Executive Officer and Chief financial officer certify compliance of requirements of this clause to the Board.
- The certificate is also published in this Annual report.

Clause 49 (VI) Report on Corporate Governance

Standard

There shall be a separate section on Corporate governance in the Annual reports of Company.

The company shall submit a quarterly compliance report to the stock exchange within 15 days from the close of each quarter.

Our practice

- The Corporate governance report published in Annual Report fulfills requirements of this clause.
- Quarterly Compliance Certificate duly signed by Compliance Officer as to the compliance of Clause 49 requirements is sent to the all Stock Exchanges where shares of the Company are listed.

Clause 49 (VII) Compliance

Standard

The Company shall obtain a certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance as stipulated in this clause and annex the certificate with the directors' report.

The disclosures of the compliance with mandatory requirements and adoption (and compliance) / non-adoption of the non-mandatory requirements shall be made in the section on corporate governance of the Annual Report.

Our practice

- A certificate obtained from the Statutory Auditors regarding the compliance of the conditions of Corporate Governance is published in this Annual Report.
- Compliance with all mandatory requirements and certain non-mandatory requirements of clause 49 has been highlighted elsewhere in the report on Corporate Governance.

AUDITORS' REPORT

The members of NIIT Technologies Limited

1. We have audited the attached Balance Sheet of NIIT Technologies Limited, as at 31 March 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

(i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of 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 between the book records and the physical inventory have been noticed.

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.

(ii) (a) According to the information and explanation given to us, the Company procures inventories specifically for the purpose of executing certain contracts and no inventory is held at any point of time during the year. Accordingly clauses (ii)(a) and (ii)(b) of Paragraph 4 of the Order are not applicable to the Company.

(b) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory.

(iii) (a) The Company has granted unsecured loans, to one wholly owned subsidiary company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs. 218 Lacs and Rs. Nil respectively.

In our opinion, rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.

In respect of the aforesaid loans, the party has repaid the principal amount as stipulated and was also regular in payment of interest, where applicable.

In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lac.

(b) The Company has not taken any loan from any party covered under register maintained under Section 301 of the Act.

(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 goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

(v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

AUDITORS' REPORT (Contd.)

(b) In respect of transactions with subsidiaries for rendering of services and for purchase of goods and services aggregating to Rs. 50,183 lacs and Rs.139 lacs respectively and with others for rendering of services and for purchase of goods and services aggregating to Rs. 119 lacs and Rs.42 lacs respectively, the management has informed us that these transactions dealt are of a special nature and therefore comparable prices are not available. In our opinion and according to the information and explanations given to us, there are no other transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lacs in respect of any party during the year.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of business.

(viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.

(ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, 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 Company examined by us, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as at March 31, 2010 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount due (Rs. Lacs)	Amount deposited under protest (Rs. Lacs)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income-tax Interest	263.16 110.17	200	AY 2006-07	CIT (Appeals)

(x) The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

(xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.

(xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for availing of limits aggregating to Rs. 7,958 lacs taken by two wholly owned subsidiaries from banks are not prejudicial to the interest of the Company.

(xvi) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

(xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

(xix) There are no outstanding debentures as at the year end. Accordingly clause (xix) of Paragraph 4 of the Order is not applicable to the Company.

(xx) The Company has not raised any money by public issues during the year.

AUDITORS' REPORT (Contd.)

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

4. Further to our comments in paragraph 3 above, we report that:

   (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;

   (e) On the basis of written representations received from the directors, as on 31 March 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

   (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2010;

      (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

      (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Price Waterhouse**
Firm Registration No. FRN301112E
Chartered Accountants

H. Singh
Partner
Membership No. F- 86994

Place : New Delhi
Date : May 5th, 2010

Balance Sheet as at 31st March 2010

	Schedule / (Note Reference)		As At 31st March 2010 (Rs.)		As At 31st March 2009 (Rs.)
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	587,878,450		587,266,950	
Share Application Money		216,000		-	
Employee Stock Option Outstanding	2	-		1,721,550	
Reserves and Surplus	3	4,161,974,631		2,411,547,271	
			4,750,069,081		3,000,535,771
LOAN FUNDS					
Secured Loans	4		9,074,908		8,654,944
			4,759,143,989		**3,009,190,715**
APPLICATION OF FUNDS					
FIXED ASSETS	5				
Gross Block		2,424,824,808		2,487,532,236	
Less: Depreciation & Amortisation		1,516,010,698		1,470,792,096	
Net Block			908,814,110		1,016,740,140
Capital work-in-progress (including Capital Advances)			1,286,430,615		1,052,084,094
INVESTMENTS	6		1,610,923,940		1,086,229,117
DEFERRED TAX ASSETS (NET)	18(20b)		70,049,122		401,654,522
CURRENT ASSETS, LOANS AND ADVANCES					
Sundry Debtors	7	1,012,284,545		986,668,350	
Cash and Bank Balances	8	303,942,346		508,219,033	
Other Current Assets	9	80,434,209		339,748,181	
Loans and Advances	10	834,436,630		672,040,615	
		2,231,097,730		2,506,676,179	
Less : CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	11	711,885,059		2,508,763,659	
Provisions	12	636,286,469		545,429,678	
		1,348,171,528		3,054,193,337	
Net Current Assets / (Liabilities)			882,926,202		(547,517,158)
			4,759,143,989		**3,009,190,715**

NOTES TO ACCOUNTS **18**

The Schedules 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 **Price Waterhouse**
Firm Registration No. FRN301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

H. Singh
Partner
Membership No. F- 86994

Ashok Arora
Group Chief Financial Officer

K T S Anand
Chief Financial Officer

Surender Varma
Company Secretary & Legal Counsel

Place : New Delhi
Date : May 5th, 2010

NIIT technologies

Profit and Loss Account for the year ended March 31, 2010

	Schedule / (Note Reference)	As At 31st March 2010 (Rs.)	As At 31st March 2009 (Rs.)
INCOME			
Revenue from Operations	18 {1(v),14,19 and 26}	4,935,787,486	5,020,678,050
Other Income	13	112,588,108	396,112,892
		5,048,375,594	**5,416,790,942**
EXPENDITURE			
Personnel	14	2,545,931,443	2,616,136,108
Development and Bought out	15	418,823,543	481,169,598
Administration, Finance and Others	16	801,598,127	1,019,044,473
Marketing	17	28,557,969	23,860,278
Depreciation and Amortisation	5	245,546,460	295,974,044
		4,040,457,542	**4,436,184,501**
Profit Before Tax		**1,007,918,052**	**980,606,441**
Tax Expense	18 {1(x) and 20}		
- Current		224,019,848	107,514,454
- MAT Credit		(126,886,404)	(10,576,452)
- Deferred Charge/(Benefit)		(40,088,705)	(16,420,399)
- Fringe Benefit Tax		-	15,134,132
Profit After Tax		**950,873,313**	**884,954,706**
Balance brought forward from previous year		2,888,770,320	2,449,505,701
Balance available for appropriation		**3,839,643,633**	**3,334,460,407**
APPROPRIATION			
Dividend:-			
Dividend Paid (Related to Previous Year)		182,976	181,025
Corporate Dividend Tax on above		39,458	35,310
Proposed on Equity Shares		411,514,915	381,542,492
Corporate Dividend Tax on Proposed Dividend	18 (8)	62,374,714	12,935,789
Transferred from Debenture Redemption Reserve		-	(37,500,000)
Transferred to General Reserve		95,087,331	88,495,471
Balance Carried to Balance Sheet		3,270,444,239	2,888,770,320
		3,839,643,633	**3,334,460,407**
Basic Earnings per share	18(21)	16.19	15.07
Diluted Earnings per share	18(21)	16.14	15.07

NOTES TO ACCOUNTS 18

The Schedules 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.

For **Price Waterhouse**
Firm Registration No. FRN301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

H. Singh
Partner
Membership No. F- 86994

Ashok Arora
Group Chief Financial Officer

K T S Anand
Chief Financial Officer

Surender Varma
Company Secretary & Legal Counsel

Place : New Delhi
Date : May 5th, 2010

Cash Flow Statement for the year ended 31st March 2010

		Year ended 31st March 2010 (Rs.)		Year ended 31st March 2009 (Rs.)
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax		1,007,918,052		980,606,441
Add / (Less) :				
Provision for Diminution in Investment	-		250,000,000	
Depreciation	245,546,460		295,974,044	
Exchange (Gain)/ Loss including on derivatives	(68,009,489)		44,796,764	
Provision for Gratuity & Compensated Expenses	11,445,443		1,246,134	
Provision for doubtful debts	2,022,555		3,556,419	
Provision for Doubtful Advances	18,413,018		3,711,932	
Interest Expenses	671,016		5,341,195	
Interest Income	(27,140,822)		(26,485,417)	
Dividend Income	(44,496,885)		(305,378,026)	
Loss/(Gain) on disposal/ write off of fixed assets	10,048,191		(1,369,838)	
Profit on Sale of Investment	(13,150,335)	135,349,152	(45,158,527)	226,234,680
Operating Profit before Working Capital Changes		1,143,267,204		1,206,841,121
Add / (Less) : (Increase) / Decrease in Working Capital				
Trade Receivables	(58,290,307)		107,436,976	
Other Current Assets	(7,029,443)		(8,344,942)	
Loans and Advances	(35,621,484)		59,534,964	
Current Liabilities and Provisions	20,436,706	(80,504,528)	(101,992,196)	56,634,802
Direct Tax paid (including Tax Deducted at Source)		(214,171,795)		(179,474,413)
Net cash from Operating Activities (A)		**848,590,881**		**1,084,001,510**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets (includes Capital WIP)		(471,073,461)		(1,025,968,305)
Proceeds from Sale of Fixed Assets		7,931,000		13,919,424
Investment in Subsidiaries		(59,559,500)		(13,607,629)
Short term Investments with Mutual Funds				
- Value of Units Purchased	(1,765,502,804)		(1,345,684,357)	
- Value of Units Sold	1,313,517,816	(451,984,988)	1,997,027,422	651,343,065
Dividend Income		305,378,026		381,539,568
Loans to Subsidiaries				
-Given	-		(6,390,000)	
-Received back	19,885,819	19,885,819	12,264,000	5,874,000
Loans to NIITian Welfare Trust		200,000,000		(200,000,000)
Loan to NIIT Institute of information Technologies		(250,000,000)		-
Interest received on loan to Subsidiaries		17,576,020		10,877,251
Interest received on fixed deposit & Loan to NIITian Welfare Trust		15,027,076		4,490,944
Net cash (used in) Investing Activities (B)		**(666,820,008)**		**(171,531,682)**

Cash Flow Statement for the year ended 31st March 2010 (Contd.)

		Year ended 31st March 2010 (Rs.)		Year ended 31st March 2009 (Rs.)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital (incl. Share Premium & Share Application)		6,361,955		2,169,676
Term Loans				
-Received	6,347,683		-	
-Repaid	(5,927,718)	419,965	(7,962,286)	(7,962,286)
Repaid 6.5% Non-convertible Debentures		-		(150,000,000)
Interest paid on Fixed Loan		(671,016)		(13,648,729)
Dividend paid (including Dividend Tax)		(392,158,464)		(379,473,890)
Net cash (used in) Financing Activities (C)		**(386,047,560)**		**(548,915,229)**
Cash and Cash Equivalents at the beginning of the year (refer schedule 8)		**508,219,033**		**144,664,434**
Cash and Cash Equivalents at the end of the year (refer schedule 8)		**303,942,346**		**508,219,033**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(204,276,687)**		**363,554,599**

Notes:

1 The above cash Flow has been prepared as per the indirect method set out in AS-3 notified under Section 211(3C) of the Companies Act, 1956.

2 The enclosed schedules 1 to 18 form an integral part of the Cash Flow Statement.

3 Cash and cash equivelents include fixed deposits held as margin money Rs. 10,496,712 (Previous year Rs. 10,496,712).

4 Figures in paranthesis indicate cash outgo.

5 Previous year figures have been regrouped/reclassified to conform to current year's classification.

This is the cash flow statement referred to in our report of even date.

For **Price Waterhouse**
Firm Registration No. FRN301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

H. Singh
Partner
Membership No. F- 86994

Ashok Arora
Group Chief Financial Officer

K T S Anand
Chief Financial Officer

Surender Varma
Company Secretary & Legal Counsel

Place : New Delhi
Date : May 5th, 2010

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2010

Schedule No.		As at 31st March 2010 (Rs.)		As At 31st March 2009 (Rs.)
1. SHARE CAPITAL				
Authorised				
75,000,000 Equity Shares (Previous Year 75,000,000 equity shares) of Rs. 10/- each		750,000,000		750,000,000
		750,000,000		**750,000,000**
Issued, subscribed and Paid-up				
58,787,845 Equity Shares (Previous Year 58,726,695 shares) of Rs. 10/- each		587,878,450		587,266,950
		587,878,450		**587,266,950**
2. EMPLOYEE STOCK OPTION OUTSTANDING				
[Refer Notes 1 (vi)(c) and 25 on Schedule 18]				
As per Last Balance Sheet		1,721,550		2,444,900
Less: Utilized for issue of equity shares		336,375		650,900
Less: Employee Stock Option lapsed post vesting		1,385,175		72,450
		-		**1,721,550**
3. RESERVES AND SURPLUS				
Capital Redemption Reserve				
As per Last Balance Sheet		16,570,603		16,570,603
Share Premium				
As per Last Balance Sheet	4,330,916		1,793,340	
Add: Addition during the year	5,870,830		2,537,576	
		10,201,746		4,330,916
General Reserve				
As per Last Balance Sheet	1,016,437,236		927,869,315	
Add: Employee Stock Option lapsed post vesting	1,385,175		72,450	
Add : Balance Transferred from Profit and Loss Account	95,087,331		88,495,471	
		1,112,909,742		1,016,437,236
Hedging Reserve (Debit)		(248,151,699)		(1,514,561,804)
{Net of deferred tax assets of Rs. 38.45 Lacs (Previous Year Rs 3744.80 Lacs)}				
[Refer Notes 1(viii) and 26 on Schedule 18]				
Profit and Loss Account		3,270,444,239		2,888,770,320
		4,161,974,631		**2,411,547,271**
4 SECURED LOANS				
[Refer Notes 1 (ix) and 5 on Schedule 18]				
Loans from Bank				
-Vehicle Loan		9,074,908		8,654,944
		9,074,908		**8,654,944**

Note : Amount due within one year Rs. 3,436,668/- (Previous year Rs.4,950,916/-).

NIIT technologies

Schedules annexed to and forming part of the Balance Sheet as at March 31, 2010 (Contd.)

5. FIXED ASSETS

[Refer Note 1 (i), (ii),(iii), (vii) & (ix) on Schedule 18]

Amount in Rupees

Description of Assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2009	Additions during the Year	Sales / Adj. during the Year	Total as at 31.03.2010	As at 01.04.2009	For the Year	Sales / Adj. during the Year	Total as at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Tangibles										
Land - Freehold	167,165	-	-	167,165	-	-	-	-	167,165	167,165
Land - Lease Hold	300,912,075	-	-	300,912,075	6,271,313	3,463,576	-	9,734,889	291,177,186	294,640,762
Buildings	98,880,080	21,538,866	-	120,418,946	631,439	3,796,130	-	4,427,569	115,991,377	98,248,641
Plant & Machinery										
-Computers & Peripherals	541,593,693	37,195,233	84,732,241	494,056,685	361,203,536	74,986,387	80,304,210	355,885,713	138,170,972	180,390,157
-Others	179,482,562	12,541,764	15,212,241	176,812,085	33,755,866	11,407,104	10,071,701	35,091,269	141,720,816	145,726,696
Furniture & Fixtures	108,142,757	1,993,717	12,617,328	97,519,146	35,948,011	11,770,565	7,688,545	40,030,031	57,489,115	72,194,746
Lease Hold Improvements	196,081,076	11,159,581	17,446,999	189,793,658	110,001,348	46,195,945	15,516,429	140,680,864	49,112,794	86,079,728
Vehicles	27,059,477	6,557,393	2,422,574	31,194,296	7,557,593	2,590,815	879,798	9,268,610	21,925,686	19,501,884
Sub Total (a)	**1,452,318,885**	**90,986,554**	**132,431,383**	**1,410,874,056**	**555,369,106**	**154,210,522**	**114,460,683**	**595,118,945**	**815,755,111**	**896,949,779**
Intangibles										
Software-External	1,035,190,199	64,613,067	85,875,666	1,013,927,600	915,406,514	91,334,839	85,867,175	920,874,178	93,053,422	119,783,685
Patents	23,152	-	-	23,152	16,476	1,099	-	17,575	5,577	6,676
Sub Total (b)	**1,035,213,351**	**64,613,067**	**85,875,666**	**1,013,950,752**	**915,422,990**	**91,335,938**	**85,867,175**	**920,891,753**	**93,058,999**	**119,790,361**
Total (a+b)	**2,487,532,236**	**155,599,621**	**218,307,049**	**2,424,824,808**	**1,470,792,096**	**245,546,460**	**200,327,858**	**1,516,010,698**	**908,814,110**	**1,016,740,140**
Previous Year	**2,129,990,458**	**600,474,843**	**242,933,065**	**2,487,532,236**	**1,405,201,531**	**295,974,044**	**230,383,479**	**1,470,792,096**		
								Capital Work-in Progress (Including Capital Advances)	**1,286,430,615**	**1,052,084,094**
									2,195,244,725	**2,068,824,234**

Schedules annexed to and forming part of the Balance Sheet as at March 31, 2010 (Contd.)

