CES

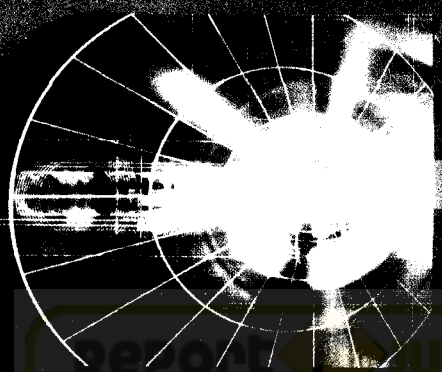
ANNUAL

RE

07

NIIT

technologies



Value From Focus

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Just as software and computing have moved from one generation to the next with speed and efficiency, NIIT Technologies too has leapt up the growth curve by staying true to its underlying philosophy and far-sighted strategy. The demands of the industry may vary. Ground realities may change. Our underlying belief remains "Value from Focus."

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Table of Contents

Corporate Information	3
Corporate Profile	6-7
The year gone by	8-9
Directors' Report	12-17
Management Discussion and Analysis	20-25
Report on Corporate Governance	28-43
Financial Statements - NIIT Technologies Ltd.	45-74
Statements of Subsidiaries	75
Consolidated Financial Statements	77-100

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

OUR VISION

VALUES, MOTIVES AND BELIEFS

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

•

NIIT IS PEOPLE

WE HAVE POSITIVE REGARD FOR EACH ONE OF US

•

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

•

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

•

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

•

NIIT IS QUALITY AND VALUE

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

•

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

•

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

•

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

•

NIIT IS A MISSION

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

•

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

NIIT
technologies

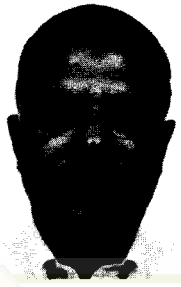
www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

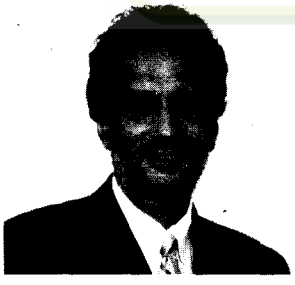
Corporate Information

Board of Directors

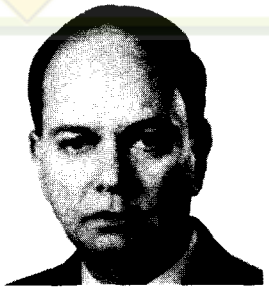
Rajendra S Pawar
Chairman & Managing Director



Subroto Bhattacharya
Director



Arvind Thakur
Chief Executive Officer
& Joint Managing Director



Surendra Singh
Director

Vijay K Thadani
Director

Amit Sharma
Director

Company Secretary
Rakesh K Prusti

Group Chief Financial Officer
Ashok Arora

Chief Financial Officer
K T S Anand

Auditors
Price Waterhouse

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

Registered Office
NIIT Technologies Ltd.
NIIT House,
C-125 Okhla Phase - 1
New Delhi 110 020, India
Email: investors@niit-tech.com
Tel : +91-11-41407000
Fax : +91-11-26203333

Corporate Office
NIIT Technologies Ltd.
8, Balaji Estate,
Sudarshan Munjal Marg,
Kalkaji, New Delhi 110 019, India
Email: webmaster@niit-tech.com
Tel : +91-11-26482054
Fax : +91-11-26203333

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

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

In this Report, we have used terms that we use for NIIT Technologies staff. Staff members are NIITians, family members of staff are AffiNIITians.

All trademarks acknowledged.

www.reportjunction.com

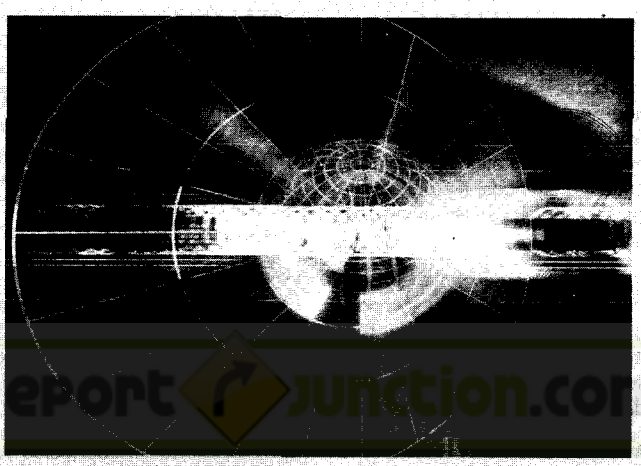
SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Report Junction.com

