



**NEW IDEAS,
MORE VALUE.**

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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.

Corporate Information

Board of Directors



Rajendra S Pawar
Chairman & Managing Director



Arvind Thakur
Chief Executive Officer
& Joint Managing Director



Vijay K Thadani
Director



Surendra Singh
Director



Amit Sharma
Director



Ashwani Puri
Director

Company Secretary & Legal Head
Onkarnath Banerjee

Group Chief Financial Officer
Ashok Arora

Chief Financial Officer
Pratibha K Advani

Auditors
Price Waterhouse

Financial Institutions/Bankers
Indian Overseas Bank
ICICI Bank Limited
Standard Chartered Bank
Citibank NA
Wells Fargo Bank
Lloyds TSB Bank Plc
NatWest
ING

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Registrar & Share Transfer Agent
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NIIT Technologies Website
Corporate Website : www.niit-tech.com

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Corporate Profile

COMPANY OVERVIEW

NIIT Technologies is a global IT solutions organisation addressing the requirements of clients across the Americas, Europe, Middle East, Asia and Australia. The Company's portfolio of service offerings encompasses Application Development and Maintenance, Infrastructure Managed Services, Digital Services and Business Process Management. Aligning with its strategy to 'Focus and Differentiate', the Company has built a robust portfolio of marquee customers in key verticals such as Travel and Transportation, Banking and Financial Services, Insurance, Manufacturing, Media and the Government.

The Company's highly developed offshore and near-shore facilities, experienced team of domain specialists and innovative approaches to customer experience management & delivery has been a catalyst in sustaining long-term customer engagements - many spanning over 10 years. Known for its quality-orientation, NIIT Technologies has been assessed at leading global quality benchmarks and standards including the ISO 9001:2000, ISO: 27001 (an Information Security Management accreditation), Level 5 of SEI CMMi version 1.2, COPC, Six Sigma and the international ISO 20000 (IT management standard).

FOCUS ON SELECT INDUSTRY SEGMENTS

Travel and Transportation: NIIT Technologies' has built a strong presence through years of experience, deep focus and expertise in the Airline, Travel Distribution, Surface Transport, Airports and Logistics space. The Company has been working on technology solutions that innovatively and cost-effectively enhance business productivity. These solutions and services address the business challenges of customers, helping them minimise operational costs and maximise efficiency through the effective use of Information Technology.

The Company is working in partnership with IATA and some key airlines to drive major initiatives like StB, AGM, eCargo, Passenger Standards, SIS, QOSMOS and NDC.

Banking and Financial Services (BFS): NIIT Technologies' innovative technological solutions have been a catalyst in helping Banking and Financial enterprises sustain the dynamism of the global

economy. Banking and Financial industry has been the most vulnerable industry in the prevailing economic environment. Banking and Capital Markets being the core sub-verticals, the company is strategically focusing on spreading its strong capability of Wealth Management, Asset Management, Private Banking and Investor Services globally. The company specializes in solutions centred-around Investment Management, Banking, Credit and Operational risk.

Apart from the larger institutions, NIIT Technologies is also addressing the requirements of smaller, community, cooperative and rural banks through its Cloud based customised banking solutions.

Insurance: Insurance remains an important area of focus for the Company. NIIT Technologies provides solutions to Property & Casualty, Life & Pensions, and, Commercial & Reinsurance providers. The company has invested largely to develop new and progressive solutions that help transform IT for insurance enterprises. The Company has created IP platforms in the areas of Analytics & Financial reporting, Policy Administration (for commercial insurance players) and Exposure Management. Built on strong product practices and a proven global delivery model, NIIT Technologies' helps insurance enterprises exploit technology effectively and efficiently. Over the past two decades, NIIT Technologies has built deep and enduring relationships with global Insurance players.

Manufacturing: NIIT Technologies has built skill sets in Manufacturing and Distribution, helping customers to implement automated, transparent and integrated information management systems across their value chains. Available to customers are the Company's web-based e-Procurement platform, Supplier Portal, Enterprise Mobility Solutions and Dealer Management Systems.

Government: NIIT Technologies' agile solutions and services models have been adding value to government establishments rolling out numerous IT initiatives within multiple domains. The solutions offered are custom-designed, based on deep domain expertise and technology capabilities and address the challenges being faced by major government organisations. Your Company's delivery models have improved delivery-efficiency, saved costs, reduced wastage and brought about transparency in processes. Over the years, NIIT Technologies has built up vast experience in handling complex e-governance projects being rolled out across the world.

SERVICE OFFERINGS

Application Development and Management: NIIT Technologies provides Application Development Services including custom software development, business intelligence and migration and modernisation to globally dispersed customers. The company helps clients manage their mission and time-critical applications by providing cost-effective application management services over a wide range of technologies. NIIT

Technologies specialises in functional and regression testing, system testing (load testing, volume testing and compatibility testing) and the full lifecycle testing of complex software applications.

Infrastructure Management Services (IMS): NIIT Technologies' Infrastructure Management Services simplify IT operational and investment challenges by delivering IT infrastructure and applications as completely administered services. With a multi-year experience in managing IT for many enterprises across industries, the company is now focusing on expanding Infrastructure Management Services to larger markets, globally. The company provides a comprehensive portfolio of Infrastructure Management Services that map all aspects of IT infrastructure advisory, design, implementation and business driven IT SLA agreements.

Business Process Management (BPM): NIIT Technologies' BPM business offers outsourcing solutions that combine domain expertise, process excellence and cutting-edge technologies. It enables clients to effectively and efficiently manage back office, middle office and front office operations. Within its verticals of choice, NIIT Tech is targeting specific horizontals including F&A, Customer Support, HRO, Data Management and Analytics.

Systems Integration and Package Implementation: These solutions mainly revolve around SAP and other ERP platforms. NIIT Technologies' subsidiary, NIIT GIS Ltd. also provides end-to-end GIS-based solutions to customers.

Geographic Information Systems (GIS): Esri India (NIIT GIS Ltd) is a joint venture with Esri Inc. the global technology leader in GIS and provider of end-to-end GIS solutions to customers. NIIT GIS' provides software products, training, technical support, data conversion and application development to varied industry sectors. They also include complete geo-spatial image processing and consulting solutions.

IP-based assets: NIIT Technologies combines in-depth business knowledge and technical expertise to offer IP-led solutions that enable customers to respond to the challenges faced in a dynamic and changeable economic environment. The IP-led solutions leverage time-tested solution accelerators already deployed across its client base.

Digital Services: The Company has brought sharp focus in the emerging SMAC (Social, Mobility, Analytics, Cloud) technologies to guide its customers on their adoption as follows:

- **Social Media:** NIIT Technologies helps customers integrate their applications with social media. The Company provides reference architecture of social media integration that allows various sources of social media to be integrated in a plug-n-play fashion.
- **Mobility:** NIIT Technologies provides Enterprise Mobility solutions, Enterprise Mobile Device Management (MDM), and Enterprise Mobile Application Management, across industry verticals. With its deep domain knowledge and technical mobility insight, NIIT Technologies offers a powerful approach for determining and executing a practical and useful mobility strategy.
- **Analytics:** The Company supports the traditional and New Data Analytics needs of enterprises. It's Data warehousing solutions provide an information architecture best suited for enterprises to succeed in the competitive global business environment.
- **Cloud:** NIIT Technologies provide end-to-end tailored services that deliver key Cloud benefits to customers. The Company works closely with its customers to understand their business needs and deliver business agility, scalability, and flexibility, in a robust and secure environment.

The year gone by 2013-14 at a glance

A year of consolidation

Your Company deepened relationships with existing clients, added new customers, and, undertook many initiatives including restructuring to lay the foundation of sustained growth.

The highlights of the year include:

Uplifting Service Levels



NIIT Technologies (NTL) has always coped with change by being proactive. This inherent quality has enabled your Company to sustain growth despite uncertain economic conditions. In line with this approach, NIIT Technologies had launched a major culture change initiative to address the altering expectations of the customers. This involves a structured education programme which aims to uplift the service levels of the employees. Besides education, uplifting service involves several interconnected initiatives encompassing many aspects of the engagement known as 'Building Blocks' driven by an engaging service vision 'New Ideas, More Value'.

NIIT Technologies sought the help of a well-known global thought leader— Ron Kaufman to drive this change.

'New Ideas, More Value'.

Carey International embarks on digital transformation with NIIT Technologies

Your Company has implemented a comprehensive digital strategy for Carey International which includes the revamp of the mobile application for Chauffeurs, real-time integration with the travel agent application and

creation of several digital channels for customers. As a result, Carey International is expected to reach a large number of customers and travel arrangers. As a result, Carey International is expected to reach a large number of customers and travel arrangers and achieve a shift in online bookings by 4 times.



Aer Lingus aligns its IT to business value



Aer Lingus, the national flag carrier of Ireland engaged NIIT Technologies in a consulting assignment to do an Application Portfolio Rationalization assessment for over 250 applications, some of which are over 30 years old. NIIT technologies recommended 12 strategic initiatives to tightly align the airlines IT with current and future business needs. Some of these initiatives included use of digital services to improve customer experience and enable more benefit driven paid options for merchandising.

Adecco Expands Its Global Reach From 12 To 60 Countries

Adecco engaged with NIIT technologies to enhance leverage of web and mobile platforms in order to rapidly transform its distribution system and address the exponentially growing demand of the digital world.



NIIT technologies created a centralized global web platform which helped Adecco rapidly scale up its operations to 60 countries from just 12 countries. In addition, NIIT technologies developed number of customized mobile applications for Adecco to deliver region-specific services on the go. The centralized platform consolidated many of Adecco's existing, yet disparate platforms, resulting in improving its brand consistency and drastically reducing huge on-going maintenance costs.

NIIT Technologies partners with SATS Food to improve traveller satisfaction



NIIT technologies embarked on an innovative program to conceptualize, design, develop and implement a fully automated, mobile and integrated catering system for SATS Food, a prestigious airline caterer. The objective of the program was to ensure accuracy of meals prepared and uplifted to aircraft; real-time information sharing and better responsiveness by catering staff. The system has been extended to handheld devices which enhance collaboration amongst staff with real-time information exchange such as flight status, passenger load, meal preparation status on mobile devices. The integrated catering system has enabled SATS to take last minute orders or changes in the meal, upto 45 min from departure time as against 2.5 hrs cutoff time earlier. This has led to the satisfaction of end-customer (traveller) and stickiness with airlines.

Transformational engagements



Signing of the Contract with AP Govt - (L-R) :: C R Narayanan, Sanjiv Kumar, Arvind Mehrotra, Damodar Abai (Director IT, FD, GoAP), Dr P V Ramesh, Principal Secretary, Finance (R&E), GoAP, Ramna Rao, Technical & Functional Advisor, FD, GoAP

Partners with Sao Paulo International Airport to transform its cargo handling

Your Company announced a partnership with GRU Aeroporto Internacional de São Paulo (Sao Paulo International Airport), the largest international airport in Latin America to implement and transform the Cargo Handling system at the airport. This partnership, the first of its kind in Latin America, resulted in a single platform cargo handling system, which handles all performance and operational needs of the cargo terminal, including core processes such as import, export, national/domestic cargo and abandoned cargo.

Inks multiyear USD 30mn contract for a Comprehensive Financial Management System (CFMS) with the Finance Department of Andhra Pradesh

Your Company signed a multiyear Comprehensive Financial Management System (CFMS) contract with the Finance Department of Andhra Pradesh. Under the CFMS project the department will undertake a series of service improvements across all the functions of public financial management to enhance the overall efficiency and end user experience.

Signs Asia's first multi-airport USD 60mn contract with the Airports Authority of India (AAI), to set up state-of-the-art Airport Operations Control Centres (AOCC) across 10 airports in India

NIIT Technologies signed a multi-year contract with the Airports Authority of India (AAI) for the implementation of Airport Operations Control Centers (AOCC), in partnership with SITA, the global air transport IT and communication specialist. This is the first multi airport project in Asia which will benefit AAI, its customer airlines, and its other stake-holders across 10 cities.



Arvind Mehrotra addressing senior officials, including Member Operations AAI at the AOCC Awareness Workshop conducted in AAI CHQ, New Delhi

NIIT Technologies unveils digital strategy at the NASSCOM India Leadership Forum 2014



NIIT Technologies' booth at the NASSCOM Leadership Forum 2014

The NASSCOM India Leadership Forum (NILF) 2014 held in February brought together over 1,000 companies, more than 1,500 delegates from 31 countries and a battery of reputed speakers, who addressed wide-ranging topics. The conclave's theme this year was 'Crafting the Digital Enterprise'. NIIT Technologies used this forum to announce its approach to offer Digital Services.

Esri India's 14th user conference spotlights benefits of GIS for India

Esri India's (a joint venture between NIIT Technologies Limited, and Esri Inc.) 14th User Conference 2013 was themed 'GIS Transforming our World'. The platform brought together the GIS community to share experiences, best practices, applications, and success stories. The Esri India User Conference raised awareness about the wide range of GIS solutions that were available with Esri India, its business partners and other exhibitors. The three-day technology extravaganza was held from December 10-12, 2013 in Delhi, drawing 800 delegates from more than 70 organisations.



The Esri India team at the event

At the User Conference Esri India, announced a strategic partnership with MapmyIndia to offer cutting edge GIS solutions along with rich map data to enterprise and Government customers. This new and powerful platform is custom made for the Indian environment. MapmyIndia maps are now available through Esri's ArcGIS Online (AGOL), a cloud based GIS platform that can be readily adopted as the mapping platform of choice by enterprises.

Restructuring

Your Company created a new position of Chief Operating Officer (COO) during the year to engage deeply with the clients and drive new business. All sales and delivery for IT & Business Process Management services in all geographies were consolidated under this role. Infrastructure Management Services (IMS) is seen as a high growth segment which has now been carved out as an Independent Business Unit reporting to the COO. A focused position has also been created to address the emerging market for Digital Services.

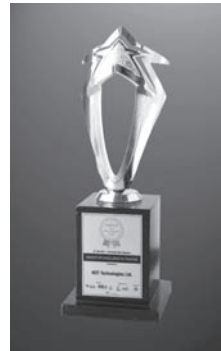
Achievements and Accolades

Your Company gained visibility during the year by winning many accolades. NIIT Technologies was conferred with Asia's Most Promising Brand Award by the World Consulting and Research Corporation. It was also listed in the Forbes Asia's 200 Best under a Billion Companies.

NIIT Technologies recognised for its HR Practices

The year 2013-14 proved to be the one where your Company was feted both for its HR Best Practices, and its effort to be a preferred career destination.

NIIT Technologies was conferred with four coveted awards at Asia's Best Employer Brand Awards 2013. Your Company was ranked sixth in the Top Employer category and won the awards for 'Best in HR Strategy', 'Excellence in Training' and for 'Progress', its Career Mobility Centre, which was acknowledged as an innovation in career development. Interestingly, your Company was also featured in Computerworld's 100 Best Places to Work in the IT 2013 list.



Leadership being recognized

This year several leaders of NIIT Technologies were recognised within their fields of expertise, including Chief Information Officer, Pratibha Advani, whose name featured in the CFO 100 2013 'Roll of Honour' list for the second consecutive year and who won the Lifestyle Icon of the Year award from CEO India Magazine.

Arvind Mehrotra, President Asia Pacific was conferred with the Leadership Award from eIndia 2013 and 'Business Leader of the Year' from the World Consulting and Research Corporation. Your Company's CISO Arun Kumar Anand won DSCI's 'Security Leader of the year' award for the second consecutive year, while its Global Head Sales and Marketing, Deepak Khosla featured in the list of 50 most talented CMOs, brought out by the CMO Council and World Brand Congress.

Secured Best Offshore Partner Award from ICT Subsidiary of German Railways



Your Company has been conferred with the 'Best Offshore Service Award' by one of its long-standing and marquee clients, DB Systel, ICT arm and subsidiary of Deutsche Bahn (German Railways). This is the third consecutive year that NIIT Technologies has received this prestigious award.

NIIT Technologies and Morris Communications win “Best Managed Services” Outsourcing Excellence Award

Your Company and Morris Communications won the Outsourcing Excellence Award in the Best Managed Services category by Outsourcing Center, the leading resource of outsourcing best practices. The award recognizes NIIT Technologies' strategic partnership with Morris Communications to provide integrated IT and BPO services.



Recognition across global and local forums

- Your Company was conferred with a prestigious recognition, the 'Fortune at the Bottom of Pyramid award', instituted by COAI, Aegis and PWC, was conferred for the mobility solution NIIT Tech had developed for the Agro Commodity Board.
- NIIT Technologies was also awarded the 'Solution Partner of the Year' award by Motorola for its innovative implementation of the India Tobacco Board project.
- The pilot Project of the Odisha CCTNS won the 'Best Government to Citizen (G2C) Initiative' award at the odisha Summit.
- NIIT Technologies' joint venture with Morris Communications featured as a case study under the Innovation and Change Management section by the University of Cambridge.

NIIT Technologies gets mentions in analyst reports

- Caesars Entertainment and NIIT Technologies Moved Service Management to the Next Level of Maturity: Case Study by Horses for Sources
- NIIT Technologies believes in innovation and specialization: Forrester Research Report, Midsize Offshore Vendor Snapshots, Part 3, October 2013
- NIIT Technologies mentioned as Service Leader P&C Insurance: NelsonHall's NEAT Report
- NIIT Technologies positioned as an Emerging Player in Infrastructure services: Everest Group Infrastructure Services – PEAK Matrix™ Assessment and Profile Compendium 2013
- NIIT Technologies positioned as an Emerging Player in Enterprise Cloud Services: Everest Group Enterprise Cloud Services – PEAK Matrix™ Assessment and Profiles Compendium 2013

Directors' Report

Dear Shareholders,

The Board of Directors of the NIIT Technologies Limited ("Company") take pleasure in presenting the report on its business and for the financial year ended March 31, 2014.

Financial Results

The highlights of the financial results for the financial year 2013-14 are as follows –

(Figures in Rs.mn except for EPS)

Particulars	FY 2013-14	FY 2012-13
Consolidated Revenues	23,050	20,214
Standalone financials		
Income from operations	13,085	11,083
Other Income	741	329
Total Income	13,826	11,412
Profit before depreciation and taxes	3,125	2,663
Depreciation	420	398
Provision for tax & (deferred tax)	621	586
Profit After Tax	2,084	1,679
Earning Per Share (Basic) (In Rs.)	34.47	27.98

Review of operations

During the financial year under review (FY 2014), the Company delivered a growth-led performance with expansion in revenue, net earnings, as well as the order book, driven by its strategy to 'Focus and Differentiate'.

On a consolidated basis, revenues during FY2014 grew 14% to Rs 23,050 million, while profit after tax (PAT) increased 8.1% to Rs 2,305 million compared to the previous year. The order book executable over the next twelve months, as on 31 March 2014, stood at US\$ 290 million (compared to US\$ 252 million last year), implying a growth of 15% over the previous year. Much of the revenue and order book growth was driven by the key verticals of BFSI (Banking, Financial Services, and Insurance) and TTL (Travel, Transportation and Logistics). The BFSI vertical grew by 19% and the TTL vertical recorded a 5% growth during the year. The Company's non-linear business, which includes its intellectual property (IP)-led

and Managed Services offerings, also delivered a healthy performance during the year, growing by 29% and now contributes 24% to overall consolidated revenues.

NIIT Technologies registered some important operating accomplishments during the year, with multiple new engagements and multi-million dollar fresh orders from existing clients resulting in sustained order-booking. The order wins during the year included a US\$ 300 million deal from a top BFSI client (for a period of 10 years), a US\$ 15 million contract renewal with a Travel & Transportation client in the USA, a prestigious win worth US\$60 million to implement state-of-the-art Airport Operations Control Centers (AOCC) across 10 airports in India with Airports Authority of India (AAI), and two contracts worth over US\$25 million each secured from existing BFSI clients in the US. The Company also forayed into Latin America through an engagement with GRU Aeroporto Internacional de São Paulo (Sao Paulo International Airport), to implement and transform the Cargo Handling system at that airport.

The Company also saw its implementation of the Crime and Criminal Tracking Network System (CCTNS) go live successfully across two states – Tamil Nadu, using Ciprus software developed by National Informatics Centre; and Jharkhand, using Core Application Software.

During the year, the Company further augmented its leadership team by creating a new position of Chief Operating Officer and inducting Mr. Sudhir Chaturvedi into this role, thus enhancing the leadership bandwidth to execute on the next phase of growth.

In order to be able to consistently provide exceptional value to its customers and build sustainable competitive advantage, the Company also launched a major culture change initiative aimed at educating employees and enabling them fully realize the Company's service vision – "New Ideas, More Value". The initiative, launched during the year under review, involves several interconnected building blocks covering all aspects of the organization leading to uplifting service levels and is being vigorously implemented organization-wide.

Business Outlook

The Company recorded strong order intake during the past year at US\$ 749 million, which was double that in the preceding financial year, resulting in an expanded order book as it enters the new financial year. Moreover, demand conditions too seem to be improving, which is being reflected in a healthy opportunities pipeline. All of this indicates that the Company should be able to deliver growth in the next year.

Audited Accounts of Subsidiary Companies

In accordance with the Circular No.2/2011 dated February 8, 2011 issued by the Government of India, Ministry of Corporate Affairs, New Delhi, the accounts of subsidiary companies are not attached to the annual audited accounts of the Company. The Board of Directors of the Company at its meeting held on March 28, 2014 had given its consent for not attaching the

Balance Sheets of the subsidiaries. The Company has published the audited consolidated financial statements prepared in strict compliance with applicable Accounting Standards and Listing Agreement that forms part of this Annual Report. The Statement pursuant to Section 212 of Companies Act, 1956, highlighting the summary of the financial performance of our subsidiaries is annexed to this Report. We, hereby, undertake that a copy of the audited Annual Accounts of subsidiary companies and related detailed information shall be made available to the shareholders, on request during the business hours. The annual accounts of subsidiary companies shall also be available for inspection by any shareholder at the registered office of the Company and that of respective subsidiary companies. The Annual Accounts of the individual subsidiary companies are also available on the website of the Company.

Employee Stock Option Scheme (ESOP)

The Nomination and Remuneration Committee (formerly "Compensation/Remuneration Committee") of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Scheme of the Company in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines'). During the year, 4,64,005 equity shares of the Company of Rs. 10/- each, fully paid up, were allotted under the Employee Stock Option Plan 2005 of the Company on exercise of stock options.

Under ESOP 2005, the Nomination and Remuneration Committee (formerly "Compensation/Remuneration Committee"), in its meetings held on May 16, 2013, July 16, 2013, October 15, 2013 & January 14, 2014 has granted stock option to selected employees of the Company/subsidiary companies. Details of options granted under ESOP 2005 are annexed to this Report, as Annexure A, in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and any modifications thereto.

The Company has received a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed by the shareholders. The certificate would be placed at the Annual General Meeting for inspection by members.

Reserves

The Company has transferred an amount of Rs.208Mn to General Reserve (Rs. 168 Mn last year).

Dividend

The Board has recommended a dividend of Rs.9 per equity share of Rs.10/- each (previous year Rs. 8.50 per equity share) on the share capital, amounting to Rs. 624.02 Mn (inclusive of tax of Rs. 77.71 Mn) subject to approval of the shareholders at the ensuing Annual General Meeting.

Increase in Capital

During the year, the Company issued 4,64,005 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. 602,371,690 to Rs. 607,011,740 as at March 31, 2014.

Transfer to Investor Education & Protection Fund (IEPF)

During the year, the Company transferred an amount of Rs. 8,10,960/- being unclaimed dividend pertaining to the financial year 2005-06 in the Investor Education & Protection Fund (IEPF) of the Central Government, pursuant to section 205C of the Companies Act, 1956.

Further, pursuant to Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has identified the amount of Rs. 12,684,978.89/- as unpaid and unclaimed amounts lying with the Company as on July 01, 2013 (date of last Annual General Meeting) and has uploaded the details of the amount on the Company's website and also on the Ministry of Corporate Affairs' website.

Subsidiary Companies

As on March 31, 2014, the Company has subsidiaries in the United States of America, Japan, United Kingdom, Netherlands, Belgium, Germany, Switzerland, India, Singapore, Thailand, Australia, Canada, Dubai, Spain, Philippines & Brazil.

During the year, the Company opened a step-down subsidiary in Brazil to enhance its global presence in the name of NIIT Technologies Brazil Ltda., Brazil through the subsidiaries NIIT Technologies Inc. USA & NIIT Technologies Ltd., United Kingdom wherein these entities have shareholding of 1% and 99% respectively in the entire share capital of the NIIT Technologies Brazil Ltda., Brazil.

Also, the Company has opened a new branch in Ireland, to enhance its global delivery capability.

Corporate Social Responsibility

During the year, your Board has re-constituted the Corporate Social Responsibility Committee (CSR Committee) as a Board Committee in accordance with the requirements of Section 135, Schedule VII of the Companies Act and the CSR Rules, 2014 that have come into effect from 1st April, 2014. The CSR Committee comprises of Mr. Surendra Singh, the independent director as Chairman and Mr. Amit Sharma, Mr. Ashwani Puri and Mr. Arvind Thakur as other members. Ms. Rosita Rabindra, Chief People Officer of the Company would also be a permanent invitee to the Committee and Mr. Onkarnath Banerjee, Company Secretary & Legal Head would be the Secretary to the Committee.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy, recommending to Board the amount to be spent on CSR activities and ensuring that the implementation of the projects and programmes

is in compliance with the objectives of the Corporate Social Responsibility Policy of the Company.

As part of its CSR initiatives, the Company continued to provide support to educational institutions. NIITians volunteered as teachers to provide basic teaching and also conducted counselling sessions to some senior students to prepare them better for work. Training sessions covered areas like Basic English skills, and various IT programs that would prepare the students for careers in IT and BPO job roles. The Company also provided infrastructure support to some adopted schools in the form of furniture and stationery items. Medical camps were also organized in these schools for both children and their families. A project by the name of "rag pickers program" was launched aimed at providing basic literacy to children between the ages of 6 to 10 years, coming from very low income group families. The Company also provided monetary contribution by donating for the Uttarakhand disaster relief fund.

Postal Ballot

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

Corporate Governance and Management Discussion and Analysis Statement

The Company is in compliance of all mandatory requirements regarding corporate governance as stipulated under Clause 49 of the listing agreement with the stock exchange(s). For the fiscal year ending 2014, the compliance report is provided in the Corporate Governance section of the Annual Report. A certificate issued by the Statutory Auditors of the Company on compliance of the conditions of corporate governance stipulated in clause 49 of the Listing Agreement with the stock exchange(s) forms part of the Corporate Governance Report.

The report on Corporate Governance and Management Discussion and Analysis Statement is provided in the Annual Report.

Listing Fees

The Equity Shares of the Company are listed on the National Stock Exchange of India Limited & the Bombay Stock Exchange Ltd. The Company has already paid listing fees to these Stock Exchanges upto the financial year 2014 -15.

Directors

As per the provisions of the Companies Act, 2013, Mr. Vijay K Thadani, Director of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible, seeks re-appointment. The Board of Directors recommends his re-appointment.

Mr. Rajendra S Pawar, Chairman & Managing Director was re-appointed in his present capacity for a period of five years with effect from June 01, 2010. The current tenure shall end on May 31, 2015. To comply with the provisions of section 152, the Company need to have at least 2 rotational directors on the Board (as Independent Directors

shall be non rotational). As per the provision of Section 196 of Companies Act 2013, the Company has the option to re-appoint Mr. Pawar for a further period up to 5 years, and that resolution can be passed within a period of one year prior to the expiry of his term. It is therefore proposed to re-appoint Mr. Rajendra S Pawar, as Chairman & Managing Director, liable to retire by rotation.

Mr. Arvind Thakur, CEO & Joint Managing Director was re-appointed in his present capacity for a period of five years with effect from June 01, 2010. The current tenure shall end on May 31, 2015. To comply with the provisions of section 152, the Company need to have at least 2 rotational directors on the Board (as Independent Directors shall be non rotational). As per the provision of Section 196 of Companies Act 2013, the Company has the option to re-appoint Mr. Thakur for a further period up to 5 years, and that resolution can be passed within a period of one year prior to the expiry of their term. It is therefore proposed to re-appoint Mr. Arvind Thakur, as CEO & Joint Managing Director, liable to retire by rotation.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. Surendra Singh, Mr. Amit Sharma and Mr. Ashwani Puri as Independent Directors for five consecutive years.

Details of the proposal for the appointment of above Directors is mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the Annual General Meeting. The Company has received requisite notice in writing from members proposing Mr. Rajendra S. Pawar as Chairman & Managing Director, Mr. Arvind Thakur as CEO & Joint Managing Director, Mr. Surendra Singh, Mr. Ashwani Puri and Mr. Amit Sharma for appointment as Independent Directors of the Company.

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 -

- That in preparation of Annual Accounts for the financial year, applicable Accounting Standards as issued by Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956 to the extent applicable to us have been followed along with the proper explanations relating to material departures;
- That they have selected the accounting policies described in the notes to accounts, which have been consistently applied, except where otherwise stated and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit or loss of the Company for that year;
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 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.

A: LEED Certification:

- a. The Company's Software Development Block (SDB) at Greater Noida has been awarded the highest possible 'PLATINUM' Green Building rating by Indian Green Building Council (IGBC) under LEED® India Core & Shell system. In order to evaluate energy performance of the building, a computer simulation model was used to assess the energy performance. The project has achieved 21.4% savings in energy costs over the LEED® mandated ASHRAE 90.1-2004 baseline. The energy simulation was vital for making design decisions that impacted energy use, such as, envelope optimization, glazing selection, lighting design and HVAC system sizing.
- b. The Company has got registered a project for Operation & Maintenance for phase 1 building in June, 2013 for LEED Certification. The project is under close review and monitoring as part of one year performance period by consultants from USGBC (US Green Building Council) till June, 2014. Certification is done based on data verification & evaluation by competent authority after performance period.

B: Carbon Footprint Reduction

- The off-shore carbon footprint was calculated manually during the financial year 2012-13;
- An application has been developed for calculating the off-shore carbon footprint during the financial year 2013-14;
- Going forward targeted steps would be taken to decrease the person-wise carbon footprint at off-shore;

C: Green IT Focus

- The usage of the cloud is being encouraged, e.g. in 2013-14 two applications on Employee Rewards and Recognition, and Employee Idea Generation, respectively were made accessible to employees on the public cloud.

- Microsoft System Centre has been used in 2013-14 to make laptops go to sleep and hibernate modes respectively after pre-set time intervals of idling to reduce power consumption;
- The feasibility of using Microsoft System Centre to make desktops go to sleep and hibernate modes respectively after pre-set time intervals of idling without business disruption is being explored to reduce power consumption;
- The existing data centre hosting centralised applications would be replaced by a new Tier 3 compliant data centre to which existing services would be migrated in 2013-14. The new data centre would facilitate network, desktop, server and storage virtualisation.

- Technology absorption

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

- Research & Development

During the year, the Company continued its research in software engineering. These efforts have resulted in innovative products in software engineering especially in the area of Analytics, Big Data, Mobility and Cloud.