Schedule No.		As at 31st March 2010 (Rs.)		As At 31st March 2009 (Rs.)
6. INVESTMENTS				
[Refer Notes 1 (iv) ,18 and 22 on Schedule 18]				
A. LONG TERM, TRADE [UNQUOTED]				
In Subsidiary Companies:				
2,837,887 Equity Shares having no par value in NIIT Technologies Inc. USA		155,790,698		155,790,698
2,989,375 Equity Shares of 1 Singapore $ each fully paid-up in NIIT Technologies Pacific Pte Ltd., Singapore		77,518,750		77,518,750
3,276,427 Equity Shares of 1 UK Pound each fully paid-up in NIIT Technologies Ltd.,UK		204,426,821		204,426,821
890,000 equity Shares of Rs 10/- each fully paid-up in NIIT GIS Ltd		8,900,000		8,900,000
537,900 Equity Shares of Euro 1 each fully paid-up in in NIIT Technologies GmbH, Germany		184,762,155		184,762,155
50,000,000 Equity Shares of Rs 10/- each fully paid-up in NIIT SmartServe Limited	500,000,000		500,000,000	
Less: Provision for Diminution	250,000,000	250,000,000	250,000,000	250,000,000
1,000,000 (Previous Year 150,000) Equity Shares of Euro 1 each fully paid-up in Softec GmbH Germany		223,813,064		164,253,564
10 Equity Shares of USD 5,000 each fully paid-up in NIIT Technologies Limited, Canada		1,969,500		1,969,500
1000 Equity Shares of 1000 AED each fully paid in NIIT Technologies FZ LLC Dubai		13,607,629		13,607,629
Other Companies:				
2,500,000 equity shares of Rs. 10 each in Adecco NIIT Technologies Private Limited (Also refer note 18 on Schedule 18)		25,000,000		25,000,000
B. SHORT TERM, NON TRADE [UNQUOTED]				
[Refer Note 22 on Schedule 18]				
In Mutual Funds		465,135,323		-
		1,610,923,940		**1,086,229,117**

Note:

(During the Year the Company made investments in Softec GmbH, Germany Euros 850,000 (Rs.59,559,500/-)

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2010 (Contd.)

Schedule No.		As at 31st March 2010 (Rs.)		As At 31st March 2009 (Rs.)
7. SUNDRY DEBTORS				
(Unsecured)				
Outstanding for over six months				
- Considered Good	36,266,780		15,597,052	
- Considered Doubtful	41,124,950		39,102,395	
Other Debts - Considered Good	976,017,765		971,071,298	
	1,053,409,495		1,025,770,745	
Less : Provision for Doubtful Debts	41,124,950	1,012,284,545	39,102,395	986,668,350
		1,012,284,545		**986,668,350**
8. CASH AND BANK BALANCES				
Cash and Cheques in Hand		1,844,071		4,619,335
Balances with Scheduled Banks in :				
- Current Accounts		8,970,527		191,289,347
- Dividend Account		8,334,719		5,792,467
- Fixed Deposit Accounts		281,045,665		260,496,712
[Includes Rs.10,496,712 (Previous Year Rs10,496,712/-) pledged as margin money]				
Balances with Other Banks in Current Account *		3,747,364		46,021,172
		303,942,346		**508,219,033**
*Consists of balances with Wachovia Bank, Atlanta USA and Emirates Bank Dubai UAE. Maximum Balance outstanding during the year Rs. 1202.62 Lacs (previous year Rs. 1196.93 Lacs) in Wachovia Bank and Rs. Nil (previous year Rs.231.45) with Emirates Bank.				
9. OTHER CURRENT ASSETS				
(Unsecured, considered good)				
(Refer Note 8 of Schedule 18)				
Unbilled Revenue		29,398,956		22,369,513
Interest Receivable		6,538,368		12,000,642
Dividend Receivable		44,496,885		305,378,026
		80,434,209		**339,748,181**

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2010 (Contd.)

Schedule No.			As at 31st March 2010 (Rs.)		As At 31st March 2009 (Rs.)
10	**LOANS AND ADVANCES**				
	(Unsecured, considered good except where otherwise stated)				
	[Refer Notes 1 (iii),16 and 20 on Schedule 18]				
	Loans to Subsidiaries		-		21,850,802
	Loan to NIITian Welfare Trust		-		200,000,000
	Loan to NIIT Institute of information Technology		250,000,000		-
	Prepaid Expenses		64,836,203		42,665,756
	Advances recoverable in cash or in kind or for value to be received				
	-Considered good	112,591,732		113,536,125	
	-Considered doubtful	23,330,802		4,917,784	
		135,922,534		118,453,909	
	Less : Provision for Doubtful Advances	23,330,802	112,591,732	4,917,784	113,536,125
	Security Deposits				
	-Considered good	104,151,271		108,168,859	
	-Considered doubtful	1,459,716		1,459,716	
		105,610,987		109,628,575	
	Less : Provision for Doubtful Security Deposits	1,459,716	104,151,271	1,459,716	108,168,859
	Advance Income Tax	509,519,051		342,571,808	
	Less: Provision for Income Tax	434,518,417	75,000,634	257,700,121	84,871,687
	Advance Fringe Benefit tax	49,383,996		49,360,996	
	Less: Provision for Fringe Benefit tax	49,120,061	263,935	49,120,061	240,935
	MAT Credit		227,592,855		100,706,451
			834,436,630		**672,040,615**
11	**CURRENT LIABILITIES**				
	[Refer Note 4 on Schedule 18]				
	Sundry Creditors				
	-Outstanding Due to micro enterprises and Small enterprises		-		-
	-Outstanding Due to Creditors other than micro enterprises and Small enterprises		393,062,906		447,779,629
	Advances from Customers		1,656,604		3,169,580
	Unclaimed Dividend *		8,334,719		5,792,467
	Other Liabilities		57,394,192		61,927,020
	Derivative Instruments Fair Value Liability		251,436,638		1,990,094,963
	* There are no amounts due for payment to the Investor Protection Fund under Section 205C of The Companies act, 1956 as at the year end.				
			711,885,059		**2,508,763,659**
12	**PROVISIONS**				
	[Refer Note 1 (vi), (xi), 8 and 17 on Schedule 18]				
	Provision for compensated absences		162,396,840		149,829,705
	Provision for Gratuity		-		1,121,692
	Proposed Dividend on Equity Shares		411,514,915		381,542,492
	Corporate Dividend Distribution Tax		62,374,714		12,935,789
			636,286,469		**545,429,678**

Schedules annexed to and forming part of the Profit and Loss Account for the year ended March 31, 2010

Schedule No.		Year ended 31st March 2010 (Rs.)		Year ended 31st March 2009 (Rs.)
13. OTHER INCOME				
[Refer Notes 1(v), 6, 8, 9 and 22on schedule 18]				
Profit on sale of Investments		13,150,335		45,158,527
Recovery from Subsidiaries for common corporate expenses		21,567,008		21,918,445
Interest Received on :				
- Deposits	11,209,690		14,136,714	
- Loans	15,931,132		12,348,703	
	27,140,822		26,485,417	
Less: Interest Paid on Fixed Loans	671,016		5,341,195	
		26,469,806		21,144,222
Miscellaneous		6,904,074		2,513,672
Dividend Income		44,496,885		305,378,026
		112,588,108		**396,112,892**
14. PERSONNEL				
[Refer Notes 1(vi) ,17, 23, 25 and 27 on schedule 18]				
Salaries and Benefits		2,468,926,975		2,485,982,685
Contribution to Retirement benefit funds		49,357,358		87,221,212
Welfare and Other Expenses		27,647,110		42,932,211
		2,545,931,443		**2,616,136,108**
15. DEVELOPMENT AND BOUGHT OUT				
[Refer Notes 14 (a), (b) on schedule 18]				
Bought out items		28,971,522		33,211,631
Professional Charges		347,057,858		408,477,758
Equipment Hiring		1,615,477		2,929,500
Consumables		29,678,874		31,422,926
Others		11,499,812		5,127,783
		418,823,543		**481,169,598**

Schedules annexed to and forming part of the Profit and Loss Account for the year ended March 31, 2010 (Contd.)

Schedule No.	Year ended 31st March 2010 (Rs.)	Year ended 31st March 2009 (Rs.)
16. ADMINISTRATION, FINANCE AND OTHERS		
[Refer Note1 (vii), (viii), (xii), 7, 13, 24, & 26 on Schedule 18]		
Rent	152,684,444	173,019,276
Rates and Taxes	2,720,359	3,213,322
Electricity and Water	45,836,449	47,252,577
Communication	44,283,089	55,013,724
Legal and Professional	57,628,190	63,097,191
Travelling and Conveyance	195,899,985	234,827,136
Bank, Discounting and Other Financial Charges	3,678,083	2,709,424
Loss on exchange fluctuations (Net)*	173,649,570	63,362,492
* Includes fair value Loss on non-designated derivatives instruments of Rs. 88,452,384/- (Previous year Rs. 33,514,321/-)		
Insurance Premium	13,845,559	12,919,185
Repairs and Maintenance		
- Plant and Machinery	26,776,334	29,364,257
- Buildings	261,204	650,383
- Others	39,265,863	48,184,959
Bad debt and provision for doubtful debt	2,022,555	3,563,379
Loss/(Profit) on Sales of Assets/ Assets written off	10,048,191	(1,325,305)
Sundry Expenses	32,998,252	33,192,473
Provision for Diminution in Investment	-	250,000,000
	801,598,127	**1,019,044,473**
17. MARKETING		
Advertisement and Publicity	8,510,050	6,943,852
Others	20,047,919	16,916,426
	28,557,969	**23,860,278**

Schedule '18': Notes to Accounts for the year ended 31st March 2010

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on an accrual basis and under historical cost convention and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable accounting standards notified under section 211 (3C) and the relevant provisions of the Companies Act, 1956. The significant accounting policies adopted by the Company are detailed below.

i) Fixed Assets, Intangible Assets and Capital Work-in-Progress

Fixed assets are stated at cost, less accumulated depreciation. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the Balance Sheet date. Intangible assets are recorded at the consideration paid for acquisition.

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: -

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

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

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

iii) Impairment of Assets

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

iv) Investments

Long-term investments are valued at their acquisition cost. Any decline in the value of the investment, other than a temporary decline, is recognized and provided for in the Profit and Loss Account. Short-term investments are carried at cost or their market values whichever is lower.

v. Revenue Recognition

Software Services

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

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

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

Dividend

Dividend income is recognized when the right to receive dividend is established.

Interest

Interest on Loans and Fixed Deposits are booked on time proportion basis taking into account the amounts invested and Rate of Interest.

vi. Employee Benefits

a) **Retirement Benefit Plans:**

- **Provident Fund**

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

Schedule '18': Notes to Accounts for the year ended 31st March 2010 (Contd.)

The Company made defined contribution to Regional Provident Fund Commissioner (RPFC) from 1st October 2005 till 28th February 2009 in respect of Provident Fund. The Company is in the process of transferring these contributions along with the interest from RPFC to NIIT Technologies Limited Employees' Provident Fund Trust. The Company does not have any further obligation in this respect.

For the period up to 30th September 2005, the Company made contribution to NIIT Limited Employees' Provident Fund Trust (NIIT Limited PF Trust) , established for the purpose of Provident Fund by NIIT Limited. Such contributions made upto 30th September 2005 along with minimum statutory interest has been transferred by NIIT Limited PF Trust to NIIT Technologies Limited Employees' Provident Fund Trust with specific approval from Regional Provident Fund Commissioner during the year.

The Company's contribution towards Provident Fund is charged to Profit and Loss Account.

- **Superannuation**

  The Company makes defined contribution to a Trust established for this purpose by the Company. The Company has no further obligation beyond it's monthly contributions.

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

- **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 an independent actuary using the projected unit credit method. Actuarial gains and losses are charged or credited to the Profit and Loss Account in the year in which such gains or losses arise.

- **Overseas Employees**

  In respect of employees of the overseas branch, the Company makes defined contribution on a monthly basis towards the retirement benefit plan which is charged to the Profit and Loss Account.

b) **Compensated absences**

The 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.

c) **Employee Stock Option Plan**

The stock options granted under "NIIT Technologies Employees Stock Option Plan 2005" is accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India, whereby the intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognized as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Profit and Loss Account on straight line basis over the vesting period of the option. The balance in employee stock option outstanding account net of any un-amortized deferred employee compensation is shown separately as part of shareholders' funds.

vii) Foreign Currency Transactions

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 and Loss Account.

The operations of the company's overseas branches in USA and Dubai are considered integral in nature and the balances/and transactions of the branches are translated using the aforesaid principle.

viii) Hedge Accounting

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

Schedule '18': Notes to Accounts for the year ended 31st March 2010 (Contd.)

accounting or are not designated as cash flow hedges or designated as cash flow hedges to the extent considered ineffective are recognized in the Profit and Loss Account.

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

ix) Borrowing Cost

Borrowing costs are expensed in the year in which it is incurred except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use in which case it is capitalized.

x) Taxation

Tax expense comprising of both current tax (including Fringe Benefit Tax) and deferred tax from operations in India and overseas branches, 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 for operations in India and overseas branches is determined based on the provisions of respective tax regulations.

Minimum Alternative Tax (MAT) credit asset is recognized in the Balance Sheet where it is likely that it will be adjusted against the discharge of the tax liability in future under the Income Tax Act, 1961.

xi) 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.

xii) Leases

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

xiii) Earning Per Share

The earnings considered in ascertaining the Company's Earning 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.

2. CONTINGENT LIABILITIES: -

a) Guarantees issued by bankers outstanding at the end of accounting year Rs. 304,883,062/- (Previous Year Rs. 55,230,786/-)

b) Guarantees to banks against lines of credit sanctioned to wholly owned overseas subsidiaries Rs. 795,815,380/- (Previous Year Rs. 846,672,600/-).

c) Guarantees on behalf of wholly owned overseas subsidiaries Rs. 516,907,350/- (Previous Year Rs. 579,132,300/-).

d) Claims against the Company not acknowledged as debts Rs. 6,230,000/- (Previous Year Rs. 57,091,400/-).

e) Income Tax demand of Rs. 37,332,318/- (Previous Year Rs. Nil). Against this, the Company has deposited a sum of Rs. 20,000,000/- under protest. (Previous Year Rs. Nil).

3. Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for Rs. 286,310,956/- (Previous Year Rs. 361,573,980/-).

4. Micro and Small scale business entities :

There are no micro and small scale enterprises, to which the Company owes dues, as at 31st March 2010. This information as required to be disclosed under the Micro, Small and Medium enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Schedule '18': Notes to Accounts for the year ended 31st March 2010 (Contd.)

5. a) Working capital limits of Rs. 10,000 Lacs (Previous Year Rs. 10,000 Lacs) are secured by a first charge on the book debts of the Company and by a second charge on movable assets of the Company. The Company has not utilized the fund based limit as at the year-end (Previous Year Rs. Nil).

b) Vehicle loans from banks are secured by way of hypothecation of the vehicles financed.

6. Interest received are gross of tax deducted at source of Rs. 4,288,919/- (Previous Year Rs. 4,724,316/-).

7. Expenses during the year are net of recoveries towards common services from domestic subsidiaries amounting to Rs. 20,809,846/- (Previous Year Rs. 11,223,404/-).

8. The Company's domestic subsidiary NIIT GIS Limited has declared dividend of which Rs. 44,496,885/- (Previous Year Rs. 305,378,026/-) is receivable by the Company in respect of which dividend distribution tax would be paid by the subsidiary. In terms of provisions of sub-section 1A of section 115 O of the Income Tax Act, 1961 dividend distribution tax is payable by the Company on the amount being excess of dividend proposed by the Company over the dividend receivable by the Company from its subsidiary.

9. The profit on sale of investments includes Rs. Nil (Previous Year Rs. 153 Lacs) on sale of units of mutual funds held as investment for a period of more than 12 months.

10. EARNINGS IN FOREIGN CURRENCY

	2009-10 (Rs.)	2008-09 (Rs.)
IT and Related Services	4,448,227,289	4,541,696,323
Interest	725,306	2,215,618
Other income – Recovery of Shared Services from overseas subsidiaries	15,741,912	15,511,641

11. CIF VALUE OF IMPORTS

	2009-10 (Rs.)	2008-09 (Rs.)
Capital goods	20,951,149	106,578,807

12. EXPENDITURE IN FOREIGN CURRENCY

	2009-10 (Rs.)	2008-09 (Rs.)
Development and Bought out	-	16,403,921
Travel	96,773,174	92,471,031
Professional fees	3,051,342	418,945
Branch office Expenses	1,426,346,408	1,454,499,331
Others	10,035,598	14,743,865

13. PAYMENT TO AUDITORS (Excluding Service Tax)

	2009-10 (Rs.)	2008-09 (Rs.)
Statutory Audit fees	3,800,000	3,800,000
Certification and Other Services	2,430,000	2,550,000
Tax audit fees	300,000	300,000
Reimbursement of expenses	406,501	409,956

14. DETAILS RELATING TO OPENING STOCK, PURCHASES, REVENUE AND CLOSING STOCK

a) The Company is engaged, inter-alia, in the production and development of computer software. The production and sale of such software cannot be expressed in generic unit. Hence, it is not possible to give quantitative details as required under paragraph 3 and 4C of Part II of Schedule VI of the Companies Act, 1956.

