

**NIIT TECHNOLOGIES INC., USA**  
**(INR Accounts)**

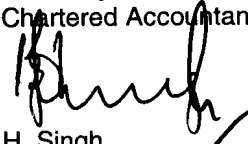
**STATEMENT OF ACCOUNTS FOR THE**  
**YEAR ENDED MARCH 31, 2010**

**Auditors' Report to the Board of Directors of NIIT Technologies Inc., USA**

1. We have audited the attached Balance Sheet of NIIT Technologies Inc., USA as at 31, March 2010, and the relative Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss Account and Cash Flow Statement together with the notes thereon, 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 31,2010;
  - b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
  - c) in case of the Cash Flow Statement of the cash flows for the year on that date.

Place: Gurgaon  
Date: 3-May-2010

For Price Waterhouse  
Firm Registration No. *FRN 30112E*  
Chartered Accountants



H. Singh  
Partner  
Membership No: F-86994

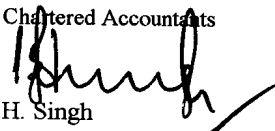
**NIIT Technologies Inc., USA**  
**Balance Sheet as at 31st March, 2010**


	Schedule No. / Note Reference		As At 31st March, 2010 Rs.	As At 31st March, 2009 Rs.
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital	1	123,377,137	123,377,137	
Currency Translation Reseruve	2	23,751,947	83,583,883	
Reserves and Surplus	3	423,450,584	364,083,010	571,044,030
		<b>570,579,668</b>	<b>571,044,030</b>	
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
Gross Block	4	106,996,256	126,540,926	
Less: Depreciation /Amortisation		102,764,266	121,528,890	
Net Block		4,231,990	5,012,036	
INVESTMENTS	5		61,026,135	61,026,153
DEFERRED TAX ASSETS [NET]	17(5)		10,283,218	11,185,185
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Sundry Debtors	6	593,628,697	527,909,342	
Cash and Bank Balances	7	141,124,269	169,842,490	
Other Current Assets	8	33,894,845	34,947,272	
Loans and Advances	9	28,169,673	61,342,205	
		796,817,484	794,041,309	
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>				
Current Liabilities	10	294,603,332	294,250,847	
Provisions	11	7,175,827	5,969,806	
Net Current Assets		301,779,159	300,220,653	493,820,656
		<b>570,579,668</b>	<b>571,044,030</b>	
NOTES TO ACCOUNTS	17			


The Schedules referred to above form an integral part of the Balance Sheet

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

For Price Waterhouse  
Firm Registration No.: FRN301112E  
Chartered Accountants

  
H. Singh  
Partner  
Membership No. F- 86994

  
Arvind Thakur  
(Director)

  
Lalit Kumar Dhingra  
(Director)

Place : Gurgaon  
Date : 3rd May 2010

Place : New Delhi  
Date : 3rd May 2010

Place : Atlanta, USA  
Date : 3rd May 2010

**NIIT Technologies Inc., USA**  
**Profit and Loss Account for the year ended 31st March, 2010**

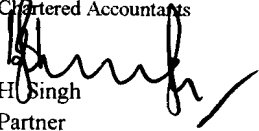
PARTICULARS	Schedule No. / Note Reference	Year ended 31st March, 2010 Rs.	Year ended 31st March, 2009 Rs.
<b>INCOME</b>			
Revenue from Operations		3,585,231,035	3,533,006,764
Other Income		2,634,983	4,097,458
	12	<b>3,587,866,018</b>	<b>3,537,104,222</b>
<b>EXPENDITURE</b>			
Personnel	13	216,510,206	197,093,458
Development and Bought out items	14	3,155,370,195	3,009,201,057
Administration, Finance and Others	15	60,988,094	199,465,187
Marketing	16	56,533,694	60,343,767
Depreciation and amortisation	4	1,455,268	1,516,008
		<b>3,490,857,457</b>	<b>3,467,619,477</b>
<b>Profit before Tax</b>		97,008,561	69,484,745
Tax Expense :			
- Current tax [Includes Tax of earlier years of Rs. (446,568) [Pr yr.Rs.5,906,915]	38,043,219		57,693,658
- Deferred Charge / (Credit)	(402,232)		2,324,264
		37,640,987	60,017,922
<b>Profit after Tax</b>		59,367,574	9,466,823
Add : Brought forward from last year		364,083,010	354,616,187
		<b>423,450,584</b>	<b>364,083,010</b>
<b>Balance Transferred to Balance Sheet</b>			
Basic Earnings per share	17(6)	20.92	3.34