The Technology Innovation Centre (TIC) located in Bangalore explores emerging technologies and devices innovative solutions for clients. Some of these innovations gets converted into research paper and other are converted to patent application and the first US patent was granted last year. In addition to the granted patent another eight inventions have been filed as a patent in US / India.

- Export and Foreign Exchange Earnings and Outgo

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

(Rs. Million)

	Year 2013-14	Year 2012-13
Foreign Exchange earnings	10,473	9,505
Foreign Exchange Outflow	3,688	3,005

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.

Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. Having regard

to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such particulars may write to the Company Secretary of the Company.

Auditors

M/s Price Waterhouse, Chartered Accountants, FRN 301112E, the Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Auditors' Report

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

Export Initiatives

The Company has a well-diversified revenue portfolio derived from multiple geographies spanning the Americas, Europe, the Middle East, and Asia-Pacific (including India). Most of the Company's revenues come from markets outside India and exports accounted for 86% of its consolidated revenues during FY 2014, representing a growth of 12% over the previous financial year. The Company has a presence in all the key countries it operates in, including the USA, UK, continental Europe, Asia Pacific and the Middle East with sales and marketing offices and, if necessary delivery or support teams, to address clients and prospects in the respective countries. As in the past, during the year under review the Company participated in several relevant conferences, seminars and other such events worldwide aimed at enhancing visibility and awareness about its services and offerings.

Awards and Achievements

During the year, the company bagged several recognitions at the Indian and global levels. Few of the most significant honors amongst all are mentioned herein below:

1. Listed in the Forbes Asia's 200 Best under a Billion Companies
2. Conferred with four awards at Asia's Best Employer Brand Awards 2013
 - a. Ranked 6th in Top Employer category
 - b. Won Best in HR Strategy in line with Business award
 - c. Recognised for its Excellence in Training
 - d. Progress, the Career Mobility centre acknowledged as the Innovation in Career Development
3. Received Asia's Most Promising Brand Award by World Consulting and Research Corporation
4. Awarded "Solution Partner of the Year 2012" award by Motorola for its innovative implementation for the India Tobacco Board project
5. Pilot Project of Odisha CCTNS won Best "Government to Citizen (G2C) Initiative" award at the eOdisha Summit. Pilot Project of Odisha Criminal Tracking

Network System (CCTNS) won Best "Government to Citizen (G2C) Initiative" award at the eOdisha Summit.

6. Won prestigious Fortune at the Bottom of Pyramid award from COAI, Aegies and PWC for the Agro Commodity Board Mobility solution
7. Received Brand Excellence Award in the Information Technology category by World Brand Congress
8. Featured in Computerworld's 100 Best Places to Work in IT 2013 list
9. NIIT Technologies' joint venture with Morris Communications included as a case study under the Innovation and Change Management segment by University of Cambridge
10. NIIT Technologies' two business cases - UTICA and ASSURANT mentioned in the compendium of case studies by Novarica, a U.S based research and advisory firm specializing in insurance and banking
11. Spectrum won Best-in-house magazine award at CMO Asia Awards For Excellence in Branding and Marketing 2013 awards
12. SITA conferred with 2013 UK Agile Award for the "Best Use of Agile, Private Sector" for Voyager Program
13. Secured Best Offshore Partner Award from ICT Subsidiary of Germany Railways

Personal Awards & Recognitions

14. Ms. Pratibha K Advani, Chief Financial Officer was included in the CFO 100 2013 'Roll of Honour' list for the second consecutive year, in the category 'Winning Edge in Use of Technology'
15. Ms. Advani also won Lifestyle Icon of the Year award from CEO India Magazine, India's premiere lifestyle magazine
16. Mr. Arvind Mehrotra, President Asia Pacific received Leadership Award from eIndia 2013 and "Business Leader of the Year" from World Consulting and Research Corporation
17. NIIT Technologies' CISO Mr. Arun Kumar Anand won DSCI Excellence Awards 2013 as the 'Security Leader of the Year' for the second consecutive year
18. Mr. Deepak Khosla, Executive Vice President of the Company, featured in the 50 most talented CMOs list by CMO Council & World Brand Congress

Human Resource initiatives

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

The PCMM Re-certification journey that we embarked on has led to increased focus on talent forecasting, fulfillment, succession planning and continuous capability improvement at individual and team level.

Continuing with the service vision of "New Ideas, More Value" the company launched two new portals INSPIRE & Ignite. INSPIRE is a reward and recognition portal

helping in recognizing and rewarding staff members for each value creation instance, and Ignite is platform to generate, share, brainstorm, evaluate and implement new ideas. In the journey of uplifting the service culture, over 2500 NIITians have already undergone Uplift Your Service training and the next batch of 2500 NIITians will get trained in the coming 12 months.

Close to 864,000 hours of training was delivered by SEED (School for Employee Education Development) using class room, remote and online platforms contributing to average increase of 26% in competency levels of staff.

Learning initiatives continued to focus on competency building around Business Analysis, Large and Complex Program Management, Agile methodologies & Managed Services areas. Content based training supported with Integrated coaching model has enhanced training effectiveness. The NAFL (NTL Academy of Future Leaders) continued to grow this year with the academy introducing personalized coaching for leaders for enhanced effectiveness and continuity.

CARE, the NIITians Assistance Program continued to add value by providing assistance in both personal and professional areas. Seminars on topics like Creating Positive Networks, Adding more to Life have been added to the list of topics.

The Company finalized a Cashless Group Medclaim policy. With the help of this well-defined and tailor-made policy, our focus is to provide each NIITian with a stress free claim experience in times of need.

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

Acknowledgement

The Board of Directors would like to take this opportunity to place on record its appreciation for the committed services and contributions made by employees of the Company during the year. In addition, the Directors wish to thank the Company's customers, business partners, vendors, bankers & financial institutions, government & non-governmental agencies, and other business associates for their continued support. The Directors also acknowledge and appreciate the support and confidence of the Company's shareholders, and remain committed to enabling the Company achieve its growth objectives in the coming years.

For and on behalf of the Board

Sd/-

Rajendra S Pawar

Chairman & Managing Director

DIN: 00042516

Place : New Delhi

Dated : May 09, 2014

Annexure – A

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

Grant Name	Date of Grant	No. of Options Granted	Grant Price	Market Price	Discount	Options Vested	Options Exercised	Money realised by exercise of options (RS.)	Options Lapsed/ Forfeited	Total number of options in force
Grant I	02-Aug-05	703700	115.00	149.50	23% of Market Price	597,400	516,575	56,952,050.00	186,525	-
Grant II	11-Aug-05	706000	150.85	150.85	No	16,000	16,000	-	54,600	-
Grant III	20-Jun-07	420000	523.50	420000	No	100,105	-	2,413,600.00	420,000	-
Grant IV	28-Jul-08	477750	108.00	107.40	No	438,750	396,150	42,784,200.00	81,600	-
Grant V (i)	19-Oct-09	1199700	127.20	127.20	No	1,014,500	806,812	102,626,486.40	392,888	-
Grant V (ii)	19-Oct-09	1199700	127.20	127.20	No	872,750	550,892	70,073,462.40	385,450	263358
Grant VI (i)	19-Jul-10	370000	182.15	182.15	No	37,000	25,500	4,644,825.00	11,500	0
Grant VI (ii)	19-Jul-10	370000	182.15	182.15	No	223,75	16,500	3,691,875.00	7,500	19000
Grant VII (i)	18-Oct-10	430000	223.75	223.75	No	35,500	17,500	3,608,500.00	7,500	19000
Grant VII (ii)	18-Oct-10	430000	223.75	223.75	No	25,000	17,500	3,608,500.00	7,500	0
Grant VIII (i)	18-Jan-11	250000	206.20	206.20	No	25,000	17,500	188,250.00	7,500	6500
Grant VIII (ii)	18-Jan-11	250000	206.20	206.20	No	188,25	1,000	-	-	7500
Grant IX (i)	06-May-11	7500	188.25	188.25	No	7,500	-	200,000.00	-	0
Grant IX (ii)	06-May-11	7500	188.25	188.25	No	7,500	-	150,000.00	-	0
Grant X (i)	09-Jun-11	200000	186.05	186.05	94% of Market Price	20,000	20,000	-	-	0
Grant X (ii)	09-Jun-11	150000	186.05	186.05	-	15,000	15,000	-	-	0
Grant XI (i)	09-Jun-11	150000	186.05	186.05	-	10,500	-	-	7,500	15000
Grant XI (ii)	19-Jul-11	180000	206.15	206.15	No	10,500	-	-	7,500	10500
Grant XII (i)	17-Oct-11	130000	211.40	211.40	95% of Market Price	13,000	-	-	-	13000
Grant XII (ii)	17-Oct-11	130000	211.40	211.40	-	13,000	-	-	-	13000
Grant XIII (i)	17-Oct-11	140000	10.00	10.00	-	-	-	-	-	14000
Grant XIII (ii)	17-Jan-12	10125	198.00	198.00	No	10,125	9,500	1,881,000.00	-	625
Grant XIII (iii)	17-Jan-12	10125	198.00	198.00	No	10,125	1,500	297,000.00	-	8825
Grant XIV (i)	03-May-12	165000	256.60	256.60	No	16,500	-	-	-	16500
Grant XIV (ii)	03-May-12	165000	256.60	256.60	No	-	-	-	-	16500
Grant XV (i)	02-Jul-12	765000	285.80	285.80	No	76,500	27,000	7,716,600.00	17,000	32500
Grant XV (ii)	02-Jul-12	765000	285.80	285.80	No	-	-	-	21,000	55500
Grant XVI (i)	02-Jul-12	110000	10.00	10.00	96.5% of Market Price	11,000	11,000	110,000.00	-	0
Grant XVI (ii)	02-Jul-12	110000	10.00	10.00	-	-	-	-	-	11000
Grant XVII (i)	14-Jan-13	7500	274.85	274.85	No	7,500	2,000	549,700.00	-	5500
Grant XVII (ii)	14-Jan-13	7500	274.85	274.85	No	-	-	-	-	7500
Grant XVIII (i)	17-May-13	140000	10.00	10.00	96.2% of Market Price	-	-	-	-	14000
Grant XVIII (ii)	17-May-13	140000	10.00	10.00	-	-	-	-	-	14000
Grant XIX (i)	16-Jul-13	140000	10.00	10.00	96.2% of Market Price	-	-	-	-	14000
Grant XIX (ii)	16-Jul-13	140000	10.00	10.00	-	-	-	-	-	14000
Grant XX (i)	16-Jul-13	110000	261.20	261.20	No	-	-	-	-	110000
Grant XX (ii)	16-Jul-13	110000	261.20	261.20	No	-	-	-	-	110000
Grant XXI (i)	02-Sep-13	200000	282.00	282.00	No	-	-	-	-	200000
Grant XXI (ii)	02-Sep-13	200000	282.00	282.00	No	-	-	-	-	200000
Grant XXI (iii)	02-Sep-13	200000	282.00	282.00	No	-	-	-	-	200000
Grant XXI (iv)	02-Sep-13	200000	282.00	282.00	No	-	-	-	-	200000
Grant XXI (v)	02-Sep-13	200000	282.00	282.00	No	-	-	-	-	200000
Grant XXI (vi)	02-Sep-13	200000	282.00	282.00	96.4% of Market Price	-	-	-	-	200000
Grant XXI (vii)	02-Sep-13	70000	10.00	10.00	-	-	-	-	-	70000
Grant XXI (viii)	02-Sep-13	70000	10.00	10.00	-	-	-	-	-	70000
Grant XXI (ix)	02-Sep-13	70000	10.00	10.00	-	-	-	-	-	70000
Grant XXI (x)	02-Sep-13	70000	10.00	10.00	-	-	-	-	-	70000
Grant XXI (xi)	02-Sep-13	70000	10.00	10.00	-	-	-	-	-	70000
Grant XXI (xii)	15-Oct-13	105000	296.60	296.60	No	-	-	-	-	105000
Grant XXI (xiii)	15-Oct-13	105000	296.60	296.60	No	-	-	-	-	105000
Grant XXI (xiv)	14-Jan-14	7500	372.10	372.10	No	-	-	-	-	7500
Grant XXI (xv)	14-Jan-14	7500	372.10	372.10	No	-	-	-	-	7500
TOTAL		4937100				3459255	2492429	309832748.8	1627063	817608

Note: For Grant I, Grant II and Grant III options granted, options vested, options exercised and lapsed includes bonus issue adjustment. The options vested, exercised, lapsed, options in force, in the above table is as at March 31, 2014.

(i) Variation of terms of options	None
(ii) The total number of shares arising as a result of exercise of option	2,492,429
(iii) employee wise details of options granted to:-	
-senior managerial personnel during the year	A summary** of options granted to senior managerial* personnel are as under : No. of employees covered :7 (Seven) No. of options granted to such personnel : 2,46,000 (Two LakhForty Six Thousand Only) *includes employees who are one level below the Board or CEO working in executive capacity. **only summary for the options granted to senior management personnel during the financial year 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.
-any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	1 (One) No. of options granted : 15,000
- identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil
(iv) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS 20) 'Earnings Per Share'	Rs. 34.13 (previous year: Rs.27.64)
(v) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	Please refer to Notes Nos.44 contained in the Notes to Accounts of the Financial Statement
(vi) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Please refer to Notes Nos.44 contained in the Notes to Accounts of the Financial Statement
(vii) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	
- risk-free interest rate, - expected life, - expected volatility - expected dividends, and - the price of the underlying share in market at the time of option grant	Please refer to Notes Nos.44 contained in the Notes to Accounts of the Financial Statement Market price of the share at the time of grant of option is given above

Management Discussion and Analysis

Review of the macro-economic environment

The global economy as a whole is estimated to have grown by about 3% during the calendar year (CY) 2013. Economic data from the US indicate that macro conditions in the world's largest economy are evidently looking up, with an estimated GDP growth of 1.9% in 2013. The performance of the US economy seems to have been much muted during the first quarter of CY2014 though, with marginal growth, which serves as a reminder that a certain degree of uncertainty persists. However, data released in April 2014 pegged the US unemployment level at 6.7%, which is lower than a year ago and that is an encouraging sign. In the UK too, the economy seems to be gradually recovering and grew by 1.7% during CY2013. This trend is expected to continue and probably even strengthen during 2014.

The emerging economies, including India and rest of the Asia-Pacific region, were relatively subdued during the year under review although they continued to be in growth mode.

The broad uptrend witnessed during the year and the encouraging indications for the next year should propel greater discretionary spending by businesses and individuals alike, which in turn is expected to result in healthier demand conditions for specialized IT players serving customers across these markets.

Review of the Indian IT industry's performance and outlook

The Indian IT industry continued on its growth trajectory during FY2014, delivering value to customers, creating incremental employment in both India and abroad, and expanding its offerings portfolio to include new technologies and capabilities. As per NASSCOM estimates, the Indian IT and related services industry expanded to US\$118 billion in FY2014.

NASSCOM maintains a positive outlook for the Indian IT sector and expects it to continue to expand during FY2015 as well, with IT-BPM exports estimated to grow by 13% to 15%.

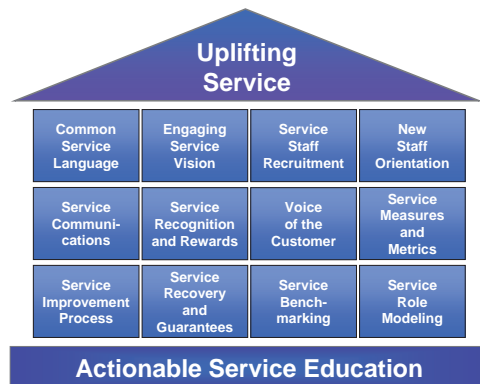
NIIT Technologies: Building a culture to generate New Ideas, More Value

NIIT Technologies has a clearly defined direction of being a focused player. This strategy to "Focus and Differentiate" reflects the Company's intent to be the "first choice" in its chosen industry verticals.

Accordingly, over the years, the Company has developed deep domain specialization, built a strong track record, and made investments in intellectual property (IP) in select, high potential verticals and service lines. This, in turn, has enabled it to establish itself as a preferred choice for customers in its industry verticals of focus.

Mirroring its ability to identify and proactively adapt to changing market dynamics, NIIT Technologies has initiated a major initiative to address the rising expectations of customers. Led by an engaging service vision 'New Ideas, More Value' to foster an innovation-oriented organizational culture that constantly seeks to find new yet simple ways to add value, this change journey has been progressing through a structured education program. The overarching objective is to uplift service levels and motivate employees to generate fresh ideas, and consistently deliver exceptional value.

Besides education, uplifting service involves several interconnected initiatives encompassing many aspects of client engagement. The entire exercise is supported by innovative platforms such as "Ignite", a unique online ideation platform where employees are encouraged to submit specific ideas with the potential for value creation, and "Inspire", an online rewards and recognition platform aimed at recognizing success stories and role models within the Company. The Company has identified 12 building blocks to support this initiative.



Many of these building blocks are maturing, and have begun to make an impact on the Company's operations.

Review of operating and financial performance

FY2014 has been a year of consolidation for NIIT Technologies. During the year, the Company enhanced its focus on Western markets and reorganized itself for higher growth. This is visible from the 103% increase in order intake as compared to the preceding year, with 83% of that intake coming from Western markets.

The Company recorded a 14% growth in revenues to Rs. 23,050 million in FY2014 from Rs 20,214 million in the preceding year. Operating (EBITDA) margins for the year stood at 15.2% and profits after taxes (PAT) grew 8.1% to Rs. 2,305 million from Rs 2,132 million in the

previous year. (The Company's consolidated financials include the financials of NIIT Technologies Limited and its subsidiaries, including subsequent level companies after eliminating inter-company transactions).

Revenue mix by geography and vertical:

Among geographies, the US delivered a robust growth of 29% contributing to 42% of total revenues. The EMEA region contributed to 37% of the revenues, while the rest of the world contributed to 21% of total revenues in FY2014.

% contribution to consolidated revenues	FY 2014	FY 2013
Americas	42%	38%
EMEA	37%	39%
Asia Pacific & India	21%	23%

Among the verticals there was strong revival in the BFS segment. BFSI grew 19%, contributing to 34% of revenues. Travel and transport contributed to 37% of revenues while manufacturing and government made up 7% and 8% respectively.

% contribution to consolidated revenues	FY 2014	FY 2013
Banking and Financial Services	15%	13%
Insurance	19%	19%
Travel & Transport (TTL)	37%	40%
Manufacturing	7%	7%
Government	8%	8%
Others	14%	13%

Order intake and 12-month order book:

The Company added significant new business during the year under review, adding new names to its client list even as it successfully increased its business with existing customers. The total number of new clients added during the year under review stood at 16; these included several multi-million dollar and multi-year deals in both international and domestic markets, including business worth \$300 million from a top BFSI client, a Rs. 3440 million contract with the Airports Authority of India to set up state-of-the-art Airport Operations Control Centers across 10 cities, and two contracts over \$25 million (secured during the last quarter of the year) from existing BFSI clients in the US. This resulted in a total order intake of US\$ 749 million over the course of the financial year, a growth of 103% over FY 2013, which in turn creates a strong foundation for growth in the next year (FY 2015). The order-book executable over the next 12 months stood at \$ 290 million as on 31 March 2014, 15% higher than \$252 million a year ago.

The financial year under review also saw NIIT Technologies foray into two new geographies, Latin America and Ireland. In Latin America, the Company entered into an engagement with GRU Aeroporto Internacional de São Paulo (Sao Paolo International

Airport) in Brazil to implement and transform the Cargo Handling system at that airport. This has further expanded the Company's presence within the Airports sub-segment of its Travel & Transportation vertical. It also reflects the Company's ability to leverage its Spanish operations created after the earlier acquisition of Proyecto Sistemas de Informacion S.A. (Proyecto) as a gateway to Spanish-speaking countries in Latin America. In Ireland, the Company entered into a multi-year contract with the national airline there and opened a new global delivery centre at its Greater Noida campus (an SEZ facility) to provide a range of services from Business Intelligence and Service-Oriented Architecture (SOA) Testing to Responsive Website Development and Migration.

Restructured for growth

NIIT Technologies also undertook some significant measures to enhance its leadership bandwidth and further streamline operational and strategic priorities in line with shifts in the demand environment. In August 2013, the Company created the new position of Chief Operating Officer (COO) and inducted Sudhir Chaturvedi as its COO. Mr Chaturvedi has rich and varied experience in the IT industry across geographies, with significant exposure to large-scale operations, including a 13-year stint at Infosys where he last served as Senior Vice President and Head of Financial Services American Business Unit. As COO of the Company, Mr Chaturvedi is responsible for sales & delivery worldwide for Technology and Business services. In terms of sales focus, he is now looking at more aggressively expanding its footprint in the Western markets, particularly the US, to effectively capitalize upon the opportunities being created by the marked improvement in macro conditions and gradual return of discretionary spending in those geographies.

NIIT Technologies also undertook to better leverage its long and robust track record in the Infrastructure Management Services (IMS) space, where engagement sizes often tend to be much larger and have a degree of non-linearity. Accordingly, the Company has made some additions to its frontline leadership team and has also made a significant organizational change by carving out IMS as an Independent Business Unit.

Looking at the rapid developments in Social Media, Mobility and Analytics, the Company has created a separate position in Digital Services to focus on building capabilities and address opportunities around these technologies.

Acknowledgements

The Company continued to receive acknowledgement and recognition for its strengths and leadership in various spheres during the year. NIIT Technologies was listed in Forbes Asia's 200 'Best under a Billion' Companies, recognised for its Excellence in Training at Asia's Best Employer Brand Awards 2013, and has been featured in the '2013 Global Services 100 list' which comprises companies that define leadership in the global services business. The Company also won the

“Best Offshore Service Provider” award by DB Systel, the ICT subsidiary of Deutsche Bahn (German Railways) for the third consecutive year. Its joint venture with Morris Communications has been included as a case study under the Innovation and Change Management segment by University of Cambridge, and more recently the Company and Morris won the Outsourcing Excellence Award in the Best Managed Services category by Outsourcing Center, a leading resource of outsourcing best practices.

Outlook

The year under review has been one of consolidation, with multiple initiatives such as re-prioritization of corporate mandate and organizational restructuring aimed at capitalizing on opportunities in high-potential areas such as Infrastructure Management Services. These, combined with the robust order-intake during the year and expanded order book executable over the next 12 months have put in place a solid foundation for future growth. Additionally, there are clear signs of improvement in macro-economic conditions across some of the key markets that the Company has operations in, and this trend could continue during the next year as well which, despite a relatively subdued Eurozone, could drive incremental demand for the Company's services and solutions. Better demand conditions and the Company's reinforced leadership team as well as its renewed focus on high-potential segments, expanded order book & pipeline, and deep domain specialisation built over a period of many years are expected to enable a growth-led performance going forward.

Related Party Transactions

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

Risks and Risk Mitigation, and Internal Controls

Given the global nature of its operations and engagements the Company's business, financials, and operating performance may be affected or impacted by a number of factors. Some such challenges and risks that would have to be addressed and/or managed, as well as the Company's approach towards mitigating them, are discussed below. This may not be an all-inclusive list of factors and neither is this necessarily in order of importance; moreover, some presently not known or deemed immaterial uncertainties could emerge in the future.

Competition-related risk: The global IT services market is highly competitive and the Company competes with several Indian and foreign IT players, who are present in many of its target markets. Some global IT vendors, who have been increasing their India presence by setting up offshore delivery centres, also pose a challenge to the Company's efforts to attract and retain talent from

a limited supply pool of skilled human resources in the country. The Company itself, however, has a large presence in the country with facilities across cities and operates facilities in international locations as well. NIIT Technologies is also well-regarded for its people practices. The Company's differentiated business model, recognition in the marketplace within focus verticals as a competent solutions provider, domain specialization, IP assets, and long-standing relationships with several key clients has been enabling it to deliver growth despite a highly competitive environment. The Company intends to stay the course in terms of following its strategy to Focus and Differentiate. NIIT Technologies also has an active marketing program and has established relationships with various industry analyst firms worldwide, and frequently participates in or organizes IT conferences and industry-specific events attended by CIO's and executives of major corporations. Such initiatives, along with ongoing investments in front-end sales, marketing, and delivery infrastructure helps the Company maintain its competitive edge over other players.

Execution risks: The Company has been pursuing and entering into multiple large and transformational engagements across geographies. Some such engagements are at times priced on a fixed-bid/fixed-price basis, and any inability to adhere to delivery schedules or quality could have an adverse impact. The Company does have a strong track record of undertaking and delivering complex programs, and has also made investments to strengthen its project/program management capabilities. It 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.

Concentration risks: NIIT Technologies has a relatively diversified geographic and client mix, and the Company has been able to ensure that it does not become too dependent on any particular geography or client. North America, EMEA (Europe & Middle East), and Asia/APAC (including India) contributed 42%, 37%, and 21% of revenues respectively, during FY2014. This makes the Company's revenue mix fairly balanced. The Company also has a broadbased clientele, with the Top 10 customers contributing about 48% of FY2014 revenues.

Employee-related risks

- **Attrition:** NIIT Technologies has a strong set of values and policies that drive its Human Resources function and initiatives. The Company has maintained a competitive, healthy and harmonious work environment at all levels. It has initiated multiple steps aimed at strengthening its recruitment processes, aligning employees with organizational values and vision, and retention of the best talent.
- **Constraints in availability of skilled human resources:** NIIT Technologies is a knowledgeable organization, with innovation, technological competence, and domain expertise being among the key ingredients for success. It is therefore imperative

that the Company attract and retain superior talent on a sustainable basis. NIIT Technologies offers world class infrastructure, an excellent work culture, competitive salaries constantly benchmarked to the market, high quality training, avenues for career development and long term growth prospect in order to remain an employer of choice. The Company's facilities are located in cities that have good availability of skilled manpower. The Company (including its subsidiaries) is managed by locally recruited professionals and talents across all geographies.

Geo-political risks: The ability of India's IT industry to secure offshore projects from global client organisations is often subject to threat perceptions as regards the Indian subcontinent. In addition, any internal unrest or natural calamities in various parts of the country where the Company has an operating presence could also have negative implications. In order to mitigate these risks and to ensure continued delivery of services to clients irrespective of any disturbances, the Company has been taking appropriate measures in respect of disaster recovery and business continuity in different locations.

Liquidity Risk: The Company has a robust process for contract evaluation, multiple-vetting procedures, and strong account management processes and systems for collection of receivables. It also shares long term relationships with many of its clients and monitors projects on a regular basis, tracking issues relating to cost escalations.

Obsolescence Risk: NIIT Technologies operates in a highly dynamic industry, which exposes itself to change in technologies, software, products, method of services delivery, systems, processes, standards etc. The Company has had extensive experience through operations involving multiple aspects of technology like application development, maintenance of new and old applications, software application support, IT Infrastructure management, ERP implementations, managed services, remote infrastructure management, data center management, product sale, platform based services, BPO services, etc. The Company has always adapted to evolving market dynamics and new engagement models, and also has a track record of identifying relevant industry trends and staying ahead of the curve – its forays in emerging areas such as Social Media, Mobility, Analytics, and Cloud (SMAC) reflect its intent to be market-ready with regard to any shifts in the business landscape.

Investment portfolio related risks: NIIT Technologies is a profitable, cash-generating company. The Company, as a policy, does not prefer to invest its surplus cash in high risk assets such as equities or low liquidity assets like real estate. The primary area of risk for the Company's market exposures are related to the interest rate risk on its investment securities. To mitigate interest rate risk, all surplus funds are invested in appropriate

avenues upon a review by the investment committee. All investment decisions are driven by certain guiding principles including the safety of investments, liquidity, and returns.

M&A execution and integration risks: The Company has chosen organic and inorganic routes to grow exponentially in the future years. During the course, the Company may be exposed to risks such as, increase in cost on account of staffing/advisory fees, due diligence lapses and practical challenges in integration. NIIT Technologies 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 teams of experts for conducting due diligence, thereby reducing the risk of lapses.

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 and 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.

NIIT Technologies has an adequate system for internal control covering all financial and operating functions

commensurate with its size and business, designed to ensure that its assets and interests are adequately protected. These systems and processes are continually reviewed for effectiveness and augmented by documented policies and procedures. A strong internal audit program under the leadership of a dedicated Internal Audit team ensures that adequate processes and internal controls systems are strictly followed. The Company has also implemented one of the leading ERP solutions in its global operations in order to integrate various facets of business operations, which has enabled the Company to control, monitor and review its worldwide operations online and has strengthened the ability of internal controls to function effectively. The Audit Committee, which is a sub-committee of your Board of Directors, reviews adherence to internal control systems, internal audit reports and implementation of suggestions. This Committee reviews all quarterly and yearly financial

results of the Company and conveys to the Board its recommendation for consideration of such results and their approval.

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

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

Report on Corporate Governance

OVERVIEW

“Corporate governance is about maintaining an appropriate balance of accountability between three key players: the corporation’s owners, the directors whom the owners elect, and the managers whom the Directors select. Accountability requires not only good transparency, but also an effective means to take action for poor performance or bad decisions.”

NIIT Technologies has a strong track record of adherence to high levels of corporate governance standards and best practices. Corporate governance at NIIT Technologies is a value-based framework to manage the Company’s affairs in a fair and transparent manner. As a responsible corporation, we use this framework to maintain accountability in all our affairs. We have evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information regarding our financials, performance, leadership and governance of the Company. We believe that sound corporate governance is critical to enhancing and retaining investor trust. Accordingly, we always seek to ensure that we attain our performance goals with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term.

Corporate governance is about commitment to values and ethical business conduct. It is about how an organization is managed. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of corporate governance. This improves public understanding of the structure, activities and policies of the organization. Consequently, the organization is able to attract investors, and enhance the trust and confidence of the stakeholders.

As a matter of good corporate governance, half of our Board, three (3) out of six (6) Directors, are independent members. Further, we have Audit, Compensation/ Remuneration, Investors’ Grievance which comprise majority of independent directors.

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go

beyond the law.

- Be transparent and maintain a high degree of disclosure levels.
- Make a clear distinction between personal conveniences and corporate resources
- Communicate externally, in a truthful manner, about how the Company is run internally
- Comply with the laws in all the countries in which we operate
- Have a simple and transparent corporate structure driven solely by business needs

It is not merely about compliance or simply a matter of creating checks and balances; it is an ongoing measure of superior delivery of the Company’s objectives with a view to translate opportunities into reality. The Company believes in and has consistently focused on good corporate governance to create and adhere to a corporate culture of conscience, integrity, transparency and accountability for efficient and ethical conduct of business to enable the management to meet its obligations towards stakeholders including shareholders, customers, tenants, contractors, suppliers, creditors, employees, government and the society at large, thereby creating an outperforming organization.

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

NIIT Technologies Limited follows the highest standards of corporate governance principles and best practices by adopting the “NIIT Technologies – Corporate Governance Policies and Code of Conduct”, as the norm for all constituent companies in the Group. The Board of Directors is at the core of our corporate governance practice and oversees how the management team serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of corporate governance.

The Company views corporate governance in its widest sense almost like a trusteeship, a philosophy to be progressed, a value to be imbibed and an ideology to be ingrained into the corporate culture. To that end, the Company has always focused on superior corporate governance, which is a key driver of sustainable corporate growth and long term value creation.

