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The new growth mantra: collaborate and consolidate



17th Annual Report 2000-2001

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Mission Statement

MISSION

To provide relevant, cost effective, need based and scalable education services with special focus on IT to technical, non technical and other students through revolutionary teaching aids and methodologies and prepare them for a sound and rewarding future.

VISION

To be a global IT company with focus on training through continuous efforts in R & D and through international tie-ups with IT majors.

PURPOSE

"Sa Vidya Ya Vimuktaye"

Upanishads to provide "Good education that liberates."

VALUES

We are a responsible corporate citizen and we believe in the ethics of conducting our business with complete honesty and integrity which is reflected in the entire gamut of our activities, from manpower recruitment to franchise recruitment; technical deliverables to vendor relationships.

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Jetking®

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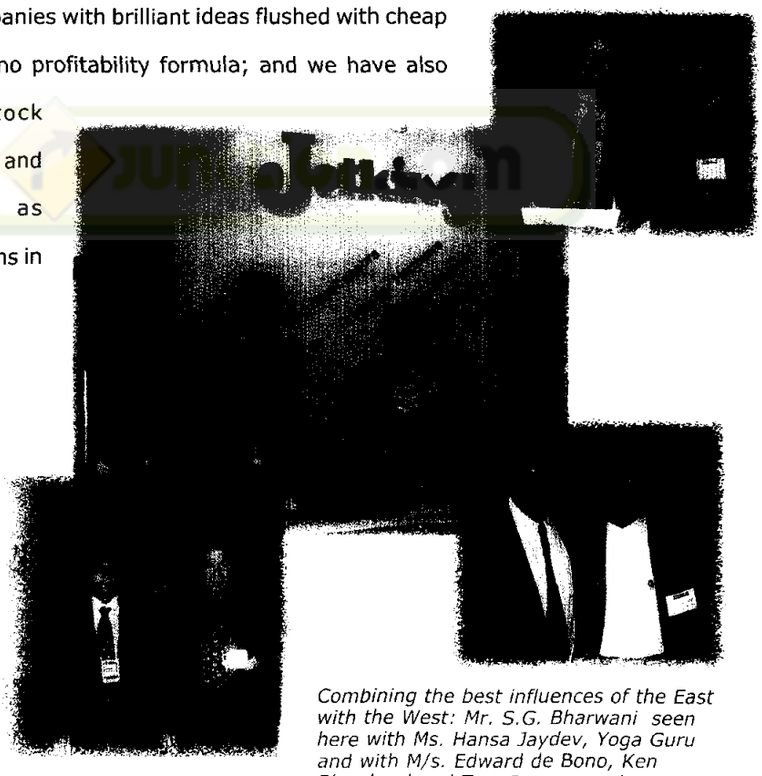
Chairman's Address



Suresh G. Bharwani, CMD, Jetking Infotrain Ltd.

Friends,

The IT-meltdown that started in the first quarter of the year 2001 has still not come to an end according to Industry experts. Though the crash took a very heavy toll on the economy and the people attached to it, **I believe that it basically was more of a market correction**. My belief stems from the fact that companies with **strong fundamentals and a solid revenue stream** have not only survived but also showed positive growth. Infosys, Wipro, HCL Technologies are the beachheads of my faith. Companies with only dreams, wishful revenue model and a lot of hoopla did not survive the meltdown. The so called dot com bust and subsequent IT-slowdown happened because there were too many companies with brilliant ideas flushed with cheap funds and virtually no profitability formula; and we have also realized that stock market manipulation and paper values are as ephemeral as the rains in Sahara.



Combining the best influences of the East with the West: Mr. S.G. Bharwani seen here with Ms. Hansa Jaydev, Yoga Guru and with M/s. Edward de Bono, Ken Blanchard and Tom Peters, modern management Gurus at various training sessions.



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Gains from the crash

The moot point is how does a company manage to survive through the ups and downs of a global economy. While no company can remain insulated from the global environment, only those who have **their antenna tuned to their customers' needs, who are proactive and who manage *their resources shrewdly*** *survive and flourish. You can call* this strategy as "WIIFMC" i.e. "**What is in it for my customer?**" I am happy to inform you that Jetking has been one of the very few companies that have got all these right and therefore registered a very healthy growth rate.



