



NIIT

ANNUAL REPORT

For the 18 months period ended March 31, 2004

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Board of Directors

Rajendra S Pawar
Chairman and Managing Director

Vijay K Thadani
*Chief Executive Officer &
Whole-time Director*

P Rajendran
*Chief Operating Officer &
Whole-time Director*

Arvind Thakur
*Whole-time Director
(Resigned w.e.f. June 12, 2004)*

Subroto Bhattacharya
Director

Amit Sharma
*Director
(Resigned w.e.f. June 28, 2004)*

Surendra Singh
Director

Shardul S Shroff
Director

Sanjay Khosla
Director

Company Secretary
K K Darbha

Group Chief Financial Officer
Ashok Arora

Financial Controller
Jitender Mahajan

Auditors
Price Waterhouse

Financial Institutions/Bankers
ICICI Bank Limited
Indian Overseas Bank
Standard Chartered Bank Limited
Citibank NA
Wachovia Bank of Georgia

Registered Office

NIIT Limited
NIIT House
C-125 Okhla Phase - I
New Delhi 110 020, India
Email (Investor Services) : investors@niit.com
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Corporate Office

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Kalkaji, New Delhi - 110 019, India
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Tel : +91-11-26482054
Fax : +91-11-26203333

Registrar & Share Transfer Agent

Alankit Assignments Ltd.
Unit - NIIT Limited
205-208, Anarkali Complex,
Jhandewalan Extn.,
New Delhi-110055, India
Tel : +91-11-51540061-63
Fax : +91-11-51540064

NIIT Websites

Corporate Website : www.niit.com
e-Learning Portal : www.NetVarsity.com
Investor site : www.investor.niit.com

In this Report, we have used terms that we use for NIIT staff and students. Staff members are NIITians, family members of staff are AmNIITians and students of NIIT are Student NIITians.

All trademarks acknowledged.

Financial History

REVENUES & PROFITABILITY (Rs. Mn.)

For the Fiscal period ended	30-Sep-99 12 months	30-Sep-00 12 months	30-Sep-01 12 months	30-Sep-02 12 months #	31-Mar-04 18 months ##
Global Revenues (NIIT & its Subsidiaries)	8,800	12,371	11,389	6,541	7,076
REVENUE OF NIIT LTD.	5,836	7,690	7,108	3,603	4,606
Operating Expenses	3,835	4,844	5,745	3,088	3,773
Interest & Finance Expenses	46	45	28	8	20
Depreciation	436	354	359	460	417
Profit Before Tax	1,519	2,385	1,051	47	397
Profit After Tax	1,428	2,241	960	91	457
Equity Dividends	129	164	174	174 ***	96
Earnings Per Share (Rs.) *	36.95	57.99	24.83	2.35	17.76
Operating Margin (%)	34.3	37.0	19.2	14.3	18.1
Profits Before Tax/ Revenues (%)	26.0	31.0	14.8	1.3	8.6
Return On Capital Employed (%)	34.5	36.3	12.7	1.3	17.0

ASSETS & LIABILITIES (Rs Mn.)

As At	30-Sep-99	30-Sep-00	30-Sep-01	30-Sep-02	31-Mar-04
Sources of Funds					
Equity Capital	386	386	386	386	193
Reserves and Surplus	3,757	5,798	6,564	6,351	2,499
Loan Funds	1	-	600	495	214
Deferred Tax Liability	-	-	-	87	-
Total	4,144	6,184	7,551	7,320	2,906
Application of Funds					
Gross Block (includes Capital Work in Progress)	2,115	2,450	3,118	3,605	1,745
Net Block (includes Capital Work in Progress)	1,114	1,135	1,575	1,749	726
Investments	572	675	1,904	3,507	1,537
Current Assets	3,327	5,530	5,365	3,129	1,620
Current Liabilities	873	1,159	1,293	1,066	977
Net Current Assets	2,454	4,371	4,072	2,063	643
Miscellaneous Expenditure	4	3	-	-	-
Total	4,144	6,184	7,551	7,320	2,906
Debt-Equity Ratio	0.00	0.00	0.09	0.07	0.07
Current Ratio	3.81	4.77	4.15	2.94	1.66
Fixed Asset Turnover	2.80	3.14	2.28	1.00	2.64
Receivable Days	79	68	66	145	67
Book Value Per Share (Rs.) *	107	160	180	174	139
Share Price as on closing date (BSE) (Rs.)	2,825.00	1,425.00	108.00	130.65	180.00
Market Capitalization (Rs. Mn)	109,188	55,075	4,174	5,050	6,957