BOARD OF DIRECTORS

The Company is managed and controlled through a professional Board of Directors (“Board”) comprising of a combination of mandatory 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.

Independence of the Directors is determined by the criteria stipulated under the Clause 49 of the Listing Agreement. 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 Directorships and Chairmanship/Membership of committees held by them, is given hereunder:

Name of Director & his qualifications	Present Designation	Category	No. of Directorships held in all public companies#	No. of Committee Chairmanships / Memberships held in all other public companies @	
				Chairmanships	Memberships
Mr. Rajendra S Pawar (DIN 00042516)	Chairman & Managing Director	Promoter & Executive	8	0	3
Mr. Arvind Thakur (DIN 00042534)	CEO & Joint Managing Director	Executive	5	1	2
Mr. Vijay K Thadani (DIN 00042527)	Director	Promoter & Non-executive	8	3	3
Mr. Surendra Singh (DIN 00003337)	Director	Non-executive, Independent	4	1	2
Mr. Amit Sharma (DIN 00050254)	Director	Non-executive, Independent	3	-	1
Mr. Ashwani Puri (DIN 00160662)	Director	Non-executive, Independent	2	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, 2013 to March 31, 2014 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 17, 2013	July 16, 2013	Oct 15, 2013	Oct 16, 2013	Jan 14, 2014	March 28, 2014	
Mr. Rajendra S Pawar	Y	Y	Y	Y	Y	Y	Y
Mr. Arvind Thakur	Y	Y	Y	Y	Y	Y	Y
Mr. Vijay K Thadani	Y	Y	Y	Y	Y	Y	Y
Mr. Surendra Singh	Y	Y	Y	Y	Y	Y	Y
Mr. Amit Sharma	Y	Y	Y	Y	Y	Y	Y
Mr. Ashwani Puri	Y	Y	Y	Y	Y	Y	Y

THE BOARD COMMITTEES

In accordance with the mandatory requirement of the Listing Agreement with the Stock Exchange(s), the Board has the following three Committees.

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

Audit Committee

a. Terms of reference

The Company has a duly constituted Audit Committee in terms of the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Committee is responsible for the effective supervision of the financial reporting processes to ensure proper disclosure of financial statements, their credibility, and compliance with the Accounting Standards, Stock Exchanges and other legal requirements, reviewing with internal and external audit and internal control systems, assessing their adequacy ensuring compliance with internal controls; reviewing findings of internal audit, reviewing the Company's financial and risk management policies and ensuring follow up action on significant findings, and reviewing quarterly, half yearly and annual accounts.

b. Composition of Audit Committee

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

Name of the Committee member	Category	Designation	Date of changes
Mr. Ashwani Puri	Non-Executive Independent Director	Chairman	N.A.
Mr. Surendra Singh	Non-Executive Independent Director	Member	N.A.
Mr. Vijay K Thadani	Non-Executive Promoter Director	Member	N.A.
Mr. Amit Sharma	Non-Executive Independent Director	Member	N.A.

c. Meetings and Attendance during the year 2013-14

The particulars of meetings attended by the members of the Audit Committee and the dates of meetings held during the year 2013-14 are given below. The intervening period between the Audit Committee meetings was within the maximum time gap prescribed under clause 49 of the Listing Agreement.

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

Name of Member	Audit Committee			
	May 16, 2013	July 15, 2013	October 15, 2013	January 13, 2014
Mr. Ashwani Puri	Y	Y	Y	Y
Mr. Surendra Singh	Y	Y	Y	Y
Mr. Amit Sharma	Y	Y	Y	Y
Mr. Vijay K Thadani	Y	Y	Y	Y

d. Roles and Powers of the Audit Committee

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

Compensation/Remuneration Committee

a. Terms of reference

The Company has constituted the Remuneration Committee of the Board pursuant to the provisions of clause 49 of the Listing Agreement. The name of the Committee has been change to Nomination & Remuneration Committee in January, 2014. The Committee determines, on behalf of the Board and shareholders, as per agreed terms of reference, the Company's policy on specific remuneration packages for Executive Directors including pension rights and compensation payment. The broad functions of Remuneration Committee are to evaluate remuneration and benefits for the Executive Directors and to frame policies and systems for the Stock Options Plan, as approved by the shareholders.

b. Remuneration policy of the Company

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

The Compensation/Remuneration Committee has the powers to determine and recommend to the Board the amount of remuneration, including performance/achievement bonus and perquisites, payable to the Executive/ Managing Directors. The Company ensures that the remuneration by way of salary and other allowances and

monetary value of perquisites is within the overall limit as specified under the Companies Act, 1956. The Role of the Committee includes overseeing the Company's nomination process for key leadership positions, specifically at the Board level.

c. Composition of the Committee

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

Name of the Committee member	Category	Designation	Date of changes
Mr. Amit Sharma	Non-Executive Independent Director	Chairman	Not applicable
Mr. Surendra Singh	Non-Executive Independent Director	Member	Not applicable
Mr. Vijay K Thadani	Non-Executive Non-Independent Director	Member	Not applicable

Meetings held and attendance during the year:

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

Name of Director	May 16, 2013	July 16, 2013	October 15, 2013	January 14, 2014
Mr. Amit Sharma	Y	Y	Y	Y
Mr. Vijay K Thadani	Y	Y	Y	Y
Mr. Surendra Singh	Y	Y	Y	Y

Y: Attended

Director's Remuneration

A. Executive Directors

(in Rs.)

Name of Director	Mr. Rajendra S Pawar	Mr. Arvind Thakur
Salary and Allowances	1,11,33,000	1,25,14,221
Part – A	-	8,82,055
Perquisites		
Part – B	18,84,985	22,18,752
Contribution to Provident Fund, Superannuation Fund or Annuity Fund		
Performance-linked Bonus*	95,32,000	94,39,000
*Paid during the year pertaining to the year 2012-13		
Total	2,25,49,985	2,50,54,028

Service Contracts: The current term of Mr. Rajendra S Pawar and Mr. Arvind Thakur will expire on May 31, 2015 (though the Board seeks their re-appointment in the forth coming AGM).

Notice period: 6 months, unless otherwise agreed by the Board

Severance Fees: No severance fees, unless otherwise agreed by the Board

Performance criteria: As determined by the Compensation Committee and the Board.

B. Non-Executive Directors

The remuneration paid to Non-Executive Directors by way of Commission is in accordance with the resolution passed by the shareholders of the Company on July 27, 2009. The said commission is decided each year by the Board of Directors. The Non-Executive Directors are also paid sitting fees for attending Board & Audit Committee Meetings only. 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 remuneration paid to Non-Executive Directors are as below:

(in Rs.)

Particulars	Mr. Vijay K Thadani	Mr. Surendra Singh	Mr. Amit Sharma	Mr. Ashwani Puri
Commission	7,00,000	7,00,000	8,00,000	7,50,000
Sitting Fees	2,00,000	2,00,000	2,00,000	2,00,000

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

Name	Mr. Vijay K Thadani	Mr. Surendra Singh	Mr. Amit Sharma	Mr. Ashwani Puri
No. of options granted	NIL	43200	43200	NIL
Entitlement due to bonus issue	NIL	NIL	5,850	NIL
No. of options exercised during the year 2006-07	NIL	11,700	NIL	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	17550 (including bonus shares)	NIL
No of options exercised during the year 2009-10	NIL	NIL	NIL	NIL
No of options exercised during the year 2010-11	NIL	15,800	NIL	NIL
No of options exercised during the year 2011-12	NIL	Nil	10,500	NIL
No of options exercised during the year 2012-13	NIL	Nil	10,500	NIL
No. of options exercised during the year 2013-14	NIL	15700	10500	NIL
Date of allotment of shares	NIL	April 25, 2013	April 25, 2013	NIL
Outstanding Options as on March 31, 2014	NIL	NIL	NIL	NIL

Details of equity shareholding of Non-Executive Directors as on March 31, 2014

Name	Number of shares held
Mr. Amit Sharma	55705
Mr. Vijay K Thadani	959
Mr. Surendra Singh	NIL
Mr. Ashwani Puri	NIL

Shareholders'/Investors' Grievances Committee

a. Terms of reference

In compliance with the requirement of Corporate Governance under the Listing Agreement, the Company has constituted the Shareholders'/Investors' Grievances Committee which has delegated work related to share transfer, issue of duplicate shares, Dematerialisation/Rematerialisation of shares and other related work to Share Transfer Committee which reports to Shareholders'/Investors Grievances Committee.

b. Composition of the Committee

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

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

c. Meetings & Attendance during the year

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

Name of Member	Shareholders'/Investors' Grievances Committee			
	May 16, 2013	July 15, 2013	Octo 15, 2013	Jan 14, 2014
Mr. Amit Sharma	Y	Y	Y	Y
Mr. Vijay K Thadani	Y	Y	Y	Y
Mr. Arvind Thakur	Y	Y	Y	Y

Y: Attended

During the year April 1, 2013 to March 31, 2014, the Company received a total of 215 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, 2014 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, 2013 to March 31, 2014

Nature of Query	Request/Queries Received	Complaints Received	Resolved	Unresolved
Change of bank details	18	-	18	-
Change of address	21	-	21	-
Correction in D/W & issue D/D	96	-	96	-
Dividend not received		36	36	-
Non receipt of annual report/notice		2	2	-
Request for annual report	33	-	33	-
Request for bonus shares	1	-	1	-
Request for duplicate share certificates	2	-	2	-
Request for share holding details	2	-	2	-
Share certificates lodged for transfer	2	-	2	-
Request for deletion of name	2	-	2	-
Total	177	38	215	-

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

Other Committees
The Board has constituted following committees:-

1. Operations Committee
2. ESOP Allotment Committee
3. Share Transfer Committee
4. Corporate Social Responsibility Committee

The mandate, composition and working procedures of the above Committees have been well defined by the Board.

GENERAL MEETINGS
a. Particulars of the last three Annual General Meetings

Year	Location	Date	Day	Time	Special Business
2013	Mapple Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110 074	July 01	Monday	09:00 A.M.	NIL
2012	Mapple Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110 074	July 02	Monday	09:00 A.M.	1. Mr. Subroto Bhattacharya, Director, who retires by rotation at the annual general meeting expressed his desire not be reappointed. 2. Appointment of Mr. Ashwani Puri as Director liable to retire by rotation.

2011	Parkland Exotica, Khasra No. 123, Chattarpur Mandir Road, Satbari, New Delhi-110 074	July 01	Friday	09:00 A.M.	NIL
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b. Postal Ballot:

No Postal Ballot was conducted during the year 2013-14.

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, 2013 to March 31, 2014 are reported under Note 36 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.

The Company also has a system of internal audit and the Internal Auditor reports directly to the Audit Committee of the Company.

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

There was no public issue/right issue/preferential issues etc. during the review period, except from ESOPs.

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 2013-14. This code has been displayed on the Company's website.

f. Management's Discussion and Analysis

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

g. Disclosure regarding appointment/re-appointment of Directors

As per the provisions of the Companies Act, 2013, Mr. Vijay K Thadani, Director of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible, seeks re-appointment. The Board of Directors recommends his re-appointment.

Pursuant to the provision of Section 196 and other applicable provisions of the Companies Act, 2013, your directors are seeking the reappointment of Mr. Rajendra S Pawar as Chairman and Managing Director and Mr. Arvind Thakur as CEO and Joint Managing Director, liable to retire by rotation. Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. Surendra Singh, Mr. Amit Sharma and Mr. Ashwani Puri as Independent Directors for five consecutive years. Details of the proposal for their appointment/ reappointment is mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the forthcoming Annual General Meeting.

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.

h. Unclaimed shares

As mandated under the Clause 5A (ii) of the Listing Agreement, the Company had transferred 36,420 unclaimed shares to the Demat Suspend Account with Alankit Assignments Ltd. During the year no shareholder approached the company to claim the shares. The balance in this account is 36,420 shares.

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 2013-14.

b. Non-mandatory Requirements

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

- i) Nomination & Remuneration Committee: The Company has a functioning Nomination & Remuneration Committee. Please see the para on Nomination & Remuneration Committee for details.
- ii) Whistle Blower Policy: The Company is in the process of formalizing a separate whistle blower policy in order to enable employees of the Company to raise their concerns on illegal and unethical practices. The Policy contains provisions of access to the Chairman of the Audit Committee in case of exceptional circumstances.

The Code of Conduct of the Company also 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 .

- iii) The financial statements of the Company are unqualified.
- iv) Reconciliation of Share Capital Audit: A qualified practicing Company Secretary carried out a Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.
- v) Subsidiary companies: The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board Meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

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

MEANS OF COMMUNICATION

- 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 also displayed on the web site of the Company – www.niit-tech.com where official news releases, financial results, consolidated financial highlights, quarterly shareholding pattern and presentations are also displayed.
- b. The Company had Quarterly/Annual Earnings Calls on May 17, 2013, July 16, 2013, October 15, 2013, January 14, 2014 and Press Conferences in the months of May 2013, July 2013, October 2013 and January 2014 for the investors of the Company

immediately after the declaration of Quarterly/Annual results. Transcripts of the quarterly/annual earnings calls are displayed on the Company's aforementioned website, in the 'Investors' section.

- c. The Management Perspective, Business Review and Financial Highlights are part of the Annual Report.
- d. All material information about the Company is promptly sent through e-mail to the stock exchanges where the shares of the Company are listed.

During the financial year 2013-14 the Company published its financial results in the following newspapers:

Financial Results	Newspapers	Date of publication
Audited financial results for the quarter ended March 31, 2013	Business Standard - English Business Standard- Hindi	May 18, 2013
Unaudited financial results for the quarter ended June 30, 2013	Business Standard- English Business Standard- Hindi	July 17, 2013
Unaudited financial results for the quarter ended September 30, 2013	Business Standard- English Business Standard- Hindi	October 16, 2013
Unaudited financial results for the quarter ended December 31, 2013	Business Standard- English Business Standard- Hindi	January 15, 2014

SHAREHOLDERS' INFORMATION

a. Annual General Meeting

Date: Monday, July 07, 2014

Time: 09.00 A.M.

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

Book Closure Date : 28/06/2014 to 07/07/2014 (both days inclusive)

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

Financial reporting for the first quarter ending 30th June, 2014	By 2nd week of July
Financial reporting for the second quarter ending 30th September, 2014	By 2nd week of October
Financial reporting for the third quarter ending 31st December, 2014	By 2nd week of January
Financial reporting for the year ending 31st March, 2015	By the last week of May
Annual General Meeting for the year ending 31st March, 2015	By the last week of July

c. Dividend

The Board of Directors have recommended a dividend of Rs. 9/- 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, 2013.

The Dividend of Rs.9/- per equity share, if declared, of face value of Rs.10/- each of the Company, will be paid to the equity shareholders of the Company whose names appear in the Register of Members of the Company or in the records of the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners of the shares as at the end of business hours on June 27, 2014 which is the Record Date fixed for the purpose.

During the year the Company has transferred Rs. 8,10,960/- in Investor Education and Protection Fund of the Central Government, pursuant to Section 205A of the Companies Act, 1956.

d. Nomination Facility

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

e. Listing of Shares

The Equity shares of the Company are currently listed at the Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd. Listing fees for the period April 1, 2014 to March 31, 2015 have been paid to both the Stock Exchanges.

f. Stock Code

Trading symbol on the National Stock Exchange : NIITTECH

Trading symbol on the Bombay Stock Exchange:

Physical : NIITTECH

Electronic : 532541

ISIN at NSDL/CDSL : INE 591G01017

g. Compliance certificate of the Auditors

The Company has annexed to this report, a certificate obtained from the Statutory Auditors regarding compliance of conditions of corporate governance as stipulated in clause 49 of the Listing Agreement.

h. Stock Market Data

The monthly high and low share prices and market capitalization of Equity Shares of the Company traded on BSE and NSE from April 1, 2013 to March 31, 2014 and the comparison of share prices of the Company vis-à-vis the Sensex and Nifty Indices (end-of-month closing) are given below:

Share price movement during the year April 1, 2013 to March 31, 2014

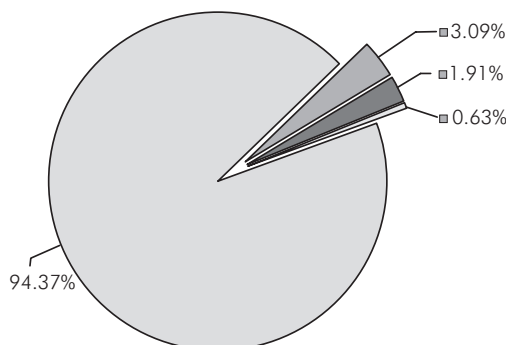
NIIT Tech Ltd Share Price-2014 for Annual Report

Month	Bombay Stock Exchange				National Stock Exchange			
	Sensex	High Price (Rs.)	Low Price (Rs.)	Market Cap* (Rs Mn)	Nifty	High Price (Rs.)	Low Price (Rs.)	Market Cap* (Rs Mn)
Apr-13	19504	304.00	255.25	15,615	5930	303.90	256.00	15,682
May-13	19760	274.75	248.65	15,911	5986	274.35	248.80	15,995
Jun-13	19396	282.00	258.05	16,289	5842	283.00	258.60	16,380
Jul-13	19346	278.55	236.00	14,497	5742	278.25	236.15	14,497
Aug-13	18620	290.05	234.25	17,076	5472	290.80	235.00	17,028
Sep-13	19380	299.00	270.00	17,074	5735	298.95	272.60	17,026
Oct-13	21165	309.90	272.95	16,952	6299	309.65	272.75	16,985
Nov-13	20792	331.40	277.00	19,250	6176	331.80	278.00	19,290
Dec-13	21171	365.75	317.00	21,859	6304	366.00	315.30	21,893
Jan-14	20514	422.00	353.25	24,330	6090	421.95	353.00	24,397
Feb-14	21120	477.00	384.55	26,945	6277	479.70	384.80	27,036
Mar-14	22386	455.65	385.05	24,378	6704	455.40	391.90	24,435

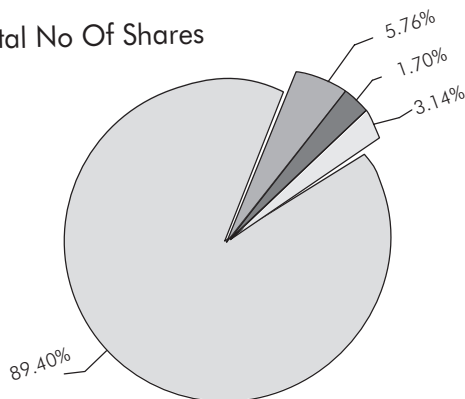
*Market Capitalization at closing price of the month
Source: BSE/NSE Website

Range (No. of Shares)	No. of Shareholders	% to Total Shareholders	Range (No. of Shares)	Total No. of Shares	% to Total Shares
Up to -500	44255	94.37	Up to -500	3,495,220	5.76
501-1000	1451	3.09	501-1000	1,031,300	1.70
1001-5000	894	1.91	1001-5000	1,907,031	3.14
5001 & above	293	0.63	5001 & above	54,267,623	89.40
TOTAL	46893	100.00	TOTAL	60,701,174	100.00

No. of Shareholders

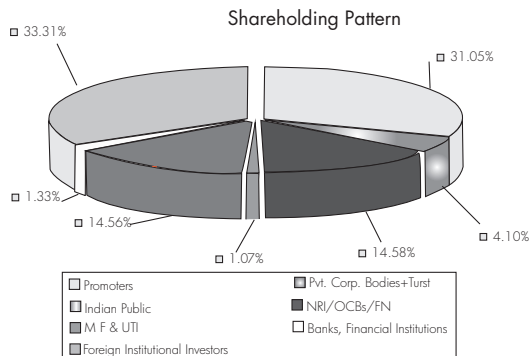


Total No Of Shares



SHAREHOLDING PATTERN AS ON MARCH 31, 2014

Category	Share Holding	% to Total Shares
Promoters	18,848,118	31.05
Pvt. Corp. Bodies+ Trust	2,483,243	4.10
Indian Public	8,846,915	14.58
NRI/OCBs/FN	652,032	1.07
MFs & UTI	8,840,738	14.56
Banks, Financial Institutions	809,781	1.33
Foreign Institutional Investors	20,220,347	33.31
Grand Total (A+B+C)	60,701,174	100.00



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, 2014, 99.40% percent shares of the Company were held in dematerialised form.

j. Information in respect of unclaimed dividend when due for transfer to the Investors Education & Protection Fund (IEPF) is given below:

Financial Year	Types of Dividend	Date of Declaration of Dividend	Due date of transfer
2006-07	Final Dividend	25-07-2007	24-08-2014
2007-08	Final Dividend	28-07-2008	27-08-2015
2008-09	Final Dividend	27-07-2009	26-08-2016
2009-10	Final Dividend	09-07-2010	08-08-2017
2010-11	Final Dividend	01-07-2011	30-07-2018
2011-12	Final Dividend	02-07-2012	01-08-2019
2012-13	Final Dividend	01-07-2013	31-07-2020

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

k. 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- mid cap index.

l. Share Transfer System

The Company has appointed a common Registrar for physical share transfer and dematerialisation of shares. The shares lodged for physical transfer/ transmission/ transposition are registered within a period of 15 days if the documents are complete in all respects. For this purpose, the Share Transfer Committee (a sub-committee of Shareholders'/Investors' Grievance Committee of the Board) meets as often as required. During the review period, the Committee met 13 times. Adequate care is taken to ensure that no transfers are pending for more than a fortnight. Physical Shares requested for dematerialisation were confirmed mostly within a fortnight.

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

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

Alankit Assignments Limited

Unit: NIIT Technologies Limited

2E/21, Jhandewalan Extension,

New Delhi – 110 055.

Phone Nos. : 011-42541234, 23541234

Fax Nos. : 011-23552001, E-mail : rta@alankit.com

n. Registered Office

NIIT Technologies Limited

8, Balaji Estate, Guru Ravi Das Marg,

Kalkaji, New Delhi – 110 019

o. Address for correspondence

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

The Compliance Officer

NIIT Technologies Limited

8, Balaji Estate, Guru Ravi Das Marg,

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

Fax : 91 11 41407120

e-mail – investors@niit-tech.com

p. Subsidiaries

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

q. Convertible Instruments:

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, which are likely to have an impact on the equity of the Company.

Acknowledgements

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

The Directors place on record their appreciation of the contribution made by NIITians at all levels for their commendable teamwork, dedicated and wholehearted efforts, without which the Company's consistent growth would not have been possible.

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

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

1. The code of conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
2. The code of conduct has been posted on the website of the Company.
3. The Board members and Senior Management personnel have affirmed compliance with the Company's code of conduct for the year 2013-14.

Sd/-

Arvind Thakur

Dated : May 09, 2014

Chief Executive Officer

Place : New Delhi

& Jt. Managing Director

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

To,

The Board of Directors

NIIT Technologies Limited

8, Balaji Estate, Guru Ravi Das Marg,

Kalkaji, New Delhi – 110 019

We hereby certify that for the Financial Year 2013-14

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 2013-14 which are fraudulent, illegal or violate the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, if any, of which we are aware, in the design or operation of the internal control systems and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the Auditors and the Audit Committee:-
- significant changes, if any, in internal control over financial reporting during this year.
 - significant changes, if any, in accounting policies during this year 2013-14 and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/- Arvind Thakur Chief Executive Officer & Jt. Managing Director	Sd/- Pratibha K Advani Chief Financial Officer
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Dated: May 09, 2014

Place: New Delhi

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of NIIT Technologies Limited,

We have examined the compliance of conditions of Corporate Governance by NIIT Technologies Limited, for the year ended March 31, 2014, 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.

Sd/-
Usha Rajeev
Partner
Membership No: 087191
For and on behalf of Price Waterhouse
Chartered Accountants

Annexure A

Clause 49-Compliance Status relevant to the Financial Year 2013-14

Board of Directors

Clause 49 (IA) Composition of Board

Standard

The Board of the Company should have optimum combination of Executive and Non-Executive Directors. However, not less than 50 per cent of the board of Directors should comprise Non-Executive Directors.

If the Chairman of the Board is an Executive Director, at least half of the Board should comprise of Independent Directors. Provided that where the Non-Executive Chairman is a promoter of the Company or is related to any promoter or person occupying management positions at the Board level below the Board, at least one half of the Board of the Company shall consist of Independent Directors.

Provided that where the Non-Executive Chairman is a Promoter of the Company or is related to any Promoter or person occupying management positions at the Board level or at one level below the Board, at least one-half of the Board of the Company shall consists of Independent Directors.

Our practice

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

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

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

Clause 49 (IB) Non-Executive Directors' compensation and disclosures

Standard

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

Our Practice

- The commission being paid to Non-executive directors has been approved by the Board of directors, which is within the overall limit approved the shareholders of the Company. The Non-executive directors are also paid sitting fees in relation to the meetings of the Board & Audit Committee Meeting 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 6 Times and the maximum time gap was less than 90 days between two consecutive Board meetings.
- The information regularly placed before the Board inter-alia includes the information given under Annexure-1A, wherever applicable.
- A compliance Report, with respect to applicable laws, signed by the Compliance officer is placed before the Board on quarterly basis.
- None of the Directors of the Company is member of more than 10 committees or Chairman of more than five committees. An assurance in this regard is given by the Directors by way of certification to the Board.
- Company receives an annual certification by Director about the committee position he occupies in other companies. The Directors are also expected to notify changes when they take place.

Clause 49 (ID) Code of conduct

Standard

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

Our practice

- The Board has adopted a code of conduct for directors and senior management personnel and this Code is available on the official website of the Company www.niit-tech.com
- 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 an independent audit committee, which comprises of 4 members. 3 of them are Non-executive and Independent and one member is Non-executive non-independent. The Chairman is a Non-executive Independent Director.
 - All members of Audit Committee are financial literate and a majority of them have accounting/ financial management expertise.
 - A brief background of members of Audit Committee:
 - Mr. Surendra Singh, a retired IAS Officer, has held very senior positions in the Central and State Governments. Starting his Public Service in 1959, Mr. Singh has held positions like Cabinet Secretary to the Government of India, and Special Secretary to the Prime Minister of India, responsible for all the economic work in the PM's Office, Cabinet Secretary to the Government of India, Secretary to the Council of Ministers and Secretary, Ministry of Industry. He was an Executive Director on the Board of the World Bank, representing India, Bangladesh, Sri Lanka and Bhutan. He was also a Director on the Board of the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). He has served and continues to serve on various prestigious boards of directors. He provides advice to governments on issues relating to governance.
 - Mr. Amit Sharma is the Executive Vice President and also President, (Asia) of American Tower Company responsible for building a successful Tower leasing business in Asia. 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. Prior to joining Motorola, he has been associated with companies like GE Capital, McKinsey & Company and Unilever. He is also an executive member of Industry Associations like AmCham Board of Governors.
- Mr. Sharma was educated at the Indian Institute of Technology (IIT), Kharagpur. He is also an MSC in computers & information Sciences from the MOORE School, University of Pennsylvania & MBA in International Business from Wharton School of Business

- Mr. Vijay K. Thadani is the Chief Executive Officer of NIIT Ltd, a leading Global Talent Development Corporation. As the co-founder of NIIT Group, Vijay led the Group's globalization efforts since 1991, taking the NIIT flag to over 40 countries.

He served as the Chairman of the National Accreditation Board for Education and Training (NABET), which works under the aegis of the Quality Council of India as also as Chairman of Board of Governors of Indian Institute of Information Technology (IIIT), Allahabad.

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

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

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

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

Clause 49 (II B) Meeting of Audit Committee

Standard

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

Our practice

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

Clause 49 (II C) Powers of Audit Committee

Standard

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

Our practice

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

Clause 49 (II D) Role of Audit Committee

Standard

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

Our practice

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

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

Standard

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

Our practice

The Audit Committee reviews all information as stipulated under Clause 49.

Clause 49 (III) Subsidiary Companies

Standard

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

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

Our practice

- The Company has three Indian non-listed Subsidiary Companies, NIIT GIS Limited, NIIT SmartServe Limited and NIIT Technologies Services Limited; and all are non-material non-listed India subsidiary Companies. Mr. Amit Sharma, an Independent Non-Executive Director on the Board of the Company is also a Director on the Board of NIIT GIS Limited. Mr. Surendra Singh, an Independent Non-Executive Director on the Board of the Company has been appointed as a Director on the Board of NIIT SmartServe Limited.

- Financial Statements of Subsidiaries are reviewed by the Audit Committee.
- Minutes of Subsidiaries are placed before the Board of the Company on regular basis.
- A statement of all significant transactions, if any, of the subsidiaries are also placed before the Board.

Disclosures

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

Standard

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

Our practice

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

Clause 49 (IV B)

Disclosure of Accounting Treatment

Standard

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

Our practice

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

Clause 49 (IV C)

Board Disclosures-Risk Management

Standard

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

Our practice

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

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

Standard

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

Our practice

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

Clause 49 (IV E)

Remuneration of Directors

Standard

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

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

Our practice

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

Clause 49 (IV F)

Management

Standard

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

Our practice

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

Clause 49 (IV G) Shareholders

Standard

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

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

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

Our practice

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

Clause 49 (V) CEO/CFO Certification

Standard

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

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

Clause 49 (VI) Report on Corporate Governance

Standard

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

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

Our practice

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

Clause 49 (VII) Compliance

Standard

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

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

Our practice

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

INDEPENDENT AUDITORS' REPORT

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

1. We have audited the accompanying financial statements of NIIT Technologies Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Usha Rajeev
Partner
Membership No. 087191

Place : New Delhi
Date : May 09, 2014

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of NIIT Technologies Limited on the financial statements as of and for the year ended March 31, 2014

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) According to the information and explanation given to us, the Company procures inventories specifically for the purpose of executing certain contracts and the inventory held at the yearend has been physically verified and certified by the project managers. In our opinion, frequency of verification is reasonable.
 - (b) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory.
- iii. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) (f) and (g) of the said Order are not applicable to the Company.
 - (b) The Company has taken unsecured loan, from one 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 aggregated to Rs. 200,000,000. The Company has not taken any secured loans from firms or other parties covered in the register maintained under Section 301 of the Act.
 - (c) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - (d) In respect of the aforesaid loans, the repayment of the principal amount was not due in the current year.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, sales tax and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, wealth tax, service tax, customs duty and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax as at March 31, 2014 which have not been deposited on account of a dispute, are as follows:

AUDITORS' REPORT (Contd.)