NOTES TO ACCOUNTS

17

The Schedules referred to above form an integral part of the Profit and Loss Account

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

For Price Waterhouse  
 Firm Registration No.: FRN301112E  
 Chartered Accountants  
  
 H. Singh  
 Partner  
 Membership No. F- 86994

  
 Arvind Thakur  
 Director

  
 Lalit Dhingra  
 Director

Place : Gurgaon  
 Date : 3rd May 2010

Place : New Delhi  
 Date : 3rd May 2010

Place : Atlanta, USA  
 Date : 3rd May 2010

	INR	INR
<b>A. Cash flow from operating activities:</b>		
Net profit before tax	97,008,561	69,484,745
Adjustments for:		
Depreciation and Amortisation	1,455,268	1,516,008
Provision for diminution in value of Investment	-	73,749,030
Interest Income	(1,985,160)	(2,657,448)
(Profit)/Loss on Fixed Assets sold/written off	384,728	113,679
Bad Debts Provision/Write off	-	9,132,714
Provision for Leave Encashment	1,206,021	663,419
	<u>98,069,418</u>	<u>152,002,147</u>
<b>Adjustments for changes in working capital :</b>		
- (INCREASE)/DECREASE in Sundry Debtors	(65,719,355)	49,202,141
- (INCREASE)/DECREASE in Other Receivables	(369,919)	(10,843,858)
- (INCREASE)/DECREASE in Loan & Advances	10,706,459	1,808,554
- INCREASE/(DECREASE) in Trade and Other Payables	352,485	(155,794,278)
<b>Cash generated from operations</b>	<u>43,039,088</u>	<u>36,374,706</u>
- Taxes paid	(28,754,289)	(49,838,741)
<b>Net cash from operating activities</b> (A)	<u>14,284,799</u>	<u>(13,464,035)</u>
<b>B. Cash flow from Investing activities:</b>		
Loan to Fellow Subsidiary (Net)	14,481,342	(8,001,220)
Purchase of fixed assets	(1,632,592)	(775,350)
Interest income	3,407,506	780,918
<b>Net cash used in investing activities</b> (B)	<u>16,256,256</u>	<u>(7,995,652)</u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b> (A)+(B)	<u>30,541,055</u>	<u>(21,459,687)</u>
Exchange fluctuation (Net)	(59,259,276)	96,773,373
<b>Cash and cash equivalents as at the beginning of the year</b>	169,842,490	94,528,804
<b>Cash and cash equivalents as at the end of the year</b>	141,124,269	169,842,490

**NOTES:**

1 Cash and cash equivalents comprise

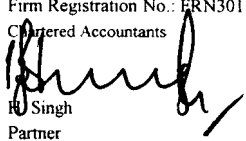
Cheques in Hand	11,436,362	198,715
Balance with Banks	129,687,907	169,643,775
	<u>141,124,269</u>	<u>169,842,490</u>

2 The above cash flow statement has been prepared under the indirect method set out in Accounting Standard-3 notified u/s 211(3C) of the Companies Act, 1956.


3 The Schedules 1 to 17 form an integral part of the Cash flow statement

This is the Cash flow referred to in our report of even date

For Price Waterhouse  
Firm Registration No.: ERN301112E  
Chartered Accountants

  
R. Singh  
Partner  
Membership No. F- 86994

Place : Gurgaon  
Date : 3rd May 2010

  
Arvind Thakur  
Director

  
Lalit Dhingra  
Director

Place : N. Delhi  
Date : 3rd May 2010

Place : Atlanta  
Date : 3rd May 2010

**NIIT Technologies Inc.,USA**  
**Schedules annexed to and forming part of the Balance Sheet**  
**as at March 31,20010**