This page is intentionally left blank.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net



Focus makes us bigger than the sum of our parts

At NIIT Technologies the focus is on developing specific Industry verticals and within each vertical perfecting and building appropriate intellectual property. This focus on creating differentiation through specialisation has helped us position NIIT Technologies in a zone where we can leverage our strengths and grow our foot print across geographies

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Corporate Profile

AN OVERVIEW

NIIT Technologies Limited is a global IT solutions organisation servicing customers in North America, Europe, Asia and Australia. It focuses on customers in the Banking, Financial Services & Insurance, Travel & Transportation and Retail & Manufacturing sectors, offering services in Application Development and Management, Enterprise Solutions and Business Process Outsourcing.

NIIT Technologies' subsidiaries, NIIT SmartServe Limited and NIIT GIS Limited, offer Business Process Outsourcing and GIS Solutions, respectively. Counted amongst the premier software exporting organisations in India, NIIT Technologies has built a significant customer base worldwide, including leading global enterprises.

On the quality front, the Company adheres to all global benchmarks and standards, having bagged the ISO 9001:2000 certification and the BS 7799 information security management accreditation. NIIT Technologies has been assessed at Level 5 of both SEI-CMMi and People-CMM frameworks. Its Thailand facility conforms to the international BS15000 IT management standard, making it the first company in the ASEAN region to be so assessed.

NIIT SmartServe conforms to the highest quality standards such as COPC and Six Sigma. The Company has been accredited with ISO:27000 certification for information security.

The Company's alliances with international IT giants including IBM, Microsoft, Oracle, SAP and Sun—which have enabled it to gain technology leadership and build expertise on all key hardware and software platforms—are proving beneficial for its global customer base.

CHOSEN VERTICALS

Banking and Financial Services: NIIT Technologies specialises in the areas of retail banking operations, mortgages, credit risks and operational data store, having worked with top banks and financial service companies across the world.

Insurance: NIIT Technologies has built expertise in the areas of life insurance, pensions, annuity, non-life insurance and re-insurance, working for top insurance companies across the world.

The Company acquired ROOM Solutions, a leading name in the Lloyd's market in the UK. The acquisition of the London headquartered, US$ 25 million Insurance major, strengthened NIIT Technologies' presence in the vertical by bringing in deep domain expertise in the commercial insurance space

Travel & Transportation: NIIT Technologies has vast domain expertise and experience in the travel and transportation sector, having executed diverse projects across different segments of the business. Its clients include some of the largest airlines, global leaders in the travel distribution industry, leading freight and logistics companies and sophisticated surface transport players.

Retail & Manufacturing: The Company specialises in providing diverse IT services to global specialty retail chains in the domains of customer facing e-business and self-service portals, in-store applications, back-end supply chain management and related analytics.

SERVICE OFFERINGS

Application Development and Management: NIIT Technologies provides application development services and solutions to meet the diverse requirements of globally dispersed customers in custom software development, business intelligence, migration and modernisation. NIIT Technologies helps customers manage their mission and time critical applications across the world by providing cost effective application management services over a wide range of technologies.

Testing: The Company specialises in functional and regression testing, system testing (load testing, volume testing and compatibility testing) and full lifecycle testing of complex software applications as part of its testing services.

Enterprise Solutions: The Enterprise Solutions range around SAP offerings. Aided by its experience in manufacturing domains, NIIT Technologies has created a framework called QuickStart, which enables rapid implementation of SAP in the microelectronics and semiconductor industries.

The Company also manages and maintains the operations and applications that have been deployed in the customers' managed services portfolio. Managed Services from NIIT Technologies help organisations by simplifying their IT operational and investment challenges by delivering IT infrastructure and applications as complete administered services.

Geographic Information Systems (GIS): NIIT GIS has been providing end-to-end GIS-based solutions to customers worldwide. NIIT GIS' offerings in this sphere range from software products, training, technical support, data conversion and application development to

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

complete geo-spatial image processing and consulting solutions.

NIIT GIS, which commenced operations in 1996 is a strategic alliance between ESRI Inc., USA and NIIT Technologies Ltd.

Business Process Outsourcing: NIIT Technologies' subsidiary, NIIT SmartServe, a global business process management organisation, offers outsourcing solutions like managing back office operations, contact center and help desk solutions to clients from diverse verticals ranging from finance and insurance, media and entertainment to technology and education.