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax Interest	31,038,133 17,390,185	AY 2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Interest	101,587,713 51,477,011	AY 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Interest	7,452,835 2,085,525	AY 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Interest	67,757,486 1,770,798	AY 2009-10	Commissioner of Income Tax (Appeal)

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution as at the balance sheet date. The Company does not have any borrowing from bank and also, the Company has not issued any debenture as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company amounting to Rs. 66,822,700/-for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Usha Rajeev
Partner
Membership No. 087191

Place : New Delhi
Date : May 09, 2014

Balance Sheet

(All amounts in Rs., unless otherwise stated)

	Note		As At March 31, 2014	As At March 31, 2013
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	3	607,011,740	602,371,690	
Reserves and surplus	4	8,676,301,791	9,283,313,531	7,076,507,406
				7,678,879,096
Non-current liabilities				
Long-term borrowings	5	48,870,148		55,531,771
Long-term provisions	6	280,306,407	329,176,555	250,585,333
				306,117,104
Current liabilities				
Short term borrowings	7	215,000,000		-
Trade payables	8	991,057,769		838,431,916
Other current liabilities	9	652,837,635		629,909,638
Short term provisions	10	741,384,707	2,600,280,111	704,834,484
				2,173,176,038
TOTAL			12,212,770,197	10,158,172,238
ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	11	2,587,726,536		2,604,087,662
Intangible assets	12	121,339,025		135,326,697
Capital work-in-progress (tangible)		1,159,528,028		277,481,293
			3,868,593,589	3,016,895,652
Non-current investments	13		1,234,190,419	1,234,190,419
Deferred tax assets (net)	14		103,240,675	70,429,185
Long-term loans and advances	15		433,516,552	186,023,899
Other non-current assets	16		50,787,871	132,200,000
Current assets				
Current investments	17	400,553,794		750,000,000
Inventories	18	47,948,070		37,290,775
Trade receivables	19	4,316,482,186		3,176,351,263
Cash and bank balances	20	486,359,073		659,938,971
Short-term loans and advances	21	818,830,518		463,585,194
Other current assets	22	452,267,450	6,522,441,091	431,266,880
				5,518,433,083
TOTAL			12,212,770,197	10,158,172,238

The notes are an integral part of these financial statements.

This is the balance sheet referred to in our report of even date.

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

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Officer

Pratibha K Advani
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Legal Head

Place : New Delhi
Date : May 09, 2014

Statement of Profit and Loss

(All amounts in Rs., unless otherwise stated)

	Note	Year ended March 31, 2014	Year ended March 31, 2013
Revenue from operations	26	13,084,778,163	11,083,046,208
Other income	27	741,607,242	328,960,012
Total revenue		13,826,385,405	11,412,006,220
Expenses			
Purchase of stock in trade	28	1,545,584,422	915,454,927
Employee benefits expense	29	6,901,091,808	5,901,464,096
Finance costs	30	27,191,166	25,775,116
Depreciation and amortization expense	31	420,196,387	398,423,300
Other expenses	32	2,227,019,131	1,906,346,321
Total expenses		11,121,082,914	9,147,463,760
Profit before exceptional and extraordinary items and tax		2,705,302,491	2,264,542,460
Exceptional and Extraordinary items		-	-
Profit before tax		2,705,302,491	2,264,542,460
Tax expense			
Current tax		570,061,419	519,049,189
Deferred tax		(28,714,938)	(19,137,579)
Minimum Alternate Tax Credit		79,898,762	85,952,249
Profit for the period from continuing operations		2,084,057,248	1,678,678,601
Profit for the year		2,084,057,248	1,678,678,601

Earnings per equity share: [Nominal value

per share: Rs.10 (Previous year: Rs.10)]	38		
Basic		34.47	27.98
Diluted		34.13	27.64

The notes are an integral part of these financial statements.

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

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

Rajendra S Pawar
 Chairman & Managing Director
 DIN 00042516

Arvind Thakur
 CEO & Jt. Managing Director
 DIN 00042534

Usha Rajeev
 Partner
 Membership No. 087191

Ashok Arora
 Group Chief Financial Officer

Pratibha K Advani
 Chief Financial Officer

Onkarnath Banerjee
 Company Secretary
 & Legal Head

 Place : New Delhi
 Date : May 09, 2014

Cash Flow Statement

(All amounts in Rs., unless otherwise stated)

	Year ended March 31, 2014	Year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	2,705,302,491	2,264,542,460
Adjustments for :		
Depreciation and amortization expense	420,196,387	398,423,300
Exchange (gain) / loss including on derivatives	40,714,545	77,425,642
Provision for compensated expenses	45,610,901	58,313,637
Provision for doubtful debts	55,502,859	11,877,960
Provision for doubtful advances	-	(1,546,064)
Interest expenses	16,735,680	11,528,903
Interest income	(40,901,472)	(20,415,884)
Dividend income	(333,707,792)	(71,200,000)
Loss on disposal / write off of fixed assets	2,841,537	809,763
Profit on sale of investment	(44,748,064)	(49,979,227)
	<u>162,244,581</u>	<u>(49,979,227)</u>
Operating profit before working capital changes	2,867,547,072	2,679,780,490
Add / (less) : (increase) / decrease in working capital		
Trade receivables	(1,242,747,580)	(922,811,658)
Long-term loans and advances	(247,492,653)	(75,184,092)
Long-term other non-current assets	81,412,129	84,861,853
Short term loans and advances	(206,380,830)	(197,427,393)
Other Current assets	(90,416,440)	(133,550,282)
Inventories	(10,657,295)	(37,290,775)
Trade payable	(16,310,467)	357,113,739
Other current liabilities	17,642,969	24,584,576
Other long-term liabilities	-	(58,847,915)
Short term provisions	(6,696,641)	(5,445,476)
Other bank balances	121,259,158	306,445,833
	<u>(1,600,387,650)</u>	<u>(657,551,590)</u>
Net cash from operating activities before taxes	1,267,159,422	2,022,228,900
Direct Tax paid (including tax deducted at source)	(718,925,913)	(481,865,251)
Net cash from / (used in) operating activities (A)	548,233,509	1,540,363,649
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible and intangible assets (includes capital WIP)	(1,118,912,819)	(770,144,787)
Proceeds from Sale of tangible and intangible assets	13,292,720	9,714,761
Investment in subsidiaries	-	(38,867,570)
Short term investments with mutual funds		
- Value of units purchased	(3,325,725,303)	(3,814,999,899)
- Value of units sold	3,719,919,573	3,579,979,125
Dividend income	333,707,792	71,200,000
Interest received on fixed deposit and loan	38,791,638	23,827,078
Net cash (used in) investing activities (B)	(338,926,399)	(939,291,292)

Cash Flow Statement

(All amounts in Rs., unless otherwise stated)

	Year ended March 31, 2014	Year ended March 31, 2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including share premium and share application)	84,960,147	87,463,810
Term loans		
-Received	37,470,028	44,782,813
-Repaid	(39,982,649)	(37,449,732)
Short Term Borrowings from other parties	215,000,000	-
Interest paid on fixed loan	(16,735,680)	(11,528,903)
Dividend paid (including dividend tax)	(542,339,696)	(544,474,642)
Net cash (used in) financing activities (C)	(261,627,850)	(461,206,654)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(52,320,740)	139,865,703
Cash and cash equivalents at the beginning of the year (refer note 20)	524,994,865	385,129,162
Cash and cash equivalents at the end of the year (refer note 20)	472,674,125	524,994,865
Cash and cash equivalents represent		
Cash on hand	20,997	157,653
Cheques, drafts on hand	638,214	110,032,374
- Current accounts	382,014,914	414,804,838
- Fixed deposit accounts (less than 3 months maturity)	90,000,000	-
	472,674,125	524,994,865

Notes:

- The above Cash flow statement has been prepared as per the indirect method set out in AS-3 notified under Section 211 (3C) of the Companies Act, 1956.
- The enclosed notes 1 to 45 form an integral part of the Cash Flow Statement.
- Figures in parenthesis indicate cash outgo.
- Previous year figures have been regrouped/reclassified to conform to current year's classification.

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

For Price Waterhouse
Firm Registration No. 301112E
 Chartered Accountants

Rajendra S Pawar
 Chairman & Managing Director
 DIN 00042516

Arvind Thakur
 CEO & Jt. Managing Director
 DIN 00042534

Usha Rajeev
 Partner
 Membership No. 087191

Ashok Arora
 Group Chief Financial Officer

Pratibha K Advani
 Chief Financial Officer

Onkarnath Banerjee
 Company Secretary
 & Legal Head

Place : New Delhi
 Date : May 09, 2014

Notes to the financial statements

1 General Information

NIIT Technologies Limited ("the Company") is a leading IT solutions organization, engaged in Application Development & Maintenance, Managed Services, Cloud Computing and Business Process Outsourcing to organizations in the Financial Services, Insurance, Travel, Transportation & Logistics, Manufacturing & Distribution and Government sectors. The Company delivers services around the world directly and through its network of subsidiaries. The Company is listed on Bombay Stock Exchange and the National Stock Exchange.

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Circular 15/2013 dated September 13, 2013 read with circular 08/2014 dated April 04, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of National Finance Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

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

2.2 Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

2.3 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

2.4 Depreciation and Amortization

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets or the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher, as follows;

Leasehold Land	Over the period of lease
Leasehold Improvements	3 years or lease period whichever is lower
Computers, Related Accessories and Software	2-5 years
Furniture and Fixture	10.5 years

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

Goodwill is amortized over a period of three 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 Statement of Profit and Loss as depreciation over their revised remaining useful life.

2.5 Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of

Notes to the financial statements

the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

2.6 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.7 Inventory Valuation

Inventories are stated at lower of costs and net realizable value. Cost is determined using first in first out method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of purchase and the estimated cost necessary to make sale.

2.8 Revenue Recognition

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

Revenues from the sale of software and equipments are recognized when the significant risk and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognized net of trade discount, rebate and sales tax.

In contracts involving the rendering of services, revenue is measured using the proportionate completion method and are recognised net of service tax.

2.9 Other Income

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

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

2.10 Employee Benefits

Provident Fund

Employees Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

Superannuation

"The Company makes defined contribution to a Trust established for this purpose. The Company has no further obligation beyond its monthly contributions. The Company's contribution towards Superannuation Fund is charged to Statement of Profit and Loss."

Gratuity

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

Overseas Employees

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

Notes to the financial statements

Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as long term employee benefits. The Company's liability is actuarially determined (using projected unit credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

2.11 Foreign Currency Translation

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the monthly average rate.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

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

2.12 Hedge Accounting

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

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

2.13 Borrowing Cost

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

2.14 Current and Deferred tax

Tax expense for the year comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Notes to the financial statements

Minimum Alternative Tax ("MAT Credit") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.15 Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

2.16 Leases

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

2.17 Earning Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.18 Employee Stock Option Plan

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

2.19 Cash and Cash Equivalents

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

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

	As At March 31, 2014	As At March 31, 2013
3 Share capital		
Authorised		
75,000,000 (Previous Year 75,000,000) Equity Shares of Rs. 10/- each	<u>750,000,000</u>	<u>750,000,000</u>
Issued, subscribed and paid up		
60,701,174 (Previous Year 60,237,169) Equity Shares of Rs. 10/- each	<u>607,011,740</u>	<u>602,371,690</u>

a) Reconciliation of number of shares

Particulars	Equity Shares			
	As at March 31, 2014		As at March 31, 2013	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	60,237,169	602,371,690	59,632,319	596,323,190
Add : Shares issued during the year	464,005	4,640,050	604,850	6,048,500
Balance as at the end of the year	60,701,174	607,011,740	60,237,169	602,371,690

b) Right, preference and restrictions attached to shares

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	Equity Shares			
	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Scantech Evaluation Services Limited	14,493,480	23.88	14,493,480	24.06
Fidelity Management and Research Company A/c Fidelity Advisor Series 1 Fidelity Advisor Small Cap Fund	3,800,000	6.26	3,800,000	6.31

d) Shares reserved for issue under option

Refer note 44 for details of shares to be issued under the Employee Stock Option Plan.

e) Shares allotted as fully paid up pursuant to contract without payment being received in cash (during 5 years immediately preceding March 31, 2014) : 1,974,479 equity shares were issued in the last 5 years under Employee Stock Option Plan as consideration for services rendered by employees (Refer Note 44)

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

	As At March 31, 2014	As At March 31, 2013
4 Reserves and surplus		
Capital redemption reserve	16,570,603	16,570,603
Security premium reserve		
Balance as at the beginning of the year	178,413,569	103,907,059
Add: Transferred from stock options outstanding	67,501,086	74,506,510
Balance as at the end of the year	245,914,655	178,413,569
Employee stock options outstanding		
Options granted till date	13,793,823	6,885,023
Add: Compensation for options granted during the year	33,090,122	15,236,377
Less: deferred employee stock compensation	20,271,113	8,327,577
Balance as at the end of the year	26,612,832	13,793,823
General reserve		
Balance as at the beginning of the year	1,517,157,411	1,349,289,551
Add: Balance Transferred from statement of profit and loss	208,405,725	167,867,860
Balance as at the end of the year	1,725,563,136	1,517,157,411
Surplus in statement of profit and loss		
Balance as at the beginning of the year	5,268,505,498	4,357,092,740
Profit for the year	2,084,057,248	1,678,678,601
Less: Appropriations		
Dividend paid (relating to Previous Year)	988,346	2,352,960
Corporate dividend tax on above	167,969	371,563
Excess provision Corporate Dividend Tax written back	(54,354,053)	-
Proposed dividend on equity Shares for the year	546,310,566	512,015,937
Corporate dividend tax on Proposed dividend on equity shares	77,719,931	84,657,523
Transferred to general reserve	208,405,725	167,867,860
Balance as at the end of the year	6,573,324,262	5,268,505,498
Hedging reserve surplus / (deficit)	88,316,303	82,066,502
Total	8,676,301,791	7,076,507,406
5 Long-term borrowings		
Secured		
Vehicle loan		
From Financial Institution [Refer Note (a) below]	48,870,148	55,531,771
	48,870,148	55,531,771
(a) Vehicle loans from Financial Institution are secured by way of hypothecation of the vehicles financed. The loan amount along with interest are repayable over the period of 48 equal monthly installments from the date of sanction of loan.		
6 Long-term provisions		
Provision for employee benefits		
Provision for compensated absences	280,306,407	250,585,333
	280,306,407	250,585,333
7 Short term borrowings		
Unsecured		
Loans		
From other parties	215,000,000	-

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

	As At March 31, 2014	As At March 31, 2013
8 Trade payables	<u>991,057,769</u>	<u>838,431,916</u>

There are no micro and small scale enterprises to which the Company owes dues as at 31st March 2014. This information as required to be disclosed under the micro, small and medium enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

9 Other current liabilities

Current maturities of long-term debt		
-Vehicle loan from financial institution [Refer note 5(a)]	35,333,589	31,184,587
Advances from customers	2,394,948	21,762,715
Unclaimed dividend [Refer note (a) below]	13,684,948	12,548,922
Income received in advance(deferred/ unearned Revenue)	-	65,805,150
Employee benefits payable	472,181,714	397,681,728
Statutory dues including provident fund and tax deducted at source	129,242,436	100,926,536
	<u>652,837,635</u>	<u>629,909,638</u>

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

10 Short-term provisions

Provision for compensated absences	109,414,718	93,524,891
Proposed dividend on equity shares	546,310,566	512,015,937
Corporate dividend distribution tax	77,719,931	84,657,523
Provision for contract warranties [Refer note (a) below]	7,939,492	14,636,133
	<u>741,384,707</u>	<u>704,834,484</u>

(a) Provisions		Provision for contract warranties
Balance as at the beginning of the year	14,636,133	20,081,609
Additions	-	-
Amount used	6,696,641	5,445,476
Balance as at the end of the year	<u>7,939,492</u>	<u>14,636,133</u>

Notes to the financial statements

11 Tangible Assets

(All amounts in Rs. unless otherwise stated)

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at March 31, 2013	Additions during the Year	Sales / Adj. during the Year	As at March 31, 2014	For the Year	Sales / Adj. during the Year	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Land - Freehold	167,165	-	-	167,165	-	-	-	167,165	167,165
Land - Lease Hold Buildings	300,912,075 1,250,585,711	- 2,510,026	- -	300,912,075 1,253,095,737	3,463,576 20,382,625	- -	23,589,193 64,824,627	277,322,882 1,188,271,110	280,786,458 1,206,143,709
Plant and Machinery	676,039,165	92,309,043	14,468,307	753,879,901	92,214,695	14,271,277	588,858,749	165,021,152	165,123,834
-Computers and Peripherals	100,481,630	94,963	62,237	100,514,356	4,846,151	59,461	23,297,791	77,216,565	81,970,529
-Office Equipments	569,122,763	17,036,288	1,584,924	584,574,127	32,627,125	894,979	118,750,796	465,823,331	482,104,113
-Others	351,155,316	49,383,744	5,567,046	394,972,014	31,050,844	3,984,934	126,811,963	268,160,051	251,409,263
Furniture and Fixtures	206,442,879	-	30,645,650	175,797,229	5,200,271	30,645,639	171,540,326	4,256,903	9,457,185
Lease Hold Improvements	152,823,052	43,337,087	17,345,681	178,814,458	15,936,383	4,506,948	37,327,081	141,487,377	126,925,406
Vehicles	3,607,729,756	204,671,151	69,673,845	3,742,727,062	205,721,670	54,363,238	1,155,000,526	2,587,726,536	2,604,087,662
Total	3,423,790,173	266,840,211	82,900,628	3,607,729,756	198,001,788	72,543,752	1,003,642,094	2,604,087,662	

12 Intangible Assets

Description of Assets	GROSS BLOCK			AMORTISATION			NET BLOCK		
	As at March 31, 2013	Additions during the Year	Sales / Adj. during the Year	As at March 31, 2014	For the Year	Sales / Adj. during the Year	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Software-External	638,787,182	160,253,536	263,989,199	535,051,519	207,649,504	263,165,544	447,946,725	87,104,794	135,324,417
Patents	23,152	-	-	23,152	1,099	-	21,971	1,181	2,280
Goodwill	-	41,057,164	-	41,057,164	6,824,114	-	6,824,114	34,233,050	-
Total	638,810,334	201,310,700	263,989,199	576,131,835	214,474,717	263,165,544	454,792,810	121,339,025	135,326,697
Previous Year	759,443,562	228,001,364	348,634,592	638,810,334	200,421,512	348,466,944	503,483,637	135,326,697	

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

	As At March 31, 2014	As At March 31, 2013
13 Non-current investments		
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
In Subsidiary Companies:		
2,837,887 (Previous Year 2,837,887) Equity Shares having no par value in NIIT Technologies Inc. USA	155,790,698	155,790,698
2,989,375 (Previous Year 2,989,375) Equity Shares of 1 Singapore \$ each fully paid-up in NIIT Technologies Pte Ltd., Singapore	77,518,750	77,518,750
3,276,427 (Previous Year 3,276,427) Equity Shares of 1 UK Pound each fully paid-up in NIIT Technologies Ltd., UK	204,426,821	204,426,821
890,000 (Previous Year 890,000) equity Shares of Rs 10/- each fully paid-up in NIIT GIS Ltd	8,900,000	8,900,000
537,900 (Previous Year 537,900) Equity Shares of Euro 1 each fully paid-up in NIIT Technologies GmbH, Germany	184,762,155	184,762,155
50,000,000 (Previous Year 50,000,000) Equity Shares of Rs 10/- each fully paid-up in NIIT SmartServe Limited	500,000,000	500,000,000
Less: Provision for Diminution	<u>250,000,000</u>	<u>250,000,000</u>
	250,000,000	250,000,000
1,000,000 (Previous Year 1,000,000) Equity Shares of Euro 1 each fully paid-up in NIIT Airline Technology GmbH Germany	223,813,064	223,813,064
10 (Previous Year 10) Equity Shares of USD 5,000 each fully paid-up in NIIT Technologies Limited, Canada	1,969,500	1,969,500
5000 (Previous Year 5000) Equity Shares of 1000 AED each fully paid in NIIT Technologies FZ LLC Dubai	63,141,800	63,141,800
5,000,000 (Previous Year 5,000,000) equity shares of Rs. 10 each in NIIT Technologies Services Ltd	25,000,061	25,000,061
10,000 (Previous Year 10,000) equity shares of Peso 100 each in NIIT Technologies Philippines Inc	38,867,570	38,867,570
	<u>1,234,190,419</u>	<u>1,234,190,419</u>
Aggregate amount of unquoted investments	1,234,190,419	1,234,190,419
Aggregate provision for diminution in value of investments	250,000,000	250,000,000

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

	As At March 31, 2014	As At March 31, 2013
14 Deferred tax assets (net)	<u>103,240,675</u>	<u>70,429,185</u>

Deferred tax

Break up of deferred tax assets/
liabilities is as follows:

Deferred tax assets / liabilities

	As at April 1, 2013	Charged/ (Credited) during the year	As at March 31, 2014
Deferred tax assets			
a) Provision for doubtful debts and Advances	3,167,378	24,627,274	27,794,652
b) Provision for compensated absences, bonus and gratuity	125,272,705	31,046,034	156,318,739
c) Other expenses	54,626,287	17,007,590	71,633,877
Total (A)	<u>183,066,370</u>	<u>72,680,898</u>	<u>255,747,268</u>
Deferred tax liabilities			
a) Tax impact of expenses not charged in the financial statements but claimed as deduction under income tax	7,441,760	260,247	7,702,007
b) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	71,858,113	37,485,904	109,344,017
Total (B)	<u>79,299,873</u>	<u>37,746,151</u>	<u>117,046,024</u>
Deferred tax assets (net) (A - B)	<u>103,766,497</u>	<u>34,934,747</u>	<u>138,701,244</u>
Add: Deferred Tax Asset/ (liabilities) related to fair value loss/ (gain) on derivative instruments not charged in the Statement of Profit and Loss but taken to the Balance Sheet.	(33,337,312)		(35,460,569)
Net deferred tax assets	<u>70,429,185</u>		<u>103,240,675</u>

Note :

- (a) Deferred tax assets and liabilities above have been determined by applying the income tax rates of respective countries. Deferred tax assets and liabilities in relation to taxes payable under different tax jurisdictions have not been offset in financial statements.
- (b) Amount of Rs. 34,934,747 (March 31, 2013 Rs. 20,132,095) includes exchange fluctuation of Rs. 6,219,809 (March 31, 2013 Rs. 994,516) relating to deferred tax assets created for US Branch operations

15 Long-term loans and advances

(Unsecured considered good unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received		
-Considered good	201,455,337	45,704,255
Security deposits		
-Considered Goods	51,884,444	77,412,938
-Considered doubtful	1,459,716	1,459,716
	<u>53,344,160</u>	<u>78,872,654</u>
Less -Provision for doubtful security deposits	<u>(1,459,716)</u>	<u>(1,459,716)</u>
	51,884,444	77,412,938
Capital advances	180,176,771	62,906,706
	<u>433,516,552</u>	<u>186,023,899</u>

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

	As At March 31, 2014	As At March 31, 2013
16 Other non-current assets		
Margin money deposits	50,787,871	132,200,000
	<u>50,787,871</u>	<u>132,200,000</u>

17 Current investments

At cost or market value, whichever is less

Unquoted

In Mutual funds	400,553,794	750,000,000
	<u>400,553,794</u>	<u>750,000,000</u>

Liquid Scheme of Mutual Fund	As at March 31 2014		As at March 31 2013	
	Units	Value	Units	Value
Tata Liquid Fund Direct Plan-Growth	25,688	60,000,000	32,538	70,000,000
SBI Premier Liquid Fund	-	-	6,851,589	90,000,000
Birla Sun Life Cash Plus-Growth-Direct Plan	345,065	70,000,000	1,215,951	90,000,000
Reliance Money Manager Fund-Growth Plan Growth Option-LPIG	40,761	70,553,794	3,225,350	90,000,000
Templeton India Treasury Management Account Super Institutional Plan-Direct	31,778	60,000,000	4,049,835	90,000,000
IDFC Super Saver Income Fund-ST Regular Fund	-	-	1,707,570	40,000,000
UTI Floating Rate Fund	-	-	26,608	50,000,000
HDFC Liquid Fund-Direct Plan-Growth Option	2,780,377	70,000,000	5,145,149	80,000,000
ICICI Prudential Liquid-Direct Plan-Growth	370,819	70,000,000	430,416	70,000,000
Kotak Bond Fund-Plan A-Growth	-	-	910,683	80,000,000
Total		<u>400,553,794</u>		<u>750,000,000</u>

18 Inventories

Traded Goods

Material in transit [Refer Note (a) below]	47,948,070	37,290,775
	<u>47,948,070</u>	<u>37,290,775</u>

Note :

(a) The Company deals in number of software and hardware items whose cost and selling price vary from item to item. In view of voluminous data, information relating to major items of opening stocks, closing stocks, purchases and sales have not been disclosed in the financial statements.

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

	As At March 31, 2014	As At March 31, 2013
19 Trade receivables		
Unsecured considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	118,308,641	103,743,597
Others	4,198,173,545	3,072,607,666
Unsecured considered doubtful		
Outstanding for a period exceeding 6 months from the date they are due for payment	80,313,313	8,302,583
Less: Provision for doubtful debts	80,313,313	8,302,583
	<u>4,316,482,186</u>	<u>3,176,351,263</u>
20 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	20,997	157,653
Cheques, drafts on hand	638,214	110,032,374
Bank balances		
- Current accounts	382,014,914	414,804,838
- Fixed deposit accounts (less than 3 months maturity)	90,000,000	-
	<u>472,674,125</u>	<u>524,994,865</u>
Other Bank Balances		
- Long term deposits with maturity more than 3 months but less than 12 months	-	122,395,184
- Unpaid dividend account	13,684,948	12,548,922
	<u>486,359,073</u>	<u>659,938,971</u>
21 Short term loan & advances		
(Unsecured, considered good except where otherwise stated)		
a) Other loans and advances		
Advances recoverable in cash or in kind or for value to be received		
-Considered good	553,332,534	346,171,146
Security deposits (unsecured)		
-Considered good	47,683,460	48,464,018
Advance income tax	2,283,901,681	1,572,797,285
Less: Provision for income tax	2,066,351,092	1,504,111,190
	<u>217,550,589</u>	<u>68,686,095</u>
Advance fringe benefits tax	49,383,996	49,383,996
Less: Provision for fringe benefits tax	49,120,061	49,120,061
	<u>263,935</u>	<u>263,935</u>
	<u>818,830,518</u>	<u>463,585,194</u>

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

	As At March 31, 2014	As At March 31, 2013
22 Other current assets		
(Unsecured, considered good)		
Minimum Alternate Tax credit entitlement	60,273,889	140,172,651
Unbilled revenue	259,150,490	168,734,050
Interest accrued on Fixed Deposits	9,066,199	6,956,365
Derivative instruments fair value assets	123,776,872	115,403,814
	<u>452,267,450</u>	<u>431,266,880</u>
23 Proposed dividend		
On equity shares of Rs. 10 each		
Amount of dividend proposed	546,310,566	512,015,937
Dividend per equity share	9.00	8.50
24 Contingent liabilities		
Claims against the company not acknowledged as debts		
Income tax matters	299,325,686	299,325,686
Claims made by customers - pending under arbitration	3,230,000	3,230,000
25 Capital and other commitments		
(a) Capital commitments		
Estimated value of contracts in capital account remaining to be executed	967,336,059	597,664,754
(b) Other commitments		
Guarantees to banks against lines of credit sanctioned to wholly owned overseas subsidiaries	66,822,700	61,245,100
Guarantees on behalf of wholly owned overseas subsidiaries	1,950,693,150	1,879,016,550
	Year ended March 31, 2014	Year ended March 31, 2013
26 Revenue from operations		
Sales of products		
Traded goods [Refer Note 18(a)]	1,601,988,899	1,000,677,507
Sale of services	11,482,789,264	10,082,368,701
	<u>13,084,778,163</u>	<u>11,083,046,208</u>
27 Other income		
Net gain on sale of investments	44,748,064	49,979,227
Recovery from subsidiaries for common corporate expenses	52,853,784	51,741,901
Interest on :		
-Bank deposits	9,661,743	20,415,884
-Income Tax refund	31,239,729	-
Miscellaneous income	(10,839,623)	41,822,731
Dividend Income from subsidiary	333,707,792	71,200,000
Gain on exchange fluctuations (net)	280,235,753	93,800,269
	<u>741,607,242</u>	<u>328,960,012</u>

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

	Year ended March 31, 2014	Year ended March 31, 2013
28 Purchase of stock in trade		
Bought out items [Refer Note 18 (a)]	1,545,584,422	915,454,927
	<u>1,545,584,422</u>	<u>915,454,927</u>
29 Employee benefits expense		
Salaries and benefits*	6,539,123,148	5,640,250,600
Contribution to provident and other funds [Refer Note a below]	159,316,275	127,563,395
Employee stock option scheme (Refer Note 44)	10,199,414	7,104,123
Staff welfare expenses	192,452,971	126,545,978
	<u>6,901,091,808</u>	<u>5,901,464,096</u>

* Net off Rs 12,305,153 (Previous Year Rs. 10,466,627/-) capitalised as part of capital work-in-progress.

Employee Benefits

a) Defined Contribution Plans

The Company makes contribution towards Superannuation Fund and Overseas Plan (related to the Branch in the USA), being defined contribution plans for eligible employees. The Company has charged the following costs in the Statement of Profit and Loss

Employer's Contribution	Year Ended March 31, 2014	Year Ended March 31, 2013
Employers Contribution to Superannuation Fund	11,761,083	10,287,661
Employers Contribution to Overseas Plan	32,625,585	25,125,166

b) Defined Benefit Plans

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

(1) Provident Fund:

The Company makes contribution to the "NIIT Technologies Limited Employees Provident Fund Trust" ("the Trust"), which is exempted under section 17 of Employees' Provident Fund Act, 1952. The conditions for grant of exemptions stipulate that the employer shall make good the deficiency, if any, in the interest rate declared by the Trust vis-à-vis statutory rate. As per guidance note on Accounting Standard-15, Employee Benefits (Revised 2005) issued by the Accounting Standard Board (ASB), provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The Trust includes employees of the Company as well as of other subsidiaries in accordance with the approval vide letter No. S-35015/9/2008-SS-II, dated March 20, 2009, granted by the Employees' Provident Fund Organization. In view of the same, it is a multi-employer defined benefit plan. The Company made defined contribution to Regional Provident Fund Commissioner (RPFC) from 1st October 2005 till 29th February 2009 in respect of Provident Fund. The Company has transferred these contributions along with the interest from RPFC to NIIT Technologies Limited Employees' Provident Fund Trust. The Company does not have any further obligation in this respect.

Consequent to the Actuarial Society of India issuing a guidance note on the valuation of provident fund liability, the Trust has obtained an actuarial valuation of the provident fund liability as at balance sheet date and as per the valuation report, there is surplus as on March 31, 2014. The Actuary has provided details for the disclosure requirement of the Accounting Standard 15 (Revised 2005) on "Employee Benefits" for the Trust as a whole. However, participant entities wise break-up of these disclosures is not available and accordingly, the disclosures for provident fund liability as required by Accounting Standard 15 "Employee Benefits" (Revised 2005) have been made in these financial statements, basis actuarial report for the trust as a whole.

The Company contributed Rs. 114,929,607 (Previous year Rs. 92,150,568) during the year to the Trust, which has been charged to Statement of Profit and Loss.