Schedule '18': Notes to Accounts for the year ended 31st March 2010 (Contd.)

b) The details relating to value of traded items are as under:

	2009-10 Rs.	2008-09 Rs.
Opening Stock	-	-
Purchases	28,971,522	33,211,631
Sales	40,463,191	34,730,901
Closing stock	-	-

The Company deals in a number of software and hardware items whose cost and selling price vary for different items. The revenue from the different kind of software and their related costs individually constitute less than 10% of the turnover and costs of the Company respectively. Accordingly, no quantitative information relating to software and hardware traded is being given disclosed or furnished.

c) Revenue includes income from software development and related services of Rs 4,895,324,295/- (Previous Year Rs. 4,985,947,149/-).

15. RELATED PARTY TRANSACTIONS AS PER ACCOUNTING STANDARD 18:

A. Related party relationship where control exists:

Subsidiaries

1. NIIT GIS Ltd, India
2. NIIT SmartServe Ltd, India
3. NIIT Technologies Ltd, United Kingdom
4. NIIT Technologies BV, Netherlands
5. NIIT Technologies NV, Belgium
6. NIIT Technologies Pte Limited, Singapore
7. NIIT Technologies Ltd, Thailand
8. NIIT Technologies Pty Ltd, Australia
9. NIIT Technologies Co Ltd, Japan
10. NIIT Technologies GmbH, Germany
11. NIIT Technologies AG, Switzerland
12. NIIT Technologies AG, Austria
13. NIIT Technologies Inc, USA
14. Room Solutions Limited, United Kingdom
15. Softech GmbH, Germany
16. NIIT Technologies FZ LLC, Dubai
17. NIIT Technologies Limited, Canada

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

a) **Parties of whom the company is an associate and its subsidiaries:**
- NIIT Limited, India (Through its subsidiary, Scantech Evaluation Services Ltd, India)
- NIIT Middle East LLC Bahrain
- NIIT USA Inc., USA
- Evolve Services Limited, India.

b) **Key Managerial Personnel**
- Rajendra S Pawar
- Vijay K Thadani
- Arvind Thakur

c) **Parties in which the Key Managerial Personnel of the company are interested:**
- Naya Bazar Novelties Pvt. Ltd., India
- NIIT Institute of Information Technology, India

d) **Joint Venture:**
- Adecco NIIT Technologies Private Limited, India
  (also refer note 18(b) below)

Schedule '18': Notes to Accounts for the year ended 31st March 2010 (Contd.)

C. Details of transactions with related parties (described above) carried out on an arms length basis:-

Nature of Transactions	Subsidiaries (Rs.)	Party of whom the company is an associate (Rs.)	Key Managerial Personnel (Rs.)	Parties in which Key Managerial Personnel of the Company are interested (Rs.)	Joint Venture (Rs.)	Total (Rs.)
Purchase of Fixed Assets (Note 2)	112,540 (9,253,998)	- (2,168,827)	- (-)	- (-)	- (-)	112,540 (11,422,825)
Sale of Fixed Assets (Note 3)	- (-)	554,754 (7,506,528)	- (-)	- (-)	- (-)	554,754 (7,506,528)
Rendering of Services (Note 4)	4,997,097,182 (5,000,197,331)	8,385,289 (8,773,865)	- (-)	- (-)	3,154,285 (7,974,129)	5,008,636,756 (5,016,945,325)
Receiving of Services (Note 5)	13,793,470 (19,595,538)	4,249,563 (7,587,353)	- (-)	- (-)	- (-)	18,043,033 (27,182,891)
Recovery of Expenses by the company (Including those from Overseas Subsidiaries) (Note 6)	72,501,566 (97,275,388)	350,000 (2,960,584)	- (-)	192,000 (-)	3,584,299 (2,193,345)	76,627,865 (102,429,317)
Recovery of Expenses from the company (Note 7)	138,988,359 (178,475,541)	27,195,136 (30,613,004)	- (-)	- (-)	- (-)	166,183,494 (209,088,545)
Finance:						
Investments made (Note 8)	59,559,500 (13,607,629)	- (-)	- (-)	- (-)	- (-)	59,559,500 (13,607,629)
Loans Given (Note 9)	- (6,390,000)	- (-)	- (-)	250,000,000 (-)	- (-)	250,000,000 (6,390,000)
Loans Given Received back (Note10)	21,850,802 (12,876,000)	- (-)	- (-)	- (-)	- (-)	21,850,802 (12,876,000)
Interest received (Note 11)	725,306 (2,215,618)	- (-)	- (-)	82,192 (-)	- (-)	807,498 (2,215,618)
Remuneration / Commission Sitting Fees (Note 12)	- (-)	- (-)	27,088,895 (19,005,994)	- (-)	- (-)	27,088,895 (19,005,994)
Other Income (Note 13)	21,158,085 (21,504,907)	- (-)	- (-)	- (-)	408,970 (413,538)	21,567,054 (21,918,445)
Other Expenses (Note 14)	- (-)	- (-)	- -	440,005 (275,403)	- (-)	440,005 (275,403)
Dividend paid to Scantech Evaluation Services Ltd	- (-)	101,454,360 (94,207,620)	- (-)	- (-)	- (-)	101,454,360 (94,207,620)
Dividend receivable from NIIT GIS Limited	44,496,885 (305,378,026)	- (-)	- (-)	- (-)	- (-)	44,496,885 (305,378,026)

Schedule '18': Notes to Accounts for the year ended 31st March 2010 (Contd.)

Notes:

1. Figures in parenthesis represent previous year's figure.
2. Transactions in purchase of Fixed Assets for the year with;
   NIIT SmartServe Limited Nil (Previous year Rs.92.54Lacs)
   NIIT Limited Nil (Previous year Rs.19.63Lacs)
   NIIT GIS Ltd 1.13Lacs (Previous year Nil)
3. Includes transactions in Sale of Fixed Assets for the year with;
   NIIT Limited Rs 5.55Lacs (Previous year Rs.75.07Lacs)
4. Includes transactions in Rendering of Services for the year mainly with;
   * NIIT Technologies Inc USA Rs. 30,807.78Lacs (Previous year Rs. 29,744.51Lacs)
   * NIIT Technologies Ltd, UK Rs 9,225.72Lacs (Previous year Rs. 10,650.96Lacs)
   NIIT Limited Rs 83.85Lacs (Previous year Rs. 87.73Lacs)
   * includes revenue from revision in rates based on an independent transfer pricing study.
5. Includes transactions in Receiving of Services for the year mainly with;
   NIIT (Thailand) Ltd Rs 10.03Lacs (Previous year Rs.16.74Lacs)
   NIIT SmartServe Limited Rs.15.75Lacs (Previous year Rs 10.46Lacs)
   NIIT Limited Rs 39.75Lacs (Previous year Rs.39.13Lacs)
   NIIT Middle East NIL (Previous year Rs.30.57Lacs)
   NIIT Technologies Ltd. Canada NIL (Previous year 115.13Lacs)
   NIIT GIS Ltd Rs 112.14Lacs (Previous year Rs. 49.49Lacs)
6. Includes transactions in recovery of expenses by the company for the year mainly with;
   NIIT GIS Ltd Rs 161.09Lacs (Previous year 119.21Lacs)
   NIIT SmartServe Limited Rs.10.28Lacs (Previous year Rs 83.59Lacs)
   NIIT Technologies Ltd, UK Rs.138.62Lacs (Previous year Rs136.91Lacs)
   NIIT Limited Rs 3.50Lacs (Previous year Rs. 25.02Lacs)
   NIIT Technologies Inc Rs.230.89Lacs (Previous year Rs. 288.86Lacs)
   NIIT Technologies FZ LLC NIL (Previous year Rs 120.24Lacs)
7. Includes transactions in recovery of expenses from the company for the year mainly with;
   NIIT SmartServe Limited Rs 98.16Lacs (Previous year Rs. 72.69Lacs)
   NIIT Limited Rs 52.07Lacs (Previous year Rs. 90.22Lacs)
   NIIT USA Inc Rs 219.88Lacs (Previous year Rs.149.06Lacs)
   NIIT Technologies Inc Rs.1278.67Lacs (Previous year Rs. 1707.76Lacs)
8. Includes transactions in Investments made for the year mainly with;
   NIIT Technologies FZ LLC Rs NIL (Previous year Rs 136.08Lacs)
   Softech GmbH Rs 595.60Lacs (Previous year NIL)
9. Transactions in Loans Given for the year with;
   Softech GmbH NIL (Previous year Rs. 63.90Lacs)
   NIIT Institute of Information Technology Rs 2500.00Lacs (Previous year NIL)
10. Transactions in loans given received back for the year with;
    Softech GmbH Rs218.51Lacs (Previous year 128.76Lacs)
11. Transactions in interest received for in the year with;
    Softech GmbH Rs.7.25Lacs (Previous year Rs.22.16Lacs)
    NIIT Institute of Information Technology Rs 0.82Lacs (Previous year NIL)
12. Remuneration of:
    Mr. R S Pawar – Rs.94.57Lacs (Previous year Rs.39.39Lacs)
    Mr. Arvind Thakur – Rs.170.11Lacs (Previous year Rs.142.07Lacs)
    Mr. Vijay K Thadani – Rs.6.20Lacs (Previous year Rs.8.60Lacs)
13. Includes transactions in other income for the year mainly with;
    NIIT GIS Limited Rs 33.88Lacs (Previous year Rs.36.06Lacs)
    NIIT SmartServe Ltd Rs 20.29Lacs (Previous year Rs.23.87Lacs)
    NIIT Technologies Ltd, UK Rs 47.54Lacs (Previous year Rs.41.97Lacs)
    NIIT Technologies Inc USA Rs.29.34Lacs (Previous year Rs.37.95 Lacs)
14. Includes transactions in other expenses for the year mainly with;
    Naya Bazaar Novelties P Ltd Rs.4.40Lacs (Previous year Rs.2.75Lacs)

Schedule '18': Notes to Accounts for the year ended 31st March 2010 (Contd.)

D. Details of balances with related parties:

	Receivables As at 31.03.2010 (Rs.)	Payables As at 31.03.2010 (Rs.)	Receivables As at 31.03.2009 (Rs.)	Payables As at 31.03.2009 (Rs.)
Subsidiaries	932,867,199	18,719,661	1,197,141,645	15,442,024
Associates	3,095,999	5,002,840	18,319,019	3,467,779
Parties in which Key Managerial Personnel are interested	250,160,782	10,762	-	-
Key Managerial Personnel	-	15,955,000	-	6,305,335
Joint Venture	295,235	-	3,321,386	-

16. During the year the Company has granted unsecured loan of Rs.2,500 Lacs(Previous Year Nil) to NIIT Institute of Information Technology, a society registered under Society Registration Act, 1860 (referred to as Borrower). The Borrower has set up a University named as "NIIT University" (NU) as a private University at Neemrana, District Alwar, Rajasthan in accordance with the Guidelines for the Establishment of Private University by a separate Act issued by Government of Rajasthan. The rate of interest of loan is 12% p.a. and the loan is repayable within one year.

17. Employee Benefits

a) Defined Contribution Plans.

Company makes contribution towards Provident Fund, Superannuation Fund and Pension scheme to the defined contribution plans for eligible employees,

The Company has charged the following costs in the Profit and Loss Account.

Employer's Contribution	March 31, 2010 (Rs.)	March 31, 2009 (Rs.)
Employers Contribution to Provident Fund Trust	40,766,573	47,908,840
Employers Contribution to Superannuation Fund	7,687,294	8,311,288
Employers Contribution to Overseas Plan	-	17,994,617

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

- **Provident Fund:**
  In respect of Company's obligation towards guaranteed returns on Provident Fund Contributions made to the "NIIT Technologies Limited Employees' Provident Fund Trust" established by the Company, the Company's obligation has been actuarially determined. As per actuary's report the interest earnings and cumulative surplus of Trust are more than the statutory requirement and accordingly there is no additional liability of employer on account of interest shortfall.

- **Compensated Absences**

Amount (Rs.)

i) Change in present value of obligation	2009-10	2008-09
Present value of obligation as at the beginning of the period	149,829,705	149,105,423
Interest cost	11,517,846	11,765,639
Current service cost	88,188,887	79,848,095
Benefits paid	(318,000)	(3,736,647)
Actuarial (gain)/loss on obligation	(86,821,598)	(87,152,805)
Present value of obligation as at the end of period	162,396,840	149,829,705

Schedule '18': Notes to Accounts for the year ended 31st March 2010 (Contd.)

ii) Principal Actuarial Assumptions used in accounting for Compensated Absences	**2009-10**	**2008-09**
For NTL India (Excluding US Branch)		
Discount Rate	8.10%	8.00%
Future Salary Increase	0-4 Years 8% 5-9 Years 6% 10 and above 5%	0-4 Years 8% 5-9 Years 6% 10 and above 5%
For USA Branch		
Discount Rate	8.10%	8.00%
Future Salary Increase	1st Year 0% Afterwards 4%	1st Year 0% Afterwards 4%

- **Gratuity:**

  Disclosures as per actuarial report of independent actuary:

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

Amount (Rs.)

Description	**2009-10**	**2008-09**
Present value of obligation as at the beginning of the year	76,661,844	61,217,236
Interest cost	6,022,410	4,897,379
Current service cost	11,881,000	12,234,279
Benefits paid	(2,763,810)	(3,013,440)
Actuarial (gain)/loss on obligations	(9,749,204)	1,326,390
Present value of obligation as at the end of the year	82,052,240	7 6,661,844

ii. Change in Plan Assets:

Amount (Rs.)

Description	**2009-10**	**2008-09**
Plan assets at beginning at fair value	75,540,152	55,914,274
Expected return on plan assets	7,462,160	5,172,070
Contributions	13,027,510	17,233,291
Benefits paid	(2,763,810)	(3,013,439)
Actuarial gain/(loss) on plan assets	(277,310)	233,956
Plan assets at year end at fair value	92,988,702	75,540,152

iii. Amount of the obligation recognized in the Balance Sheet:

Amount (Rs.)

Description	**2009-10**	**2008-09**
Present value of the defined benefit obligation at the end of the year	82,052,240	76,661,844
Fair value of plan assets at the end of the year	92,988,700	75,540,152
Liability/ (Assets) recognized in the Balance sheet	(10,936,460)	1,121,692

iv. Amount of Gratuity expense recognised in the Profit and Loss Account:

Amount (Rs.)

Description	**2009-10**	**2008-09**
Current service cost	11,881,000	12,234,279
Interest cost	6,022,410	4,897,379
Expected return on plan assets	(7,462,160)	(5,172,070)
Actuarial (gain)/ loss recognized during the year	(9,472,050)	1,092,434
Total	969,200	13,052,022

Schedule '18': Notes to Accounts for the year ended 31st March 2010 (Contd.)

v. Investment details of plan assets:

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

vi. Principal actuarial assumptions at the Balance Sheet date:

	2009-10	2008-09
Discounting Rate	8.10%	8.00%
Expected Rate of return on plan assets	9.40%	9.25%

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

18. a) The Company has 50% ownership interest in Adecco NIIT Technologies Private Limited, a company incorporated in India, where rest is owned by Adecco Holding Europe BV, Netherlands.

The Company's interest in the JV is reported as long term investment and stated at cost. However, the Company's share of assets, liabilities, income and expenses etc. related to it's interest in the joint venture, based on financial statements of the joint venture is as follows:-

(Rs. Lacs)

Particulars	**2009-10**	**2008-09**
I. Assets		
- Fixed Assets(Net)	12	16
- Current Assets, Loan and Advances	109	150
- Profit and Loss Account	144	137
II. Liabilities		
- Current Liabilities and provisions	15	53
III. Income		
- Revenue from Operation	104	201
- Other Income	7	27
IV. Expenses		
- Operating Exps	111	249
- Depreciation	7	8
- Taxes	-	1
V. Profit/(Loss) after Tax	(7)	(30)

b) Subsequent to the year end, the Company and the Joint Venture Partner Adecco Holding Europe BV, Netherlands have signed an agreement replacing the existing Joint Venture Agreement which provides for, amongst others, the transfer of the entire shareholding held by Adecco Holding Europe BV, Netherlands to the Company upon completion of certain formalities, after which NIIT Technologies Limited would become the holding Company of Adecco NIIT Technologies Private Limited.

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

(Rs. Lacs)

Particulars	**Revenue by location of customers**		**Carrying amount of segment assets by location of the assets**		**Additions to fixed assets**	
	31.03.2010	**31.03.2009**	**31.03.2010**	**31.03.2009**	**31.03.2010**	**31.03.2009**
India	5,010	4,821	61,073	60,634	1,556	6,005
America *	25,206	24,320	-	-	-	-
Europe	15,632	19,165	-	-	-	-
Asia Pacific (including Australia)	3,510	1,901	-	-	-	-
Total	49,358	50,207	61,073	60,634	1,556	6,005

*Net of Hedging loss of Rs. 5,602 Lacs (Previous Year Rs. 5,425 Lacs) related to derivative instruments matured during the year.

Schedule '18': Notes to Accounts for the year ended 31st March 2010 (Contd.)

20. Income Tax

a) **Current Income Tax –**

(i) The Company pays taxes on income under the Indian Income Tax Regulations and under the US tax regulations in respect of its India & US operations respectively.

(ii) As regard Indian Income Tax, the Company avails deduction under the provisions of Section 10B of the Income Tax Act, 1961 available to export oriented unit registered with Software Technology Parks of India. The current tax charge for the year includes charge in respect of Indian Income Tax of Rs 1,479 Lacs after adjusting relief in relation to income taxes payable in United States to the extent of Rs.163 Lacs. It further includes Rs. 284 lacs relating to Financial Year 2008-09 recognized in filing of tax return. The current tax under Indian Income tax relates to Minimum Alternate Tax (MAT) as per the provisions of Section 115JB, part of which amounting to Rs. 1,269 Lacs (Previous Year Rs. 106 Lacs), is expected to be recovered in future years and the same has been recognized as MAT credit entitlement in these accounts.