Schedule No.	As At 31st March, 2010 Rs.	As At 31st March, 2009 Rs.
<b>1. SHARE CAPITAL</b>		
<b>Authorised Share Capital</b> (10,000,000 Shares of Common stock)		
<b>Issued, subscribed and Paid-up Capital</b> 2,837,887 Shares (Previous year 2,837,887) having no par value		
	123,377,137	123,377,137
(Note: The above shares of the company are held by the holding company NIIT Technologies Limited, India.)		
	<b>123,377,137</b>	<b>123,377,137</b>
<b>2 CUMULATIVE TRANSLATION RESERVE</b>		
As per last Balance Sheet	83,583,883	(24,956,288)
Add: Additions during the year	(59,831,936)	108,540,171
Less: Transferred to PL on provision for diminution in value of Investment in a subsidiary	-	(10,543,530)
	<b>23,751,947</b>	<b>83,583,883</b>
<b>3 RESERVES AND SURPLUS</b>		
<b>Profit and Loss Account</b>	423,450,584	364,083,010
	<b>423,450,584</b>	<b>364,083,010</b>



**NIIT Technologies Inc., USA**  
Schedules annexed to and forming part of the Balance Sheet  
as at 31st March 2010 [Contd.]

SCHEDULE : 5  
[Refer Note 1 (i), (ii), (iii) & (iv) of Schedule 17]

Figures in Rs.

Description of Fixed Assets	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	As at	During the Year			As at	As at	During the Year			As at	As at	As at
	1st April 2009	Additions	Sale / Adjustment	Translation Adjustment	31st March 2010	1st April 2009	Additions	Sale / Adjustment	Translation Adjustment	March 31 2010	March 31 2010	March 31 2009
<u>Tangible</u>												
Plant and Machinery (Including Computers)	24,781,785	1,353,817	1,289,235	(9,293,487)	15,552,880	20,475,553	1,329,916	1,274,858	(8,787,993)	11,742,618	3,810,262	4,306,232
Furniture & Fixtures	25,691,314	261,352	5,381,399	(2,794,863)	17,776,404	24,985,510	105,583	5,011,049	(2,725,368)	17,354,676	421,728	705,804
<u>Acquired, Intangible</u>												
Goodwill	20,743,873	-	-	(2,400,855)	18,343,018	20,743,873	-	-	(2,400,855)	18,343,018	-	-
Software	55,323,954	17,423	-	(17,423)	55,323,954	55,323,954	19,769	-	(19,769)	55,323,954	-	-
<b>Total</b>	<b>126,540,926</b>	<b>1,632,592</b>	<b>6,670,634</b>	<b>(14,506,628)</b>	<b>106,996,256</b>	<b>121,528,890</b>	<b>1,455,268</b>	<b>6,285,907</b>	<b>(13,933,985)</b>	<b>102,764,266</b>	<b>4,231,990</b>	<b>5,012,036</b>
<b>Previous Year</b>	<b>100,263,220</b>	<b>775,350</b>	<b>1,861,043</b>	<b>27,363,399</b>	<b>126,540,926</b>	<b>95,620,082</b>	<b>1,516,008</b>	<b>1,757,285</b>	<b>26,150,085</b>	<b>121,528,890</b>	<b>5,012,036</b>	



**NIIT Technologies Inc.,USA**  
**Schedules annexed to and forming part of the Balance Sheet**  
**as at 31st March, 2010 [Contd.]**

Schedule No.	As At 31st March, 2010 Rs.	As At 31st March, 2009 Rs.
<b>5 INVESTMENTS</b>		
<b>(Refer Note 1(v) on Schedule 17)</b>		
<b>TRADE , LONG TERM</b>		
199,145 Common Shares in Relativity Technologies Inc. (Previous year 199,145)	45	51
953,265 Common Shares in Computer Logic Inc. (Previous year 953,265)	45	51
500,000 Preference Shares and 189,655 Common Shares in Cokinetic System,Corp. (Previous year 500,000)	45	51
2092 Equity Shares of 50000 yen each fully paid-up, 1Equity Share of 70475 yen each fully paid up,and 6000 Equity Shares of 50700 yen each fully paid up in NIIT Technologies Co. Limited , Japan.	124,231,500	124,231,500
Less: Provision for diminution in value of Investment	63,205,500	61,026,000
	61,026,135	61,026,153



**NIIT Technologies Inc.,USA**  
**Schedules annexed to and forming part of the Balance Sheet**  
**as at 31st March, 2010 [Contd.]**