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

(i) Present Value of Defined Benefit Obligations :

Description	March 31,2014	March 31,2013
Balance as at the beginning of the year	867,038,431	642,779,455
Interest cost	76,440,225	60,237,855
Current service cost	94,747,888	71,575,353
Benefits paid	(81,228,214)	(63,571,237)
Plan Participant's Contributions	132,733,396	108,488,833
Transfer In	32,912,757	39,816,314
Actuarial (gain) / loss on obligation	2,722,060	7,711,858
Balance as at the end of the year	1,125,366,543	867,038,431

(ii) Fair Value of Plan Assets :

Description	March 31,2014	March 31,2013
Plan assets at beginning at fair value	874,262,082	644,742,608
Expected return on plan assets	86,196,816	63,216,299
Employer contributions	90,251,703	70,403,833
Plan Participant's Contributions	132,733,396	108,488,833
Benefits paid	(81,228,214)	(63,571,237)
Transfers In	32,912,757	39,816,314
Actuarial gain / (loss) on plan assets	16,073,673	11,165,432
Plan assets at year end at fair value	1,151,202,213	874,262,082

(iii) Assets and Liability recognised in Balance Sheet :

Description	March 31,2014	March 31,2013
Present value of the defined benefit obligation as at the end of the year	1,125,366,543	867,038,431
Fair value of plan assets at the end of the year	1,151,202,213	874,262,082
Liability/(Assets) recognized in the Balance Sheet	(25,835,670)	(7,223,651)

*As the funded status is in surplus there is no need for any specific provision as at 31st March 2014 towards the Provident Fund by the Company. Hence the net liability to be recognised in the balance sheet is INR Nil (March 31,2013 : Nil)

(iv) Principal actuarial assumptions at the Balance Sheet date

Discount Rate	9.15%	8.15%
Attrition rate		
Age from 20-30 years	15.00%	15.00%
31-34	10.00%	10.00%
35-44	5.00%	5.00%
45-50	3.00%	3.00%
51-54	2.00%	2.00%
Age 55 & above	1.00%	1.00%

Expected Return on Assets for Exempt PF Fund

Year	Rate	Rate
2012-13		9.12%
2014-16	9.19%	9.12%
2016 and thereafter	9.19%	9.12%

Long term EPFO Rate

Year	Rate	Rate
2012-13	-	-
2013-14	8.75%	8.50%
2014 and thereafter	8.75%	8.50%

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

(v) Experience Gain/(Loss) adjustments

Description	March 31,2014	March 31,2013
Experience Gain/(Loss) adjustments on Plan Liabilities	(2,722,060)	7,711,858
Experience Gain/(Loss) adjustments on Plan assets	16,073,673	11,165,432

(2) Gratuity:

Disclosures as per actuarial report of independent actuary:

(i) Present Value of Defined Benefit Obligations :

Description		
Balance as at the beginning of the year	137,234,100	101,168,000
Interest cost	10,226,465	8,341,810
Current service cost	29,878,958	23,149,750
Benefits paid	(7,805,542)	(8,180,840)
Actuarial (gain) / loss on obligation	(1,649,104)	12,755,380
Balance as at the end of the year	167,884,877	137,234,100

(ii) Fair Value of Plan Assets :

Description		
Plan assets at beginning at fair value	148,148,452	116,531,512
Expected return on plan assets	15,406,933	11,938,140
Contribution	37,581,367	29,120,900
Benefits paid	(7,805,542)	(8,180,840)
Actuarial gain / (loss) on plan assets	(1,116,633)	(1,261,260)
Plan assets at year end at fair value	192,214,577	148,148,452

(iii) Assets and Liabilities in Balance Sheet :

Description		
Present value of the defined benefit obligation as at the end of the year	167,884,877	137,234,100
Fair value of plan assets at the end of the year	192,214,577	148,148,452
(Assets) recognized in the Balance Sheet	(24,329,700)	(10,914,352)

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

Description		
Current service cost	29,878,958	23,149,750
Interest cost	10,226,465	8,341,810
Expected return on plan assets	(15,406,933)	(11,938,140)
Actuarial (gain) / loss recognized during the year	(532,471)	14,016,640
Total	24,166,019	33,570,060

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

Description	March 31,2014	March 31,2013	March 31,2012	March 31,2011	March 31,2010
Present value of the defined benefit obligation as at the end of the year	(167,884,877)	(137,234,100)	(101,168,000)	(93,869,000)	(82,052,240)
Fair value of plan assets at the end of the year	192,214,577	148,148,452	116,531,512	94,594,112	92,988,702
(Liability) /assets recognized in the balance sheet	24,329,700	10,914,352	15,363,512	725,112	10,936,462
Experience gain/(loss) adjustments on plan liabilities	1,649,104	(12,755,000)	11,550,990	492,330	9,749,204
Experience gain/(loss) adjustments on plan assets	(1,116,633)	(1,261,260)	(554,140)	88,740	(277,310)

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

(vi) 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.

(vii) Principal actuarial assumptions at the Balance Sheet date

	2013-14	2012-13
Discount rate	9.15%	8.10%
Expected rate of return on plan assets	9.45%	9.40%
Salary growth rate	5.00%	5.00%
Attrition rate		
Age from 20-30 years	15.00%	15.00%
31-34	10.00%	10.00%
35-44	5.00%	5.00%
45-50	3.00%	3.00%
51-54	2.00%	2.00%
Age 55 & above	1.00%	1.00%
Expected average remaining working lives of employee (years)	11.7	11.8

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

(viii) Expected Contribution to the fund in the next year

	March 31,2014	March 31,2013
Gratuity	39,000,000	38,000,000

(c) Other Benefit plans

(1) Compensated Absences

Change in present value of obligation	March 31,2014	March 31,2013
Present value of obligation as at the beginning of the period	344,110,224	285,796,587
Interest cost	24,454,290	21,925,463
Current service cost*	145,215,977	125,373,090
Benefits paid	(8,302,222)	(10,886,932)
Actuarial (gain) / loss on obligation	(115,757,137)	(78,097,984)
Present value of obligation as at the end of the period	389,721,132	344,110,224

* Inclusive of Exchange difference on opening liability related to US branch Rs. 5,380,029/-(Previous year Rs. 2,628,723/-.)

Amount of the obligation recognised in Balance Sheet :

Present value of the defined benefit obligation as at the end of the year	389,721,132	344,110,224
Fair value of plan assets at the end of the year	-	-
(Liability)/Assets recognized in the Balance Sheet	(389,721,132)	(344,110,224)
The break-up between current and non-current is as follows		
Non Current Provision (Note 6)	(280,306,407)	(250,585,333)
Current liability Provision (Note 10)	(109,414,718)	(93,524,891)
	<u>(389,721,125)</u>	<u>(344,110,224)</u>

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

Amount recognised in the Statement of Profit and Loss:	March 31,2014	March 31,2013
Current service cost	145,215,977	125,373,090
Interest cost	24,454,290	21,925,463
Expected return on plan assets	-	-
Actuarial (gain) / loss recognized during the year	(115,757,137)	(78,097,984)
Amount recognised in Statement of Profit and Loss *	53,913,130	69,200,569

* Inclusive of Exchange difference on opening liability related to US branch Rs. 5,380,029/-(Previous year Rs. 2,628,723/-.)

Principal Actuarial Assumption used in accounting for Compensated Absences
For India (Excluding US Branch)

Discounting Rate	9.15%	8.10%
Future Salary Increase	0-4 Years 9% 5-9 Years 7% 10 and above 5%	0-4 Years 9% 5-9 Years 7% 10 and above 5%

For USA Branch

Discounting Rate	9.10%	8.10%
Future Salary Increase	1st Year 0% Afterwards 4%	1st Year 0% Afterwards 4%

Attrition rate

Age from 20-30 years	15.00%	15.00%
31-34	10.00%	10.00%
35-44	5.00%	5.00%
45-50	3.00%	3.00%
51-54	2.00%	2.00%
Age 55 & above	1.00%	1.00%

Amount recognised in current year and previous four years

Description	March 31,2014	March 31,2013	March 31,2012	March 31,2011	March 31,2010
Present value of the defined benefit obligation as at the end of the year	(389,721,132)	(344,110,224)	(285,796,587)	(190,771,520)	(162,396,480)
Fair value of plan assets at the end of the year	-	-	-	-	-
(Liability) /assets recognized in the balance sheet	(389,721,132)	(344,110,224)	(285,796,587)	(190,771,520)	(162,396,480)
Experience gain/ (loss) adjustments on plan liabilities	115,757,137	78,097,984	23,822,462	77,418,038	86,821,598
Experience gain/ (loss) adjustments on plan assets	-	-	-	-	-

30 Finance costs

	Year ended March 31, 2014	Year ended March 31, 2013
Interest expense	16,735,680	11,528,903
Bank and financial charges	10,455,486	14,246,213
	<u>27,191,166</u>	<u>25,775,116</u>

31 Depreciation and amortisation expense

Depreciation on tangible assets	205,721,670	198,001,788
Amortisation on intangible assets	214,474,717	200,421,512
	<u>420,196,387</u>	<u>398,423,300</u>

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

	Year ended March 31, 2014	Year ended March 31, 2013
32 Other expenses		
Rent	162,308,277	173,919,532
Rates and taxes	2,326,933	3,697,130
Electricity and water	105,005,935	92,752,609
Communication	103,963,254	90,287,706
Legal and professional [refer note (a) below]	110,599,621	105,425,601
Travelling and conveyance	454,587,474	409,516,319
Insurance premium	28,706,882	26,899,331
Repairs and maintenance		
- Plant and machinery	77,474,187	59,305,369
- Buildings	4,922,823	828,106
- Others	100,172,663	87,309,373
Bad debt and provision for doubtful debt	55,502,859	11,877,960
Loss on sales of assets	2,841,537	809,763
Donation	50,371,859	50,100,000
Advertisement and publicity	24,186,887	13,056,729
Business promotion	54,929,195	46,659,072
Professional charges	718,565,019	579,820,650
Equipment hiring	22,457,476	13,656,644
Consumables	42,522,192	40,869,958
Other production expenses	34,092,487	33,688,257
Miscellaneous expenses	71,481,571	65,866,212
	<u>2,227,019,131</u>	<u>1,906,346,321</u>

Notes

a) Payment to auditors (excluding service tax)

Particulars	2013-14	2012-13
-As Auditor	7,989,000	9,384,000
-For reimbursement of expenses	785,240	731,451
b) Expenses capitalised as a part of Capital Work-in-progress :		
Electricity and water	3,825,882	3,991,010
Legal and professional	2,266,384	3,969,984
Miscellaneous expenses	2,138,415	572,633

c) Expenses during the year are net of recoveries towards common services at cost from domestic subsidiaries amounting to Rs. 14,150,085/- (Previous Year Rs. 44,702,425/-).

33 Earning in foreign currency

IT and Related Services	10,697,545,467	9,442,328,195
Other income - Recovery of Shared Services from overseas subsidiaries	45,522,618	62,242,309

34 CIF value of imports

Capital Goods	30,501,452	50,137,580
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35 Expenditure in foreign currency

Travel	143,191,922	123,342,341
Professional Fees	57,879,034	16,362,163
Branch Office Expenses	3,447,950,467	2,811,444,675
Others	8,674,193	3,607,363

Notes to the financial statements

36 Related party transactions as per Accounting Standard 18:

A Related party relationship where control exists: Subsidiaries

- 1 NIIT GIS Ltd, India
- 2 NIIT SmartServe Ltd, India
- 3 NIIT Technologies Services Limited, India
- 4 NIIT Technologies Ltd, United Kingdom
- 5 NIIT Technologies BV, Netherlands (Held by NIIT Tech, UK)
- 6 NIIT Technologies NV, Belgium (Held by NIIT Tech BV, Netherlands)
- 7 NIIT Technologies Pte Limited, Singapore
- 8 NIIT Technologies Ltd, Thailand (Held by NIIT Tech, Singapore)
- 9 NIIT Technologies Pty Ltd, Australia (Held by NIIT Tech, Singapore)
- 10 NIIT Technologies K.K., Japan (Held by NIIT Tech, USA)
- 11 NIIT Technologies GmbH, Germany
- 12 NIIT Technologies AG, Switzerland (Held by NIIT Tech GmbH, Germany)
- 13 NIIT Technologies Inc, USA
- 14 NIIT Insurance Technologies Limited, United Kingdom (Held by NIIT Tech, UK)
- 15 NIIT Airline Technologies GmbH, Germany
- 16 NIIT Technologies FZ LLC, Dubai
- 17 NIIT Technologies Limited, Canada
- 18 NIIT Technologies S.A., Spain (Held by NIIT Tech, UK)
- 19 NIIT Media Technologies LLC (Held by NIIT Technologies Inc, USA)
- 20 NIIT Technologies Philippines Inc
- 21 NIIT Technologies Brazil Ltd w.e.f. from October 17, 2013 (Held by NIIT Tech, UK).

B Other related parties with whom the company has transacted:

a) Parties of whom the company is an associate and its subsidiaries:

NIIT Limited, India (Through its subsidiary, Scantech Evaluation Services Ltd, India)
 NIIT USA Inc., USA
 Evolve Services Limited
 NIIT Institute of Finance Banking and Insurance Training Ltd

b) Key Managerial Personnel

Rajendra S Pawar
 Vijay K Thadani
 Arvind Thakur

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

Naya Bazar Novelties Pvt Ltd
 NIIT Institute of Information Technology
 NIIT University

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

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

Nature of Transactions	Subsidiaries	Party of whom the company is an associate	Key Managerial Personnel	Parties in which Key Managerial Personnel of the Company are interested	Total
Purchase of Fixed Assets (Note 2)	710,089	-	-	-	710,089
	(4,173,529)	(1,158,173)	-	-	(5,331,702)
Rendering of Services (Note 3)*	10,463,181,447	19,774,176	-	-	10,482,955,623
	(9,169,772,211)	(23,871,370)	-	-	(9,193,643,581)
Receiving of Services (Note 4)	1,780,380	1,322,152	-	3,057,160	6,159,692
	(8,523,604)	(4,961,033)	-	(4,542,150)	(18,026,787)
Recovery of Expenses by the company (Including those from Overseas Subsidiaries) (Note 5)	151,004,362	5,024,421	-	-	156,028,783
	(147,699,019)	-	-	-	(147,699,019)
Recovery of Expenses from the company (Note 6)	46,984,839	22,845,462	-	-	69,830,301
	(44,362,005)	(21,463,547)	-	-	(65,825,552)
Donation given (Note 7)	-	37,829	-	50,000,000	50,037,829
	-	-	-	(50,000,000)	(50,000,000)
Finance:					
Investments made (Note 8)	-	-	-	-	-
	(38,867,570)	-	-	-	(38,867,570)
Loans Received (Note9)	215,000,000	-	-	-	215,000,000
	-	-	-	-	-
Remuneration / Commission	-	-	53,545,023	-	53,545,023
Sitting Fees (Note 10)	-	-	(44,769,109)	-	(44,769,109)
Other Income (Note 11)	53,676,721	-	-	-	53,676,721
	(71,138,931)	-	-	-	(71,138,931)
Other Expenses (Note 12)	-	-	-	494,742	494,742
	-	-	-	(758,077)	(758,077)
Dividend paid to Scantech Evaluation Services Ltd	-	130,441,320	-	-	130,441,320
	-	(123,194,580)	-	-	(123,194,580)
Dividend received (Note 13)	333,707,792	-	-	-	333,707,792
	(71,200,000)	-	-	-	(71,200,000)
Interest Paid (Note 14)	6,350,204	-	-	-	6,350,204
	-	-	-	-	-

Notes :

- Figures in parenthesis represent previous year's figure.
- Transactions in purchase of Fixed Assets for the year with;
 - NIIT Limited Rs. NIL (Previous year Rs. 1,158,173/-)
 - NIIT GIS Limited Rs. 710,089/-(Previous year Rs 1,403,675/-)
 - NIIT Smart Serve Limited Rs.NIL(Previous year Rs.2,769,855/-)
- Includes transactions in Rendering of Services for the year mainly with;
 - NIIT Technologies Inc USA Rs.6,694,276,948/- (Previous year Rs. 5,439,289,539/-)
 - NIIT Technologies Ltd, UK Rs 2,294,560,274/-(Previous year Rs. 2,095,175,317/-)
 - NIIT Limited Rs 19,774,176/- (Previous year Rs. 23,871,370/-)
 * includes revenue from revision in rates based on an independent transfer pricing study.
- Includes transactions in Receiving of Services for the year mainly with;
 - NIIT Limited Rs NIL- (Previous year Rs2,967,058/-)
 - NIIT Smart Serve Limited Rs. NIL-(Previous year Rs 5,429,206/-)
 - NIIT GIS Ltd Rs 1,780,380/-(Previous year Rs. 3,094,398/-)
 - Evolve Services Limited Rs 1,322,152/-(Previous year Rs.1,962,476/-)
 - NIIT University Rs 3,057,160/-(Previous year Rs.4,542,150/-)

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

- 5 Includes transactions in recovery of expenses by the company for the year mainly with:
 NIIT GIS Ltd Rs 13,472,045-(Previous year 43,440,900/-)
 NIIT SmartServe Limited Rs 986,389/- (Previous year Rs 1,180,852/-)
 NIIT Technologies Ltd, UK Rs.32,765,229/-(Previous year Rs 35,086,927/-)
 NIIT Technologies Inc USA Rs 47,010,272/-(Previous year Rs. 36,258,752/-)
- 6 Includes transactions in recovery of expenses from the company for the year mainly with;
 NIIT SmartServe Limited Rs 17,191,199/-(Previous year Rs. 20,179,144/-)
 NIIT Limited Rs NIL-(Previous year Rs. 15,013,276/-)
 NIIT USA Inc Rs 17,537,283/- (Previous year Rs. 6,450,271/-)
 NIIT Technologies Inc Rs.20,591,303/-(Previous year Rs. 23,809,228/-)
- 7 Includes transactions in donation made for the year mainly with;
 NIIT Institute of Information Technology Rs 50,000,000/- (Previous year Rs. 50,000,000/-)
- 8 Includes transactions in Investments made for the year mainly with;
 NIIT Technologies, Philippines Inc Rs.NIL-(Previous year Rs.38,867,570/-)
- 9 Transactions in loans received for the year with;
 NIIT Smart Serve Limited Rs.200,000,000/-(Previous year Rs NIL/-)
- 10 Remuneration of:
 Mr. R S Pawar – Rs.23,951,044/- (Previous year Rs.19,032,897/-)
 Mr. Arvind Thakur – Rs.28,693,980/-(Previous year Rs..24,836,212/-)
 Mr. Vijay K Thadani Rs.900,000/- (Previous year Rs.900,000/-)
- 11 Includes transactions in other income for the year mainly with;
 NIIT GIS Limited Rs 5,915,028/- (Previous year Rs 5,598,036/-)
 NIIT SmartServe Ltd Rs NIL/- (Previous year Rs.3,287,273/-)
 NIIT Technologies Ltd, UK Rs 7,832,777/-(Previous year Rs 9,444,220/-)
 NIIT Technologies Inc USA Rs.9,300,472/- (Previous year Rs 6,706,988/-)
 NIIT Technologies Ltd, Thailand Rs. NIL/-(Previous year Rs.20,652,850/-)
 NIIT Insurance Technologies Ltd, UK Rs.9,676,339/-(Previous year Rs.9,748,860/-)
- 12 Includes transactions in other expenses for the year mainly with;
 Naya Bazaar Novelties P Ltd Rs.494,742/-/-(Previous year Rs 758,077/-)
- 13 Includes transactions in Dividend received for the year mainly with;
 NIIT GIS Limited Rs 13,884,000/-(Previous year Rs 71,200,000/-)
 NIIT Technologies Limited UK Rs 183,780,000/- (Previous year Rs Nil/-)
 NIIT Technologies, Inc. 131,670,000 /-(Previous year Rs NIL/-)
- 14 Transactions in Interest Paid for the year with;
 NIIT Smart Serve Limited Rs.5,853,971/-(Previous year Rs NIL/-)

D Details of balances with related parties:

	Receivable As at March 31, 2014	Payable As at March 31, 2014	Receivable As at March 31, 2013	Payable As at March 31, 2013
Subsidiaries	1,995,582,344	232,104,058	1,826,638,326	9,207,569
Associates	5,060,212	2,025,247	18,122,358	4,980,771
Parties in which Key Managerial Personnel are interested	-	1,507,069	-	64,272
Key Managerial Personnel	-	-	188,828	-

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

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

Particulars	Revenue by location of customer		Carrying amount of segment assets by location of the assets		Addition to fixed assets	
	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013
India	2,631,561,730	2,062,090,660	11,831,705,044	9,878,884,307	405,981,851	494,841,575
America*	6,852,818,166	5,398,580,446	-	-	-	-
Europe*	3,316,885,744	3,163,045,358	-	-	-	-
Asia Pacific (including Australia)*	283,523,023	459,329,744	-	-	-	-
Total	13,084,788,663	11,083,046,208	11,831,705,044	9,878,884,307	405,981,851	494,841,575

*Net of Hedging loss of Rs.244,318,533 (Previous Year Rs. 212,698,646/-) This includes derivative instruments matured during the year for America Rs. 153,685,787/- (Previous Year 170,671,048) and Europe Rs. 90,632,746/- (Previous Year Rs. 42,027,598/-).

38 Earning Per Share :

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Basic		
Profit after tax (A)	2,084,057,248	1,678,678,601
Weighted Average number of Equity shares Outstanding during the year - (B)	60,465,664	60,004,077
Basic Earning per share (A)/(B)	34.47	27.98
Diluted		
Profit after tax	2,084,057,248	1,678,678,601
Weighted Average number of Equity shares Outstanding during the year (B)	60,465,664	60,004,077
Add : Weighted average number of potential equity shares on account of employee stock options. (Refer Note 44)	590,044	733,877
Weighted average number of shares outstanding for dilutive EPS (C)	61,055,708	60,737,954
Diluted EPS (A)/(C)	34.13	27.64
Face value per share	10.00	10.00

The Company has issued 464,005 (Previous year 604,850) equity shares under its ESOP Scheme during the year. The same has been adjusted for both the years presented above.

Earning Per Share [had fair value method been employed for accounting for Employee Stock Option (Refer Note 44 (g))]

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit Attributable to Equity shareholders (D)	2,078,281,423	1,658,542,682
Basic Earning per share (Rs) (D / B)	34.37	27.64
Diluted Earning per share (Rs) (D / C)	34.04	27.31

39 Current Income Tax

- The Company determines taxes on income in accordance with the applicable provisions of Income Tax Act, 1961 ("Act"). The Company also claims deductions under sections 10AA and 80 IAB in respect of its Unit and Developer Operations, respectively, in Special Economic Zone (SEZ). The payments under Minimum Alternate Tax (MAT) can be carried forward and can be set off against future tax liability. Accordingly, a sum of Rs. 60,273,889/-(Previous Year Rs. 140,172,651) has been shown under "Other Current Assets" (Refer Note 21). Further, during the year the Company has utilized MAT of Rs.79,898,762/-(Previous Year 85,952,249/-).
- In addition to Indian Operations, the Company has accounted for the tax liability/reliefs in respect of its branch having operations in the United States of America (USA) in accordance with the tax legislations applicable in the USA.
- The current tax expense includes credit of Rs. 9,872,186/- (Previous Year charge of Rs. 9,652,893/-) relating to earlier year adjustments.

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

40 Managerial remuneration :

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

	Year ended March 31, 2014	Year ended March 31, 2013
Profit before taxation as per Statement of profit and loss	2,705,302,491	2,264,542,460
Add : Net Increase in Provision for Doubtful Debts	72,010,730	11,877,960
Add : Depreciation as per Books of Accounts	420,196,387	398,423,300
Less : Depreciation as per Section 350 of the Companies Act, 1956	318,047,267	301,471,189
Net Profit under Section 349 of the Companies Act, 1956	2,879,462,341	2,373,372,531
Add : Directors Remuneration	55,595,023	46,753,218
Net Profit under Section 198 of the Companies Act, 1956	2,935,057,364	2,420,125,749
Maximum remuneration allowable under Sec. 198 of the Companies Act, 1956 restricted to 11% of Net Profit	322,856,310	266,213,832
Maximum Commission allowable to Non-Executive directors under Sec. 309 of the Companies Act, 1956 restricted to 1% of Net Profit	29,350,574	24,201,257

Directors' remuneration :

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

	Year ended March 31, 2014	Year ended March 31, 2013
Executive Director's Remuneration:		
Salary and Allowances	23,647,221	18,938,840
Performance Linked Bonus	24,012,010	20,500,000
Contribution to provident fund and other Funds	4,103,737	3,473,838
Value of Perquisites	882,055	956,431
Sub Total (A)	52,645,023	43,869,109
Non executive Director's Remuneration:		
Commission to Non Executive Directors (B)	2,950,000	2,884,109
Total Director's Remuneration (A+B)	55,595,023	46,753,218
Non executive Director's Sitting Fees	800,000	820,000

41 Leases

The Company has significant operating leases for premises. These lease arrangements range for a period between 11 months and 3 years, which include both cancellable and non- cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

	Year ended March 31, 2014	Year ended March 31, 2013
a) With respect to all operating leases		
Lease payments recognised in the statement of profit and loss during the year	162,308,277	173,919,532
b) With respect to non- cancellable operating leases, the future minimum lease payments are as follows:		
Not later than one year	-	91,481,750
Later than one year and not later than five years	-	9,456,228

42 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 12 months and the forecasted transactions are expected to occur during the same period. The Company does not use forward contracts and currency options for speculative purposes.

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

a) Derivatives outstanding as at the reporting date

Particulars	Currency	As at March 31, 2014		As at March 31, 2013	
		Amount in Respective currency	Amount in INR	Amount in Respective currency	Amount in INR
Forward covers to sell	USD	45,810,000	2,751,316,533	48,250,000	2,619,251,250
	GBP	11,250,000	1,126,525,500	8,550,000	705,743,505
	EURO	4,500,000	372,277,350	4,500,000	313,231,050

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

Particulars	Currency	As at March 31, 2014		As at March 31, 2013	
		Amount in Respective currency	Amount in INR	Amount in Respective currency	Amount in INR
Trade receivables	AED	539,699	8,824,777	190,229	2,814,246
	AUD	2,173,763	121,075,221	4,764,985	267,826,427
	BRL	697,585	18,571,596	-	-
	CHF	282,284	19,170,799	270,029	15,765,736
	HKD	822,464	6,368,259	335,909	2,345,114
	CNY	11,866	114,643	-	-
	SGD	289,114	13,799,562	391,447	17,179,079
	THB	1,055,910	1,955,862	97,164	177,363
Trade payables	USD	20,126	1,208,725	22,164	1,177,361
	GBP	57,282	5,735,921	-	-

c) The following table summarizes activity in the Hedge Reserve related to all derivatives classified as cash flow hedges during the year ended March 31, 2014

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Balance as at the beginning of the year (Gross of deferred tax)	(82,066,502)	68,343,954
Add : Unrealized (gain) / loss on cash flow hedging derivatives during the year	202,885,661	28,948,596
Less : Net losses transferred to Revenue on occurrence of hedged items	244,596,031	212,696,364
Balance as at the end of the year	(123,776,872)	(115,403,814)
Deferred Tax Liability/(Assets)	35,460,569	33,337,312
Balance as at the end of the year (Net of Deferred Tax)	(88,316,303)	(82,066,502)

At March 31, 2014 the estimated net amount of existing gain that is expected to be reclassified into the revenue statement within the next twelve months is Rs. 123,776,872/-(Previous Year Rs. 115,403,814/-).

43 Working capital limits of Rs. 3,000,000,000 (Previous Year Rs. 1,700,000,000) are secured by a first charge on the book debts of the Company and by a second charge on movable assets of the Company. The Company has not utilized the fund based limit as at the year-end (Previous Year Rs. Nil).

44 Employee stock option plan

The Company established NIIT Technologies Stock Option Plan 2005 (ESOP 2005) in the year 2005-06 and the same was approved at the Annual General Meeting of the Company on 18th May 2005. The plan was set up so as to offer and grant for the benefit of employees of the Company and its subsidiaries, who are eligible under Securities Exchange Board of India (SEBI) Guidelines (excluding promoters), options of the Company in aggregate up to 3,850,000 options under ESOP 2005, in one or more Tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard. As per the plan each option is exercisable for one equity share of face value of Rs 10 each fully paid up on payment to the company for such shares at a price to be determined in accordance with ESOP 2005. SEBI has issued the Employee's Stock Option scheme and Employee Stock Purchase Scheme Guideline, 1999 which is applicable to the above ESOP 2005.

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

The Company granted option in twenty four Grants, out of the same grant I , II, III, IV, V(1), VI, VIII, X(1), X(2) and XV (1) has been fully exercised / lapsed. The details of other Tranchees are as follows:-

Grant	Date of Grant	Date of Vesting	"Exercise Price (in Rs.)"	Intrinsic value of Shares	Fair value of Options (in Rs.)*	Remaining Contractual Life (in Days)	
						2013-14	2012-13
Grant V							
Tranche I	19-Oct-09	19-Oct-10	127.20	-	53.19	-	202
Tranche II	19-Oct-09	19-Oct-11	127.20	-	53.19	202	567
Grant VI							
Tranche I	19-Jul-10	19-Jul-11	182.15	-	75.39	110	475
Tranche II	19-Jul-10	19-Jul-12	182.15	-	75.39	475	840
Grant VII							
Tranche I	18-Oct-10	18-Oct-11	223.75	-	83.29	201	566
Tranche II	18-Oct-10	18-Oct-12	223.75	-	83.29	566	931
Grant VIII							
Tranche I	18-Jan-11	18-Jan-12	206.20	-	76.65	293	658
Tranche II	18-Jan-11	18-Jan-13	206.20	-	76.65	658	1,023
Grant IX							
Tranche I	6-May-11	6-May-12	188.25	-	67.21	401	766
Tranche II	6-May-11	6-May-13	188.25	-	67.21	767	1,132
Grant X							
Tranche I	9-Jun-11	9-Jun-12	10.00	182.00	160.58	435	800
Tranche II	9-Jun-11	9-Jun-13	10.00	182.00	160.58	800	1,166
Tranche III	9-Jun-11	9-Jun-14	10.00	182.00	160.58	1,166	1,531
Grant XI							
Tranche I	19-Jul-11	19-Jul-12	206.15	-	71.15	475	840
Tranche II	19-Jul-11	19-Jul-13	206.15	-	71.15	840	1,206
Grant XII							
Tranche I	17-Oct-11	17-Oct-12	10.00	189.00	182.15	565	930
Tranche II	17-Oct-11	17-Oct-13	10.00	189.00	182.15	930	1,296
Tranche III	17-Oct-11	17-Oct-14	10.00	189.00	182.15	1,296	1,661
Grant XIII							
Tranche I	17-Jan-12	17-Jan-13	198.00	-	53.89	657	1,022
Tranche II	17-Jan-12	17-Jan-14	198.00	-	53.89	1,022	1,388
Grant XIV							
Tranche I	3-May-12	3-May-13	256.60	-	71.93	764	1,129
Tranche II	3-May-12	3-May-14	256.60	-	71.93	1,129	1,494
Grant XV							
Tranche I	2-Jul-12	2-Jul-13	285.80	-	76.26	824	1,189
Tranche II	2-Jul-12	2-Jul-14	285.80	-	76.26	1,189	1,554
Grant XVI							
Tranche I	2-Jul-12	2-Jul-13	10.00	275.80	232.18	824	1,189
Tranche II	2-Jul-12	2-Jul-14	10.00	275.80	232.18	1,189	1,554
Tranche III	2-Jul-12	2-Jul-15	10.00	275.80	232.18	1,554	1,919
Grant XVII							
Tranche I	14-Jan-13	14-Jan-14	274.85	-	66.95	1,020	1,385
Tranche II	14-Jan-13	14-Jan-15	274.85	-	66.95	1,385	1,750
Grant XVIII							
Tranche I	17-May-13	17-May-14	10.00	256.26	214.49	1,143	-
Tranche II	17-May-13	17-May-15	10.00	256.26	214.49	1,508	-
Tranche III	17-May-13	17-May-16	10.00	256.26	214.49	1,873	-
Grant XIX							
Tranche I	16-Jul-13	16-Jul-14	10.00	286.65	214.98	1,203	-
Tranche II	16-Jul-13	16-Jul-15	10.00	286.65	214.98	1,568	-
Tranche III	16-Jul-13	16-Jul-16	10.00	286.65	214.98	1,933	-

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

Grant XX							
Tranche I	16-Jul-13	16-Jul-14	261.20		64.52	1,203	-
Tranche II	16-Jul-13	16-Jul-15	261.20		64.52	1,568	-
Grant XXI							
Tranche I	2-Sep-13	2-Sep-14	282.00		102.83	1,251	-
Tranche II	2-Sep-13	2-Sep-15	282.00		102.83	1,616	-
Tranche III	2-Sep-13	2-Sep-16	282.00		102.83	1,981	-
Tranche IV	2-Sep-13	2-Sep-17	282.00		102.83	2,347	-
Tranche V	2-Sep-13	2-Sep-18	282.00		102.83	2,712	-
Grant XXII							
Tranche I	2-Sep-13	2-Sep-14	10.00	294.40	240.84	1,251	-
Tranche II	2-Sep-13	2-Sep-15	10.00	294.40	240.84	1,616	-
Tranche III	2-Sep-13	2-Sep-16	10.00	294.40	240.84	1,981	-
Tranche IV	2-Sep-13	2-Sep-17	10.00	294.40	240.84	2,347	-
Tranche V	2-Sep-13	2-Sep-18	10.00	294.40	240.84	2,712	-
Grant XXIII							
Tranche I	15-Oct-13	15-Oct-14	296.60		67.13	1,294	-
Tranche II	15-Oct-13	15-Oct-15	296.60		67.13	1,659	-
Grant XXIV							
Tranche I	14-Jan-14	14-Jan-15	372.10		101.33	1,385	-
Tranche II	14-Jan-14	14-Jan-16	372.10		101.33	1,750	-

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

In Nos.