ALLIANCES

NIIT Technologies has developed strong alliances with leading global IT majors such as BEA, Computer Associates, IBM, Informatica, Metalogic, Microsoft, NetIQ, Oracle, SAP, SEEC and TIBCO, enabling it to develop core competencies on state-of-the-art software platforms and offer solutions in cutting-edge technologies to customers across the globe.

Awards and Achievements

- NIIT Technologies ranked among India's Top 20 IT Software and Service Exporters by the NASSCOM 2007 survey
- NIIT Technologies ranked in the DQ-IDC Best Employer Survey 2006 listing, based on findings of an industry-wide employee satisfaction study
- NIIT SmartServe ranked among the Global Outsourcing Top 100 companies by International Association of Outsourcing Professionals (IAOP) and featured among the Rising Stars of the BPO world
- NIIT SmartServe was named Top Outsourcer in three categories by leading Contact Center authority, Contactcenterworld.com
- NIIT Technologies' GIS subsidiary, NIIT GIS Limited won the coveted ESRI high achievement award for Asia Pacific for the third time since the company's inception in 1996. The award recognises NIIT GIS Limited's high commitment to customers and its record growth

ReportJunction.com

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

The year gone by

2006-07 at a glance

The year 2006-07 was a period of significant activities for NIIT Technologies, one that was marked by high momentum and improvements in turnover and profitability. The Company grew well above the Indian IT-BPO industry average and continued to rank among the top 20 IT-BPO exporters in the country. Some of the key highlights of the year included the following:

Taking the M&A route

Inorganic growth, an important element of the growth strategy of NIIT Technologies, received fresh impetus during 2006-07, when the Company acquired ROOM Solutions, a leading name in the Lloyd's market in the UK.

The acquisition of a London headquartered, US$ 25 million Insurance major, strengthened NIIT Technologies' presence in the Insurance vertical by bringing in deep domain expertise in the Commercial Insurance space.

By the end of the financial year, the integration of ROOM Solutions was successfully completed. The acquisition was EPS accretive.

Building deep and enduring customer engagements

Year 2006-07 was important from the customer perspective, with the Company deepening its engagements with existing customers, scaling up projects and drawing repeat business. The Company cemented its relationship with old-time customer British Airways, by celebrating 10 years of partnership with the global giant.

The Company entered into a relationship with British Airways 10 years ago, when it made its foray into the Travel & Transportation vertical. Since then, NIIT Technologies has been strengthening this association by bringing to British Airways, best-of-breed solutions, greater value and high responsiveness.

NIIT GIS turns 10

2006-07 was the year that NIIT Technolgies' GIS subsidiary, NIIT GIS celebrated the completion of 10 years of leadership. NIIT GIS is a dedicated GIS and Photogrammetry products Company, which has remained the leader within the Indian market. The Company, which commenced operations in 1996 with its complete portfolio of GIS and Image Processing Solutions for users in India and the subcontinent, is a strategic alliance between ESRI Inc., USA and NIIT Technologies Limited.

California based ESRI Inc. is the world leader in GIS solutions. It produces and markets the famous ARC/INFO GIS package.

Making headway on BPO turf

The Company continued to make strides within the ITES-BPO domain, with its subsidiary, NIIT SmartServe, crossing significant milestones. NIIT SmartServe was featured in the Global Outsourcing Top 100 companies listing, compiled by the International Association of Outsourcing Professionals (IAOP), ranking 81 in the listing.

The Company also featured in the ranking of "Rising Stars of the BPO World." SmartServe was featured along with other industry players, such as Tech Mahindra, Satyam, ICICI OneSource and Progeon.

Of alliances and partnerships

The Company signed a Joint Venture with Ajilon Holding Europe BV - an Adecco Group Company. Adecco SA is a Fortune Global 500 company and the global leader in Human Resource services. The venture will deliver world-class application software development and maintenance solutions to Adecco's clients. The joint venture company is known as Adecco NIIT Technologies Pvt. Limited

NIIT Technologies and Adecco S.A. team at the Agreement signing ceremony

Strengthens presence in Singapore's e-Governance domain

The Company continued to expand its presence in the Singapore market and strengthen its association with the country's Government agencies. NIIT Technologies entered into a strategic partnership with Singapore's Defence Science and Technology Agency (DSTA) to develop and market an e-Government procurement solution.

From left, Kailash Agarwal – Head eGovernance Practice, NIIT Technologies, Arvind Thakur – CEO, NIIT Technologies and Carol Lo, Assistant Director, GeBIZ DSTA

www.reportjunction.com