The Company had simplified its operating arrangement in the Learning Business in 2002

The Company has spun off its Software solutions business during the period to a separate company,

NIIT Technologies Limited, vide a Scheme of Arrangement

* Based on Current Equity

** Based on listed equity shares as on March 31, 2004

*** Dividend paid

NIIT at a Glance

Global Learning Solutions for Individuals, Enterprises, Schools and Colleges

• For Individuals

Instructor-led Training, Computer-based Training and e-Learning programs:

- ✦ GNIIT for IT Careers
- ✦ Futurz for IT careers and IT in careers
- ✦ CATS for Advanced Technologies
- ✦ SWIFT for Internet and IT literacy
- ✦ Maximedia for Multimedia skills
- ✦ NetVarsity for online learning
- ✦ Planetworkz for careers in ITES
- ✦ Bioinformatics program with 'Supercomputing Facility', IIT Delhi.

• For Corporations

Enterprise Learning Solutions:

- ✦ Advisory Services
- ✦ IT Training - Instructor led and e-Learning
- ✦ Application and Process Roll-out training
- ✦ Custom Content Development
- ✦ Technology Enablement
- ✦ Sourcing, Selection Training for ITES Industry

• For Colleges & Universities

- ✦ Custom Courseware Development
- ✦ Online Hosting
- ✦ Curriculum Design
- ✦ Learner Support Services
- ✦ Student Administration
- ✦ Faculty Support Services

• For schools

- ✦ Complete IT training and integration solutions for K-12 learners

• Alliances with global IT majors:

- ✦ Citrix, Computer Associates, IBM, Microsoft, Oracle and Thomson Prometric

• Assessed at SEI-CMM Level 5

• One in every three IT professionals in India is an NIIT alumnus

• Centre for Research in Cognitive Systems:

- ✦ IIT Delhi

CognitiveArts Futurz CareerEDGE CATS SWIFT

- **Corporate Social Responsibility Initiatives:**

- ✦ World Computer Literacy Day
- ✦ International Women's Month
- ✦ Bhavishya Jyoti Scholarships

Awards & Acknowledgments

- **Corporate**

- ✦ 'Top 25 Great Places to Work' (BusinessWorld survey)
- ✦ Listed as a 'Superbrand' (Superbrands Council)
- ✦ 'Excellence in R&D 2002-03' Award (Manufacturers' Association of Information Technology)
- ✦ Award for 'Excellence in PR Practice' (International Public Relations Association)
- ✦ Viswanathan Anand, NIIT brand ambassador becomes World Rapid Chess Champion; bags Chess Oscar for the third time

- **Global Learning Business**

- ✦ 'Top 20 Global IT Training Companies 2002' for the third consecutive year (US' premier market research body IDC)
- ✦ 'BEST Training Award' (American Society for Training & Development, world's premier professional association for workplace learning)
- ✦ 'Top Training Company Award 2002-03' (leading IT magazine Dataquest)
- ✦ Asia's 'Best Citrix Authorized Learning Centre™' 2002 (Citrix)
- ✦ 'Best Training Service Provider' on .Net (Microsoft)
- ✦ Two 'Excellence Awards in E-learning' (Brandon-Hall.com, e-learning industry's leading research and consulting firm)
- ✦ Winner of three 'CINDY (Cinema in Industry)' Awards in 2003
- ✦ Winner of Thomson Prometric award for highest certifications

Global operations include training network in

- ✦ **Americas**-Columbia, Mexico, USA
- ✦ **Europe**-Russia
- ✦ **Asia**-Bangladesh, Bhutan, Cambodia, China, Hong Kong, India, Indonesia, Iran, Malaysia, Nepal, Philippines, Sri Lanka, Thailand, Vietnam
- ✦ **Middle-East**-Bahrain, Dubai, Oman, Qatar, Saudi Arabia, Yemen
- ✦ **Africa**-Botswana, Egypt, Ghana, Mauritius, Morocco, Nigeria, South Africa, Sudan, Zimbabwe
- ✦ **Australia/Oceania** -Fiji

Directors' Report

Dear NIIT Shareowner.