Schedule No.		<i>As At</i> 31st March, 2010 Rs.	<i>As At</i> 31st March, 2009 Rs.
<b>6</b>	<b>SUNDRY DEBTORS</b> (Unsecured, considered good)		
	Debts outstanding for a period exceeding six months		
	- Considered Good	5,204,484	85,447
	Other Debts - Considered Good	<u>588,424,213</u>	<u>527,823,895</u>
		<u>593,628,697</u>	<u>527,909,342</u>
<b>7</b>	<b>CASH AND BANK BALANCES</b>		
	Cash and Cheques in Hand	11,436,362	198,715
	Balances with Scheduled Banks in :		
	- Current Accounts	129,687,907	169,643,775
		<u>141,124,269</u>	<u>169,842,490</u>
<b>8</b>	<b>OTHER CURRENT ASSETS</b> (Unsecured, considered good)		
	Unbilled Revenues	33,329,581	32,959,662
	Interest Accrued	565,264	1,987,610
		<u>33,894,845</u>	<u>34,947,272</u>



**NIIT Technologies Inc.,USA**  
**Schedules annexed to and forming part of the Balance Sheet**  
**as at 31st March, 2010 [Contd.]**

Schedule No.		As At 31st March, 2010 Rs.	As At 31st March, 2009 Rs.
<b>9</b>	<b>LOANS AND ADVANCES</b> (Unsecured, considered good )		
	Loans to Affiliates	13,492,428	27,973,770
	Advances recoverable in cash or in kind or for value to be received	6,255,969	16,748,354
	Security Deposits	735,583	516,294
	Prepaid Expenses	7,685,693	8,119,056
	Advance Tax [ Net of provisions of Rs. 51,519,445 ] ( Refer 1(xi) on Schedule 17 )	-	7,984,731
		<u>28,169,673</u>	<u>61,342,205</u>
<b>10</b>	<b>CURRENT LIABILITIES</b>		
	Sundry Creditors	291,335,689	285,242,276
	Other Liabilities	2,154,653	2,708,827
	Unearned Revenue	1,112,990	6,299,744
		<u>294,603,332</u>	<u>294,250,847</u>
<b>11</b>	<b>PROVISIONS</b> ( Refer 1(xi) and (xii) on Schedule 17 )		
	Provision for Compensated Absences	6,026,618	5,969,806
	Provision for Tax [Net of Advance Tax of Rs. 36,447,442]	1,149,209	-
		<u>7,175,827</u>	<u>5,969,806</u>



**NIIT Technologies Inc., USA**  
**Schedules annexed to and forming part of the Profit and Loss Account**  
**as at 31st March, 2010**

Schedule No.		Year Ended 31st March, 2010 Rs.	Year Ended 31st March, 2009 Rs.
<b>12</b>	<b>OTHER INCOME</b>		
	Income Received on Deposits	1,985,160	2,657,448
	Others	649,823	1,440,010
		<u><b>2,634,983</b></u>	<u><b>4,097,458</b></u>
<b>13</b>	<b>PERSONNEL</b> (Refer Note 1(vii) & 5 on Schedule 17 )		
	Salaries and Benefits	207,330,965	183,532,660
	Contribution to retirement benefit funds	655,358	3,921,924
	Welfare and Other Expenses	8,523,883	9,638,874
		<u><b>216,510,206</b></u>	<u><b>197,093,458</b></u>
<b>14</b>	<b>DEVELOPMENT AND BOUGHT OUT ITEMS</b>		
	Subcontracting Charges	3,155,370,195	3,009,201,057
		<u><b>3,155,370,195</b></u>	<u><b>3,009,201,057</b></u>



	Rs.	Rs.
<b>15 ADMINISTRATION, FINANCE AND OTHERS</b>		
Rent	6,374,568	11,356,463
Rates and Taxes	407,763	567,949
Communication	6,025,859	7,063,419
Legal and Professional	8,997,726	63,595,363
Travelling and Conveyance	25,592,622	24,430,696
Bank, Discounting and Other Financial Charges	1,933,942	1,055,776
Lease Rentals - Equipments	178,182	288,310
Insurance Premium	1,504,533	827,988
Repairs and Maintenance		
- Plant and Machinery	585,989	452,276
- Others	840,592	270,762
Bad debts written off	-	9,132,714
Provision for diminution in the value of Investments	-	73,749,030
Sundry Expenses	8,546,318	6,674,241
	<u>60,988,094</u>	<u>199,465,187</u>
<b>16 MARKETING</b>		
Advertisement and Publicity	25,791,738	28,960,708
Discount	1,831,441	4,371,617
Business Promotion Expenses	3,296,921	4,289,755
Seminar Expenses	25,613,594	22,721,687
	<u>56,533,694</u>	<u>60,343,767</u>