Description	2013-14	2012-13
Live options at beginning of the year	1,200,151	1,676,351
Options granted during the year	261,000	234,000
Options Forfeited / lapsed during the year till vesting period	21,000	22,500
Net Exercisable options	1,440,151	1,887,851
Options vested	167,625	147,125
Options forfeited post vesting	158,538	82,850
Options Exercised	464,005	604,850
Exercisable /outstanding options at the end of the year	817,608	1,200,151

During the year, the Compensations / Remuneration Committee at its meetings held on May 17, 2013 has approved issue of 42,000 Options (Grant XVIII), on July 16, 2013 has approved an issue of 33,000 Options (Grant XIX), on July 16, 2013 has approved issue of 15,000 options (Grant-XX), on September 2, 2013 has approved an issue of 100,000 options (Grant XXI), on September 2, 2013 has approved an issue of 35,000 options (Grant XXII), on October 15, 2013 has approved an issue of 21,000 options (Grant XXIII) and on January 14, 2014 has approved issue of 15,000 options (Grant XXIV) out of the options under ESOP 2005, to Managerial Personnel of the Company / Subsidiaries.

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

- Market price considered is the latest available closing price, prior to the date of the Grant
- Exercise price is the price payable by the employees for exercising the option
- As the life of the option is greater than one year there is considerable difficulty in estimating the amount and time of future dividend payouts with certainty, hence future dividend payout have not been incorporated in the valuation analysis
- Volatility - Variance in the stock price is considered as 10% (for Grant I) , 51.13% (for Grant III) , 65.62% (for Grant IV), 66.12% (for Grant V Tranche I), 64.75% (for Grant V Tranche II), 62.07% (for Grant VI Tranche I), 62.04% (for Grant VI Tranche II), 51.67% (for Grant VII Tranche I), 58.87% (for Grant VII Tranche II), 49.48% (for Grant VIII Tranche I) 58.73% (for Grant VIII Tranche II) 45.34% (Grant IX Tranche I) 56.27% (Grant IX Tranche II) 44.57% (Grant X Tranche I) 55.37% (Grant X Tranche II) 57.50% (Grant X Tranche III) 42.28% (Grant XI Tranche I) 55.46% (Grant XI Tranche II) 42.39% (Grant XII Tranche I) 48.54% (Grant XII Tranche II) 55.11% (Grant XII Tranche III) 39.5% (Grant XIII Tranche I) 46.78% (Grant XIII Tranche II) 36.38% (Grant XIV Tranche

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

- l) 43.54% (Grant XIV Tranche II) 36.72% (Grant XV Tranche I) 45.16% (Grant XV Tranche II) 36.72% (Grant XVI Tranche I) 42.86% (Grant XVI Tranche II) 52.55% (Grant XVI Tranche III) and 36.43% (Grant XVII Tranche Part I) 38.26% (Grant XVII Tranche II) 36.35% (Grant XVIII Tranche I) 35.37% (Grant XVIII Tranche II) 41.16% (Grant XVIII Tranche III) 35.35% (Grant XIX Tranche I) 34.72% (Grant XIX Tranche II) 39.47% (Grant XIX Tranche III) 35.35% (Grant XX Tranche I) 34.72% (Grant XX Tranche II) 34.72% (Grant XXI Tranche I) 34.13% (Grant XXI Tranche II) 39.11% (Grant XXI Tranche III) 44.99% (Grant XXI Tranche IV) 49.78% (Grant XXI Tranche V) 34.72% (Grant XXII Tranche I) 34.13% (Grant XXII Tranche II) 39.11% (Grant XXII Tranche III) 44.99% (Grant XXII Tranche IV) 49.78% (Grant XXII Tranche V) 34.65% (Grant XXIII Tranche I) 34.26% (Grant XXIII Tranche II) 34.27% (Grant XXIV Tranche I) 34.34% (Grant XXIV 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, Grant VII Tranche I, Grant VIII Tranche I, Grant IX Tranche I, Grant X Tranche I, Grant XI Tranche I, Grant XII Tranche I, Grant XIII Tranche I, Grant XIV Tranche I, Grant XV Tranche I, Grant XVI Tranche I, Grant XVII Tranche I, Grant XVIII Tranche I, Grant XIX Tranche I Grant XX Tranche I Grant XXI Tranche I Grant XXII Tranche I Grant XXIII Tranche I Grant XXIV Tranche I 3.5 years for Grant V Tranche II, Grant VII Tranche II, Grant VIII Tranche II, Grant IX Tranche II, Grant X Tranche II, Grant XI Tranche II, Grant XII Tranche II, Grant XIII Tranche II, Grant XIV Tranche II, Grant XV Tranche II, Grant XVI Tranche II Grant XVII Tranche II, Grant XVIII Tranche II, Grant XIX Tranche II Grant XX Tranche II Grant XXI Tranche II Grant XXII Tranche II Grant XXII Tranche II Grant XXIII Tranche II Grant XXIV Tranche II 2.75 Years for Grant VI Tranche I, 3.75 Years for Grant VI Tranche II, 4.5 Years for Grant X Tranche III and Grant XII Tranche III Grant XVI Tranche III Grant XVIII Tranche III, Grant XIX Tranche III, Grant XXI Tranche III, Grant XXII Tranche III, 5.5 Years for Grant XXI Tranche IV Grant XXII Tranche IV and 6.5 Years for Grant XXI Tranche V Grant XXII Tranche V.
- 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) 7.01% (Grant V Tranche II) 6.72% (Grant VI Tranche I) 7.01% (Grant VI Tranche II) 7.31% (Grant VII Tranche I) 7.61% (Grant VII Tranche II) 8.11% (Grant VIII Tranche I) 8.07% (Grant VIII Tranche II) 8.4% Grant IX Tranche I, 8.33% Grant IX Tranche II, 8.41% Grant X Tranche I, 8.34% Grant X Tranche II, 8.29% Grant X Tranche III 8.14% Grant XI Tranche I, 8.15% Grant XI Tranche II, 8.6% Grant XII Tranche I, 8.65% Grant XII Tranche II, 8.7% Grant XII Tranche III 8.2% Grant XIII Tranche I and 8.17% Grant XIII Tranche II 8.27% Grant XIV Tranche I 8.33% Grant XIV Tranche II 8.10% Grant XV Tranche I 8.15% Grant XV Tranche II 8.10% Grant XVI Tranche I 8.15% Grant XVI Tranche II 8.21% Grant XVI Tranche III, 7.74% Grant XVII Tranche I 7.76% Grant XVII Tranche II, 7.17% Grant XVIII Tranche I, 7.20% Grant XVIII Tranche II, 7.23% Grant XVIII Tranche III, 8.67% Grant XIX Tranche I, 8.49% Grant XIX Tranche II, 8.37% Grant XIX Tranche III, 8.67% Grant XX Tranche I, 8.49% Grant XX Tranche II, 9.27% Grant XXI Tranche I, 9% Grant XXI Tranche II, 8.82% Grant XXI Tranche III, 8.71% Grant XXI Tranche IV 8.66% Grant XXI Tranche V Grant XXII Tranche I, 9% Grant XXII Tranche II, 8.82% Grant XXII Tranche III, 8.71% Grant XXII Tranche IV 8.66% Grant XXII Tranche V 8.63% Grant XXIII Tranche I 8.64% Grant XXIII Tranche II, Grant XXIV Tranche I and Grant XXIV Tranche II based on long term government bonds of ten year residual maturity.
- g) Other information regarding employee share based payment is as below:

		Expenses accounted for during the year based on intrinsic value of options		Expenses had the Company recorded the ESOP expenses based on fair value of the options	
		2013-14	2012-13	2013-14	2012-13
Grant V	Tranche I	-	-	-	-
	Tranche II	-	-	-	-
Grant VI	Tranche I	-	-	-	-
	Tranche II	-	-	-	-
Grant VII	Tranche I	-	-	-	-
	Tranche II	-	-	-	813,018
Grant VIII	Tranche I	-	-	-	-
	Tranche II	-	-	-	768,073
Grant IX	Tranche I	-	-	-	42,970
	Tranche II	-	-	24,824	251,693
Grant X	Tranche I	-	687,556	-	-
	Tranche II	257,833	1,365,000	-	1,202,702
	Tranche III	910,000	910,000	802,167	802,167
Grant XI	Tranche I	-	-	-	224,531
	Tranche II	-	-	112,419	373,027

Notes to the financial statements

(All amounts in Rs., unless otherwise stated)

Grant XII	Tranche I	-	-	-	-
	Tranche II	-	-	-	-
	Tranche III	-	-	-	-
Grant XIII	Tranche I	-	-	-	413,819
	Tranche II	-	-	185,666	272,445
Grant XIV	Tranche I	-	-	107,304	1,079,541
	Tranche II	-	-	593,423	539,771
Grant XV	Tranche I	-	-	631,495	4,347,447
	Tranche II	-	-	2,116,215	2,173,723
Grant XVI	Tranche I	774,761	2,259,034	-	1,903,240
	Tranche II	1,516,901	1,129,520	1,276,990	951,620
	Tranche III	1,011,267	753,013	851,327	634,413
Grant XVII	Tranche I	-	-	291,553	104,552
	Tranche II	-	-	251,063	52,276
Grant XVIII	Tranche I	3,124,720	-	2,616,190	-
	Tranche II	1,562,359	-	1,308,095	-
	Tranche III	1,041,573	-	871,268	-
Grant XIX	Tranche I	-	-	-	-
	Tranche II	-	-	-	-
	Tranche III	-	-	-	-
Grant XX	Tranche I	-	-	342,044	-
	Tranche II	-	-	171,022	-
Grant XXI	Tranche I	-	-	1,183,249	-
	Tranche II	-	-	591,625	-
	Tranche III	-	-	394,057	-
	Tranche IV	-	-	295,610	-
	Tranche V	-	-	236,520	-
Grant XXII	Tranche I	-	-	-	-
	Tranche II	-	-	-	-
	Tranche III	-	-	-	-
	Tranche IV	-	-	-	-
	Tranche V	-	-	-	-
Grant XXIII	Tranche I	-	-	322,500	-
	Tranche II	-	-	161,250	-
Grant XXIV	Tranche I	-	-	158,241	-
	Tranche II	-	-	79,121	-
		-	-	-	-
		10,199,414	7,104,123	15,975,239	16,951,028

For impact on Basic and Diluted earning Per Share, had fair value of the option been used for determining Employee Stock Option Plan expense, refer note no. 38 Earnings Per Share.

During the period Rs. 10,199,414/- (March 31, 2013 Rs. 7,104,123) expenses accounted based on intrinsic value of the option as all other options were issued at market price only.

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

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

Rajendra S Pawar
 Chairman and Managing Director
 DIN 00042516

Arvind Thakur
 CEO & Jt. Managing Director
 DIN 00042534

Usha Rajeev
 Partner
 Membership No. 087191

Ashok Arora
 Group Chief Financial Officer

Pratibha K Advani
 Chief Financial Officer

Onkarnath Banerjee
 Company Secretary
 & Legal Head

Place : New Delhi
 Date : May 09, 2014

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of NIIT Technologies Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of NIIT Technologies Limited ("the Company") and its subsidiaries, hereinafter referred to as the "Group" (refer Note 33 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 8 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of 19 subsidiaries included in the consolidated financial statements, which constitute total assets of Rs 7,036 million and net assets of Rs.5,455 million as at March 31, 2014, total revenue of Rs. 10,748 million, net profit of Rs.372 million and net cash flows amounting to Rs (32) million for the year then ended; These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

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

Usha Rajeev
Partner
Membership Number 087191

Place : New Delhi
Date : May 09, 2014

Consolidated Balance Sheet

(All amounts in Rs. unless otherwise stated)

	Note		As At March 31, 2014	As At March 31, 2013
<u>EQUITY AND LIABILITIES</u>				
Shareholder's funds				
Share capital	3	607,011,740	602,371,690	
Reserves and surplus	4a	12,631,674,898	10,338,828,204	
Minority Interest	4b	189,041,198	13,427,727,836	11,114,200,120
Non- current liabilities				
Long-term borrowings	5	52,629,619	60,033,956	
Long-term provisions	6	309,823,241	362,452,860	338,656,174
Current liabilities				
Trade payables	7	1,837,169,308	1,593,658,210	
Other current liabilities	8	1,551,550,758	1,561,903,732	
Short term provisions	9	835,703,326	4,224,423,392	3,935,360,194
TOTAL			18,014,604,088	15,388,216,488
<u>ASSETS</u>				
Non-current assets				
Fixed assets				
Tangible assets	10	2,870,172,680	2,948,184,093	
Intangible assets	11	1,663,402,626	1,434,904,073	
Capital work-in-progress (tangible)		1,159,528,029	277,481,293	
Capital work-in-progress (intangible)		126,605,226	5,819,708,561	4,660,569,459
Non-current investments	12		120	120
Deferred tax assets (net)	13		223,190,154	122,438,408
Long-term loans and advances	14		444,189,944	192,692,992
Other non-current assets	15		111,024,029	175,905,448
Current assets				
Current investments	16	550,553,794	820,000,000	
Inventories	17	52,335,466	41,054,599	
Trade receivables	18	5,643,450,380	4,538,450,797	
Cash and bank balances	19	2,212,320,673	2,329,324,542	
Short-term loans and advances	20	1,315,917,903	896,111,093	
Other current assets	21	1,641,913,064	11,416,491,280	10,236,610,061
TOTAL			18,014,604,088	15,388,216,488

The notes are an integral part of these financial statements.

This is the consolidated balance sheet referred to in our report of even date.

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

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Officer

Pratibha K Advani
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Legal Head

Place : New Delhi
Date : May 09, 2014

Consolidated Statement of Profit and Loss

(All amounts in Rs. unless otherwise stated)

	Note	Year ended March 31, 2014	Year ended March 31, 2013
Revenue from operations	25	23,049,886,569	20,213,588,343
Other income	26	302,472,123	227,505,931
Total revenue		23,352,358,692	20,441,094,274
Expenses			
Purchases of stock in trade	27	1,654,802,339	1,120,274,916
Employee benefits expense	28	12,929,926,733	11,151,008,072
Finance costs	29	41,568,482	53,103,050
Depreciation and amortization expense	30	619,025,400	566,856,011
Other expense	31	4,923,227,434	4,615,319,695
Total Expenses		20,168,550,388	17,506,561,744
Profit before exceptional and extraordinary items and tax		3,183,808,304	2,934,532,530
Exceptional and Extraordinary Items		-	-
Profit before tax		3,183,808,304	2,934,532,530
Tax expense			
Current tax		850,454,189	643,701,124
Deferred tax		(89,884,465)	27,579,275
Minimum Alternate tax credit		41,728,991	79,164,112
Profit after tax before share of results of associates and minority interest		2,381,509,589	2,184,088,019
Less:- Minority interest		76,164,443	51,899,222
Profit for the year from continuing operations		2,305,345,146	2,132,188,797
Profit for the year		2,305,345,146	2,132,188,797
Earnings per equity share: [Nominal value per share: Rs.10 (Previous year Rs.10)]	35		
Basic		38.13	35.53
Diluted		37.76	35.10

The notes are an integral part of these financial statements.

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

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

Rajendra S Pawar
 Chairman & Managing Director
 DIN 00042516

Arvind Thakur
 CEO & Jt. Managing Director
 DIN 00042534

Usha Rajeev
 Partner
 Membership No. 087191

Ashok Arora
 Group Chief Financial Officer

Pratibha K Advani
 Chief Financial Officer

Onkarnath Banerjee
 Company Secretary
 & Legal Head

Place : New Delhi
 Date : May 09, 2014

Consolidated Cash Flow Statement

(All amounts in Rs. unless otherwise stated)

	Year ended March 31, 2014	Year ended March 31, 2013
A. Cash flow from operating activities:		
Net profit before tax	3,183,808,304	2,934,532,530
Adjustments for :		
Depreciation and amortization expense	619,025,400	566,856,011
Provision for gratuity & compensated expenses	43,090,490	75,285,677
Interest expense	14,261,888	21,246,444
Interest income	(57,031,317)	(42,720,035)
Loss on disposal / write off of fixed assets	6,680,614	2,110,478
Provision for doubtful advances	19,220,909	-
Provision for doubtful debts	81,961,470	55,472,832
Profit on sale of Investments	(49,831,455)	(58,128,156)
Operating profit before working capital changes	3,861,186,303	3,554,655,781
Add / (less) : (increase) / decrease in working capital		
Trade receivables	(1,186,961,053)	(1,279,006,642)
Long-term loans and advances	(258,223,405)	(44,387,178)
Other non-current assets	64,881,419	100,655,246
Other Current assets	(91,910,302)	(161,978,825)
Short term loans and advances	(224,321,507)	104,474,167
Other bank balances	260,621,973	264,113,464
Inventories	(11,280,867)	(33,664,715)
Trade payables	(102,471,190)	461,120,324
Other current liabilities	188,044,479	174,829,660
Other long-term liabilities	-	(58,847,915)
Short term provisions	(7,096,641)	(5,445,476)
Long term borrowing	(288,635)	(2,779,949)
Net cash from operating activities before taxes	2,492,180,574	3,073,737,942
Income tax paid (including tax deducted at source)	(1,039,213,039)	(722,449,944)
Net cash from operating activities (A)	1,452,967,535	2,351,287,998
B. Cash flow from Investing activities:		
Purchase of fixed assets (includes capital WIP)	(1,399,166,440)	(930,081,233)
Proceeds from sale of fixed assets	16,548,668	11,593,238
Investment in subsidiary		(38,867,570)
Investments with mutual funds:		
-Purchases during the year	(3,500,725,302)	(4,024,156,214)
-Sales during the year	3,820,002,964	(213,124,887)
Interest received	66,120,743	37,279,108
Net cash used in investing activities (B)	(997,219,367)	(1,133,201,344)

Consolidated Cash Flow Statement

(All amounts in Rs. unless otherwise stated)

	Year ended March 31, 2014	Year ended March 31, 2013
C. Cash flow from financing activities:		
Term loans		
- Received	39,329,287	47,493,038
- Repaid	<u>(42,160,053)</u>	<u>(446,023,875)</u>
Short term loan from bank	-	(15,739,075)
Proceeds from issue of share capital (Including share premium)	37,714,314	87,463,810
Interest paid	(14,261,888)	(21,246,444)
Dividend paid (Including corporate dividend tax)	<u>(546,708,193)</u>	<u>(566,259,150)</u>
Net cash used in financing activities (C)	<u>(526,086,533)</u>	<u>(914,311,696)</u>
Net (Decrease) / Increase in cash & cash equivalents (A+B+C)	(70,338,365)	303,774,958
Adjustment on account of exchange rate	213,956,469	56,216,618
Cash acquired on acquisition of subsidiary	-	8,383,296
Cash and cash equivalents as at the beginning of the year	19 2,022,393,488	1,654,018,616
Total cash and cash equivalents at the end of the year	19 <u>2,166,011,592</u>	<u>2,022,393,488</u>
Cash and Cash Equivalents represent		
Cash on hand	141,795	247,439
Cheques, drafts on hand	71,896,630	178,114,943
Current accounts	1,991,937,068	1,821,298,757
Fixed deposit accounts (less than 3 months maturity)	<u>102,036,099</u>	<u>22,732,349</u>
	<u>2,166,011,592</u>	<u>2,022,393,488</u>

NOTES :-

- 1 The above Consolidated Cash Flow Statement has been prepared under the indirect method set out in AS-3 notified u/s 211(3C) of the Companies Act, 1956.
- 2 The enclosed notes 1 to 40 form an integral part of the cash flow statement
- 3 Figures in parenthesis indicate cash outgo.
- 4 Previous year figures have been regrouped/reclassified to conform to current year's classification.

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

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

Rajendra S Pawar
Chairman & Managing Director
DIN 00042516

Arvind Thakur
CEO & Jt. Managing Director
DIN 00042534

Usha Rajeev
Partner
Membership No. 087191

Ashok Arora
Group Chief Financial Officer

Pratibha K Advani
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Legal Head

Place : New Delhi
Date : May 09, 2014

Consolidated Notes to the financial statements

1 General Information

NIIT Technologies Limited (the Company) is a leading IT solutions organization, engaged in Application Development & Maintenance, Managed Services, Cloud Computing and Business Process Outsourcing to organizations in the Financial Services, Insurance, Travel, Transportation & Logistics, Manufacturing & Distribution and Government sectors. The Company delivers services across continents directly and through its network of subsidiaries. The Company is listed on Bombay Stock Exchange and the National Stock Exchange.

2 Summary of significant accounting policies

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Circular 15/2013 dated September 13, 2013 read with circular 08/2014 dated April 4, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of National Finance Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3c) (Companies (Accounting Standards) Rules, 2006, as amended) and other relevant provisions of the Companies Act, 1956.

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

2.1 Basis of consolidation

The consolidated financial statements are prepared in accordance with Accounting Standard-21 "Consolidated Financial Statement" and Accounting Standard-27 "Financial Reporting of Interests in Joint Ventures" specified in Companies (Accounting Standard) Rules, 2006. These consolidated financial statements include accounts of NIIT Technologies Limited, (Parent Company) and its subsidiary undertakings (NIIT Technologies Group/ Group). Subsidiary undertakings are those companies in which NIIT Technologies Limited, directly or indirectly, has an ownership of more than one half of voting power or otherwise has power to exercise control over the operations and to obtain economic benefits. The subsidiaries are consolidated from the date of acquiring majority ownership on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. On acquisition, consideration paid less net assets acquired is considered as Goodwill. All material inter-group transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable. Separate disclosure is made for minority interests. Also refer note 33 below.

2.2 Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses. Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

2.3 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

2.4 Depreciation and Amortization

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets or the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher, as follows;

Leasehold Land	Over the period of lease
Leasehold Improvements	3 year or lease period whichever is lower
Computers, Related Accessories and Software	2-5 years
Furniture and Fixture	10.5 years

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

Consolidated Notes to the financial statements

Goodwill is amortized over a period of three year

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

2.5 Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

2.6 Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.7 Inventory valuation

Inventories are stated at lower of costs and net realizable value. Cost is determined using first in first out method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of purchase and the estimated cost necessary to make sale.

2.8 Revenue Recognition

Software Services

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. Also, the Company derives revenues from fixed price contracts where revenue is recognized based on proportionate completion method and foreseeable losses on the completion of contract, if any, are provided for.

Revenues from the sale of software and equipment's are recognized when the significant risk and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognized net off trade discount, rebate and sales tax. In contracts involving the rendering of services, revenue is measured using the proportionate completion method and are recognised net of service tax.

Annual Maintenance Contracts

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

2.9 Other Income

Dividend

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

Interest

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

2.10 Employee Benefits

a) Retirement Benefit Plans

i) Provident Fund (India based employees)

Employees Provident Fund contributions are made to a Trust administered by the Parent Company. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

Consolidated Notes to the financial statements

b) Defined Contribution Plan

i) Superannuation (India based employees)

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

The Company's contribution towards Superannuation Fund is charged to statement of profit and loss.

c) Defined Benefit Plan

i) Gratuity (India based employees)

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

ii) Overseas employees

In respect of those employees, where applicable, the companies make defined contributions on a monthly basis towards retirement benefit plans which is charged to the statement of profit and loss.

d) Other Employees Benefit Plan

i) Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as long term employee benefits. The Company's liability is actuarially determined (using projected unit credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

2.11 Employee Stock Option Plan

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

2.12 Foreign Currency Translation

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

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the monthly average rate.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Consolidated Notes to the financial statements

2.13 Hedge Accounting

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

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

2.14 Leases

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

Finance lease transactions are considered as financing arrangements and the leased asset is capitalized at an amount equal to the present value of the future minimum lease payments and corresponding amount is recognized as a liability. The lease payments made are apportioned between finance charges and reduction of outstanding liability in relation to leased asset.

2.15 Borrowing Cost

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

2.16 Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognized deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Consolidated Notes to the financial statements

2.17 Provisions and Contingent Liabilities

Provisions: Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 Cash and Cash Equivalents

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

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

	As At March 31, 2014	As At March 31, 2013
3 SHARE CAPITAL		
Authorised		
75,000,000 (Previous Year 75,000,000) Equity Shares of Rs. 10/- each	750,000,000	750,000,000
Issued, Subscribed and Paid up		
60,701,174 (Previous Year 60,237,169) Equity Shares of Rs. 10/- each	607,011,740	602,371,690

(a) Reconciliation of Number of Shares

Particulars	Equity Shares			
	As at March 31, 2014		As at March 31, 2013	
	Number	Amount	Number	Amount
Balance at the beginning of the year	60,237,169	602,371,690	59,632,319	596,323,190
Add:- Shares Issued during the year	464,005	4,640,050	604,850	6,048,500
Balance outstanding at the end of the year	60,701,174	607,011,740	60,237,169	602,371,690

(b) Right, preference and restrictions attached to shares

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	Equity Shares			
	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Scantech Evaluation Services Limited	14,493,480	23.88	14,493,480	24.06
Fidelity Management and Research Company A/c Fidelity Advisor Series 1 Fidelity Advisor Small Cap Fund	3,800,000	6.26	3,800,000	6.31

(d) Shares reserved for issue under option

Refer note 39 for details of shares to be issued under the Employee Option Plan

- e) **Shares allotted as fully paid up pursuant to contract without payment being received in cash (during 5 years immediately preceding March 31, 2014):** 1,974,479 equity shares were issued in the last 5 years under Employee Stock Option Plan as consideration for services rendered by employees (Refer Note 39)

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

	As At March 31, 2014	As At March 31, 2013
4a Reserves and surplus		
Capital Reserves		
Balance as at the beginning of the year	10,630,919	10,630,919
	10,630,919	10,630,919
Capital redemption reserve	16,570,603	16,570,603
Security premium reserve		
Balance as at the beginning of the year	178,413,569	103,907,059
Add: Transferred from stock options outstanding	67,501,086	74,506,510
Balance as at the end of the year	245,914,655	178,413,569
Employee stock options outstanding		
Options granted till date	13,793,823	6,885,023
Add: Compensation for options granted during the year	33,090,122	15,236,377
Less: deferred employee stock compensation	20,271,113	8,327,577
Balance as at the end of the year	26,612,832	13,793,823
General reserve		
Balance as at the beginning of the year	1,702,634,047	1,530,302,758
Add: Balance Transferred from statement of Profit and Loss	223,882,880	172,331,289
Balance as at the end of the year	1,926,516,927	1,702,634,047
Surplus in statement of profit and loss		
Balance as at the beginning of the year	7,871,935,844	6,513,728,651
Profit for the year	2,305,345,146	2,132,188,797
Less: Appropriations		
Dividend paid (relating to previous year)	988,346	2,352,960
Corporate dividend tax on above	288,487	371,563
Excess provision Corporate Dividend Tax written back	(54,354,053)	-
Proposed dividend on equity shares	546,310,566	512,015,937
Corporate dividend tax	92,845,481	86,909,855
Transferred to general reserve	223,882,880	172,331,289
Balance as at the end of the year	9,367,319,283	7,871,935,844
Hedging reserve surplus / (deficit)	88,316,303	82,066,502
Total	11,681,881,522	9,876,045,307

The General Reserve is as per the requirements of Companies Act, 1956 in respect of companies incorporated in India. General reserve, if any of overseas subsidiaries are included as part of the statement of profit and loss.

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

	As At March 31, 2014	As At March 31, 2013
Cumulative translation reserve		
Balance as at the beginning of the year	462,782,897	388,898,665
Increase/(decrease) during the year	487,010,479	79,765,142
Add: Transferred to expenses on closure of subsidiary	-	(5,880,910)
	<u>949,793,376</u>	<u>462,782,897</u>
Total	<u>12,631,674,898</u>	<u>10,338,828,204</u>
4b Minority interest		
Balance as at the beginning of the year	173,000,226	123,096,651
Add : Minority share in the results for the year	76,164,443	51,899,222
Less : 40% Minority share in dividend Declared by JV	(47,245,831)	-
Less : Minority share in dividend declared by subsidiary	(11,007,000)	(1,717,092)
Less : Minority share of corporate dividend tax on dividend declared by subsidiary	(1,870,640)	(278,555)
	<u>189,041,198</u>	<u>173,000,226</u>
5 Long-term borrowings		
Secured		
Vehicle loan		
From Financial Institution [Refer Note (a) below]	51,826,671	58,942,373
Unsecured		
Other borrowings		
Finance lease obligations	802,948	1,091,583
	<u>52,629,619</u>	<u>60,033,956</u>
6 Long-term provisions		
Provision for employee benefits		
Provision for compensated absences	309,823,241	278,622,218
	<u>309,823,241</u>	<u>278,622,218</u>
7 Trade payables		
	<u>1,837,169,308</u>	<u>1,593,658,210</u>

(a) Vehicle loans from Financial Institution are secured by way of hypothecation of the vehicles financed. The loan amount along with interest are repayable over the period of 48 equal monthly instalments from the date of sanction of loan.