Your Directors take pleasure in presenting the twenty-first Annual report along with the audited statement of accounts for the 18 (eighteen) months financial period ended March 31, 2004.

Financial Results

The highlights of the financial results for the 18 (eighteen) months period October 2002 - March 2004 are as follows:

Rs. Mn

	18 months period ending 31st Mar. 2004*	2001-02
Consolidated revenue (NIIT & its subsidiaries)	7,076	6,556
Net Sales (Income from operations)	4,376	3,499
Other Income	230	86
Profit before deprecation and taxes	814	507
Depreciation	417	460
Provision for tax/(deferred tax benefits)	(60)	(44)
Net Profit	457	91
EPS	17.76	2.35

* The 18 (eighteen) months financials include 6 (six) months of the global solutions business and 18 (eighteen) months of the learning solutions business.

Dividend

In view of our confidence in the future, the Board of Directors is recommending a dividend of Rs.5.00 per Equity Share.

Extension of financial year

The Company had extended its financial year closing by a further period of 6 (six) months from September 30, 2003 to March 31, 2004. This was done in order to facilitate alignment of the Company's accounting year with the tax year to derive cost benefits and to facilitate the Company to better benchmark itself with its peer group. The Company has also obtained the approval of the Registrar of Companies, NCT of Delhi and Haryana, New Delhi, for the said purpose. The Registrar of Companies, NCT of Delhi and Haryana, New Delhi, has also granted permission to the Company to extend holding of its Annual General Meeting by a further period of 3 (three) months to July 30, 2004.

Business Restructuring - spin-off of Global Solutions business

During the period under review, the Company had undertaken a corporate restructuring, which involved spin-off of the Global Solutions Business Undertaking, by a process of de-merger, into a separate company, NIIT Technologies Limited (NTL) under Sections 391-394 of the Companies Act, 1956. The restructuring also envisaged realignment of the Knowledge Solutions Business (KSB) with Global Learning Business. Thus, post restructuring, NIIT houses the learning and the KSB businesses (jointly referred to as GLB) and NTL houses the Global Solutions Business (referred to as GSB).

The Appointed Date for the de-merger is April 1, 2003 and

accordingly, the financial results for the 18 (eighteen) month period ended March 31, 2004, include the full period financials for GLB as well as six months for GSB.

Moreover, pursuant to the Scheme of Arrangement (Scheme) approved by the Hon'ble High Court of Delhi, the Company would like to record all the assets including fixed assets, current assets and investments at their fair value, to ensure that these assets reflect their fair value in terms of their future usage, technological obsolescence, revenue and cash generating capabilities and accounting principles of conservatism. In the course of reorganization and restructuring of the business, the Company has incurred several costs. These are in the nature of one-time expenses resulting from the restructuring exercise and pursuant to the Scheme of Arrangement, these expenses have been written off and adjusted against the Reserves of the Company.

Share Capital

Pursuant to the de-merger of the GSB Undertaking the paid up share capital of the Company has been reorganized. The par value (Rs.10/-) of the paid up equity shares of the Company as issued and outstanding on the Record Date has been reorganized and stands reduced to Rs.5/-. The Company has thereafter consolidated the remaining Rs.5/- each of the equity shares to fully paid equity shares of Rs.10/- each such that 100 Equity shares of Rs.10/- each fully paid up of the Company prior to the reorganization stands reorganized into 50 Equity shares of Rs.10/- each fully paid up. Consequent to this the paid up Equity Share capital of the Company stands reduced from Rs.386.5 mn to Rs.193.25 mn.

Realignment of global subsidiaries

As part of the restructuring, the global subsidiaries of the Company were also aligned to the respective businesses. Accordingly, the global subsidiaries involved primarily in the GSB business were aligned with NTL while the GLB subsidiaries were retained in the Company (details of subsidiaries transferred to NTL form a part of the notes to accounts).

Existing Subsidiaries

The significant events relating to the major subsidiaries of the Company are given below

NIIT USA Inc. USA

The subsidiary is involved in both businesses, viz., GLB and GSB. Accordingly, as a part of the global restructuring, the subsidiary was also de-merged as on April 1, 2004 and a new company NIIT Technologies Inc. USA now houses the GSB business.