(iii) The current tax charge includes tax payable under the US income tax regulation of Rs. 477 Lacs (Previous Year Rs. 420 Lacs).

b) **Deferred Tax**

Break up of deferred tax assets/ liabilities and reconciliation of current accounting period deferred tax credit is as follows:

(Rs. Lacs)

Deferred Tax Assets/Liabilities	**As at 1.04.2009**	**Charged/ (Credited) during the year**	**As at 31.03.2010**
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.	230	(227)	3
b) Tax impact of expenses not charged in the financial statements but claimed as deduction under income tax	82	(1)	81
Total (A)	**312**	**(228)**	**84**
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	133	(7)	140
- Provision for Compensated Absences, Bonus and Gratuity	432	(94)	526
- Other Expenses	20	(60)	80
Total (B)	**585**	**(161)**	**746**
Deferred Tax Assets / (Liability) (B – A)	**273**	**(389) Refer note 2**	**662**
Add: Deferred Tax Asset related to fair value loss on derivative instruments not charged in the Profit & Loss Account but taken to the Balance Sheet. (Refer Note 27)	3,744		38
Net Deferred Tax Assets / (Liability)	**4,017**		**700**

Note:

1. Deferred tax assets and liabilities above have been determined by applying the income tax rates of respective countries. Deferred tax assets and liabilities in relation to taxes payable under different tax jurisdictions have not been offset in financial statements.
2. Amount of Rs. 389 Lacs is gross of exchange fluctuation of Rs. 12 Lacs relating to deferred tax assets created for US Branch operations.

Schedule '18': Notes to Accounts for the year ended 31st March 2010 (Contd.)

21. Earnings Per Share:

	2009-10	**2008-09**
Profit attributable to Equity shareholders (Rs.) -(A)	950,873,313	884,954,706
Weighted Average number of Equity shares Outstanding during the year – (B)	58,745,703	58,719,119
Add: Effect of potential dilutive shares(stock options)- (Refer Note 25 below)	183,770	-
Weighted average shares outstanding considered for determining dilutive earning per share - (C)	58,929,473	58,719,119
Nominal Value of Equity Shares (Rs.)	10	10
Basic Earnings per share (Rs) (A/B)	16.19	15.07
Diluted Earnings per share (Rs) (A/C)	16.14	15.07
EARNING PER SHARE {had fair value method been employed for accounting for Employee Stock Option (Refer Note 25 below)}	**2009-10**	**2008-09**
Profit attributable to Equity shareholders (Rs.) -(D)	906,011,753	868,969,209
Basic Earnings per share (Rs) (D/B)	15.42	14.80
Diluted Earnings per share (Rs) (D/C)	15.37	14.80

22. During the year the Company acquired and sold units of mutual funds on various dates as follows:

Scheme/Fund	**No. of units at the beginning of the year**	**Value of the units in hand at the beginning of the year at lower of cost or market value (Rs.)**	**No. of units purchased**	**Purchase Value (Rs.)**	**No. of unit sold**	**Sale Value (Rs.)**	**No. of units in hand at the year-end**	**Value of units in hand at the year-end at lower of cost or market value (Rs.)**	**Market Value of units in hand. (Rs.)**
Liquid Scheme of Mutual Fund									
IDFC Mutual Funds			5,626,533	90,000,000	5,626,533	91,612,880	-		
Birla Sun Life Mutual Fund		-	18,876,813	270,000,000	18,876,813	272,485,189	-	-	
SBI Mutual Funds			5,051,373	100,000,000	2,021,417	40,321,405	3,029,956	60,000,000	61,930,492
Reliance Mutual Fund			5,979,434	130,000,000	5,979,434	132,347,687	-	-	
Sundaram BNP Mutual Fund			4,789,577	90,000,000	4,789,577	90,319,403	-		
Franklin Templeton Mutual Fund		-	105,551	140,000,000	75,550	100,498,636	30,001	40,000,000	41,018,951
Principal Mutual Fund		-	10,916,357	160,000,000	10,916,357	161,659,532	-	-	
JM Financial Mutual Fund		-	7,140,256	100,000,000	7,140,256	101,272,183	-	-	
HDFC Mutual Fund			6,681,824	120,000,000	2,802,612	50,267,369	3,879,212	70,000,000	71,590,864
ICICI Prudential Mutual Fund		-	8,166,459	180,367,481	8,166,459	181,843,757	-	-	
Kotak Mutual Fund		-	4,913,318	90,000,000	4,913,318	90,889,775		-	
Tata Mutual Fund			35,417	60,000,000	-	-	35,417	60,000,000	60,158,519
Fixed Maturity Plan / Interval plan									
IDFC Mutual Funds		-	4,122,234	41,222,340	-	-	4,122,234	41,222,340	41,483,690
Reliance Mutual Fund		-	5,837,769	71,918,392	-	-	5,837,769	71,918,392	72,186,929
ICICI Prudential Mutual Fund		-	8,089,856	81,218,915			8,089,856	81,218,915	81,761,744
Kotak Mutual Fund			3,720,442	40,775,677	-	-	3,720,442	40,775,677	41,013,413
TOTAL	**-**	**-**	**100,053,214**	**1,765,502,804**	**71,308,326**	**1,313,517,816**	**28,744,888**	**465,135,323**	**471,144,602**
Previous Year Figures	**46,419,781**	**606,184,538**	**99,616,784**	**1,345,684,357**	**146,036,565**	**1,997,027,422**	**-**	**-**	**-**

Profits from sale of the above units of Rs. 13,150,335 (Previous Year Rs. 45,158,527) from the above mutual funds are included in Other Income refer Schedule 13.

Schedule '18': Notes to Accounts for the year ended 31st March 2010 (Contd.)

23. Managerial Remuneration:

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

Amount (Rs.)

	2009-10	**2008-09**
Profit before taxation as per P&L Account	1,007,918,052	980,606,441
Add: Provision for Diminution in Investment		250,000,000
Add: Net Increase/(Decrease) in Provision for Doubtful Debts	2,022,555	3,556,419
Add: Depreciation as per Books of Accounts	245,546,460	295,974,044
Less: Depreciation as per Sec. 350 of the Companies Act, 1956	199,157,618	216,210,130
Net Profit under Section 349 of the Companies Act, 1956	**1,056,329,449**	**1,313,926,774**
Add: Directors Remuneration	28,468,895	20,145,994
Net Profit under Section 198 of the Companies Act, 1956	**1,084,798,344**	**1,334,072,768**
Max. remuneration allowable under Sec.198 of the Companies Act,1956 restricted to 11% of Net Profit	119,327,818	146,748,004
Max. Commission allowable to Non-Executive directors under Sec.309 of the Companies Act,1956 restricted to 1% of Net Profit	10,847,983	13,340,728

Directors' remuneration:

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

Amount (Rs.)

	2009-10	**2008-09**
Executive Directors' Remuneration:		
Salary and Allowances	8,701,000	10,323,000
Performance Linked Bonus	15,455,000	5,750,335
Contribution to provident fund and other funds	1,590,900	1,453,679
Value of Perquisites	721,995	618,980
Sub Total (A)	**26,468,895**	**18,145,994**
Non executive Directors' Remuneration:		
Commission to Non Executive Directors (B)	2,000,000	2,000,000
Total Director's Remuneration (A + B)	**28,468,895**	**20,145,994**
Non executive Directors' Sitting Fees	740,000	1,580,000

24. LEASES

All operating leases entered into by the Company are cancelable on giving a notice of 1 to 3 months. Aggregate expenditure in respect of operating lease amounts to Rs. 154,396,194/- (Previous year Rs. 181,023,298/-).

25. EMPLOYEE STOCK OPTION PLAN:

(i) The Company established NIIT Technologies Stock Option Plan 2005 (ESOP 2005) in the year 2005-06 and the same was approved at the Annual General Meeting of the Company on 29th July 2004. The plan was set up so as to offer and grant for the benefit of employees of the company and its subsidiaries, who are eligible under Securities Exchange Board of India (SEBI) Guidelines (excluding promoters), options of the company in aggregate up to 3,850,000 options under ESOP 2005, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard. As per the plan each option is exercisable for one equity share of face value of Rs 10 each fully paid up on payment to the company for such shares at a price to be determined in accordance with ESOP 2005. SEBI has issued the Employee's Stock Option scheme and Employee Stock Purchase Scheme Guideline, 1999 which is applicable to the above ESOP 2005.

Schedule '18': Notes to Accounts for the year ended 31st March 2010 (Contd.)

The Company granted option in five tranches, out of the same tranche II has been fully exercised / lapsed. The details of other tranches are as follows:-

Description	Grant I		Grant III		Grant IV		Grant V	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10 (Tranche I)	2009-10 (Tranche II)
Date of Grant	August 02, 2005		June 20, 2007		July 28, 2008		October 19, 2009	October 19, 2009
Date of Vesting	August 02, 2006		June 20, 2008		July 28, 2009		October 18, 2010	October 18, 2011
Live grants at beginning / during the year (Nos)	74,850	106,300	92,155	378,750	461,250	477,750	1,199,700	1,199,700
Forfeited / lapsed till vesting period (Nos)	-	-	-	278,645	22,500	16,500	95,700	95,700
Options vested (Nos)	-	-	-	100,105	438,750	-	-	-
Options forfeited post vesting (Nos)	60,225	3,150	11,857	7,950	22,500	-	-	-
Options Exercised (Nos)	14,625	28,300	-	-	46,525	-	-	-
Exercisable/outstanding at the end of the year (Nos)	-	74,850	80,298	92,155	369,725	461,250	1,104,000	1,104,000
Exercise Price	Rs.76.67	Rs.76.67	Rs.349	Rs.349	Rs.108	Rs.108	Rs.127.20	Rs.127.20
Remaining Contractual Life	Nil	123 days	446 days	811 days	849 days	1214 days	1299 days	1664 days
Fair value of Options based on Black and Scholes model (as per independent valuer's report) Pre-Bonus Post-Bonus	 Rs.59.20 Rs.39.46	 Rs.59.20 Rs.39.46	 Rs.168.11 Rs.112.07	 Rs.168.11 Rs.112.07	 - Rs.43.78	 - Rs.43.78	 - Rs.50.23	 - Rs.56.16
Intrinsic value of options	Rs.23.00	Rs.23.00	-	-	-	-	-	-

Note:

During the year, the Compensations / Remuneration Committee at its meeting held on October 19, 2009 has approved issue of 2,399,400 options (Grant-V) out of the option under ESOP 2005, to Managerial Personnel of the Company / Subsidiaries.

The assumptions used by the independent valuer for determination of fair value as per the Black & Scholes model is as follows:

a) Market price considered is the latest available closing price, prior to the date of the Grant.

b) Exercise price is the price payable by the employees for exercising the option.

c) As the life of the option is greater than one year there is considerable difficulty in estimating the amount and time of future dividend payouts with certainty, hence future dividend payout have not been incorporated in the valuation analysis.

d) Volatility - Variance in the stock price is considered as 10% (for Grant I) , 51.13% (for Grant III) , 65.62% (for Grant IV), 66.12% (for Grant V Tranche I) and 64.75% (for Grant V Tranche II) is based on historical volatility in the share price movement of the company and four other comparable companies.

e) Average life of the options is considered to be 2.5 Years for Grant I, Grant III, Grant IV, Grant V Tranche I and 3.5 years for Grant V Tranche II.

f) Risk less interest rate has been assumed at 7% (Grant I), 7.93 % (Grant III), 9.24% (Grant IV), 6.83% (Grant V Tranche I) and 7.01% (Grant V Tranche II) based on long term government bonds of ten year residual maturity.

Schedule '18': Notes to Accounts for the year ended 31st March 2010 (Contd.)

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

Amount (Rs.)

Description	Grant III	Grant IV	Grant V	
			Tranche I	Tranche II
Expense accounted for during the period based on intrinsic value of the option	-	-	-	-
Additional expense had the Company recorded the ESOP expense based on fair value of the option	Nil (2,320,290)	5,277,262 (13,665,207)	26,389,532 (-)	13,194,766 (-)

a) Figures in parenthesis represent previous year's figure.

b) For impact on Basic and Diluted earning Per Share, had fair value of the option been used for determining Employee Stock Option Plan expense, refer note 21 above.

26. Derivative Financial Instruments:

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities, forecasted cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecasted cash flows is governed by the Company's strategy, which provide principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy. The counter parties in these derivative instruments are banks and the Company considers the risks of non-performance by the counterparty as non-material. The forward foreign exchange/option contracts mature between 1 to 17 months and the forecasted transactions are expected to occur during the same period. The Company does not use forward contracts and currency options for speculative purposes.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

(Amount in Lacs in respective currencies)

Foreign Currency	Year Ended 31 March 2010	Year Ended 31 March 2009
U.S. Dollor	990	1,971
Sterling Pound	0	49
Euro	4	42

The following table summarizes activity in the Hedge Reserve (Debit Balance) related to all derivatives classified as cash flow hedges during the year ended 31st March 2010.

(Rs. Lacs)

Particular	Year Ended 31 March 2010	Year Ended 31 March 2009
Balance as at the beginning of the year (Gross of deferred tax)	18,890	1,601
Add: Unrealized (gain) / loss on cash flow hedging derivatives during the year	(9,619)	22,714
Less: Net losses transferred to Revenue on occurrence of hedged items	5,602	5,425
Less: Net losses transferred to exchange fluctuation on redesignation of forward covers.	1149	-
Balance as at the end of the year	**2,520**	**18,890**
Deferred Tax Assets	38	3,745
Balance as at the end of the year (Net of Deferred Tax)	**2,482**	**15,145**

At 31st March 2010, the estimated net amount of existing loss that is expected to be reclassified into the revenue statement within the next twelve months is Rs. 2,520 Lacs (Previous Year Rs. 9,685 Lacs).

Schedule '18': Notes to Accounts for the year ended 31st March 2010 (Contd.)

27. The Company has accounted for unclaimed employee related reimbursement in respect of earlier years, aggregating to Rs. 23,188,834 based on maximum possible liability payable by the Company in this respect.

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

Signature to the Schedules `1' to `18' above

For **Price Waterhouse**
Firm Registration No. FRN301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

H. Singh
Partner
Membership No. F- 86994

Ashok Arora
Group Chief Financial Officer

K T S Anand
Chief Financial Officer

Surender Varma
Company Secretary
& Legal Counsel

Place : New Delhi
Date : May 5th, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

REGISTRATION DETAILS

Registration No.	0 4 8 7 5 3	State Code	5 5
Balance Sheet Date	3 1 - 0 3 - 2 0 1 0		

CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSANDS)

Plublic Issue	N I L		
Bonus Issue	N I L	Right Issue	N I L
ESOP Issue	6 1 2	Private Placement	N I L

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN Rs. THOUSANDS)

Total Liabilities	4 7 5 9 1 4 4	Total Assets	4 7 5 9 1 4 4

SOURCES OF FUNDS

Paid up Capital	5 8 7 8 7 8	Reserve & Surplus	4 1 6 1 9 7 5
ESOP Share Application Money	2 1 6		
Secured Loans	9 0 7 5	Unsecured Loan	N I L
Employee Stock Option Outstanding	N I L		

APPLICATION OF FUNDS

Net Fixed Assets	2 1 9 5 2 4 5	Investments	1 6 1 0 9 2 4
Net Current Assets	8 8 2 9 2 6	Deferred Tax Asset	7 0 0 4 9
Accumulated Losses	N I L		

PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)

Turnover	5 0 4 8 3 7 6	Total Expenditure	4 0 4 0 4 5 8
Profit/(Loss) before Tax	1 0 0 7 9 1 8	Profit/(Loss) after Tax	9 5 0 8 7 3
Earning per share (in Rs.)	1 6 . 1 9	Dividend (%) - Equity	7 0 %

GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPNY (AS PER MONETARY TERMS)

1. Item Code	-
Product Description	S O F T W A R E S O L U T I O N S
2. Item Code	-
Product Description	-
3. Item Code	-
Product Description	-

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

Ashok Arora
Group Chief Financial Officer

K T S Anand
Chief Financial Officer

Surender Varma
Company Secretary & Legal Counsel

Place : Delhi
Date : May 5th, 2010

NIIT technologies

Statement pursuant to exemption received under Section 212(8) of the Companies Act 1956, relating to subsidiary Companies as on 31st March 2010