**NIIT TECHNOLOGIES INC., USA**  
**SCHEDULE '17': NOTES TO ACCOUNTS FOR THE YEAR ENDED**  
**MARCH 31, 2010**

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**1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared on an accrual basis and under historical cost convention and in compliance with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the companies Act 1956 . The Company's reporting currency is United States Dollars (US\$) and these accounts have been prepared in Indian rupees. The significant accounting policies adopted by the company are detailed below: -

(i) Reporting Currency Translation

The books of the company are maintained in US Dollars. These accounts have been prepared in Indian Rupees. The US Dollar balances as per the books of the company have been translated into Indian Rupees as follows;

- i) All revenue items have been translated at the exchange rate that approximates the rate prevailing on the date of transaction.
- ii) All the assets and liabilities have been translated at the year-end rate.
- iii) Share Capital and Investments in subsidiary are translated at the rate prevailing on the date of allotment and the date of investment respectively

The net difference on translation is taken to Currency Translation Reserve and is shown as a separate component under shareholder's fund.

(ii) Fixed Assets

Fixed Assets are stated at acquisition cost except where fixed assets are taken over pursuant to an acquisition at a consolidated price. Individual fixed assets taken over pursuant to acquisition are recorded at their fair value on the date of acquisition based on valuation carried out by independent valuers. On acquisition, the consideration paid less the fair value of net assets acquired (including identified intangible assets) is considered as goodwill.

(iii) Depreciation or Amortization

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

Plant & Machinery consisting of Computers, Accessories and Office Equipments	3-5 Years
Intangible Assets	3-5 Years
Furniture and fixtures	7 Years

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

(iv) Impairment of Assets

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



**NIIT TECHNOLOGIES INC., USA**  
**SCHEDULE '17': NOTES TO ACCOUNTS FOR THE YEAR ENDED**  
**MARCH 31, 2010**

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(v) Investments

Long-term investments are valued at their acquisition cost. Any decline in the value of the said investment, other than temporary decline, is recognized and provided for in the profit and loss account.

(vi) Software Services

The company derives a substantial portion of its revenue from time and material contracts where the revenue is recognized on a man month basis. The Company also derives revenue from fixed price contracts where revenue is recognized based on proportionate completion method. Foreseeable loss, if any on completion of contract in case of fixed price contract is provided for.

(vii) Employee Benefits

- The company makes defined contributions on a monthly basis towards retirement benefits of the employees, which is charged to the profit and loss account. The Company has no further obligations towards the retirement benefits.
- Compensated absences

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

(viii) Foreign Currency Transactions

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

(ix) Leases

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

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 a corresponding amount is recognized as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to leased asset.

(x) 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.



(xi) Taxation

Tax expense comprising of current tax and deferred tax is included in determining the net results for the year.

Deferred income tax reflects the effect of temporary timing differences between the assets and liabilities recognized in for financial reporting purposes and the amounts that are recognized for income tax purposes. As a matter of prudence 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. Current tax is determined based on the provision of applicable US federal and state tax regulations.

(xii) Provision and contingencies

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

(xiii) Employees Stock Option

Certain employees of the Company are entitled to stock options granted by the Company's parent company, NIIT Technologies Limited under the NIIT Technologies Employee Stock Option Plan 2005, in relation to services received by the Company. The Company accrued for the cost of employees stock option determined under the intrinsic value method over the vesting period of the option, which is reimbursed to the parent on vesting of the option.

(xiv) Earnings per Share

The earnings considered in ascertaining the company's Earnings per Share ('EPS') comprises the net profit after tax. The number of Shares used in computing the basic EPS is the weighted average number of shares outstanding during the year.