The Company has repaid the debt of NIIT USA and strengthened the operations by infusing more equity.

NIIT Technologies Limited UK (formerly NIIT Europe Limited)

Pursuant to the de-merger, the subsidiary was aligned to NTL. However, the investment in the subsidiary represented an economic interest to the extent of GBP 3,276,427 forming part of the GSB Undertaking and GBP 3,573,576

Directors' Report (Contd.)

representing economic interest of the GLB Undertaking. Accordingly, the Company's investment in NIIT UK of GBP 3,573,576 was liquidated through a buyback of shares by the subsidiary.

NIIT Australasia Pte Limited, Singapore

During the last year, the Company had embarked upon a process of cost and subsidiary rationalization. As a result, the Company has wound up the subsidiary in Singapore since there was no requirement for two subsidiaries in Singapore. Moreover, the equity invested in the subsidiary was repatriated to the parent company.

Subsidiaries created during the year

During the period under review, the Company acquired a software company in Germany - AD Solutions AG (name since changed to NIIT Technologies AG) as well as its subsidiaries in Switzerland and Austria. The acquisition was undertaken to assist the company to penetrate the German speaking markets. As part of Scheme, this subsidiary has been transferred and vested to NTL.

The Company also acquired the assets of Cognitive Arts Inc., USA, as a step to enrich its knowledge solutions offerings. Cognitive Arts is an Experience Learning Solutions Provider. Applying its proven methodology, Cognitive Arts enables Global 2000 companies and institutions to achieve business results and organizational readiness by accelerating skills acquisition and expertise through the enterprise and beyond.

The Company also acquired 100% holding in Scantech Evaluation Services Limited (Scantech), which in turn acquired 100% stake in NTL (formerly NIIT Investments Limited). NTL now houses the Global Solutions Business and pursuant to the Scheme, the existing shareholders of the Company on the Record Date would receive 75 shares of Rs. 10 each in NTL for every 100 shares of Rs. 10 each held in NIIT. Subsequently, the Company through Scantech would hold 25% in NTL.

Review of operations

The Company has recorded Consolidated revenues of Rs. 7,076 mn for the 18-month period. The Company's total income from operations for the period under review was Rs. 4,376 mn while the net profit was Rs.457 mn. The financials for the period under review are not comparable to the earlier years since the Company has de-merged its Global Solutions Business during the current period.

Global Learning Business

The Company continued to be the leader in the Indian IT training market. The Company has further strengthened its market share during the current period. The Company launched new programs to widen the market and to cater to new demands. The Company launched programs to cater to the needs of school examinations through its acquired brand of e-gurucool. The needs of the IT enabled services market was catered to by planetworkz - a program launched towards the end of last year.

The Company made major inroads into China, launching over 100 (one hundred) education centers and partnering with 10 (ten) universities and three software parks.

The Company was been conferred the Top Training Company Award for 2002-03 by leading IT magazine, Dataquest.

NIIT's Learning Business Process Outsourcing solution for Gateway, Inc. has been nominated for the prestigious Outsourcing Excellence Awards 2004, dubbed the "Oscars of Outsourcing". NIIT Limited was the only company chosen for its e-Learning solution.

Future Plans

With the realignment of the knowledge solutions business with the traditional learning business, the Company is now poised to offer its learning and e-learning solutions to the global markets. While the traditional methods of learning are suited for the developing countries, the e-learning programs offered by KSB are best suited for the developed markets.

The Company has recently introduced a new "industry-endorsed" multiple-track GNIIT program for career aspirants in IT. The new GNIIT program has been "co-designed" with the IT and ITES industry and is geared to fulfill their emerging manpower needs.

The Company would continue its focus on the China market and would also work towards penetrating new geographies.

The Company will continue to focus on managing its costs as well as its commitment to quality and superior service delivery capabilities.

Corporate Governance

In order to enhance customer satisfaction and stakeholder value, NIIT continues to benchmark its corporate governance practices with the best in the world in line with international norms.

NIIT has complied with all the requirements regarding Corporate Governance as stipulated in Clause 49 of the Listing Agreements of the Stock Exchanges. For the financial period ended March 31, 2004 (18 months), the compliance report is provided in the Corporate Governance Report attached to the Annual Report. The auditor's certificate on compliance to the conditions of Corporate Governance stipulated in clause 49 of the Listing Agreements of the Stock Exchanges is annexed to this report.