Name of the Company	Currency	Share Capital	Reserves#	Total Assets	Total Liabilities	Details of Investment (except in case of Investment in subsidiary)	Turnover*	Profit before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
NIIT Smart Serve Ltd	INR	500,000,000	(290,168,636)	500,800,000	500,800,000	-	366,141,655	51,349,656	(131,269)	51,480,925	-
NIIT GIS Ltd.	INR	10,000,700	244,260,633	464,719,073	464,719,073	-	500,024,096	128,812,236	26,298,630	102,513,606	50,000,000
NIIT Technologies Ltd. UK	GBP	3,276,427	3,533,476	17,312,400	17,312,400	-	21,277,155	670,116	221,795	448,321	-
	INR	223,633,233	241,178,168	1,181,661,605	1,181,661,605	-	1,614,908,616	50,860,940	16,833,954	34,026,986	-
ROOM Solutions Ltd. UK	GBP	12,557	2,878,618	8,262,523	8,262,523	-	13,725,816	713,197	127,626	585,571	-
	INR	857,081	196,480,694	563,960,294	563,960,294	-	1,041,771,727	54,130,732	9,686,649	44,444,083	-
NIIT Technologies B.V. Netherland	EURO	18,151	682,823	1,377,194	1,377,194		3,702,216	54,756	11,067	43,689	-
	INR	1,103,739	41,521,576	83,745,371	83,745,371	-	249,370,322	3,688,202	745,440	2,942,762	-
NIIT Technologies N.V. Belgium	EURO	61,973	1,395,643	1,832,956	1,832,956	-	3,667,318	198,799	49,404	149,395	-
	INR	3,768,520	84,867,257	111,459,664	111,459,664	-	247,019,707	13,390,513	3,327,682	10,062,831	-
NIIT Technologies Inc. USA	USD	2,837,887	9,891,882	19,439,736	19,439,736	3	75,391,235	2,119,369	817,203	1,302,166	-
	INR ^	123,377,137	447,202,531	872,358,827	872,358,827	135	3,585,231,035	97,008,561	37,640,987	59,367,574	-
NIIT Technologies PTE Ltd. Singapore	SGD	2,989,375	3,110,282	8,271,881	8,271,881	-	8,919,430	647,626	67,282	580,344	-
	INR	96,104,391	99,991,389	265,929,863	265,929,863	-	297,242,924	21,582,348	2,242,195	19,340,154	-
NIIT Technologies Ltd. Thailand	THB	15,000,000	61,214,323	124,810,882	124,810,882	-	217,099,706	11,604,675	-	11,604,675	-
	INR	20,832,731	85,017,436	173,343,438	173,343,438	-	305,564,054	16,333,378	-	16,333,378	-
NIIT Technologies Pty Ltd. Australia	AUD	1,002	908,631	1,709,633	1,709,633	-	12,565,816	739,531	236,660	502,871	-
	INR	41,314	37,464,502	70,491,266	70,491,266	-	503,218,755	29,615,734	9,477,439	20,138,296	-
NIIT Technologies Co. Ltd. JAPAN	JPY	408,870,475	(317,655,797)	91,214,678	91,214,678	-	90,430,482	(13,630,619)	893,674	(14,524,293)	-
	INR	196,755,039	(152,861,071)	43,893,968	43,893,968	-	46,450,186	(7,001,453)	459,041	(7,460,495)	-
NIIT Technologies Gmbh Germany	EURO	537,900	47,025	2,154,782	2,154,782	-	4,691,724	526,182	62,517	463,664	-
	INR	32,708,997	2,859,520	131,029,503	131,029,503	-	316,020,659	35,442,053	4,210,993	31,231,061	-
NIIT Technologies AG Switzerland	CHF	250,000	1,026,371	1,276,371	1,276,371	-	3,570,161	195,355	33,000	162,355	-
	INR	10,677,122	43,834,745	54,511,867	54,511,867	-	159,792,386	8,743,661	1,477,006	7,266,655	-
NIIT Technologies Gmbh Austria	EURO	35,000	(86,353)	60,031	60,031	-	87,232	19,668	1,750	17,918	-
	INR	2,128,304	(5,251,001)	3,650,397	3,650,397	-	5,875,708	1,324,786	117,875	1,206,912	-
Softec Gmbh Germany	EURO	1,000,000	142,859	1,142,859	1,142,859	-	1,786,662	370,383	31,352	339,031	-
	INR	60,808,696	8,687,069	69,495,765	69,495,765	-	120,344,269	24,947,904	2,111,778	22,836,126	-
NIIT Technologies Ltd. CANADA	CAD	49,101	36,623	117,131	117,131	-	510,504	25,128	9,316	15,812	-
	INR	2,174,568	1,621,946	5,187,456	5,187,456	-	22,062,788	1,085,973	402,616	683,358	-
NIIT Technologies FZ-LLC DUBAI	AED	1,000,000	(528,259)	1,573,536	1,573,536	-	5,377,593	(557,479)	-	(557,479)	-
	INR	12,245,846	(6,468,978)	19,269,280	19,269,280	-	69,847,858	(7,240,919)	-	(7,240,919)	-

* Exclude Other Income
** Investment in Mutual Fund
*** Details of Investment
(i) 199,145 Common shares in Relativity Technologies Inc., USA
(ii) 953,265 Common Shares in Computer Logic Inc., USA
(iii) 500,000 Preference Shares and 189,655 Common Shares in Co kinetic Systems Inc., USA
Reserves include currency translation reserve

Basis of Conversion in INR:
Revenue items at average exchange rate prevailing during the year and for Balance sheet items, the exchange rate prevailing as at Balance Sheet date.

Currency	Exchange Rate at Balance Sheet Date	Average Exchange Rate for the Year	Currency	Exchange rate at Balance Sheet Date	Average Exchange Rate for the Year	Currency	Exchange rate at Balance Sheet Date	Average Exchange Rate for the Year	Currency	Exchange rate at Balance Sheet Date	Average Exchange Rate for the Year	Currency	Exchange rate at Balance Sheet Date	Average Exchange Rate for the Year
1-THB	1.389	1.407	1-USD	44.975	47.708	1-EURO	60.809	67.357	1-JPY	0.481	0.514	1-CAD	44.288	43.218
1-AUD	41.232	40.047	1-SGD	32.149	33.325	1-CHF	42.708	44.758	1-GBP	68.255	75.899	1-AED	12.246	12.989

'^ Revenue item and Share Capital at approximate exchange rate on the transaction date and for other Balance Sheet items, the exchange rate prevailing as at Balance Sheet date.

AUDITORS' REPORT – Consolidated Financial Statement of NIIT Technologies Limited, its subsidiaries and joint venture (NIIT Technologies Group).

Report of the auditors to the Board of Directors of NIIT Technologies Limited

1. We have audited the attached consolidated Balance Sheet of NIIT Technologies Limited (the "Company"), its subsidiaries and jointly Controlled entity; hereinafter referred to as the "Group" (refer Note 7(a) on Schedule 20 to the attached consolidated financial statements) as at 31st March, 2010, the related consolidated Profit and Loss Account and consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of Sixteen subsidiaries included in the consolidated financial statements, which constitute total assets of Rs 32,061 lacs and net assets of Rs.21,939 lacs as at 31st March, 2010, total revenue of Rs.56,226 lacs, and net cash flows amounting to Rs 780 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

4. We report that the consolidated financial statements have been prepared by Company's management in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements and Accounting Standard (AS) 27- Financial Reporting of Interests in Joint Ventures, notified under sub-section 3C of Section 211of the Companies Act, 1956.

5. Based on our audit and on consideration of the reports of the other auditors on separate financial statements (refer Para 3 above) and on other financial information of the components of the Group as referred to above, and to the best of our information and explanations given to us, in our opinion the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2010;

   (ii) in case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date: and

   (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Price Waterhouse**
Firm Registration No. FRN301112E
Chartered Accountants

H. Singh
Partner
Membership No. F- 86994

Place : New Delhi
Date : May 5th, 2010

NIIT technologies

Consolidated Balance Sheet as at 31st March 2010

	Schedule/(Note Reference)		As at 31st March 2010 (Rs.)		As at 31st March 2009 (Rs.)
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	587,878,450		587,266,950	
Share Application Money		216,000		-	
Employee Stock Option Outstanding	2	-		1,721,550	
Reserves and Surplus	3A	5,099,981,295		3,044,290,687	
Cumulative Translation Reserve	3B	109,732,550	5,797,808,295	242,752,609	3,876,031,796
MINORITY INTEREST	4		28,378,466		21,909,887
LOAN FUNDS					
Secured Loans	5A		214,098,246		334,451,530
Unsecured Loans	5B		3,055,201		13,474,558
			6,043,340,208		**4,245,867,771**
APPLICATION OF FUNDS					
FIXED ASSETS	6				
Gross Block		4,559,402,830		4,737,476,331	
Less: Depreciation and Amortisation		2,706,204,080		2,632,011,725	
Net Block			1,853,198,750		2,105,464,606
Capital work-in-progress (including Capital Advances)			1,287,411,155		1,052,084,094
INVESTMENTS	7		465,135,444		120
DEFERRED TAX ASSETS - [NET]	20(9)(b)		107,344,880		434,761,692
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	20(1)(vi)	5,032,354		10,939,162	
Sundry Debtors	8	1,850,707,685		1,934,945,255	
Cash and Bank Balances	9	1,429,746,542		1,584,776,835	
Other Current Assets	10	155,861,037		171,404,756	
Loans & Advances	11	1,089,171,266		903,740,029	
		4,530,518,884		4,605,806,037	
Less : CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	12	1,495,753,459		3,256,791,175	
Provisions	13	704,515,446		695,457,603	
		2,200,268,905		3,952,248,778	
Net Current Assets			2,330,249,979		653,557,259
			6,043,340,208		**4,245,867,771**
NOTES TO ACCOUNTS	20				

The Schedules referred to above form an integral part of the Consolidated Balance Sheet.
This is the Consolidated Balance Sheet referred to in our report of even date.

For **Price Waterhouse**
Firm Registration No. FRN301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

H. Singh
Partner
Membership No. F- 86994

Ashok Arora
Group Chief Financial Officer

K T S Anand
Chief Financial Officer

Surender Varma
Company Secretary & Legal Counsel

Place : New Delhi
Date : May 5th, 2010

Consolidated Profit and Loss Account for the year ended 31st March 2010

	Schedule/(Note Reference)	Year ended 31st March 2010 (Rs.)	Year ended 31st March 2009 (Rs.)
INCOME			
Revenue from Operations	14	9,137,096,692	9,799,401,209
Other Income	15	76,417,793	146,787,948
		9,213,514,485	**9,946,189,157**
EXPENDITURE			
Personnel	16	5,037,140,296	5,672,948,315
Development and Bought Out Items	17	721,627,251	750,227,253
Administration, Finance and Others	18	1,554,370,363	1,592,723,042
Marketing	19	121,418,611	119,484,561
Depreciation and Amortisation	6	358,136,713	421,668,535
		7,792,693,234	**8,557,051,706**
Profit before Tax		1,420,821,251	1,389,137,451
Tax Expense			
- Current	20(9)	331,733,883	227,865,066
- MAT Credit		(141,644,722)	(14,891,977)
- Deferred Charge/ (Credit)		(45,890,822)	(6,044,394)
- Fringe Benefit Tax		-	17,069,345
- Share in Joint Venture	20(7)(b)	-	145,765
Profit After Tax Before Minority Interest		1,276,622,912	1,164,993,646
Net Profit attributable to Minority		12,906,948	16,598,211
Net Profit Attributable to Equity shareholders			
After Minority Interest		1,263,715,964	1,148,395,435
Balance Brought Forward from Previous Year		3,403,721,436	2,792,980,872
Balance Available for Appropriation		**4,667,437,400**	**3,941,376,307**
APPROPRIATION			
Dividend Paid (relating to Previous Year)		182,976	181,025
Corporate Dividend Tax on above		56,616	35,310
Proposed Dividend on Equity Shares		411,514,915	381,542,492
Corporate Dividend Tax	20 (16)	69,936,960	64,819,516
Transferred from Debenture Redemption Reserve		-	(37,500,000)
Transferred to General Reserve		106,814,524	128,576,528
Balance carried to Balance Sheet		4,078,931,410	3,403,721,436
		4,667,437,400	**3,941,376,307**
Basic Earnings per Share	20(10)	21.51	19.56
Diluted Earnings per Share	20(10)	21.44	19.56

NOTES TO ACCOUNTS 20

The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account.
This is the Consolidated Profit and Loss Account referred to in our report of even date.

For **Price Waterhouse**
Firm Registration No. FRN301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

H. Singh
Partner
Membership No. F- 86994

Ashok Arora
Group Chief Financial Officer

K T S Anand
Chief Financial Officer

Surender Varma
Company Secretary & Legal Counsel

Place : New Delhi
Date : May 5th, 2010

Consolidated Cash Flow Statement for the year ended 31st March 2010

		Year ended 31st March 2010 (Rs.)		Year ended 31st March 2009 (Rs.)
A. Cash flow from operating activities:				
Net Profit Before Tax		1,420,821,251		1,389,137,451
Adjustments for :				
- Depreciation and Amortisation	358,136,713		421,668,535	
- Provision for Gratuity & Compensated Expenses	12,163,326		(21,790,308)	
- Interest Expense	8,390,590		31,798,706	
- Interest Income	(38,142,859)		(52,636,783)	
- (Profit)/ Loss on Fixed Assets sold/ scrapped	12,535,105		(220,098)	
- Exchange (Profit) /Loss including on Derivative	(101,612,622)		34,756,672	
- Provision for Doubtful Advances	18,413,018		3,711,932	
- Provision for Bad & Doubtful Debts	81,464,954		44,560,130	
- Dividend Income from Current Investment	-		(236,385)	
- Profit on sale of Investments	(13,150,336)		(91,824,328)	
		338,197,889		369,788,073
Operating profit before working capital changes		**1,759,019,140**		**1,758,925,524**
Add/(Less): (Increase)/Decrease in working capital :				
- (Increase)/Decrease in Sundry Debtors	2,772,617		198,819,833	
- (Increase)/Decrease in Other Receivables	(46,640,888)		14,130,898	
- (Increase)/Decrease in Inventories	5,906,807		(5,299,427)	
- Increase/(Decrease) in Trade and Other Payables	51,246,572	13,285,108	(164,333,691)	43,317,613
- Income Tax Paid		(297,245,736)		(297,900,245)
(Including Tax deducted at Source)				
Net cash from operating activities (A)		**1,475,058,512**		**1,504,342,892**
B. Cash flow from Investing activities:				
Purchase of Fixed Assets		(490,406,900)		(1,169,848,947)
Proceeds from Sale of Fixed Assets		13,886,319		15,637,045
Investments with mutual funds:		.		.
- Purchases during the year	(1,765,502,804)		(1,487,939,598)	
- Sales during the year	1,313,517,816	(451,984,988)	2,891,209,759	1,403,270,161
Loan to NIIT Institute of Information Technology		(250,000,000)		-
Loan to NIITian Walfare Trust (given)/Received back		200,000,000		(200,000,000)
Interest Received		53,615,256		30,821,494
Dividend Received		-		236,385
Net cash from / (used) in investing activities (B)		**(924,890,313)**		**80,116,138**

Consolidated Cash Flow Statement for the year ended 31st March 2010

			Year ended 31st March 2010 (Rs.)		Year ended 31st March 2009 (Rs.)
C. Cash flow from financing activities:					
6.5% Non Convertible Debentures repaid			-		(150,000,000)
Term Loans					
- Received during the year		7,147,683		-	
- Repaid during the year		(114,161,279)	(107,013,596)	(108,280,993)	(108,280,993)
Loan notes paid			(872,563)		(10,098,549)
Short Term Loan from Bank			(9,347,232)		1,126,601
Proceeds from issue of Share capital (Including Share Premium)			6,361,955		2,169,676
Interest Paid			(8,390,590)		(39,898,630)
Dividend paid (Including corporate dividend tax)			(488,226,236)		(499,487,376)
Net cash used in financing activities	**(C)**		**(607,488,262)**		**(804,469,271)**
Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C)			**(57,320,063)**		**779,989,759**
Adjustment on account of exchange rate			(97,710,230)		144,496,761
Cash and cash equivalents as at the beginning of the year	Refer-Schedule-9		1,584,776,835		660,290,315
Total cash and cash equivalents at the close of the year	Refer-Schedule-9		1,429,746,542		1,584,776,835

NOTES :-

1 The above Cash flow statement has been prepared under the indirect method setout in AS-3 notified under section 211(3C) of the Companies Act, 1956.
2 Figures in paranthesis indicate cash outgo.
3 Cash and cash equivalents include fixed deposits held as margin money Rs. Rs. 30,684,223 (Previous Year Rs.24,163,615).
4 The enclosed schedules(1 to 20) form an integral part of the Cash Flow Statement.
5 Previous year figures have been regrouped/reclassified to conform to current year's classification.

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

For **Price Waterhouse**
Firm Registration No. FRN301112E
Chartered Accountants

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

H. Singh
Partner
Membership No. F- 86994

Ashok Arora
Group Chief Financial Officer

K T S Anand
Chief Financial Officer

Surender Varma
Company Secretary & Legal Counsel

Place : New Delhi
Date : May 5th, 2010

Schedules annexed to and forming part of the Consolidated Balance Sheet as at 31st March 2010

Schedule No.		As at 31st March 2010 (Rs.)		As At 31st March 2009 (Rs.)
1 SHARE CAPITAL				
Authorised				
75,000,000 Equity Shares (Previous Year 75,000,000 equity shares) of Rs. 10/- each		750,000,000		750,000,000
		750,000,000		**750,000,000**
Issued, Subscribed and Paid up				
58,787,845 Equity Shares (Previous Year 58,726,695 shares) of Rs. 10/-each		587,878,450		587,266,950
		587,878,450		**587,266,950**
2 EMPLOYEES STOCK OPTION OUTSTANDING				
[Refer Note 1(viii)(c) and 14 on Schedule 20]				
As per Last Balance Sheet		1,721,550		2,444,900
Less: Utilized for issue of equity shares		336,375		650,900
Less: Employee Stock Option lapsed post vesting		1,385,175		72,450
		-		**1,721,550**
3A RESERVES AND SURPLUS				
Capital Redemption Reserve				
As per last Balance Sheet		16,570,603		16,570,603
Share Premium				
As per Last Balance Sheet	4,330,916		1,793,340	
Add: Addition during the year	5,870,830	10,201,746	2,537,576	4,330,916
Debenture Redemption Reserve				
As per last Balance Sheet	-		37,500,000	
Less: Transferred to Profit and Loss account	-	-	(37,500,000)	-
General Reserve (Note 1)				
As per last Balance Sheet	1,134,229,536		1,005,580,558	
Add: Employee Stock Option lapsed post vesting	1,385,175		72,450	
Add: Balance Transferred from Profit and Loss Account	106,814,524	1,242,429,235	128,576,528	1,134,229,536
Hedging Reserve (Debit)		(248,151,699)		(1,514,561,804)
{Net of deferred tax assets of Rs. 38.45 Lacs (Previous Year Rs 3,744.80 Lacs)}				
[Refer note 1(x) and 6 on Schedule 20]				
Profit & Loss Account [Net of share of loss in Joint Venture Rs 728,275 (Previous Year Rs. 3,163,791)]		4,078,931,410		3,403,721,436
Note :1				
The General Reserve is as per Indian Companies Act, in respect of Indian companies. General reserve, if any, of overseas subsidiaries are included as part of the Profit and Loss Account.				
		5,099,981,295		**3,044,290,687**

Schedules annexed to and forming part of the Consolidated Balance Sheet as at 31st March 2010 (Contd.)