2. Payment to auditors

Particulars	31.03.2010 Rs.	31.03.2009 Rs.
Audit fees	1,435,000	1,435,000
Reimbursement of expenses	214,687	191,585



**NIIT TECHNOLOGIES INC., USA**  
**SCHEDULE '17': NOTES TO ACCOUNTS FOR THE YEAR ENDED**  
**MARCH 31, 2010**

3. Deferred Tax

The movement of provision for deferred tax is given below:

Deferred Tax Asset/Liability	As 31st March'2009 Rs.	(Credited)/ Charged to Profit & loss a/c Rs.	As 31st March'2010 Rs.
<b>Deferred Tax Assets</b>			
a) Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	7,328,161	(1,689,985)	5,638,176
b) Tax impact of expenses charged in the financial statements but allowable as deduction in future years under income tax:			
- Variable Compensation to officers	998,918	(280,401)	718,517
- Provision for compensated absences	2,344,965	62,086	2,407,051
- Others	513,141	1,006,333	1,519,474
<b>Total</b>	<b>11,185,185</b>	<b>(901,967)*</b>	<b>10,283,218</b>

The Deferred tax asset above has been recognised as the company expects to have sufficient taxable income against which these assets can be realized.

\* The above charge is inclusive of Currency Translation of Rs. 499,735/-

4. Earnings Per Share:

	2009-10	2008-09
a) Profit/(Loss) attributable to Equity shareholders (Rs.) - (A)	59,367,574	9,466,823
b) Weighted Average number of Equity shares Outstanding during the year	2,837,887	2,837,887
c) Nominal Value of Equity Shares	No par value	No par value
d) Basic/Diluted Earnings per share (Rs.) (A/B)	20.92	3.34

Note: There are no potential dilutive equity shares. Accordingly Basic and diluted Earning per Share are same.

5. Payroll costs are net of Rs. 119,306,912 (Previous Year Rs. 162,946,974) being the salary and other related costs reimbursed by the company to Branch of NIIT Technologies Limited, pending completion of formalities for transfer of employees.



6. Segmental information

**Primary Segment Information- business segment**

The Company operates in a single business segment- Software services and accordingly, no primary segment information is being given.

**Secondary Segment information**

	Revenue to customers by location of customers		Carrying amount of segment assets by location of assets		Additions to fixed assets	
	Year ended 31.03.10	Year ended 31.03.09	As at 31.03.10	As at 31.03.09	Year ended 31.03.10	Year ended 31.03.09
North America	3,568,742,134	3,520,029,035	841,656,150	834,712,578	1,632,592	775,350
Asia	16,488,901	12,977,729	30,702,677	46,732,065	-	-

7. Related Party Disclosures as per Accounting Standard 18

a) Related party relationship where control exists

Holding Company: NIIT Technologies Limited, India

Subsidiary Company: NIIT Technologies Co. Ltd, Japan

Fellow Subsidiaries:

1. NIIT GIS Ltd, India
2. NIIT Smart serve Ltd, India
3. NIIT Technologies Ltd, UK
4. NIIT Technologies BV, Netherlands
5. NIIT Technologies NV, Belgium
6. NIIT Technologies Pte Limited, Singapore
7. NIIT Technologies Limited, Thailand
8. NIIT Technologies Pty Ltd. , Australia
9. NIIT Technologies AG, Germany
10. NIIT Technologies GmbH, Osterreich
11. NIIT Technologies AG, Schweiz
12. NIIT Smart Serve Limited, U.K.
13. Rooms Solutions Limited U.K.
14. Softech GMBH
15. NIIT Technologies Limited, Canada
16. NIIT Technologies FZ LLC

b) Key Managerial personnel

Rajendra S Pawar

V K Thadani

Arvind Thakur

Lalit Dhingra

c) Parties in which key management personnel of the company are interested with whom the company has transacted

1. NIIT (USA) Inc.



**NIIT TECHNOLOGIES INC., USA**  
**SCHEDULE '17': NOTES TO ACCOUNTS FOR THE YEAR ENDED**  
**MARCH 31, 2010**

d) Details of transaction with related parties carried out on an arms length basis.

(All figures in Indian Rupees)