NIIT's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all interactions with its stakeholders including shareholders, NIIT-ians, lenders and the regulatory authorities.

Directors

Consequent on the approval received by the Hon'ble High Court of Delhi on the de-merger of GSB Undertaking of the Company, the Board of Directors of the Company reconstituted the Boards of the Company and NTL to be in line with the existing clause 49 of the listing agreement.

Mr. Arvind Thakur, who has been a Whole-time director on the Board of the Company since February 1, 1995, has resigned from the Board of the Company on June 12, 2004 and has moved to NTL as the CEO and Whole-time Director.

Directors' Report (Contd.)

Mr. Rajendra S Pawar, Chairman & Managing Director and Mr. Vijay Thadani, Whole-time Directors of the Company have also been appointed as the Executive Chairman and non-executive director of NTL respectively.

Mr. Subroto Bhattacharya and Mr. Surendra Singh, independent non-executive directors on the Board of the Company, have also been appointed as independent non-executive directors on the Board of NTL.

Mr. Shardul S Shroff and Mr. Sanjay Khosla, independent non-executive directors, continue on the Board of the Company.

Mr. Amit Sharma, independent non-executive director, resigned from the Board of the Company on June 28, 2004 and has moved to NTL as an independent non-executive director.

The Board of Directors place on record their sincere appreciation for the contributions made by Mr. Arvind Thakur and Mr. Amit Sharma during their tenure with the Company.

In line with the above changes, changes in the Committee membership have also been made.

In terms of provisions of the Companies Act, 1956 and Articles 64, 65 and 66 of the Articles of Association of the Company, Mr. Surendra Singh and Mr. Shardul S Shroff, Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

Directors responsibility statement

As required under section 217 (2AA) of the Companies Act, 1956, the Directors of the Company hereby state and confirm -

- a. That in preparation of Annual Accounts for the 18 (eighteen) month period, applicable Accounting Standards have been followed along with the proper explanations relating to material departures;
- b. That the Directors have selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the 18 month financial period and of the profit or loss of the Company for that period;
- c. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That the Directors had prepared the accrual accounts on a going concern basis.

Note No.3(vii) to the Auditor's Report is self-explanatory and does not require any comments from the Board of Directors and note No.4(f)(i) is a statement of fact expressed by the Auditors.

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 thereunder.

- Conservation of energy

The operations of the Company are not energy-intensive. However, appropriate measures, wherever possible, have been initiated to conserve energy. NIIT is continuously evaluating new technologies and invests in them to make its infrastructure more energy efficient.

- Technology absorption

In today's world, perpetually evolving technologies and increasing competition define the global market space. In order to maintain its position of leadership, your Company has continuously and successfully developed further state-of-art methods for absorbing, adapting and effectively deploying new technologies. The research laboratories continue their impressive work in the leading edge of various technology areas and act as the technology window for your Company. During the year these laboratories also created and improved their basic tools and techniques that were effectively deployed for software development, building software products and creating training materials and new curricula for the global market place.

- Research & Development

The year saw NIIT's research wing, the Center for Research in Cognitive Systems (CRCS) continuing its pioneering efforts in Minimally Invasive Education (MIE), to bridge the digital divide. The year saw the first implementations of MIE outside India, in Egypt and Cambodia. Research data continues to come in from MIE learning environments set up in the remotest parts of the country and results further strengthen the case for large scale deployment of MIE. NIIT's intellectual property has expanded considerably, with several patent applications for new devices and designs related to MIE. MIE continues to be documented and filmed internationally as an innovative solution to the digital literacy challenges of the 21st century.

The Center's continued research in Cognitive Systems resulted in the development of a number of creative solutions to address the challenges posed by the IT industry. Aham, a product created at this center is being used by NIIT to counsel the students on choosing career options that suit their personality traits and learning styles thus making them more productive and well adjusted in their work environments.

Fundamental work done by this Center in previous year in the area of English pronunciation and accent training has led to creation of software tools for training manpower for IT-Enabled Services (ITES), this year.

Similarly Swift Jyoti, developed for taking IT to the adult population so that they were not left out of the IT revolution, was upgraded and continues to be a significant offering from NIIT.