Schedule No.			As at 31st March 2010 (Rs.)		As At 31st March 2009 (Rs.)
3B	**CUMULATIVE TRANSLATION RESERVE**				
	[Refer Note 1(ix) on Schedule 20]				
	As per last Balance Sheet		242,752,609		124,662,795
	Increase/(Decrease) during the year		(133,020,059)		116,847,464
	Add: Transferred to Expenses on closure of subsidiary		-		1,242,350
			109,732,550		**242,752,609**
4	**MINORITY INTEREST**				
	[Refer Note 1(i) & 7 (a) on Schedule 20]				
	As per last Balance Sheet		21,909,887		49,495,722
	Add : Minority share in the results for the year		12,906,948		16,598,211
	Less : Minority Share in dividend declared by subsidiary		(5,503,115)		(37,767,370)
	Less : Minority Share of Corporate Dividend Tax on dividend declared by subsidiary		(935,254)		(6,416,676)
			28,378,466		**21,909,887**
5A	**SECURED LOANS**				
	[Refer Note 5 on Schedule 20]				
	Loan from Banks				
	-Term loan	204,223,338		325,670,500	
	-Vehicle Loan	9,874,908	214,098,246	8,781,030	334,451,530
			214,098,246		**334,451,530**
5B	**UNSECURED LOANS**				
	[Refer Note 5 on Schedule 20]				
	Short-Term Loans and Advances				
	- From bank		-		9,347,231
	- From others		3,055,201		4,127,327
			3,055,201		**13,474,558**

Schedules annexed to and forming part of the Consolidated Balance Sheet as at 31st March 2010 (Contd.)

6. FIXED ASSETS

[Refer Note 1 (ii), (iii), (iv), (xi), (xii), 4 and 12 on Schedule 20]

Amout in Rupees

Description of Assets	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 01.04.2009	Additions during the Year	Sales / Adjustment during the Year	Translation Adjustment	Total as on 31.03.2010	As at 01.04.2009	For the Year	Sales / Adjustment during the Year	Translation Adjustment	Total as on 31.03.2010	As at 31.03.2010	As at 31.03.2009
Tangibles												
Land - Freehold	167,165	-	-	-	167,165	-	-	-	-	-	167,165	167,165
Land - Leasehold	300,912,075	-	-	-	300,912,075	6,271,313	3,463,576	-	-	9,734,889	291,177,186	294,640,762
Buildings	98,880,080	21,538,866	-	-	120,418,946	631,439	3,796,130	-	-	4,427,569	115,991,377	98,248,641
Plant & Machinery												
Computers & Peripherals :												
-Own	1,109,073,852	46,446,966	145,221,233	(19,181,805)	991,117,780	795,515,329	140,782,889	134,858,063	(16,154,285)	785,285,870	205,831,910	313,558,523
-Finance Lease	3,717,903	-	-	(118,491)	3,599,412	2,680,435	661,002	-	(94,806)	3,246,631	352,781	1,037,468
Others	272,671,682	15,666,401	22,626,088	(1,860,281)	263,851,714	80,657,681	17,253,370	16,629,495	(1,739,047)	79,542,509	184,309,205	192,014,001
Furniture & Fixtures	182,440,290	3,694,318	23,179,241	(4,545,038)	158,410,329	105,396,059	12,998,037	17,094,852	(4,392,477)	96,906,767	61,503,562	77,044,231
Lease Hold Improvements	229,818,461	11,159,581	21,204,572	(1,031,004)	218,742,466	137,866,934	49,828,192	19,086,123	(985,032)	167,623,971	51,118,495	91,951,527
Vehicles	34,955,635	8,752,178	4,639,923	-	39,067,890	11,196,579	4,249,707	2,789,574	-	12,656,712	26,411,178	23,759,056
Sub Total (a)	**2,232,637,143**	**107,258,310**	**216,871,057**	**(26,736,619)**	**2,096,287,777**	**1,140,215,769**	**233,032,903**	**190,458,107**	**(23,365,647)**	**1,159,424,918**	**936,862,859**	**1,092,421,374**
Intangibles												
Acquired Software	1,446,258,377	70,950,208	40,847,988	(26,151,828)	1,450,208,769	1,290,022,248	118,239,102	40,839,518	(25,876,163)	1,341,545,669	108,663,100	156,236,129
Internally developed Software	27,744,425	-	-	(1,701,125)	26,043,300	2,312,036	5,791,947	-	(725,048)	7,378,935	18,664,365	25,432,389
Patents	8,116,116	-	-	(795,920)	7,320,196	397,439	384,580	-	(74,823)	707,196	6,613,000	7,718,677
Goodwill (Refer Note 1 & 2 below)	1,019,744,263	-	-	(43,226,749)	976,517,514	197,674,718	-	-	(2,400,890)	195,273,828	781,243,686	822,069,545
Sub Total (b)	**2,501,863,181**	**70,950,208**	**40,847,988**	**(71,875,622)**	**2,460,089,779**	**1,490,406,441**	**124,415,629**	**40,839,518**	**(29,076,924)**	**1,544,905,628**	**915,184,151**	**1,011,456,740**
Share in Joint Venture (Sub Total ('c))	2,976,007	253,433	204,166	-	3,025,274	1,389,515	688,181	204,162	-	1,873,534	1,151,740	1,586,492
Total (a+b+c)	**4,737,476,331**	**178,461,951**	**257,923,211**	**(98,612,241)**	**4,559,402,830**	**2,632,011,725**	**358,136,713**	**231,501,787**	**(52,442,571)**	**2,706,204,080**	**1,853,198,750**	**2,105,464,606**
Previous Year (Refer Note 3 below)	**4,358,575,581**	**744,355,485**	**348,892,328**	**(16,562,407)**	**4,737,476,331**	**2,499,417,245**	**421,668,535**	**333,475,381**	**44,401,326**	**2,632,011,725**		
Capital Work in Progress (Including Capital Advances)											1,287,411,155	1,052,084,094
											3,140,609,905	3,157,548,700

Note:

1. Gross block of goodwill includes goodwill on consolidation Rs. 958,174,450/- (Previous year Rs. 999,000,309/-) Net Block Rs. 781,243,686/- (Previous Year Rs. 822,069,545/-).
2. Translation adjustment of Goodwill includes Rs. 40,825,859/- (Previous year Rs. 63,928,616/-) in Gross Block and Rs. Nil (Previous year Rs. Nil) in depreciation on translation of Goodwill on consolidation recorded in a foreign subsidiary and denominated in foreign currency.

Schedules annexed to and forming part of the Consolidated Balance Sheet as at 31st March 2010 (Contd.)

Schedule No.		As at 31st March 2010 (Rs.)	As At 31st March 2009 (Rs.)
7	**INVESTMENTS**		
	[Refer Note 1(v) on Schedule 20]		
	Trade, Long Term		
	199,145 Common shares in Relativity Technologies Inc., USA	40	40
	953,265 Common Shares in Computer Logic Inc., USA	40	40
	500,000 Preference Shares and 189,655 Common Shares in Co kinetic Systems Inc., USA	40	40
	Non - Trade Short Term		
	In mutual funds, debts and money market securities [Fair value based on repurchase price as on March 31, 2010 Rs. 471,144,602 (Previous year Rs. Nil)]	465,135,324	-
		465,135,444	**120**
8	**SUNDRY DEBTORS (Unsecured)**		
	Debts outstanding for a period exceeding six months :		
	- Considered good	123,210,698	123,732,040
	- Considered doubtful	138,672,729	105,640,306
	Other debts :		
	- Considered good	1,727,198,510	1,800,953,253
		1,989,081,937	2,030,325,599
	Less : Provision for doubtful debts	(138,672,729)	(105,640,306)
	Share in Joint Venture (Refer Note 7(b) on Schedule 20)	298,477	10,259,962
		1,850,707,685	**1,934,945,255**
9	**CASH AND BANK BALANCES**		
	Cash and Cheques in Hand	38,315,700	29,812,770
	Balances with Banks in:		
	- Current Accounts	839,182,389	754,067,676
	- Dividend Account	8,334,719	5,792,467
	- Fixed Deposit Accounts	500,573,710	735,688,800
	[Includes Rs. 30,684,223 (Previous Year Rs. 24,163,615) pledged as margin money]		
	- Call Money Accounts	33,450,593	55,216,350
	Share in Joint Venture (Refer Note 7(b) on Schedule 20)	9,889,431	4,198,772
		1,429,746,542	**1,584,776,835**
10	**OTHER CURRENT ASSETS**		
	(Unsecured, Considered good)		
	Interest Receivable	9,594,509	25,066,906
	Unbilled Revenue	145,996,701	146,337,850
	Share in Joint Venture (Refer Note 7(b) on Schedule 20)	269,827	-
		155,861,037	**171,404,756**

Schedules annexed to and forming part of the Consolidated Balance Sheet as at 31st March 2010 (Contd.)

Schedule No.			As at 31st March 2010 (Rs.)		As At 31st March 2009 (Rs.)
11	**LOANS & ADVANCES (Unsecured, considered good except where otherwise stated)**				
	[Refer Note 1 (xiii), 9 and 17 on schedule 20]				
	Loan to NIITian Welfare Trust		-		200,000,000
	Loan to NIIT Institute of Information Technology		250,000,000		-
	Advances recoverable in cash or in kind or for value to be received				
	-Considered Good	196,786,154		152,449,693	
	-Considered Doubtful	23,330,802		4,917,784	
		220,116,956		157,367,477	
	Less: Provision for Doubtful Advances	(23,330,802)	196,786,154	(4,917,784)	152,449,693
	Security Deposits				
	-Considered Goods	143,990,520		162,499,391	
	-Considered Doubtful	1,459,716		1,459,716	
		145,450,236		163,959,107	
	Less -Provision for Doubtful Deposits	(1,459,716)	143,990,520	(1,459,716)	162,499,391
	Prepaid Expenses		144,657,348		142,174,182
	MAT Credit Entitlement		266,065,332		124,420,610
	Advance Income Tax	707,238,253		558,322,648	
	Less: Provision for Income Tax	(620,485,683)	86,752,570	(436,856,365)	121,466,283
	Advance Fringe Benefit Tax	57,255,373		57,062,160	
	Less: Provision for Fringe Benefit Tax	(56,772,861)	482,512	(56,772,861)	289,299
	Share in Joint Venture (Refer Note 7(b) on Schedule 20)		436,830		440,571
			1,089,171,266		**903,740,029**
12	**CURRENT LIABILITIES**				
	Sundry Creditors		783,366,296		819,345,396
	Advances from Customers		4,424,626		5,218,733
	Liabilities under Finance Lease [Refer Note 13(b) on Schedule 20]		5,575,587		3,725,935
	Unclaimed Dividend *		8,334,719		5,792,467
	Deferred/Unearned Revenue		235,228,088		199,002,250
	Other Liabilities		206,060,653		228,970,162
	Derivative Instruments Fair Value Liability [Refer note 1(x) and 6 on schedule 20]		251,436,638		1,990,094,963
	Share in Joint Venture (Refer Note 7(b) on Schedule 20)		1,326,852		4,641,269
	*There are no amounts due for payment to the investor protection fund under section 205C of the Companies Act,1956.				
			1,495,753,459		**3,256,791,175**
13	**PROVISIONS**				
	[Refer Note 1(viii), 15 and 16 on Schedule 20]				
	Proposed Dividend		417,018,030		419,309,862
	Tax on Proposed Dividend		70,872,214		71,236,192
	Gratuity		-		811,992
	Compensated Absences		216,536,667		203,561,349
	Share in Joint Venture (Refer Note 7(b) on Schedule 20)		88,535		538,208
			704,515,446		**695,457,603**

Schedules annexed to and forming part of the Consolidated Profit and Loss Account for the year ended 31st March 2010

Schedule No.			Year ended 31st March 2010 (Rs.)		Year ended 31st March 2009 (Rs.)
14	**REVENUE FROM OPERATIONS**				
	[Refer Note 1 (vii), 6 and 12 on Schedule 20]				
	Revenue from operations		9,128,246,564		9,784,971,752
	Share in Joint Venture (Refer Note 7(b) on Schedule 20)		8,850,128		14,429,457
			9,137,096,692		**9,799,401,209**
15	**OTHER INCOME**				
	[Refer Note 1(vii) on Schedule 20]				
	Income from Dividend		-		236,385
	Profit on sale of Investment		13,150,335		91,824,328
	Interest Received on :				
	- Deposits	27,648,444		40,546,121	
	- Loans	10,494,327		12,089,896	
	- Others	88		766	
		38,142,859		52,636,783	
	Less: Interest paid on Fixed Loans	8,390,590	29,752,269	31,798,706	20,838,077
	Others		33,379,253		31,484,616
	Share in Joint Venture (Refer Note 7(b) on Schedule 20)		135,936		2,404,542
			76,417,793		**146,787,948**
16	**PERSONNEL**				
	[Refer Note 1(viii), 14 and 15 on Schedule 20]				
	Salaries and Benefits		4,686,804,554		5,206,153,976
	Contribution to Retirement Benefit Funds		271,011,701		360,037,223
	Welfare and other expenses		75,380,452		95,855,625
	Share in Joint Venture (Refer Note 7(b) on Schedule 20)		3,943,589		10,901,491
			5,037,140,296		**5,672,948,315**
17	**DEVELOPMENT AND BOUGHT OUT**				
	Bought out Items		241,223,199		226,844,103
	Professional Charges		307,173,171		333,910,604
	Equipment Hiring		2,940,942		4,854,912
	Software Duplication Charges		89,533,060		109,656,179
	Others		79,567,141		72,551,921
	Share in Joint Venture (Refer Note 7(b) on Schedule 20)		1,189,738		2,409,534
			721,627,251		**750,227,253**

Schedules annexed to and forming part of the Consolidated Profit and Loss Account for the year ended 31st March 2010 (Contd.)

Schedule No.			Year ended 31st March 2010 (Rs.)		Year ended 31st March 2009 (Rs.)
18	**ADMINISTRATION, FINANCE AND OTHERS**				
	[Refer Note 1(ix), (x), (xi), 8 and 13(a) on Schedule 20]				
	Rent		313,323,061		337,512,794
	Rates and Taxes		6,439,879		7,331,006
	Electricity and Water		65,982,659		76,736,675
	Communication		99,114,344		139,227,014
	Legal and Professional		222,509,808		220,869,042
	Traveling and Conveyance		331,456,560		404,107,433
	Bank, Discounting and Other Financial Charges		9,725,128		11,346,467
	Bad Debt and Provision for Doubtful Debt		81,464,954		44,560,130
	Loss/(Profit) on Sales of Assets		12,535,105		220,098
	Lease Rentals		5,164,659		5,905,367
	Insurance Premium		33,631,542		30,776,160
	Loss/(Gain) on exchange fluctuations (Net) *		185,713,033		101,317,956
	* Includes fair value Loss on non designated derivative instruments of Rs. 88,452,384 (Previous year Rs. 33,514,321)				
	Repairs and Maintenance				
	- Plant and Machinery	74,105,742		85,079,748	
	- Buildings	1,637,963		2,257,924	
	- Others	51,668,718		60,357,197	
			127,412,423		147,694,869
	Sundry Expenses		56,014,916		59,408,939
	Share in Joint Venture (Refer Note 7(b) on Schedule 20)		3,882,292		5,709,092
			1,554,370,363		**1,592,723,042**
19	**MARKETING**				
	Advertisement and Publicity		49,190,393		55,553,490
	Others		72,228,218		63,927,187
	Share in Joint Venture (Refer Note 7(b) on Schedule 20)		-		3,884
			121,418,611		**119,484,561**

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2010

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared on an accrual basis and under historical cost convention and in compliance, in all material aspects, with the applicable accounting principles, the applicable accounting standards notified under section 211 (3C) and the relevant provisions of the Companies Act 1956. The significant accounting policies adopted by the NIIT Technologies Group are detailed below:

i. Basis of consolidation

The consolidated financial statements are prepared in accordance with Accounting Standard "21" Consolidated Financial statement and Accounting Standard "27" Financial Reporting of Interests in Joint Ventures specified in Companies (Accounting Standard Rules), 2006. These consolidated financial statements include accounts of NIIT Technologies Limited, its subsidiary undertakings and appropriate share of Joint Venture undertaking (NIIT Technologies Group/ Group). Subsidiary undertakings are those companies in which NIIT Technologies Limited, directly or indirectly, has an ownership of more than one half of voting power or otherwise has power to exercise control over the operations and to obtain economic benefits. The subsidiaries are consolidated from the date of acquiring majority ownership on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. On acquisition, consideration paid less net assets acquired is considered as Goodwill. Interest in Joint Venture undertaking over which the Group exercises joint control is consolidated using proportionate consolidation. All material inter Group transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable. Separate disclosure is made for minority interests. Also refer note 7 below.

ii. Fixed assets, intangible assets and capital work-in-progress

Fixed assets are stated at cost, less accumulated depreciation. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use at the Balance Sheet date. Intangible assets are recorded at the consideration paid for acquisition.

iii. Depreciation and Amortisation

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

Buildings	58 years
Leasehold Land	Over the period of lease
Leasehold Improvements	3 years or lease period whichever is lower
Computers, related accessories (Included in Plant & Machinery) and intangible assets including Goodwill arising on Consolidation up to 31 March 2006	1-5 years
Goodwill arising on Consolidation on or after 1 April 2006	Reviewed for Impairment
Furniture, fixtures and vehicles	5-10 years
All other assets	3 - 20 years

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

iv) Impairment of Assets

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

v) Investments

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

vi) Inventory valuation

Inventories are valued lower of costs or net realizable value.