(There are no micro and small scale enterprises to which the Company owes dues as at 31st March 2014. 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.)

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

	As At March 31, 2014	As At March 31, 2013
8 Other current liabilities		
Current maturities of long-term debt		
-Vehicle loan from financial institution/bank (Refer Note 5 (a))	37,188,622	32,903,681
Current maturities of finance lease obligations	1,567,422	4,415,059
Advances from customers	5,291,421	24,560,174
Unclaimed dividend [Refer note (a) below]	13,684,948	12,548,922
Income received in advance(deferred / unearned Revenue)	347,003,231	426,169,126
Employee benefits payable	679,201,813	570,387,832
Statutory dues including provident fund and tax deducted at source	467,613,301	490,918,938
	<u>1,551,550,758</u>	<u>1,561,903,732</u>

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

9 Short-term provisions

Provision for compensated absences	175,457,433	162,340,779
Provision for gratuity	672,714	1,899,901
Proposed dividend on equity shares	557,317,566	513,733,029
Corporate dividend distribution tax	94,716,121	87,188,410
Provision for contract warranties	7,539,492	14,636,133
	<u>835,703,326</u>	<u>779,798,252</u>

(a) Provisions

	Provision for contract warranties	
Balance as at the beginning of the year	14,636,133	20,081,609
Additions	-	-
Amount used	7,096,641	5,445,476
Balance as at the end of the year	<u>7,539,492</u>	<u>14,636,133</u>

Consolidated Notes to the financial statements

10 Tangible Assets

(All amounts in Rs. unless otherwise stated)

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2013	Additions during the year pursuant to acquisition of subsidiary during the year	Less: Depreciation during the year	As at March 31, 2014	Translation Adjustment	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Land - Freehold	167,165	-	-	167,165	-	-	167,165	167,165
Land - Leasehold	300,912,075	-	-	300,912,075	-	3,463,576	277,322,882	280,786,458
Buildings	1,250,585,711	2,510,026	-	1,253,095,737	-	20,382,625	64,824,627	1,206,143,709
Plant and Machinery								
Computers & Peripherals :								
Own	1,191,453,319	137,989,066	-	1,313,840,712	36,871,663	176,626,544	1,007,164,121	330,734,238
Lease Financed	30,563,612	1,107,984	57,298	31,567,012	(47,296)	8,215	29,840,293	1,726,719
Office Equipment	213,593,067	3,413,974	171,103	216,917,944	8,783,895	21,662,022	107,539,279	132,295,229
Others	691,850,695	17,541,929	3,519,519	692,872,143	2,069,288	42,857,244	188,036,937	536,741,064
Furniture & Fixtures	447,180,465	51,320,687	6,914,574	505,415,726	10,239,902	41,352,295	209,097,774	281,056,812
Lease Hold Improvements	255,568,499	347,632	30,645,650	292,891,066	7,620,585	14,293,096	211,570,777	30,388,416
Vehicles	172,726,200	46,572,719	23,653,726	195,645,193	-	17,433,093	41,471,985	142,342,893
Total	4,544,600,808	260,804,027	117,635,206	4,753,307,666	65,538,037	345,201,607	1,883,134,866	2,870,172,680
Previous Year	4,185,010,119	53,914,143	112,986,686	4,546,169,075	12,582,317	323,215,857	1,596,577,877	2,949,591,398

11 Intangible Assets

Description of Assets	GROSS BLOCK			AMORTIZATION			NET BLOCK	
	As at April 1, 2013	Additions during the year pursuant to acquisition of subsidiary during the year	Less: Depreciation during the year	As at March 31, 2014	Translation Adjustment	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Software-External	1,004,739,458	226,217,452	264,655,643	1,004,076,873	37,755,606	261,758,790	841,725,862	193,213,972
Internally developed Software	31,494,949	-	6,712,553	38,207,502	-	4,053,523	38,207,502	3,674,409
Patents	8,375,980	-	1,574,568	9,950,548	-	459,759	2,843,739	6,377,099
Goodwill	1,430,709,615	45,656,864	226,531,153	1,702,897,632	199,071,022	7,551,721	2,089,522,826	1,231,638,593
Total	2,475,320,002	271,874,316	264,635,643	2,755,132,555	272,573,880	273,823,793	1,091,729,929	1,434,904,073
Previous Year	2,501,769,070	295,815,546	350,659,172	2,477,375,736	26,826,292	243,640,154	1,040,254,967	1,433,496,769

Note:- Previous year figures are reclassified from tangible to intangible (Gross block Rs. 1,568,266/- and Net block Rs.1,407,305/-)

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

	As at March 31, 2014		As at March 31, 2013
12 Non-current investments			
Trade Investments (valued at cost unless stated otherwise)			
Unquoted equity instruments			
199,145 (Previous Year 199,145) Common shares in Relativity Technologies Inc., USA	40		40
953,265 (Previous Year 953,265) Common Shares in Computer Logic Inc., USA	40		40
500,000 (Previous Year 500,000) Preference shares and 189,655 (Previous Year 189,655) Common Shares in Co kinetic Systems Inc., USA	40		40
	<u>120</u>		<u>120</u>
Aggregate amount of unquoted investments	120		120
	<u>223,190,154</u>		<u>122,438,408</u>
13. Deferred tax assets (net)			
Deferred Tax			
Break up of deferred tax assets/ liabilities is as follows:	As at April 1, 2013	Charged/ Credited during the year	As at March 31, 2014
Deferred Tax Assets / Liabilities			
Deferred Tax Assets			
a) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	17,903,982	6,536,754	24,440,736
b) Tax impact of expenses charged in the financial statements but allowable as per deduction in the future year under income tax	19,837,123	(10,405,086)	9,432,037
c) Provision for doubtful debts and Advances	3,442,750	27,928,409	31,371,159
d) Provision for Compensated Absences, Bonus and Gratuity	152,937,578	31,923,595	184,861,173
e) Other Expenses	73,712,943	47,568,223	121,281,166
f) Carry forward losses/ unabsorbed depreciation	188,466,891	32,812,774	221,279,665
Total (A)	<u>456,301,267</u>	<u>136,364,669</u>	<u>592,665,936</u>
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	293,083,787	(67,123,347)	225,960,440
b) Tax impact of expenses not charged in the financial statements but claimed as deduction under income tax	7,441,760	100,613,013	108,054,773
Total (B)	<u>300,525,547</u>	<u>33,489,666</u>	<u>334,015,213</u>
Deferred Tax Assets (net) (A - B)	<u>155,775,720</u>	<u>102,875,003</u>	<u>258,650,723</u>
Add: Deferred Tax Asset/ (liabilities) related to fair value loss/ (gain) on derivative instruments not charged in the Statement of Profit and Loss but taken to the Balance Sheet.	(33,337,312)		(35,460,569)
Net Deferred Tax Assets	<u>122,438,408</u>		<u>223,190,154</u>

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

Note :

- (i) Deferred tax assets and liabilities above have been determined by applying the Income Tax rates of respective countries. Also as required by Accounting Standard 22 "Accounting for Taxes on Income" deferred tax assets and liabilities in relation to different Companies have not been offset and have been represented in the balance sheet.
- (ii) The movement of Deferred tax asset/liability above includes Rs. 12,990,537/- (Previous year Rs. 3,824,110) on account of currency translation of balance of overseas subsidiaries/branches.

	As at March 31, 2014	As at March 31, 2013
14 Long term Loans and advances		
(Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received		
-Considered good	204,073,864	46,022,922
Security deposits		
-Considered good	59,939,308	83,763,364
-Considered doubtful	1,459,716	1,459,716
	<u>61,399,024</u>	<u>85,223,080</u>
Less -Provision for doubtful deposits	<u>(1,459,716)</u>	<u>(1,459,716)</u>
	59,939,308	83,763,364
Capital advances	<u>180,176,772</u>	<u>62,906,706</u>
	<u>444,189,944</u>	<u>192,692,992</u>
15 Other non-current assets		
Margin Money deposits	90,420,124	172,562,668
Long Term Deposits with Banks maturity 12 months old	<u>20,603,905</u>	<u>3,342,780</u>
	<u>111,024,029</u>	<u>175,905,448</u>
16 Current Investments		
At cost or market value, whichever is less:		
Mutual Funds (Unquoted)		
In Mutual Funds	<u>550,553,794</u>	<u>820,000,000</u>
	<u>550,553,794</u>	<u>820,000,000</u>

Scheme/Fund	As on 31st March 2014		As on 31st March 2013	
	Units	Value	Units	Value
Liquid Scheme of Mutual Fund				
Tata Liquid Fund Direct Plan-Growth	25,688	60,000,000	32,538	70,000,000
SBI Premier Liquid Fund	-	-	6,851,589	90,000,000
Birla Sun Life Cash Plus-Growth-Direct Plan	345,065	70,000,000	1,215,951	90,000,000
Templeton India Treasury Management Account Super Institutional Plan-Direct	4,609,529	120,000,000	4,049,835	90,000,000
IDFC Super Saver Income Fund-ST Regular Fund	-	-	1,707,570	40,000,000
UTI Floating Rate Fund	-	-	26,608	50,000,000
HDFC Liquid Fund-Direct Plan-Growth Option	4,332,826	110,000,000	5,145,149	80,000,000
ICICI Prudential Liquid-Direct Plan-Growth	370,819	70,000,000	430,416	70,000,000
Kotak Bond Fund-Plan A-Growth	-	-	910,683	80,000,000
Reliance Money Manager Fund-Growth Plan Growth Option-LPIG	1,875,638	120,553,794	3,225,350	90,000,000
Templeton Ultra Short Bond	-	-	1,404,922	20,000,000
Templeton Low Duration Fund	-	-	810,333	10,000,000
Reliance Liquid Fund	-	-	3,539	10,000,000
HDFC Cash Management Fund	-	-	1,257,218	30,000,000
Total		<u>550,553,794</u>		<u>820,000,000</u>

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

17 Inventories	As at March 31, 2014	As at March 31, 2013
Traded Goods		
Material in transit	47,948,070	37,290,775
Stock in trade	4,387,396	3,763,824
[Refer Note (a) below]		
	<u>52,335,466</u>	<u>41,054,599</u>
Note :		
(a) The Company deals in number of software and hardware items whose cost and selling price vary from item to item. In view of voluminous data, information relating to major items of opening stocks, closing stocks, purchases and sales have not been disclosed in the financial statements.		
18 Trade Receivables		
Unsecured Considered Good		
Outstanding for a period exceeding 6 months from the date they are due for payment	140,523,254	187,773,951
Others	5,502,927,126	4,350,676,846
Unsecured considered doubtful		
Outstanding for a period exceeding 6 months from the date they are due for payment	118,191,589	42,489,188
Others		
Less: Provision for doubtful debts	<u>118,191,589</u>	<u>42,489,188</u>
	<u>5,643,450,380</u>	<u>4,538,450,797</u>
19 Cash and bank balances		
Cash and cash equivalents		
Cash on Hand	141,795	247,439
Cheques, drafts on hand	71,896,630	178,114,943
Bank balances		
- Current accounts	1,991,937,068	1,821,298,757
- Fixed deposit accounts (less than 3 months maturity)	102,036,099	22,732,349
- Call money accounts	-	-
	<u>2,166,011,592</u>	<u>2,022,393,488</u>
Other bank balances		
- Long term deposits with maturity more than 3 months but less than 12 months	32,624,133	294,382,132
- Unpaid dividend account	<u>13,684,948</u>	<u>12,548,922</u>
	<u>2,212,320,673</u>	<u>2,329,324,542</u>
20 Short term loans and advances		
(Unsecured, considered good unless otherwise stated)		
Others		
Advances recoverable in cash or in kind or for value to be received		
- Considered good	871,500,030	640,329,038
Security deposits		
- Considered good	94,059,161	94,182,193
Advance income tax	2,959,092,880	2,160,827,064
Less: Provision for income tax	<u>2,609,216,680</u>	<u>1,999,709,714</u>
	349,876,200	161,117,350
Advance fringe benefit tax	57,772,904	57,772,904
Less: Provision for fringe benefit tax	<u>57,290,392</u>	<u>57,290,392</u>
	482,512	482,512
	<u>1,315,917,903</u>	<u>896,111,093</u>

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

	As at March 31, 2014	As at March 31, 2013
21 Other current assets		
(Unsecured, considered good)		
Unbilled revenue	1,295,257,488	1,222,568,095
Interest receivable on FD's	11,493,812	20,583,238
Minimum alternate tax credit entitlement	211,384,892	253,113,883
Derivative instruments fair value assets	123,776,872	115,403,814
	<u>1,641,913,064</u>	<u>1,611,669,030</u>
22 Proposed dividend		
On equity shares of Rs. 10 each		
Amount of dividend proposed	546,310,566	512,015,937
Dividend per equity share	9.00	8.50
23 Contingent liabilities		
Claims against the company not acknowledged as debts		
Income tax matters	505,207,331	455,048,809
Claims made by customers - pending under arbitration	3,230,000	3,230,000
Commissioner, Central Excise	241,164,898	241,164,898
24 Capital and other commitments		
(a) Capital commitments		
Estimated value of contracts in capital account remaining to be executed	967,741,808	613,136,469
(b) Other commitments		
Guarantees to banks against lines of credit sanctioned to wholly owned overseas subsidiaries	66,822,700	61,245,100
Guarantees on behalf of wholly owned overseas subsidiaries	1,950,693,150	1,879,016,550
	Year ended March 31, 2014	Year ended March 31, 2013
25 Revenue from operations		
Sales of products		
Traded Goods (Refer Note 17)	1,749,632,545	1,286,591,284
Sale of services	21,300,254,024	18,926,997,059
	<u>23,049,886,569</u>	<u>20,213,588,343</u>
26 Other income		
Net gain on sale of investments	49,831,455	5,81,28,156
Interest on :		
- Loans	1,157,449	558,628
- Bank Deposits	24,634,139	42,161,407
- Income Tax refund	31,239,729	-
	<u>57,031,317</u>	<u>42,720,035</u>
Miscellaneous income	10,557,587	59,312,352
Gain on exchange fluctuations (net)	185,051,764	67,345,388
	<u>302,472,123</u>	<u>227,505,931</u>

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

	Year ended March 31, 2014	Year ended March 31, 2013
27 Purchases of stock in trade		
Bought out items (Refer Note- 17)	1,654,802,339	1,120,274,916
	<u>1,654,802,339</u>	<u>1,120,274,916</u>
28 Employee benefits expense		
*Salaries and benefits	11,952,628,444	10,378,856,481
Contribution to provident and other funds (Refer Note a below)	613,468,239	541,526,214
Employee stock option scheme (Refer note 39)	18,582,808	10,548,800
Staff welfare expenses	345,247,242	220,076,577
	<u>12,929,926,733</u>	<u>11,151,008,072</u>

* Net off Rs 12,305,153 (Previous Year Rs. 10,466,627/-) capitalised as part of capital work-in-progress.

Employee Benefits

a) Defined Contribution Plans

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

Employer's Contribution	Year ended March 31,2014	Year ended March 31,2013
Employers Contribution to Superannuation Fund	12,439,257	11,152,098
Employers Contribution to Overseas Plan	480,598,925	426,926,031

b) Defined benefit plans

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

(1) Provident fund

The Group makes contribution to the "NIIT Technologies Limited Employees Provident Fund Trust" ("the Trust"), which is exempted under section 17 of Employees' Provident Fund Act, 1952 for Indian based employees. The conditions for grant of exemptions stipulate that the employer shall make good the deficiency, if any, in the interest rate declared by the Trust vis-à-vis statutory rate. As per guidance note on Accounting Standard-15, Employee Benefits (Revised 2005) issued by the Accounting Standard Board (ASB), provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The Trust includes employees of the Company as well as of other subsidiaries in accordance with the approval vide letter No. S-35015/9/2008-SS-II, dated March 20, 2009, granted by the Employees' Provident Fund Organization. In view of the same, it is a multi-employer defined benefit plan. The Company made defined contribution to Regional Provident Fund Commissioner (RPFC) from 1st October 2005 till 29th February 2009 in respect of Provident Fund. The Company has transferred these contributions along with the interest from RPFC to NIIT Technologies Limited Employees' Provident Fund Trust. The Company does not have any further obligation in this respect.

Consequent to the Actuarial Society of India issuing a guidance note on the valuation of provident fund liability, the Trust has obtained an actuarial valuation of the provident fund liability as at balance sheet date and as per the valuation report, there is surplus as on March 31, 2014. The Actuary has provided details for the disclosure requirement of the Accounting Standard 15 (Revised 2005) on "Employee Benefits" for the Trust as a whole. However, participant entities wise break-up of these disclosures is not available and accordingly, the disclosures for provident fund liability as required by Accounting Standard 15 "Employee Benefits" (Revised 2005) have been made in these financial statements, basis actuarial report for the trust as a whole.

The Company contributed Rs. 120,430,057 (Previous year Rs. 103,448,085) during the year to the Trust, which has been charged to Statement of Profit and Loss.

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

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

Description	March 31, 2014	March 31, 2013
Present value of obligation as at the beginning of the year	867,038,431	642,779,455
Interest cost	76,440,225	60,237,855
Current service cost	94,747,888	71,575,353
Benefits paid	(81,228,214)	(63,571,237)
Plan Participant's Contributions	132,733,396	108,488,833
Transfer In	32,912,757	39,816,314
Actuarial (gain) / loss on obligation	2,722,060	7,711,858
Present value of obligation as at the end of the year*	1,125,366,543	867,038,431

(ii) Change in Plan Assets :

Description	March 31, 2014	March 31, 2013
Plan assets at beginning at fair value	874,262,082	644,742,608
Expected return on plan assets	86,196,816	63,216,299
Employer contributions	90,251,703	70,403,833
Plan Participant's Contributions	132,733,396	108,488,833
Benefits paid	(81,228,214)	(63,571,237)
Transfers In	32,912,757	39,816,314
Actuarial gain / (loss) on plan assets	16,073,674	11,165,432
Plan assets at year end at fair value	1,151,202,214	874,262,082

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

Description	March 31, 2014	March 31, 2013
Present value of the defined benefit obligation as at the end of the year	1,125,366,543	867,038,431
Fair value of plan assets at the end of the year	1,151,202,214	874,262,082
Liability/(Assets) recognized in the Balance Sheet*	(25,835,671)	(7,223,651)

*As the funded status is in surplus there is no need for any specific provision as at 31st March 2014 towards the Provident Fund by the Company. Hence the net liability to be recognised in the balance sheet is INR Nil.

(iv) Principal actuarial assumptions at the Balance Sheet date

Discount Rate	9.15%	8.15%
Attrition rate		
Age from 20-30 years	15.00%	15.00%
31-34	10.00%	10.00%
35-44	5.00%	5.00%
45-50	3.00%	3.00%
51-54	2.00%	2.00%
Age 55 & above	1.00%	1.00%

Expected Return on Assets for Exempt PF Fund

Year	Rate	Rate
2012-13	-	9.12%
2014-16	9.19%	9.12%
2016 and thereafter	9.19%	9.12%

Long term EPFO Rate

Year	Rate	Rate
2012-13	-	-
2013-14	8.75%	8.50%
2014 and thereafter	8.75%	8.50%

Consolidated Notes to the financial statements
(All amounts in Rs. unless otherwise stated)
(v) Experience Gain/(Loss) Adjustments

Description	March 31,2014	March 31,2013
Experience Gain/(Loss) adjustments on Plan Liabilities	(2,722,060)	(7,711,858)
Experience Gain/(Loss) adjustments on Plan assets	16,073,674	11,165,432

Note:

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

(2) Gratuity

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

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

Description	March 31, 2014	March 31, 2013
(i) Present value of obligation as at the beginning of the year	149,136,220	109,366,002
Interest cost	11,149,471	8,988,898
Current service cost	32,800,247	25,574,400
Benefits paid	(9,734,022)	(9,589,450)
Actuarial (gain)/loss on obligations	(3,203,427)	14,796,370
Present value of obligation as at the end of the year	180,148,489	149,136,220

(ii) Change in Plan Assets:

Description	March 31, 2014	March 31, 2013
Plan assets at beginning at fair value	158,150,710	124,456,980
Expected return on plan assets	16,390,683	12,727,420
Contributions	40,325,395	31,939,440
Benefits paid	(9,734,022)	(9,589,450)
Actuarial (gain)/loss on plan assets	(1,191,710)	(1,383,680)
Plan assets at year end at fair value	203,941,056	158,150,710

(iii) Amount of the obligation recognized in the Balance Sheet:

Description	March 31, 2014	March 31, 2013
Present value of the defined benefit obligation at the end of the year	180,148,489	149,136,240
Fair value of plan assets at the end of the year	203,941,056	158,150,710
Liability/ (Assets) recognized in the Balance sheet	(23,792,567)	(9,014,470)

*Net of provision for Gratuity of Rs. 672,714/- (Previous Year 1,899,901) disclosed in Note 9

(iv) Amount of gratuity expense recognized in the Statement of Profit and Loss.

Description	March 31, 2014	March 31, 2013
Current service cost	32,800,247	25,574,400
Interest cost	11,149,470	8,988,898
Expected return on plan assets	(16,390,683)	(12,727,420)
Actuarial (gain)/loss recognized during the year	(2,011,716)	16,180,192
Total	25,547,318	38,016,070

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

Amount recognized in current year and previous four years

Description	March 31,2014	March 31,2013	March 31,2012	March 31,2011	March 31,2010
Present value of the defined benefit obligation as at the end of the year	(180,148,489)	(149,136,240)	(109,366,022)	(100,609,512)	(87,885,162)
Fair value of plan assets at the end of the year	203,941,056	158,150,710	124,456,980	101,407,950	99,795,280
(Liability) / assets recognized in the balance sheet	23,792,567	9,014,470	15,090,958	798,438	11,910,118
Experience gain / (loss) adjustment on plan liabilities	3,203,427	(14,796,370)	12,271,750	995,000	10,150,910
Experience gain / (loss) adjustment on plan assets	1,191,710	(1,261,260)	(572,190)	89,720	(324,100)

Investment details of plan assets:

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

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

Description	March 31,2014	March 31,2013
Discounting rate	9.15%	8.10%
Expected rate of return on plan assets	9.40%	9.40%

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

c) Other Benefit Plan

Compensated Absences

(i) Change in present value of obligation

Description	Year ended March 31,2014	Year ended March 31,2013
Present value of the obligation at the beginning of the year	382,164,115	318,493,202
Interest cost	26,727,641	23,956,155
Current service cost	162,779,455	141,185,265
Benefits paid	(9,805,464)	(15,040,857)
Actuarial (gain)/loss on the obligation	(130,820,280)	(86,429,650)
Present value of obligation as at the end of the year (A)	431,045,467	382,164,115
Liability for entities where actuarial is not performed (B)	54,235,207	58,798,882
Grand Total (A+B)	485,280,674	440,962,997

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

Particulars		
Present Value of the Obligation at the end of the year	431,045,467	382,164,115
Fair value of plan assets at the end of the year	-	-
Liability/ (Assets) recognized in the Balance sheet	431,045,467	382,164,115
Non Current Liability (Refer Note 6)	309,823,241	278,622,218
Current Liability (Refer Note 9)	121,222,226	103,541,897

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

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

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Current service cost	162,779,455	141,185,265
Interest cost	26,727,641	23,956,155
Expected return on plan assets	-	-
Actuarial (gain)/loss recognized during the year	(130,820,280)	(86,429,650)
Amount recognized in the Statement of Profit and Loss	58,686,816	78,711,770

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

Description

For entities in India

Discount rate	9.15%	8.10%
Future salary increase		
For first 4 years	9.00%	9.00%
next 5 years	7.00%	7.00%
Thereafter	5.00%	5.00%

For NIIT Technologies Limited, USA Branch

Discount rate	9.10%	8.10%
Future salary increase		
For first year	0.00%	0.00%
Thereafter	4.00%	4.00%

For NIIT Technologies Inc., USA

Discount rate	4.00%	3.10%
Future salary increase		
For first year	0.00%	0.00%
Thereafter	4.00%	4.00%

Description	March 31,2014	March 31,2013	March 31,2012	March 31,2011	March 31,2010
Present value of the defined benefit obligation as at the end of the year	(431,045,467)	(382,164,115)	(318,493,202)	(214,773,346)	(182,377,257)
Fair value of plan assets at the end of the year	-	-	-	-	-
(Liability) / assets recognized in the balance sheet	(431,045,467)	(382,164,115)	(318,493,202)	(214,773,346)	(182,377,257)
Experience gain / (loss) adjustment on plan liabilities	130,820,280	86,429,650	38,018,306	90,162,524	102,671,682
Experience gain / (loss) adjustment on plan assets	-	-	-	-	-

	Year ended March 31, 2014	Year ended March 31, 2013
29 Finance costs		
Interest on borrowings	11,005,257	19,135,486
Other borrowing costs	3,256,631	2,110,958
Bank and financial charges	27,306,594	31,856,606
	41,568,482	53,103,050
30 Depreciation and amortization		
Depreciation on tangible assets	345,201,607	323,215,857
Amortization on intangible assets	273,823,793	243,640,154
	619,025,400	566,856,011

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

31 Other expense

	Year ended March 31, 2014	Year ended March 31, 2013
Rent	491,546,344	487,707,224
Rates and taxes	44,427,743	11,378,522
Electricity and water	147,296,463	136,220,826
Communication	230,491,948	242,189,279
Legal and professional [refer note (a) below]	571,324,955	408,420,007
Travelling and conveyance	782,847,154	722,505,430
Insurance premium	67,455,799	58,349,656
Repairs and maintenance		
- Plant and machinery	183,231,677	181,416,592
- Buildings	10,318,887	3,134,253
- Others	345,848,076	267,666,709
Bad debt and provision for doubtful debt	101,182,379	55,472,832
Lease rentals	7,522,324	1,391,256
Loss on sales of assets (Net)	6,680,614	2,110,478
Donation	50,684,305	51,010,247
Advertisement and publicity	79,201,132	74,967,906
Business promotion and others	157,967,768	142,979,675
Professional charges	1,086,409,745	1,241,216,670
Equipment hiring	31,934,185	26,338,743
Consumables	171,628,537	175,631,175
Other production expenses	227,700,923	194,580,163
Miscellaneous expenses	127,526,476	130,632,052
	4,923,227,434	4,615,319,695

a) Payment to auditors (excluding service tax)

Particulars

-As auditor	10,852,522	12,742,172
-For reimbursement of expenses	785,240	1,083,491

Payment to other auditors amount to Rs 21,183,513.(Previous Year Rs. 22,968,599/-).

(b) Expenses capitalized as a part of Capital Work-in-progress :

Electricity and water	3,825,882	3,991,010
Legal and professional	2,266,384	3,969,984
Miscellaneous expenses	2,138,415	572,633

32 Working Capital Limits of the Parent Company of Rs.3,000,000,000 (Previous Year Rs. 1,700,000,000) are secured by a first charge on book debts and by a second charge on movable assets of the Parent Company. The Parent Company has not utilized the fund based limit as at the year-end (Previous year Rs Nil).

33 Consolidation

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

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

Subsidiary	Percentage of ownership Interest as at March 31, 2014	Percentage of ownership Interest as at March 31, 2013	Country of Incorporation
NIIT GIS Limited	88.99	88.99	India
NIIT SmartServe Limited	100	100	India
NIIT Technologies Inc.	100	100	United States
NIIT Technologies Ltd, UK	100	100	United Kingdom
NIIT Technologies Co. Ltd.(Erstwhile NIIT Technologies KK) (Held by NIIT Tech, USA)	100	100	Japan
NIIT Technologies Pte Ltd	100	100	Singapore
NIIT Technologies BV, Netherlands (Held by NIIT Tech, UK)	100	100	Netherlands
NIIT Technologies NV (Held by NIIT Tech BV, Netherlands)	100	100	Belgium
NIIT Technologies Limited (Held by NIIT Tech, Singapore)	100	100	Thailand
NIIT Technologies Pty Limited (Held by NIIT Tech, Singapore)	100	100	Australia
NIIT Technologies GmbH	100	100	Germany
NIIT Technologies AG (Held by NIIT Tech GmbH, Germany)	100	100	Switzerland
NIIT Insurance Technologies Limited, United Kingdom (Held by NIIT Tech, UK)	100	100	United Kingdom
NIIT Technologies Limited	100	100	Canada
NIIT Airline Technologies GmbH, Germany	100	100	Germany
NIIT Technologies FZ LLC	100	100	Dubai
NIIT Technologies Services Limited	100	100	India
NIIT Media Technologies LLC (JV Company – 60% by NIIT Technologies Inc., USA)	60	60	United States
NIIT Technologies S.A., (erstwhile Proyecta Systemas de Information S.A.)	100	100	Spain
NIIT Technologies Phillipines Inc	100	100	Philippines
NIIT Technologies Brazil Ltda (Held by NIIT Tech, UK)	100	-	Brazil

34 Taxation
Current tax

The Group has availed deductions available under the provisions of section 10 AA and 80IC of the Indian Income Tax Act, applicable to Units registered with Special Economic Zone (SEZ) and backward area respectively.