The Center's initiatives in the field of education led to the creation of several successful products such as MaxiMedia,

Directors' Report (Contd.)

which uses several innovative pedagogical techniques for teaching digital multimedia.

This year CRCS focused sharply on developing innovative products for hands-on, IT-assisted science education. This work has led to creation of Computer-Assisted Experience (CAX) series of products for teaching various aspects of science using technology.

CRCS developed and deployed high-reliability pointing devices (TouchMouse) and Remote Monitoring Systems for ensuring high uptime of Minimally Invasive Education kiosks deployed in remote areas in India and Cambodia.

The Center is continuing its research in the core area of cognitive sciences, wireless technologies and human-computer interfaces. This is expected to yield more efficient tools and techniques to improve software development and learning material creation.

- Export & Foreign exchange earnings & outgo

The details of foreign exchange earnings and outgo, are mentioned in Notes Nos.15, 16 and 17 contained in the Notes to Accounts (Schedule No.19) forming part of the Balance Sheet and Profit and Loss Account for the current 18 (eighteen) month period.

Public deposits

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding on the date of the balance sheet.

Human resources and Employees' Stock Option Scheme

NIITians are the key resource for the Company. The Company has been able to create and continuously improved a favorable work environment that encourages novelty and meritocracy in all levels.

NIIT has been recently ranked among the top 25 "Great Places to Work" in a study based on the methodology developed by "Great Place to Work Institute, Inc." of the US conducted Businessworld India jointly with GrowTalent, a firm focusing on HR strategies for Indian Corporates. NIIT is a leader among the IT companies to be ranked in this study.

Employee Relations remained cordial at all the Company's locations. Your Directors take this opportunity to record their appreciation for the outstanding contribution of all NIITians.

The required information as per Section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, as per provisions of Section 219 (1) (b) (iv) of the Companies Act 1956, the report and accounts are being sent to all shareholders of the Company excluding the Statement of Particulars of Employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the said Statement may write to the Company Secretary at the Registered Office of the Company.

Pursuant to the approval of the shareholders at the Annual General Meeting held on January 12, 2000 and as modified in the Extra Ordinary General Meeting held on August 17, 2000 and further modified on Annual General Meeting on

January 22, 2001, the Company had granted 1,812,600 equity shares by way of a grant of options on November 22, 1999 and April 7, 2000, to 814 employees at the exercise price of Rs.1,593/- (originally priced at Rs.2,476/-) and also granted 269,200 equity shares of Rs.10 each by way of grant of options on October 23, 2000, to 637 employees at an exercise price of Rs.1,631/-. The pricing of these grants of options was done at a price, which was the closing price of the shares on the stock exchange, which had the highest trading volumes, as on the date of the grant.

The aforesaid grant of options were to vest to the specific staff members over a period of time as laid down in the NIIT Employees' Stock Option Scheme (ESOS).

Since the market conditions had changed in 2001 with the economic downturn industry, the stock options had lost their value. In order to create new mechanisms to reward people it was felt that it was necessary to assess whether the existing grants of options could be annulled. Accordingly, the staff members on rolls of the Company as on December 12, 2003, who still had options (vested and unvested) under ESOS, were given a right to either continue with the existing Scheme or to annul their options.

As of the Effective Date of the Scheme of Arrangement, all staff members who were granted options exercised their right by annulling the options granted under the ESOS. Therefore, there are no live grants under the ESOS.

Auditors

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

Particulars of subsidiary companies

The Company has obtained permission from the Department of Company Affairs, Ministry of Law, Justice and Company Affairs, Government of India, vide their letter No. 47/104/2003-CL-III dated July 1, 2004 for not annexing the accounts of the subsidiary companies.

The detailed Statement of Accounts of the subsidiaries of the Company are available at the Registered Office of the Company.

Acknowledgements

Your Directors take this opportunity to thanks all investors, business partners, clients, technology partners, vendors, financial institutions/ banks, regulatory and governmental authorities, media and Stock Exchanges for their continued support during the year. Your Directors place on record their appreciation of the contribution made by NIITians at all levels for their commendable teamwork, dedicated and wholehearted efforts.

For and on behalf of the Board

Place : New Delhi
Dated : 1st July 2004

Rajendra S Pawar
Chairman and Managing Director