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2010 (Contd.)

vii) Revenue Recognition

a) Software Services

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

b) Product Sales

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

c) Annual Maintenance Contracts:

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

d) Dividend

Dividend income is recognized when the right to receive dividend is established.

e) Interest

Interest on Loans and Fixed Deposits are booked on time proportion basis taking into account the amounts invested and Rate of Interest.

viii) Employee Benefits

a) Retirement Benefits Plan:

- **Provident Fund (India based employees):**

Parent Company employees :

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

The Parent Company made defined contribution to Regional Provident Fund Commissioner (RPFC) from 1st October 2005 till 28th February 2009 in respect of Provident Fund. The Parent Company is in the process of transferring these contributions along with the interest from RPFC to NIIT Technologies Limited Employees' Provident Fund Trust. The Parent Company does not have any further obligation in this respect.

For the period up to 30th September 2005, the Parent Company made contribution to NIIT Limited Employees' Provident Fund Trust (NIIT Limited PF Trust) , established for the purpose of Provident Fund by NIIT Limited. Such contributions made upto 30th September 2005 along with minimum statutory interest has been transferred by NIIT Limited PF Trust to NIIT Technologies Limited Employees' Provident Fund Trust with specific approval from Regional Provident Fund Commissioner during the year.

The Parent Company's contribution towards Provident Fund is charged to Profit and Loss Account.

Other than Parent Company employees :

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

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

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2010 (Contd.)

For the period up to 30th September 2005, the Companies in the Group made contribution to NIIT Limited Employees' Provident Fund Trust (NIIT Limited Trust) established for the purpose of Provident Fund by NIIT Limited. Such contributions made upto 30th September 2005 along with minimum statutory interest has been transferred by NIIT Limited PF Trust to NIIT Technologies Limited Employees' Provident Fund Trust with specific approval from Regional Provident Fund Commissioner during the year.

The Companies' contribution towards Provident Fund is charged to Profit and Loss Account.

- **Superannuation**

  The Group makes defined contribution to a trust established for the purpose by NIIT Technologies Limited. The Group has no further obligation beyond its monthly contributions.

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

- **Gratuity**

  Gratuity is a post employment defined benefit plan for eligible employees in India. The liability recognized in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. Actuarial gains and losses are charged or credited to the Profit and Loss Account in the year in which such gains or losses arise.

- **Overseas employees**

  In respect of companies incorporated outside India, where applicable, the companies make defined contributions on a monthly basis towards retirement benefit plans which is charged to the Profit and Loss Account.

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.

c) **Employee Stock Option Scheme**

The stock options granted under "NIIT Technologies Employees Stock Option Plan 2005" is accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India, whereby the intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognized as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Profit and Loss Account on straight line basis over the vesting period of the option. The balance in employee stock option outstanding account net of any un-amortized deferred employee compensation is shown separately as part of shareholders' funds.

ix. **Foreign Currency Transaction / Translation**

Transactions in foreign currency (currency other than Parent company's reporting 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 and Loss Account.

For the purposes of consolidation, the operations of overseas subsidiaries are considered non integral in nature and accordingly their assets and liabilities are translated at the year end exchange rate and income and expenditure items are translated at standard rates that approximate the exchange rate prevailing on the date of transaction. The resultant translation adjustment is reflected as a separate component of shareholders' funds as 'Cumulative Translation Reserve'. Upon disposal or dissolution of overseas subsidiaries, the balance in Cumulative Translation Reserve in relation to the subsidiary is transferred to the Profit and Loss Account.

x. **Hedge Accounting**

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

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2010 (Contd.)

accounting or not designated as cash flow hedges or designated as cash flow hedges to the extent considered ineffective are recognized in the Profit and Loss Account.

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

xi. Leases

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of the related lease agreement.Finance lease transactions are considered as financing arrangements and the leased asset is capitalized at an amount equal to the present value of the future minimum lease payments and corresponding amount is recognized as a liability. The lease payments made are apportioned between finance charges and reduction of outstanding liability in relation to leased asset.

xii. Borrowing Cost

Borrowing costs are expensed in the year in which it is incurred except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use in which case it is capitalized.

xiii. Taxation

Tax expense comprising of both current tax (including Fringe Benefit 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 (including Fringe Benefit Tax) is determined based on the provisions of Income Tax Act and regulations of the respective countries.

Minimum Alternative Tax (MAT) credit asset is recognized in the Balance Sheet where it is likely that it will be adjusted against the discharge of the tax liability in future under Indian Income Tax Act 1961.

xiv. 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.

xv. Earnings Per Share

The earnings considered in ascertaining the Company's Earning 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.

2. CONTINGENT LIABILITIES: -

a) Guarantees issued by bankers outstanding at the end of accounting year Rs.3,63,810,205/- includes Share in Joint Venture Rs. 795,000/- (Previous Year Rs.106,043,668/- includes Share in Joint Venture Rs. 420,000/-).

b) Guarantees issued to banker outstanding at the end of accounting year Rs.795,815,380/- (Previous Year Rs.846,672,600/-).

c) Corporate guarantees outstanding at year end, Rs. 516,907,350/- (Previous year Rs. 579,132,300).

d) Claims against the Group not acknowledged as debts Rs. 172,984,562/- (Previous Year Rs. 247,110,377/-)

e) Income Tax demand of Rs. 37,332,318/- (Previous Year Rs. Nil). Against this, the parent Company has deposited a sum of Rs. 20,000,000/- under protest (Previous Year Rs. Nil).

3. For one of the Group Companies, the Income Tax department has raised a demand of Rs. 40,375,327 for the Assessment Year 2006-07, primarily on account of disallowance of claim u/s 80IC of the Income Tax Act, 1961. The Group Company has preferred an appeal to the Commissioner of Income Tax (Appeals).However, in view of the favourable high court decision in the case of the Group Company on the same matter and a favourable Supreme

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2010 (Contd.)

Court decision in another case, and also the view of expert council's opinion that the demand is not sustainable, the management is hopeful of winning the case.

4. Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) Rs. 286,310,956/-, includes share in joint venture Rs. Nil (Previous Year Rs. 363,246,896/- includes share in joint venture Nil).

5. a) Working Capital Limits of the Parent Company of Rs.10,000 Lacs (Previous Year Rs. 10,000lacs) are secured by a first charge on book debts and by a second charge on movable assets of the Parent Company. The Parent Company has not utilized the fund based limit as at the year-end (Previous year Rs Nil).

b) Vehicle Loans from Banks are secured by way of hypothecation of the vehicles financed.

c) Term loan from bank is secured by a first priority over fixed assets and a floating charge over the present and future immovable assets including receivables of NIIT Technologies Limited, UK, a subsidiary Company in the Group. Additionally, the Parent Company has given a guarantee in relation to this loan which has been considered in Note 2 (b) above.

d) The secured and unsecured loans of the group are repayable as follows:-

Amount (Rs.)

	31.03.2010	**31.03.2009**
Within the next 1 year	142,815,573	126,659,014
In the next 2 to 5 years	74,337,874	221,267,074

6. Derivative Financial Instruments:

The Group is exposed to foreign currency fluctuations on foreign currency assets / liabilities, forecasted cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecasted cash flows is governed by the Group's strategy, which provide principles on the use of such forward contracts and currency options consistent with the Group's Risk Management Policy. The counter party in these derivative instruments is a bank and the Group considers the risks of non-performance by the counterparty as non-material. The forward foreign exchange/option contracts mature between 1 to 17 months and the forecasted transactions are expected to occur during the same period. The Group does not use forward contracts and currency options for speculative purposes.

The following table presents the aggregate contracted principal amounts of the Group's derivative contracts outstanding:

(Amount in Lacs in respective currencies)

Foreign Currency	**Year Ended 31 March 2010**	**Year Ended 31 March 2009**
U.S. Dollor	990	1,971
Sterling Pound	-	49
Euro	4	42

The following table summarizes activity in the Hedging Reserve related to all derivatives classified as cash flow hedges during the year ended 31 March 2010.

(Rs. Lacs)

Particular	**Year Ended 31 March 2010**	**Year Ended 31 March 2009**
Balance as at the beginning of the year (Gross of deferred tax)	18,890	1,702
Add: Unrealized (gain) / loss on cash flow hedging derivatives during the year	(-)9,619	22,613
Less: Net losses transferred to Revenue on occurrence of hedged items	5,602	5,425
Less: Net losses transferred to exchange fluctuation on redesignation of forward covers.	1149	-
Balance as at the end of the year	**2,520**	**18,890**
Deferred Tax Assets	38	3,745
Balance as at the end of the year (Net of Deferred Tax)	**2,482**	**15,145**

At 31st March 2010, the estimated net amount of existing loss that is expected to be reclassified into the revenue statement within the next twelve months is Rs. 2,520 Lacs (Previous Year Rs. 9,685 lacs).

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2010 (Contd.)

7. Consolidation

a) Details of NIIT Technologies Limited's subsidiaries all of which have been considered in these consolidated accounts on a line by line basis are as follows:

Subsidiary	Percentage of ownership interest as at 31.03.2010	Percentage of ownership interest as at 31.03.2009	Country of incorporation
NIIT GIS Limited	88.99	88.99	India
NIIT SmartServe Limited	100	100	India
NIIT Technologies Inc.	100	100	United States
NIIT Technologies Ltd	100	100	United Kingdom
NIIT Technologies Co. Ltd	100	100	Japan
NIIT Technologies Pte Ltd	100	100	Singapore
NIIT Benelux BV	100	100	Netherlands
NIIT Belgium NV	100	99.96	Belgium
NIIT Thailand Limited	100	100	Thailand
NIIT Asia Pacific Pty Limited	100	100	Australia
NIIT Technologies AG	100	100	Germany
NIIT Technologies AG Schweiz	100	100	Switzerland
NIIT Technologies GmbH	100	100	Austria
Room Solutions Limited	100	100	United Kingdom
NIIT Technologies Ltd	100	100	Canada
Softec GmbH	100	100	Germany
NIIT Technologies FZ LLC	100	100	Dubai

b) The Parent Company also has 50 % interest in a joint venture viz, Adecco NIIT Technologies Private Limited as at 31st March 2010. The Joint venture has been accounted for using proportionate consolidation in accordance with the Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures". The Parent Company's share in the assets, liabilities, income and expenses of the joint venture as adjusted for elimination arising from transactions with various companies of the group is included in the respective schedules in these consolidated financial statements.

c) Subsequent to the year end, the NIIT Technologies Limited and the Joint Venture Partner Adecco Holding Europe BV, Netherlands have signed an agreement replacing the existing Joint Venture Agreement which provides for, amongst others, the transfer of the entire shareholding held by Adecco Holding Europe BV, Netherlands to NIIT Technologies Limited upon completion of certain formalities, after which NIIT Technologies Limited would become the holding Company of Adecco NIIT Technologies Private Limited.

8. Payment to Auditors (Excluding Service Tax)

i) Payment to Parent Company Auditors

Amount (Rs.)

Particulars	2009-10	2008-09
Audit fees	5,169,222	5,235,000
Certification Services	2,430,000	2,550,000
Tax audit fees	300,000	300,000
Reimbursement of expenses	621,187	599,529

ii) Payment to other auditors amount to Rs.15,209,050/- (Previous Year Rs.14,631,249).

9. TAXATION

a) **CURRENT TAX**

The Group has availed deductions available under the provisions of section 10B and 80IC of the Indian Income Tax Act, in respect of certain Export Oriented Undertakings (EOU's) registered with Software Technology Parks of India (STPI) and for an undertaking set up in a backward area respectively. The current tax liability in Indian Income Tax is primarily arising under Minimum Alternate Tax provisions of Section 115 JB of the Indian Income-Tax Act, part of which amounting to Rs. 1416 Lacs (Previous Year Rs. 149 Lacs) is expected to be recovered in future years and the same has been recognized as MAT credit entitlement in these accounts.

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2010 (Contd.)

b) **DEFFERED TAX (NET)**

Break up of deferred tax assets/ liabilities and reconciliation of current accounting period deferred tax charge is as follows:

(Rs Lacs)

Deferred Tax Assets/Liabilities	As at 1.04.2009	Charge/ (Credit) for the year	As at 31.03.2010
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.	183	(225)	(42)
b) Tax impact of expenses not charged in the financial statements but claimed as deduction under income tax	82	(1)	81
c) Others	5	18	23
Total (A)	**270**	**(208)**	**62**
Deferred Tax Assets:			
a) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	141	(7)	134
b) Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax:	0	10	10
- Provision for doubtful debts	143	42	185
- Provision for Compensated absences, Bonus and Gratuity	556	80	636
- Others	33	99	132
Total (B)	**873**	**223**	**1,097**
Deferred Tax Asset / (Liability) (B-A)	**603**	**431**	**1,035**
Add: Deferred Tax Asset related to Fair Value loss on derivative instruments not charged in the financial statements but taken to the Balance Sheet.	3,744	-	38
Net Deferred Tax Asset / (Liability)	**4,347**		**1,073**

Note:

i) The movement in Deferred tax asset/ liability above includes that on account of currency translation of balances of overseas subsidiaries of Rs. 27 Lacs (Previous Year Rs. 17 lacs)

ii) Deferred tax assets and liabilities above have been determined by applying the Income Tax rates of respective countries. Also as required by Accounting Standard 22 "Accounting for Taxes on Income" deferred tax assets and liabilities in relation to different companies have not been offset and have been represented in the Balance Sheet as follows:

(Rs Lacs)

Particulars	As at 31.03.2010	As at 31.03.2009
Deferred Tax Liability (Net)	-	-
Deferred Tax Asset (Net)	1,073	4,347

iii) Deferred tax assets arising from carry forward losses/unabsorbed depreciation has been recognized only to the extent of deferred tax liability in the respective companies except where the Group is certain of their recovery in full.

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2010 (Contd.)

10. Earnings Per Share

	2009-10	2008-09
Profit attributable to Equity shareholders (Rs.) -(A)	1,263,715,963	1,148,395,435
Weighted Average number of Equity shares Outstanding during the year – (B)	58,745,703	58,719,119
Add: Effect of potential dilutive shares(stock options)- (Refer Note 14 below)	1,83,770	-
Weighted average shares outstanding considered for determining dilutive earning per share - (C)	58,929,473	58,719,119
Nominal Value of Equity Shares (Rs.)	10	10
Basic Earnings per share (Rs) (A/B)	21.51	19.56
Diluted Earnings per share (Rs) (A/C)	21.44	19.56
EARNING PER SHARE {had fair value method been employed for accounting for Employee Stock Option (Refer Note 14 below)}	**2009-10**	**2008-09**
Profit attributable to Equity shareholders (Rs.) -(D)	1,218,854,403	1,132,409,937
Basic Earnings per share (Rs) (D/B)	20.75	19.29
Diluted Earnings per share (Rs) (D/C)	20.68	19.29

11. Related Party Disclosures as per Accounting Standard 18

A. List of related parties with whom the Group has transacted:

a. Parties of whom the Group is an associate and its subsidiaries

1. NIIT Limited
2. NIIT USA Inc.
3. NIIT Malaysia Sdn Bhd
4. NIIT China (Shanghai) Ltd
5. Scantech Evaluation Services Limited
6. NIIT Middle East LLC Bahrain
7. NIIT Multimedia Ltd.
8. NIIT Limited UK
9. Evolve Services Limited
10. Element K Corp, USA

b. Key Managerial personnel

Rajendra S Pawar

Vijay K Thadani

Arvind Thakur

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

Naya Bazar Novelties Pvt Ltd.

NIIT Institute of Information Technology

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2010 (Contd.)