Nature of Transactions	F. Year	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel	Parties in which Key Managerial Personnel are interested	Total
Rendering of Services	31.03.10	-	11,249,418	5,239,483*1	-	-	16,488,901
	31.03.09	-	622,843	8,957,513*1	-	-	9,580,356
Receiving of Services	31.03.10	3,083,711,593	-	80,619,302*2	-	-	3,164,330,895
	31.03.09	2,978,978,795	-	93,169,462*2	-	-	3,072,148,257
Recovery of expenses by NTI	31.03.10	121,476,969	-	144,000*3	-	648,700	122,269,669
	31.03.09	166,484,601	-	148,645*3	-	189,835	166,823,081
Reimbursement of Expenses by NTI	31.03.10	25,889,326	-	1,364,432*4	-	9,001,333	36,255,091
	31.03.09	21,188,084	-	74,741*4	-	12,052,685	33,315,510
<b>Finance:</b>							
- Loan Given	31.03.10	-	-	12,420,850*5	-	-	12,420,850
	31.03.09	-	-	5,070,551*5	-	31,852,500	36,923,051
- Loan Given Received Back	31.03.10	-	-	24,473,800*6	-	-	24,473,800
	31.03.09	-	-	2,503,648*6	-	32,137,050	34,640,698
- Interest Received	31.03.10	-	-	1,417,224*7	-	-	1,417,224
	31.03.09	-	-	1,736,110*7	-	133,479	1,869,589
- Remuneration	31.03.10	-	-	-	16,744,129*8	-	16,744,129
	31.03.09	-	-	-	16,163,047*8	-	16,163,047

\*1 Include service to NIIT SmartServe Ltd., Rs 5,239,483 (Previous Year Rs. 8,957,513)

\*2 Includes service from NIIT GIS Limited of Rs 20,005,411 (Previous Year Rs. 12,454,918), NIIT Smart Serve Limited of Rs 60,613,891 (Previous Year Rs. 80,714,545).

\*3 Includes recoveries from NIIT Technologies Ltd. UK Rs 144,000 (Previous Year Rs. 148, 645).

\*4 Includes reimbursement of expense to NIIT Technologies Ltd., UK Rs. 663,906 (Previous Year Rs. 27,681) and NIIT GIS Ltd. Rs. 700,526 (Previous year Rs 38,081) and to NIIT Smart Serve Ltd. Rs. Nil (Previous Year Rs. 8,979)

\*5 Includes Loan given to NIIT Technologies FZ LLC Rs. 12,420,850 (Previous year Rs 2,555,690) and NIIT Technologies Ltd., Canada Rs. Nil (Previous Year Rs. 2,514,861)

\*6 Includes Loan given received back from NIIT Technologies Limited, Thailand Rs.24,473,800 (Previous year Rs. Nil) and from NIIT Technologies Ltd., Canada Rs. Nil (Previous Year Rs. 2,503,648)

\*7 Includes Interest received on loan from NIIT Technologies Ltd., Thailand Rs. 822,512 (Previous Year Rs. 1,665,565), NIIT Technologies FZ LLC Rs. 594,712 (Previous Year Rs. 2,451) and NIIT Technologies Ltd., Canada Rs. Nil (Previous Year Rs. 68,094)



\*8 Includes remuneration to Lalit Kumar Dhingra Rs. 16,744,129 (Previous Year Rs. 16,163,047).

\*9 Includes costs from revision in rates based on an independent transfer pricing study.

e) Details of balances with related parties:-

**Balances outstanding as on 31<sup>st</sup> March 2009**

	Year	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel	Parties in which Key Managerial Personnel are interested
Receivable	31.03.10	6,254,761	10,321,534	209,217	31,275	45,775
	31.03.09	12,491,306	640,854	5,769,615	-	63,780
Payable	31.03.10	243,437,558	-	15,386,029	1,798,992	74,906
	31.03.09	236,897,550	-	8,945,045	2,543,070	807,120

8. Disclosure in respect of leases as per Accounting Standard (AS) – 19

**Operating Leases**


Minimum Lease Payments under non-cancelable Operating leases in case of premises and equipments on leases are as follows:

	In respect of Premises (Rs.)	In respect of Premises (Rs.)
	<b>31.03.2010</b>	<b>31.03.2009</b>
Amount payable during next 1 year	7,449,536	11,336,974
Amount payable in the next 2 to 5 years	31,111,138	4,176,737

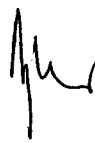
9. Previous year figures have been regrouped / recast wherever necessary to conform to current year's classification

Signature to the Schedule '1' to '17' above

For Price Waterhouse  
Firm Registration No.: FRN301112E  
Chartered Accountants



H. Singh  
Partner  
Membership No.: F-86994



Arvind Thakur  
Director



Lalit Kumar Dhingra  
Director

Place: Gurgaon  
Date: 3<sup>rd</sup> May 2010

Place: N-Delhi  
Date: 3<sup>rd</sup> May 2010

Place: N-Delhi  
Date: 3<sup>rd</sup> May 2010