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

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

35 Earning per share :

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Basic		
Profit attributable to equity shareholders (Rs.) - (A)	2,305,345,146	2,132,188,797
Weighted average number of equity shares outstanding during the year - (B)	60,465,664	60,004,077
Basic earning per share Rs.	38.13	35.53
Diluted		
Profit attributable to equity shareholders (Rs.) - (A)	2,305,345,146	2,132,188,797
Weighted average number of equity shares outstanding during the year - (B)	60,465,664	60,004,077
Add : Weighted average number of potential equity shares on account of employee stock options	590,044	733,877
Weighted average number of shares outstanding for dilutive EPS (C)	61,055,708	60,737,954
Diluted EPS	37.76	35.10
Face value per share	10.00	10.00

The Company has issued 464,005 (Previous Year 604,850) equity shares under its ESOP Scheme during the year. The same has been adjusted for both the years presented above

Earning Per Share [had fair value method been employed for accounting for Employee Stock Option (Refer Note 39 (g))

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit Attributable to Equity shareholders (Rs.) - (D)	2,323,927,954	2,109,281,998
Basic Earning per share (Rs) (D / B)	38.43	35.15
Diluted Earning per share (Rs) (D / C)	38.06	34.73

36 Related Party Disclosures as per Accounting Standard 18

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

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

NIIT Limited
 NIIT USA Inc.
 Scantech Evaluation Services Limited
 NIIT Limited, UK
 Evolve Services Limited
 NIIT Institute of Finance Banking and Insurance Training Ltd

b) Key Managerial personnel

Rajendra S Pawar
 Vijay K Thadani
 Arvind Thakur

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

Naya Bazar Novelties Pvt Ltd.
 NIIT Institute of Information Technology
 Indian School of Business
 NIIT University

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

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

Nature of Transactions	Parties in whom the Group is an associate and it's subsidiaries	Key Managerial Personnel	Parties in which Key Managerial Personnel of the Group are interested	Total
Recovery from NIIT Limited Group (Note 2)	25,531,989	-	-	25,531,989
	(29,754,876)	-	-	(29,754,876)
Recovery by NIIT Limited Group (Note 3)	4,541,718	-	-	4,541,718
	-	-	-	-
Receiving of Services / Goods (Note 4)	12,925,483	-	-	12,925,483
	(11,821,682)	-	(4,573,650)	(16,395,332)
Rendering of Services (Note 5)	22,312,668	-	-	22,312,668
	(33,705,542)	-	-	(33,705,542)
Remuneration (Note 6)	-	53,545,024	-	53,545,024
	-	(44,769,109)	-	(44,769,109)
Other Income (Note 7)	-	-	-	-
	(4,818,914)	-	-	(4,818,914)
Other Expenses (Note 8)	494,742	-	-	494,742
	(82,750)	-	(772,961)	(855,711)
Dividend Paid to Scantech Evaluation Services Limited	130,441,320	-	-	130,441,320
	(123,194,580)	-	-	(123,194,580)
Donation (Note 9)	37,829	-	50,000,000	50,037,829
	-	-	(50,000,000)	(50,000,000)
Fixed Assets Purchased (Note 10)	-	-	-	-
	(1,221,606)	-	-	(1,221,606)

Notes:

- Figures in parenthesis represent previous year's figures
- Includes transactions for the year mainly with;
 - NIIT Limited Rs 5,692,929/- (Previous Year: Rs 15,926,907/-)
 - NIIT (USA) Inc Rs 19,839,060/- (Previous Year: Rs 13,827,969/-)
- Includes transactions for the year mainly with;
 - NIIT (USA) Inc Rs. 4,541,178 - (Previous Year: Rs Nil)
- Includes transactions for the year mainly with;
 - NIIT Limited Rs Nil (Previous Year Rs 2,967,957-)
 - NIIT US Rs. 11,361,430 (Previous Year Rs 3,828,711)
 - Evolve Services Limited Rs 1,534,053 (Previous Year Rs 1,987,720/-)
 - NIIT China Rs. Nil (Previous Year Rs 3,037,297/-)
 - NIIT University Rs.nil (Previous Year Rs 4,542,150/-)
 - Indian School of Business Rs 30,000/- (Previous Year Rs 31,500/-)
- Includes transactions for the year mainly with;
 - NIIT Limited Rs. 19,774,176 /- (Previous Year Rs. 26,589,172/-)
 - NIIT (USA) Inc Rs. 2,538,492 (Previous Year: Rs 7,116,370/-)
- Remuneration to Key Managerial Personnel includes those paid to
 - Mr. R S Pawar – Rs.23,951,044/- (Previous year Rs.19,032,897/-)
 - Mr. Arvind Thakur – Rs.28,693,980/- (Previous year Rs..24,836,212/-)
 - Mr. Vijay K Thadani Rs.900,000/- (Previous year Rs.900,000/-)

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

- 7 Includes transactions for the year mainly with;
- NIIT UK Rs. Nil/- (Previous Year Rs4,818,914/-)
- 8 Includes transactions for the year with
- Naya Bazar Rs. 494742 /- (Previous year Rs. 772,961/-)
 - NIIT China Rs. Nil/- (Previous year Rs. 82,750/-)
- 9 Transactions in donation for the year with
- NIIT Institute of Information Technology, Rs. 50,000,000/- (Previous year Rs 50,000,000/-)
- 10 Transaction in Purchase of Fixed Assets
- NIIT Ltd. Rs. Nil/- (Previous year Rs 1,158,173)
 - NIIT USA Inc. Rs.Nil/- (Previous year Rs 63,433)

Outstanding balances with related parties:

	Receivable As at March 31, 2014	Payable As at March 31, 2014	Receivable As at March 31, 2013	Payable As at March 31, 2013
Parties of whom the group is an associate and its subsidiaries	7,138,956	4,554,700	21,805,726	7,440,227
Parties in which Key Managerial Personnel are interested	-	-	-	64,272
Key Managerial Personnel	-	-	-	-

- 37 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:

Particulars	Revenue from external customers by location of customers		Carrying amount of segment assets by location of the assets		Additions to fixed assets	
	Year ended March 31, 2014	Year ended March 31, 2013	As at March 31, 2014	As at March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
India	3,240,107,756	2,545,657,249	9,587,314,814	7,843,495,271	442,841,158	532,982,696
Rest of Asia Pacific* (including Australia)	1,579,622,601	2,242,800,676	1,957,018,966	1,730,138,302	20,140,224	51,090,809
Europe*	8,442,856,157	7,826,175,908	1,372,406,828	3,723,664,631	27,507,496	36,805,536
America*	9,787,300,055	7,598,954,510	4,313,412,234	1,554,248,643	42,189,465	82,587,687
Total	23,049,886,569	20,213,588,343	17,230,152,842	14,851,546,847	532,678,343	703,466,728

*Net of Hedging loss of Rs.244,318,533/- (Previous Year Rs.212,698,646/-). This includes derivate instruments matured during the year for America Rs.153,685,787/- (Previous Year Rs. 170,671,048/-), Europe Rs. 90,632,746/- (Previous Year Rs.42,027,598/-) and Australia Rs. Nil (Previous Year Rs. Nil)

38 Disclosure of Leases as per Accounting Standard (AS) – 19
Operating Leases

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

Particulars	In respect of Premises		In respect of Equipment	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Amount payable within the next 1 year	180,825,837	268,703,986	19,449,176	16,721,274
Amount payable in the next 2 to 5 years	214,903,580	367,960,479	31,388,100	10,098,048

Aggregate payments during the period under operating leases amount to Rs.491,546,344 (Previous Year Rs 487,707,224).

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

Finance Leases

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

Particulars	Minimum lease payments amount	Finance charges	Present value of lease payments Amount
Amount payable within the next 1 year	1,702,297	134,875	1,567,422
	(4,633,154)	(218,096)	(4,415,058)
Amount payable in the next 2 to 5 years	839,787	36,839	802,948
	(1,136,825)	(45,242)	(1,091,583)
Total	2,542,084	171,714	2,370,370
	(5,769,979)	(263,338)	(5,506,641)

Note: Figures in parenthesis represent previous year figures.

39 Employee stock option plan

The Company established NIIT Technologies Stock Option Plan 2005 (ESOP 2005) in the year 2005-06 and the same was approved at the Annual General Meeting of the Company on 18th May 2005. The plan was set up so as to offer and grant for the benefit of employees of the company and its subsidiaries, who are eligible under Securities Exchange Board of India (SEBI) Guidelines (excluding promoters), options of the company in aggregate up to 3,850,000 options under ESOP 2005, in one or more Tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard. As per the plan each option is exercisable for one equity share of face value of Rs 10 each fully paid up on payment to the company for such shares at a price to be determined in accordance with ESOP 2005. SEBI has issued the Employee's Stock Option scheme and Employee Stock Purchase Scheme Guideline, 1999 which is applicable to the above ESOP 2005.

The Company granted option in twenty four Grants, out of the same grant I, II, III, IV, V(1), VI, VIII, X(1), X(2) and XV (1) has been fully exercised / lapsed. The details of other Tranches are as follows:-

Grant	Date of Grant	Date of Vesting	"Exercise Price (in Rs.)"	Intrinsic value of Shares	"Fair value of Options (in Rs.)**"	Remaining Contractual Life (in Days)	
						As at March 31, 2014	As at March 31, 2013
Grant V							
Tranche I	19-Oct-09	19-Oct-10	127.20	-	53.19	-	202
Tranche II	19-Oct-09	19-Oct-11	127.20	-	53.19	202	567
Grant VI							
Tranche I	19-Jul-10	19-Jul-11	182.15	-	75.39	110	475
Tranche II	19-Jul-10	19-Jul-12	182.15	-	75.39	475	840
Grant VII							
Tranche I	18-Oct-10	18-Oct-11	223.75	-	83.29	201	566
Tranche II	18-Oct-10	18-Oct-12	223.75	-	83.29	566	931
Grant VIII							
Tranche I	18-Jan-11	18-Jan-12	206.20	-	76.65	293	658
Tranche II	18-Jan-11	18-Jan-13	206.20	-	76.65	658	1,023
Grant IX							
Tranche I	6-May-11	6-May-12	188.25	-	67.21	401	766
Tranche II	6-May-11	6-May-13	188.25	-	67.21	767	1,132
Grant X							
Tranche I	9-Jun-11	9-Jun-12	10.00	176.05	160.58	435	800
Tranche II	9-Jun-11	9-Jun-13	10.00	176.05	160.58	801	1,166
Tranche III	9-Jun-11	9-Jun-14	10.00	176.05	160.58	1,166	1,531
Grant XI							
Tranche I	19-Jul-11	19-Jul-12	206.15	-	71.15	475	840
Tranche II	19-Jul-11	19-Jul-13	206.15	-	71.15	841	1,206
Grant XII							

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

Grant	Date of Grant	Date of Vesting	"Exercise Price (in Rs.)"	Intrinsic value of Shares	"Fair value of Options (in Rs.)**"	Remaining Contractual Life (in Days)	
						As at March 31, 2014	As at March 31, 2013
Tranche I	17-Oct-11	17-Oct-12	10.00	201.40	182.15	565	930
Tranche II	17-Oct-11	17-Oct-13	10.00	201.40	182.15	931	1,296
Tranche III	17-Oct-11	17-Oct-14	10.00	201.40	182.15	1,296	1,661
Grant XIII							
Tranche I	17-Jan-12	17-Jan-13	198.00	-	53.89	657	1,022
Tranche II	17-Jan-12	17-Jan-14	198.00	-	53.89	1,023	1,388
Grant XIV							
Tranche I	3-May-12	3-May-13	256.60	-	71.93	764	1,129
Tranche II	3-May-12	3-May-14	256.60	-	71.93	1,129	1,494
Grant XV							
Tranche I	2-Jul-12	2-Jul-13	285.80	-	76.26	824	1,189
Tranche II	2-Jul-12	2-Jul-14	285.80	-	76.26	1,189	1,554
Grant XVI							
Tranche I	2-Jul-12	2-Jul-13	10.00	275.80	232.18	824	1,189
Tranche II	2-Jul-12	2-Jul-14	10.00	275.80	232.18	1,189	1,554
Tranche III	2-Jul-12	2-Jul-15	10.00	275.80	232.18	1,554	1,919
Grant XVII							
Tranche I	14-Jan-13	14-Jan-14	274.85	-	66.95	1,020	1,385
Tranche II	14-Jan-13	14-Jan-15	274.85	-	66.95	1,385	1,750
Grant XVIII							
Tranche I	17-May-13	17-May-14	10.00	256.26	214.49	1,143	-
Tranche II	17-May-13	17-May-15	10.00	256.26	214.49	1,508	-
Tranche III	17-May-13	17-May-16	10.00	256.26	214.49	1,873	-
Grant XIX							
Tranche I	16-Jul-13	16-Jul-14	10.00	286.65	214.98	1,203	-
Tranche II	16-Jul-13	16-Jul-15	10.00	286.65	214.98	1,568	-
Tranche III	16-Jul-13	16-Jul-16	10.00	286.65	214.98	1,933	-
Grant XX							
Tranche I	16-Jul-13	16-Jul-14	261.20		64.52	1,203	-
Tranche II	16-Jul-13	16-Jul-15	261.20		64.52	1,568	-
Grant XXI							
Tranche I	2-Sep-13	2-Sep-14	282.00		102.83	1,251	-
Tranche II	2-Sep-13	2-Sep-15	282.00		102.83	1,616	-
Tranche III	2-Sep-13	2-Sep-16	282.00		102.83	1,981	-
Tranche IV	2-Sep-13	2-Sep-17	282.00		102.83	2,347	-
Tranche V	2-Sep-13	2-Sep-18	282.00		102.83	2,712	-
Grant XXII							
Tranche I	2-Sep-13	2-Sep-14	10.00	294.40	240.84	1,251	-
Tranche II	2-Sep-13	2-Sep-15	10.00	294.40	240.84	1,616	-
Tranche III	2-Sep-13	2-Sep-16	10.00	294.40	240.84	1,981	-
Tranche IV	2-Sep-13	2-Sep-17	10.00	294.40	240.84	2,347	-
Tranche V	2-Sep-13	2-Sep-18	10.00	294.40	240.84	2,712	-
Grant XXIII							
Tranche I	15-Oct-13	15-Oct-14	296.60		67.13	1,294	-
Tranche II	15-Oct-13	15-Oct-15	296.60		67.13	1,659	-
Grant XXIV							
Tranche I	14-Jan-14	14-Jan-15	372.10		101.33	1,385	-
Tranche II	14-Jan-14	14-Jan-16	372.10		101.33	1,750	-

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

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

Description	2013-14	2012-13
Live options at beginning of the year	1,200,151	1,676,351
Options granted during the year	261,000	234,000
Options Forfeited / lapsed during the year till vesting period	21,000	22,500
Net Exercisable options	1,440,151	1,887,851
Options vested	167,625	147,125
Options forfeited post vesting	158,538	82,850
Options Exercised	464,005	604,850
Exercisable /outstanding options at the end of the year	817,608	1,200,151

During the year, the Compensations / Remuneration Committee at its meetings held on May 17, 2013 has approved issue of 42,000 Options (Grant XVIII), on July 16, 2013 has approved an issue of 33,000 Options (Grant XIX), on July 16, 2013 has approved issue of 15,000 options (Grant-XX), on September 2, 2013 has approved an issue of 100,000 options (Grant XXI), on September 2, 2013 has approved an issue of 35,000 options (Grant XXII), on October 15, 2013 has approved an issue of 21,000 options (Grant XXIII) and on January 14, 2014 has approved issue of 15,000 options (Grant XXIV) out of the options under ESOP 2005, to Managerial Personnel of the Company / Subsidiaries.

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

- Market price considered is the latest available closing price, prior to the date of the Grant
- Exercise price is the price payable by the employees for exercising the option
- As the life of the option is greater than one year there is considerable difficulty in estimating the amount and time of future dividend payouts with certainty, hence future dividend payout have not been incorporated in the valuation analysis
- Volatility - Variance in the stock price is considered as 10% (for Grant I) , 51.13% (for Grant III) , 65.62% (for Grant IV), 66.12% (for Grant V Tranche I), 64.75% (for Grant V Tranche II), 62.07% (for Grant VI Tranche I), 62.04% (for Grant VI Tranche II), 51.67% (for Grant VII Tranche I), 58.87% (for Grant VII Tranche II), 49.48% (for Grant VIII Tranche I) 58.73% (for Grant VIII Tranche II) 45.34% (Grant IX Tranche I) 56.27% (Grant IX Tranche II) 44.57% (Grant X Tranche I) 55.37% (Grant X Tranche II) 57.50% (Grant X Tranche III) 42.28% (Grant XI Tranche I) 55.46% (Grant XI Tranche II) 42.39% (Grant XII Tranche I) 48.54% (Grant XII Tranche II) 55.11% (Grant XII Tranche III) 39.5% (Grant XIII Tranche I) 46.78% (Grant XIII Tranche II) 36.38% (Grant XIV Tranche I) 43.54% (Grant XIV Tranche II) 36.72% (Grant XV Tranche I) 45.16% (Grant XV Tranche II) 36.72% (Grant XVI Tranche I) 42.86% (Grant XVI Tranche II) 52.55% (Grant XVI Tranche III) and 36.43% (Grant XVII Tranche Part I) 38.26% (Grant XVII Tranche II) 36.35% (Grant XVIII Tranche I) 35.37% (Grant XVIII Tranche II) 41.16% (Grant XVIII Tranche III) 35.35% (Grant XIX Tranche I) 34.72% (Grant XIX Tranche II) 39.47% (Grant XIX Tranche III) 35.35% (Grant XX Tranche I) 34.72% (Grant XX Tranche II) 34.72% (Grant XXI Tranche I) 34.13% (Grant XXI Tranche II) 39.11% (Grant XXI Tranche III) 44.99% (Grant XXI Tranche IV) 49.78% (Grant XXI Tranche V) 34.72% (Grant XXII Tranche I) 34.13% (Grant XXII Tranche II) 39.11% (Grant XXII Tranche III) 44.99% (Grant XXII Tranche IV) 49.78% (Grant XXII Tranche V) 34.65% (Grant XXIII Tranche I) 34.26% (Grant XXIII Tranche II) 34.27% (Grant XXIV Tranche I) 34.34% (Grant XXIV Tranche II) is based on historical volatility in the share price movement of the company and four other comparable companies.
- Average life of the options is considered to be 2.5 Years for Grant I, Grant III, Grant IV, Grant V Tranche I, Grant VII Tranche I, Grant VIII Tranche I, Grant IX Tranche I, Grant X Tranche I, Grant XI Tranche I, Grant XII Tranche I, Grant XIII Tranche I, Grant XIV Tranche I, Grant XV Tranche I, Grant XVI Tranche I, Grant XVII Tranche I, Grant XVIII Tranche I, Grant XIX Tranche I Grant XX Tranche I Grant XXI Tranche I Grant XXII Tranche I Grant XXIII Tranche I Grant XXIV Tranche I 3.5 years for Grant V Tranche II, Grant VII Tranche II, Grant VIII Tranche II, Grant IX Tranche II, Grant X Tranche II, Grant XI Tranche II, Grant XII Tranche II, Grant XIII Tranche II, Grant XIV Tranche II, Grant XV Tranche II, Grant XVI Tranche II Grant XVII Tranche II, Grant XVIII Tranche II, Grant XIX Tranche II Grant XX Tranche II Grant XXI Tranche II Grant XXII Tranche II Grant XXIII Tranche II Grant XXIV Tranche II 2.75 Years for Grant VI Tranche I, 3.75 Years for Grant VI Tranche II, 4.5 Years for Grant X Tranche III and Grant XII Tranche III Grant XVI Tranche III Grant XVIII Tranche III, Grant XIX Tranche III, Grant XXI Tranche III, Grant XXII Tranche III, 5.5 Years for Grant XXI Tranche IV Grant XXII Tranche IV and 6.5 Years for Grant XXI Tranche V Grant XXII Tranche V.

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

- 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) 7.01% (Grant V Tranche II) 6.72% (Grant VI Tranche I) 7.01% (Grant VI Tranche II) 7.31% (Grant VII Tranche I) 7.61% (Grant VII Tranche II) 8.11% (Grant VIII Tranche I) 8.07% (Grant VIII Tranche II) 8.4% Grant IX Tranche I, 8.33% Grant IX Tranche II, 8.41% Grant X Tranche I, 8.34% Grant X Tranche II, 8.29% Grant X Tranche III 8.14% Grant XI Tranche I, 8.15% Grant XI Tranche II, 8.6% Grant XII Tranche I, 8.65% Grant XII Tranche II, 8.7% Grant XII Tranche III 8.2% Grant XIII Tranche I and 8.17% Grant XIII Tranche II 8.27% Grant XIV Tranche I 8.33% Grant XIV Tranche II 8.10% Grant XV Tranche I 8.15% Grant XV Tranche II 8.10% Grant XVI Tranche I 8.15% Grant XVI Tranche II 8.21% Grant XVI Tranche III, 7.74% Grant XVII Tranche I 7.76% Grant XVII Tranche II, 7.17% Grant XVIII Tranche I, 7.20% Grant XVIII Tranche II, 7.23% Grant XVIII Tranche III, 8.67% Grant XIX Tranche I, 8.49% Grant XIX Tranche II, 8.37% Grant XIX Tranche III, 8.67% Grant XX Tranche I, 8.49% Grant XX Tranche II, 9.27% Grant XXI Tranche I, 9% Grant XXI Tranche II, 8.82% Grant XXI Tranche III, 8.71% Grant XXI Tranche IV 8.66% Grant XXI Tranche V Grant XXII Tranche I, 9% Grant XXII Tranche II, 8.82% Grant XXII Tranche III, 8.71% Grant XXII Tranche IV 8.66% Grant XXII Tranche V 8.63% Grant XXIII Tranche I 8.64% Grant XXIII Tranche II, Grant XXIV Tranche I and Grant XXIV Tranche II based on long term government bonds of ten year residual maturity.
- g) Other information regarding employee share based payment is as below:

		Expenses accounted for during the year based on intrinsic value of options		Expenses had the Company recorded the ESOP expenses based on fair value of the options	
		2013-14	2012-13	2013-14	2012-13
Grant V	Tranche I	-	-	-	-
	Tranche II	-	-	-	-
Grant VI	Tranche I	-	-	-	-
	Tranche II	-	-	-	-
Grant VII	Tranche I	-	-	-	-
	Tranche II	-	-	-	813,018
Grant VIII	Tranche I	-	-	-	-
	Tranche II	-	-	-	768,073
Grant IX	Tranche I	-	-	-	42,970
	Tranche II	-	-	24,824	251,693
Grant X	Tranche I	-	687,556	-	-
	Tranche II	257,833	1,365,000	-	1,202,702
	Tranche III	910,000	910,000	802,168	802,167
Grant XI	Tranche I	-	-	-	224,531
	Tranche II	-	-	112,419	373,027
Grant XII	Tranche I	-	1,334,177	-	1,293,962
	Tranche II	667,089	1,228,500	647,866	1,182,355
	Tranche III	882,000	882,000	849,258	849,258
Grant XIII	Tranche I	-	-	-	413,819
	Tranche II	-	-	185,666	272,445
Grant XIV	Tranche I	-	-	107,304	1,079,541
	Tranche II	-	-	593,423	539,771
Grant XV	Tranche I	-	-	631,495	4,347,447
	Tranche II	-	-	2,116,215	2,173,723
Grant XVI	Tranche I	774,761	2,259,034	-	1,903,240
	Tranche II	1,516,901	1,129,520	1,276,990	951,620
	Tranche III	1,011,267	753,013	851,327	634,413
Grant XVII	Tranche I	-	-	291,553	104,552
	Tranche II	-	-	251,063	52,276
Grant XVIII	Tranche I	3,124,720	-	2,616,190	-
	Tranche II	1,562,359	-	1,308,095	-
	Tranche III	1,041,573	-	871,268	-
Grant XIX	Tranche I	2,237,755	-	1,671,543	-
	Tranche II	1,118,877	-	835,772	-
	Tranche III	745,918	-	556,673	-
Grant XX	Tranche I	-	-	342,044	-
	Tranche II	-	-	171,022	-

Consolidated Notes to the financial statements

(All amounts in Rs. unless otherwise stated)

		Expenses accounted for during the year based on intrinsic value of options		Expenses had the Company recorded the ESOP expenses based on fair value of the options	
		2013-14	2012-13	2013-14	2012-13
Grant XXI	Tranche I	-	-	1,183,249	-
	Tranche II	-	-	591,625	-
	Tranche III	-	-	394,057	-
	Tranche IV	-	-	295,610	-
	Tranche V	-	-	236,520	-
Grant XXII	Tranche I	1,196,390	-	969,958	-
	Tranche II	598,194	-	484,979	-
	Tranche III	398,796	-	323,024	-
	Tranche IV	299,097	-	242,324	-
	Tranche V	239,278	-	193,885	-
Grant XXIII	Tranche I	-	-	322,500	-
	Tranche II	-	-	161,250	-
Grant XXIV	Tranche I	-	-	158,241	-
	Tranche II	-	-	79,121	-
		18,582,808	10,548,800	22,750,521	20,276,603

For impact on Basic and Diluted earning Per Share, had fair value of the option been used for determining Employee Stock Option Plan expense, refer note no 35 Earnings Per Share.

During the period Rs. 18,582,808/- (previous year Rs. 10,548,800/-) expenses accounted based on intrinsic value of the option as all other options were issued at market price only.

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

For **Price Waterhouse**
Firm Registration No – 301112E
 Chartered Accountants

Rajendra S Pawar
 Chairman & Managing Director
 DIN 00042516

Arvind Thakur
 CEO & Jt. Managing Director
 DIN 00042534

Usha Rajeev
 Partner
 Membership No. 087191

Ashok Arora
 Group Chief Financial Officer

Pratibha K Advani
 Chief Financial Officer

Onkarnath Banerjee
 Company Secretary
 & Legal Head

Place : New Delhi
 Date : May 09, 2014

Statement pursuant to exemption received under Section 212(8) of the Companies Act 1956, relating to subsidiaries companies as on 31st March 2014

Name of the Company	Currency	Share Capital	Reserves#	Total Assets	Total Liabilities	Detail of Investment (except in case of investment in subsidiary)	Turnover*	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
NIIT Technologies N.V. Belgium	EURO	61,973	97,451	159,424	159,424		1,067,179	(132,294)	51	(132,294)	
NIIT Technologies AG Switzerland	CHF	5,126,952	8,061,935	13,188,887	13,188,887		86,138,495	(10,885,717)	4,132	(10,885,717)	
NIIT Technologies Brazil Ltda	INR	250,000	(224,712)	25,288	25,288		1,745,733	(11,121,103)	-	(11,121,103)	
NIIT Technologies Pvt Ltd	BRL	16,978,300	(15,260,928)	1,717,372	1,717,372		114,929,610	(7,972,769)	-	(7,972,769)	
NIIT Technologies Inc. USA	USD	250,000	(22,345)	227,655	227,655		2,303,830	(61,013)	(38,668)	(22,345)	
NIIT Insurance Technologies Ltd. UK	GBP	6,655,675	(594,884)	6,060,791	6,060,791		60,727,070	(1,608,253)	301,933	(686,946)	
NIIT Insurance Technologies Ltd. UK	GBP	3,276,427	14,668,600	17,945,027	17,945,027		42,185,007	3,790,024	301,933	3,488,091	
NIIT Insurance Technologies Ltd. UK	USD	328,086,984	1,468,849,062	1,796,936,046	1,796,936,046		4,052,549,101	364,092,825	29,005,526	335,087,299	
NIIT Insurance Technologies Ltd. UK	USD	2,837,887	12,957,835	15,795,722	15,795,722	3	1,536,736,012	2,409,196	115,973,580	155,284,349	
NIIT Insurance Technologies Ltd. UK	GBP	170,441,507	778,238,000	948,680,006	948,680,006	180	8,229,224,431	271,257,937	382,757	2,026,540	
NIIT Insurance Technologies Ltd. UK	GBP	1,257,403	3,921,637	3,934,194	3,934,194		16,482,742	231,451,767	36,769,972	194,681,794	
NIIT Insurance Technologies Ltd. UK	USD	5,366,671	392,695,474	393,952,877	393,952,877		1,583,432,741	2,385,921	-	2,385,921	
NIIT Media Technologies LLC, USA	USD	322,318,504	48,425,933	370,743,596	370,743,596		23,685,973	143,568,536	-	143,568,536	
NIIT Technologies SA, Spain	EURO	198,900	2,544,187	2,743,087	2,743,087		1,425,500,019	594,275	-	594,275	
NIIT Technologies GmbH Germany	EUR	16,454,659	210,476,265	226,930,924	226,930,924		705,142,260	48,000,959	10,937,296	37,063,662	
NIIT Technologies GmbH Germany	EUR	44,499,553	19,038,818	768,037	768,037		6,020,715	204,641	94,861	109,780	
NIIT Technologies B.V. Netherlands	EUR	18,151	805,872	824,023	824,023		486,306,967	16,529,330	7,662,132	8,867,198	
NIIT Technologies Philippines Inc.	PHP	1,501,601	66,668,421	68,170,022	68,170,022		3,327,852	184,322	37,744	146,578	
NIIT Airlines Technologies GmbH, Germany	EUR	1,000,000	11,470,179	12,470,179	12,470,179		268,798,260	14,888,112	3,048,670	11,839,442	
NIIT Airlines Technologies GmbH, Germany	EUR	1,341,300	15,384,951	16,726,251	16,726,251		168,191,701	7,829,710	3,242,425	4,587,285	
NIIT Airlines Technologies GmbH, Germany	EUR	1,000,000	749,274	1,749,274	1,749,274		195,707,863	9,110,651	3,772,886	5,337,765	
NIIT Airlines Technologies GmbH, Germany	EUR	82,728,300	61,986,164	144,714,464	144,714,464		137,624,287	9,132,278	34,200	78,862	
NIIT Technologies Ltd, Canada	CAD	49,101	6,010	55,111	55,111		73,459	264	264	1,850	
NIIT Technologies Thailand	THB	2,669,371	326,733	2,996,104	2,996,104		4,187,192	120,499	15,048	105,451	
NIIT Technologies co Ltd., Japan	JPY	15,000,000	88,170,480	279,304,956	279,304,956		348,200,075	(5,857,448)	-	(5,857,448)	
NIIT Technologies Pty Ltd Australia	AUD	27,784,500	163,318,180	517,356,570	517,356,570		66,154,322	(11,128,565)	-	(11,128,565)	
NIIT Technologies Pte. Ltd. Singapore	SGD	408,870,475	(407,020,131)	35,393,131	35,393,131		44,949,638	(2,786,795)	-	(2,786,795)	
NIIT Technologies Fz LLC, Dubai, UAE	AED	238,371,487	(237,292,736)	20,634,195	20,634,195		26,749,530	(1,658,422)	-	(1,658,422)	
NIIT Technologies Fz LLC, Dubai, UAE	AED	1,001,002	(237,524)	15,724,251	15,724,251		6,559,954	(3,672,967)	(1,078,797)	(2,594,170)	
NIIT Technologies Fz LLC, Dubai, UAE	SGD	55,754,210	(13,228,707)	875,815,622	875,815,622		363,290,909	(203,409,280)	(59,743,886)	(143,665,394)	
NIIT SmartServe Limited, India	INR	2,989,375	4,990,564	11,141,813	11,141,813		10,937,935	(770,213)	160,989	(609,224)	
NIIT SmartServe Limited, India	INR	142,684,363	238,202,115	531,804,305	531,804,305		521,266,961	(36,705,887)	7,672,221	(29,033,666)	
NIIT SmartServe Limited, India	INR	5,000,000	901,267	357,697,000	357,697,000		866,435,025	(40,961,227)	-	(40,961,227)	
NIIT SmartServe Limited, India	INR	500,000,000	(10,065,281)	553,037,030	553,037,030		474,568,052	95,029,588	31,167,362	63,862,227	
NIIT SmartServe Limited, India	INR	50,000,000	(22,730,823)	27,422,092	27,422,092		1,137,609	-	351,521	786,087	
NIIT SmartServe Limited, India	INR	10,000,700	572,363,415	892,269,710	892,269,710		783,831,214	154,076,988	(694,560)	154,771,548	

* Exclude Other Income

** Investment in Mutual Fund

*** Details of Investment

(i) 189,145 Common Shares in Relativity Technologies Inc., USA

(ii) 963,265 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 for 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

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

Currency	Exchange Rate at Balance sheet	Average Rate for the year	Currency	Exchange Rate at Balance sheet	Average Rate for the year	Currency	Exchange Rate at Balance sheet	Average Rate for the year
1-THB	1.85	1.80	1-USD	60.06	60.18	1-JPY	0.58	0.60
1-AUD	55.70	55.38	1-SGD	47.73	47.66	1-BRL	100.14	96.07
1-PHP	1.34	1.16	1-EURO	82.73	80.77	1-CAD	54.36	57.00
						1-CHF	67.91	65.83

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

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