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

Nature of Transactions	Party of whom the Group is an associate and it's subsidiaries (Rs.)	Key Managerial Personnel (Rs.)	Parties in which Key Managerial Personnel of the Group are interested (Rs.)	Total (Rs.)
Purchase of Fixed Assets (Note 2)	- (2,168,827)	- (-)	- (-)	- (2,168,827)
Recovery from NIIT Limited Group (Note 3)	14,448,473 (21,847,931)	- (-)	- (-)	14,448,473 (21,847,931)
Recovery by NIIT Limited Group (Note 4)	15,909,331 (34,828,007)	- (-)	- (-)	15,909,331 (34,828,007)
Receiving of Services/Goods (Note 5)	3,985,451 (8,351,339)	- (-)	- (-)	3,985,451 (8,351,339)
Rendering of Services (Note 6)	15,454,305 (47,913,295)	- (-)	- (-)	15,454,305 (47,913,295)
Remuneration (Note 7)	- (-)	27,088,895 (19,005,994)	- (-)	27,088,895 (19,005,994)
Other Income	4,270,365 (76,257)	- (-)	- (-)	4,270,365 (76,257)
Other Expenses (Note 8)	192,000 (20,980)	- (-)	- (275,403)	192,000 (296,383)
Dividend Paid to Scantech Evaluation Services Limited	101,454,360 (94,207,620)	- (-)	- (-)	101,454,360 (94,207,620)
Sale of Fixed assets (Note 9)	554,754 (7,506,528)	- (-)	- (-)	554,754 (7,506,528)
Loans Given (Note 10)	- (114,943,148)	- (-)	250,000,000 (-)	250,000,000 (114,943,148)
Loans Given Received back (Note11)	- (114,943,148)	- (-)	- (-)	- (114,943,148)
Interest Received (Note12)	82,192 (762,879)	- (-)	- (-)	82,192 (762,879)

Notes:

1. Figures in Parenthesis represent Previous Year's figures.
2. Includes transactions for the year with;
   - NIIT Limited Rs NIL (Previous Year: Rs 19.63Lacs)
   - NIIT Middle East EC Rs.NIL. (Previous Year Rs. 2.05 Lacs)
3. Includes transactions for the year mainly with;
   - NIIT Limited Rs 64.04 Lacs (Previous Year: Rs 61.08Lacs)
   - NIIT (USA) Inc 80.24 Lacs (Previous Year: Rs 125.81Lacs)
   - NIIT Malaysia Sdn Bhd Rs. 0.20Lacs. (Previous Year Rs. NIL)
   - NIIT China(Shanghai) Limited Rs NIL (Previous Year Rs 31.59 Lacs)
4. Includes transactions for the year mainly with;
   - NIIT Limited Rs 3.5 Lacs (Previous Year: Rs 90.90Lacs)
   - NIIT (USA) Inc 125.71 Lacs (Previous Year: Rs 180.13 Lacs)
   - Element K Corp Rs NIL (Previous Year 50.98 Lacs)
   - NIIT Europe Limited Rs NIL (Previous Year 26.26 Lacs)
   - NIIT Malaysia Sdn Bhd Rs. 0.94 Lacs. (Previous Year Rs. NIL)
   - NIIT China Rs.28.93 Lacs (Previous Year Rs NIL)
5. Includes transactions for the year mainly with;
   - NIIT Limited Rs 39.85 Lacs (Previous Year Rs 46.77Lacs)
   - NIIT Middle East EC NIL (Prevoius Year Rs 34.42 Lacs)
   - Evolve Services Limited Rs NIL (Previous Year 2.32 Lacs)
6. Includes transactions for the year mainly with;
   - NIIT UK Rs 16.56 Lacs (Previous Year Rs 195.35Lacs)

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2010 (Contd.)

- NIIT USA Inc. Rs NIL (Previous Year Rs 121.10 Lacs)
- NIIT Limited Rs. 89.39 Lacs (Previous Year Rs.162.68Lacs)
- Element K Corp Rs. 48.59 Lacs (Previous Year Rs NIL)

7. Remuneration to Key Managerial Personnel includes those paid to;
   - Rajendra S Pawar – Rs 94.57Lacs (Previous Year: Rs 39.39Lacs)
   - Arvind Thakur – Rs 170.11Lacs (Previous Year Rs 142.07Lacs)
   - Vijay K Thadani –Rs 6.20Lacs (Previous Year: Rs.8.60Lacs)
8. Includes transactions for the year with
   - NIIT Limited Rs.1.92 Lacs (Previous year Rs.Nil.)
   - NIIT Malaysia Sdn Rs Nil (Previous Year Rs 0.21 Lacs)
9. Includes transactions for the year with
   - NIIT Limited Rs.5.55 Lacs (Previous year Rs.75.06 Lacs)
10. Transactions in loan given for the year with
    - NIIT Institute of Information Technology, Rs, 2,500 Lacs (Previous year Nil)
    - NIIT USA Inc, Rs Nil (Previous Year Rs 1,149.43 Lacs)
11. Transactions in loan given received for the year with
    - NIIT USA Inc, Rs NIL Lacs (Previous year Rs. 1,149.43Lacs)
12. Transactions in interest received for the year with
    - NIIT USA Inc, Rs, 0.82 Lacs (Previous year Rs. 7.63 Lacs)

C. Outstanding balances with related parties:

	Receivables as at 31.03.2010 (Rs.)	**Payables as at 31.03.2010 (Rs.)**	**Receivables as at 31.03.2009 (Rs.)**	**Payables as at 31.03.2009 (Rs.)**
Parties of whom the group is an associate and its subsidiaries.	8,081,187	4,613,281	28,892,457	7,755,849
Key Managerial Personnel	153,864	15,965,762	-	62,50,335

12. The Dominant source of risk and returns of the group is considered to be the business in which it operates viz – software solutions. Being a single business segment group, no primary segment information is being provided. The secondary segment information as per Accounting Standard 17 'Segment Reporting' in relation to the geographies is as follows:

(Rs. Lacs)

Particulars	**Revenue from external customers by location of customers**		**Carrying amount of segment assets by location of the assets**		**Additions to fixed assets**	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
India	9,877	9,413	48,683	47,659	1,674	6,027
Rest of Asia Pacific (including Australia)	11,641	9,563	6,198	5,070	50	871
Europe	39,162	49,000	19,526	20,917	45	535
America *	30,691	30,018	8,029	8,338	16	11
Total	**91,371**	**97,994**	**82,436**	**81,984**	**1,785**	**7,444**

*Net of Hedging loss of Rs. 5,602 Lacs (Previous Year Rs. 5,425 Lacs) related to derivative instruments matured during the year.

13. Disclosure of Leases as per Accounting Standard (AS) – 19

a) Operating Leases

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

Particulars	**In respect of Premises (Rs.)**		**In respect of equipment (Rs)**	
	March 31, 2010	**March 31, 2009**	**March 31, 2010**	**March 31, 2009**
Amount payable within the next 1 year	105,461,924	116,779,978	15,234,058	21,814,509
Amount payable in the next 2 to 5 years	66,337,327	57,145,588	19,543,839	23,563,582

Aggregate payments during the period under operating leases amount to Rs. 272,694,933 (Previous Year Rs 355,283,363).

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2010 (Contd.)

b) Finance Leases

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

Particulars	**Minimum lease payments Amount (Rs.)**	**Finance charges Amount (Rs.)**	**Present value of lease payments Amount (Rs.)**
Amount payable within the next 1 year	3,811,738 (2,082,481)	451,115 (387,872)	3,360,623 (1,694,610)
Amount payable in the next 2 to 5 years	2,618,041 (2,309,181)	403,077 (277,856)	2,214,964 (2,031,325)
Total	**6,429,779** **(4,391,663)**	**854,193** **(665,728)**	**5,575,587** **(3,725,935)**

Note: Figures in parenthesis represent previous year figures.

14. EMPLOYEE STOCK OPTION PLAN:

(i) The Parent Company established NIIT Technologies Stock Option Plan 2005 (ESOP 2005) in the year 2005-06 and the same was approved at the Annual General Meeting of the Parent Company on 29th July 2004. The plan was set up so as to offer and grant for the benefit of employees of the Parent Company and its subsidiaries, who are eligible under Securities Exchange Board of India (SEBI) Guidelines (excluding promoters), options of the Parent Company in aggregate up to 3,850,000(Pre Bonus) options under ESOP 2005, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard. As per the plan each option is exercisable for one equity share of face value of Rs 10 each fully paid up on payment to the Parent Company for such shares at a price to be determined in accordance with ESOP 2005. SEBI has issued the Employee's Stock Option scheme and Employee Stock Purchase Scheme Guideline, 1999 which is applicable to the above ESOP 2005.

The Company has so far made five Grants, out of the same Grant II has been fully exercised / lapsed. The details of other Grants are as follows:-

Description	**Grant I**		**Grant III**		**Grant IV**		**Grant V (Refer Note below)**	
	2009-10	**2008-09**	**2009-10**	**2008-09**	**2009-10**	**2008-09**	**2009-10 (Tranche I)**	**2009-10 (Tranche II)**
Date of Grant	August 02, 2005		June 20, 2007		July 28, 2008		October 19, 2009	October 19, 2009
Date of Vesting	August 02, 2006		June 20, 2008		July 28, 2009		October 18, 2010	October 18, 2011
Live grants at beginning / during the year (Nos)	74,850	106,300	92,155	378,750	461,250	477,750	1,199,700	1,199,700
Forefeited/lapsed till vesting period (Nos)	-	-	-	278,645	22,500	16,500	95,700	95,700
Options vested (Nos)	-	-	-	100,105	438,750	-	-	-
Options forefeited post vesting (Nos)	60,225	3,150	11,857	7,950	22,500	-	-	-
Options Exercised (Nos)	14,625	28,300	-		46,525	-	-	-
Exercisable/outstanding at the end of the year (Nos)	-	74,850	80,298	92,155	369,725	461,250	1,104,000	1,104,000
Exercise Price	Rs.76.67	Rs.76.67	Rs.349	Rs.349	Rs.108	Rs.108	Rs.127.20	Rs.127.20
Remaining Contractual Life	Nil	123 days	446 days	811 days	849 days	1214 days	1299 days	1664 days
Fair value of Options based on Black and Scholes model (as per independent valuer's report) Pre-Bonus Post-Bonus	Rs.59.20 Rs.39.46	Rs.59.20 Rs.39.46	Rs.168.11 Rs.112.07	Rs.168.11 Rs.112.07	- Rs.43.78	- Rs.43.78	- Rs.50.23	- Rs.56.16
Intrinsic value of options	Rs.23	Rs.23						

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2010 (Contd.)

Note:

a) During the year, the Compensations / Remuneration Committee at its meeting held on October 19, 2009 has approved issue of 2,399,400 options (Grant-V) out of the option under ESOP 2005, to Managerial Personnel of the Company / Subsidiaries.

(ii) The assumptions used by the independent valuer for determination of fair value as per the Black & Scholes model is as follows:

a) Market price considered is the latest available closing price, prior to the date of the grant.

b) Exercise price is the price payable by the employees for exercising the option.

c) As the life of the option is greater than one year there is considerable difficulty in estimating the amount and time of future dividend payouts with certainty, hence future dividend payout have not been incorporated in the valuation analysis.

d) Volatility - Variance in the stock price is considered as 10% (for Grant I) , 51.13% (for Grant III) , 65.62% (for Grant IV), 66.12% (for Grant V Tranche I) and 64.75% (for Grant V Tranche II) is based on historical volatility in the share price movement of the company and four other comparable companies.

e) Average life of the options is considered to be 2.5 Years for Grant I, Grant III, Grant IV, Grant V Tranche I and 3.5 years for Grant V Tranche II.

f) Risk less interest rate has been assumed at 7% (Grant I), 7.93 % (Grant III), 9.24% (Grant IV), 6.83% (Grant V Tranche I) and 7.01% (Grant V Tranche II) based on long term government bonds of ten year residual maturity.

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

Amount (Rs.)

Description	Grant III	Grant IV	Grant V	
			Tranche I	Tranche II
	2009-10	2009-10	2009-10	2009-10
Expense accounted for during the period based on intrinsic value of the option	-	-	-	-
Additional expense had the Company recorded the ESOP expense based on fair value of the option	Nil (2,320,290)	5,277,262 (13,665,207)	26,389,532 (-)	13,194,766 (-)

For impact on Basic and Diluted Earnings Per Share, had fair value of the option been used for determining Employee Stock Option Plan expense, refer note 10 above.

15. Employee Benefits

a) Defined Contribution Plans

The Company makes contribution towards Provident Fund, Superannuation Fund and Pension Scheme to the defined contribution plans for eligible employees.

The Company has charged the following costs in the Profit and Loss Account.

Employer's Contribution	March 31, 2010 (Rs.)	March 31, 2009 (Rs.)
Employers Contribution to Provident Fund Trust	47,409,130	56,312,127
Employers Contribution to Superannuation Fund	8,348,619	9,076,238
Employers Contribution to Overseas Plan	212,454,115	280,597,898

b) Defined Benefit Plans

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

- **Provident Fund:**
  In respect of Parent Company's obligation towards guaranteed returns on Provident Fund Contributions made to the "NIIT Technologies Limited Employees Provident Fund Trust" established by the Parent Company, the Parent Company's obligation has been actuarially determined. As per actuary's report the interest earnings and cumulative surplus of Trust are more than the statutory requirement and accordingly there is no additional liability of employer on account of interest shortfall.

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2010 (Contd.)

- **Compensated Absences**

Amount (Rs.)

	2009-10	2008-09
i) Change In Present Value Of Obligation		
Present Value Of The Obligation at the beginning of the period	169,303,135	169,264,248
Interest Cost	12,737,024	13,036,912
Current Service Cost	103,486,159	93,946,744
Benefits Paid	(477,380)	(12,132,414)
Actuarial (gain)/loss on the obligation	(102,671,682)	(94,812,356)
Present Value Of Obligation as at the end of the year	182,377,257	169,303,135
Liability For Entities Where Actuarial Is Not Performed	34,159,410	34,258,214
Grand Total	**216,536,667**	**203,561,349**

Note: There are subsidiaries for which actuarial valuation was not considered necessary as the number of employees in these subsidiaries was not significant and difference in the liability is not expected to be material.

ii) Principal actuarial assumptions used in accounting for Compensated Absences		
For Entities in India		
Discount Rate	8.10%	8.00%
Future Salary Increase		
- For First 4 Years	8%	8%
- Next 5 Years	6%	6%
- Thereafter	5%	5%
For NIIT Technologies Limited, USA Branch		
Discount Rate	8.10%	8.00%
Future Salary Increase		
- For First Year	0%	0%
- Thereafter	4%	4%
For NIIT Technologies Inc., USA		
Discount Rate	6.20%	2.75%
Future Salary Increase		
- For First Year	0%	0%
- Thereafter	4%	4%

- **Gratuity:**

In accordance with Accounting Standard 15 (revised 2005) an actuarial valuation was carried out in respect of Gratuity:

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

Amount (Rs.)

Description	**2009-10**	**2008-09**
Present value of obligation as at the beginning of the year	83,020,512	67,087,486
Interest cost	6,451,520	5,366,999
Current service cost	13,316,000	13,666,495
Benefits paid	(4,751,960)	(4,060,843)
Actuarial (gain)/loss on obligations	(10,150,910)	960,375
Present value of obligation as at the end of the year	87,885,162	83,020,512

Change in Plan Assets:

Amount (Rs.)

Description	**2009-10**	**2008-09**
Plan assets at beginning at fair value	**82,208,520**	**62,303,629**
Expected return on plan assets	8,044,400	5,752,099
Contributions	14,618,420	18,022,825
Benefits paid	(4,751,960)	(4,060,843)
Actuarial gain/(loss) on plan assets	(324,100)	190,810
Plan assets at year end at fair value	**99,795,280**	**82,208,520**

Schedule '20': Notes to Consolidated Accounts for the year ended 31st March 2010 (Contd.)

Amount of the obligation recognized in the Balance Sheet:

Amount (Rs.)

Description	**2009-10**	**2008-09**
Present value of the defined benefit obligation at the end of the year	87,885,162	83,020,512
Fair value of plan assets at the end of the year	99,795,280	82,208,520
Liability/ (Assets) recognized in the Balance sheet	**(11,910,118)**	**811,992**

Amount of Gratuity expense recognised in the Profit and loss account:

Amount (Rs.)

Description	2009-10	2008-09
Current service cost	13,316,000	13,666,495
Interest cost	6,451,520	5,366,999
Expected return on plan assets	(8,044,400)	(5,752,099)
Actuarial (gain)/ loss recognized during the year	(9,826,810)	769,565
Total	**1,896,310**	**14,050,960**

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:

	2009-10	**2008-09**
Discounting Rate	8.10%	8%
Expected Rate of return on plan assets	9.15 % - 9.40%	9 % - 9.25%

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

16. a) The Parent Company's domestic subsidiary declared a dividend of Rs. 50,000,000/- (Previous Year Rs. 343,145,396/-) of which Rs. 44,496,885/- (Previous Year Rs. 305,378,026/-) is receivable by the Parent company, and the balance Rs. 5,503,115/-(Previous Year Rs. 37,767,370/-) relates to the minority. The corporate dividend tax to the extent Rs. 935,254/-(Previous Year Rs. 6,416,676/-) related to the minority which has been appropriately adjusted from the minority interest in these accounts.

b) The corporate dividend tax disclosed as part of appropriation includes Rs. 7,562,246 (Previous year Rs. 51,883,727) relating to corporate dividend tax payable by a subsidiary attributable to dividend receivable by the Parent Company. Further it includes Rs.62,374,714 (Previous year 12,935,789) being dividend tax payable by the Parent Company on amount being excess of dividend proposed by the Parent Company over dividend receivable by it from it's subsidiary by virtue of sub-section 1A of section 115O of the Indian Income Tax Act.

17. During the year the Parent Company has granted unsecured loan of Rs.2,500 lacs (Previous Year Nil) to NIIT Institute of Information Technology, a society registered under Society Registration Act, 1860 (referred to as Borrower). The Borrower has set up a NIIT University "NU" as a private University at Neemrana, District Alwar, Rajasthan in accordance with the Guidelines for the Establishment of Private University by a separate Act issued by Government of Rajasthan. The rate of interest of loan is 12% p.a. and the loan is repayable in one year.

18. The Group has accounted for unclaimed employee related reimbursement in respect of earlier years, aggregating to Rs. 23,188,834 based on maximum possible liability payable by the Group in this respect.

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

Signature to the Schedules `1' to `20' above

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Firm Registration No. FRN301112E
Chartered Accountants

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DIN 00042516

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CEO & Jt. Managing Director
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Date : May 5th, 2010

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