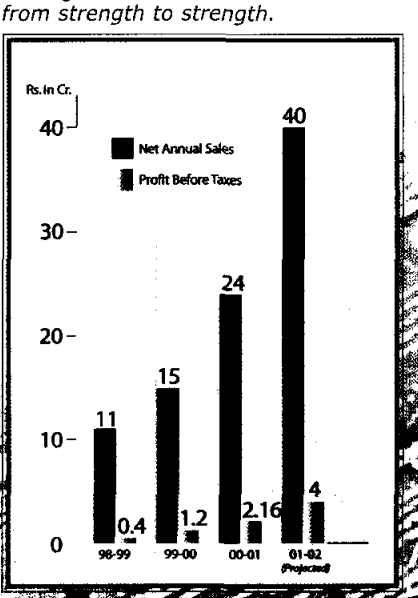
Nandu G. Bharwani, Jt. MD.

At present, the IT-meltdown is still not over. The grain has partly been cleaned of chaff and the growth is clearly north bound. The market intelligence report supports my prediction. Some companies are still issuing profit warnings, but that is because of the spillover effect rather than an actual performance forecast.



The Jetking core management team.

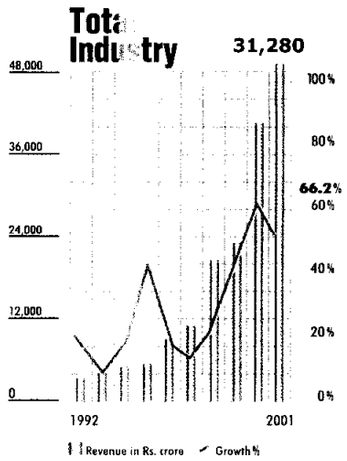
Jetking Turnover: from strength to strength.



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The performance of IT (year 2000-2001)

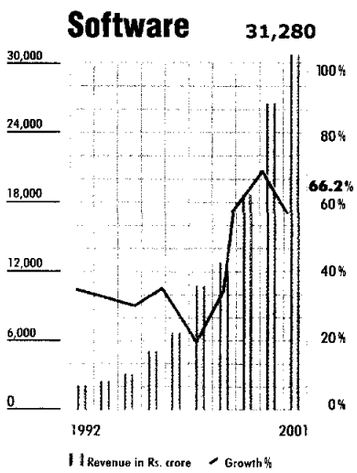
IT Industry grew by 60% to reach a commanding height of Rs. 47270 crores. The credit goes to software services & the exports segment.



Source: Computers Today

Software Industry

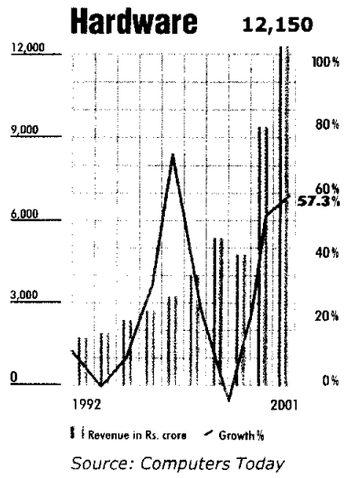
The software & services industry saw a **66%** growth during the last fiscal year, touching **Rs. 31,280 crores** in revenues against **Rs. 18,813 crores** in 1999-2000. More than 70% of this came from exports. As per NASSCOM report, by year 2008, the revenue from export of software and services would account for 35% of India's total exports. However, at present, due to slowdown in the US economy and subsequent market correction in the worldwide economy, there has been a drastic cut in IT spending. This has affected Indian Software companies as most of them depended on exports. As a result companies have resorted to downsizing or downgrading their software team. New recruitments have been stopped and salaries have been slashed. This has affected the training industry too. The charm has worn off as most IT training majors have admitted lesser enrolments and even lesser growth.



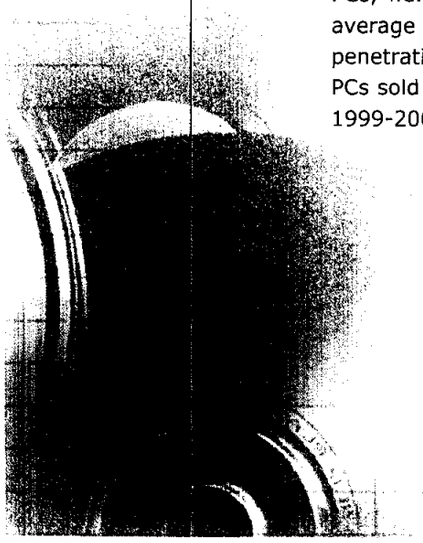
Source: Computers Today

Hardware Industry

The Hardware sector includes personal computers, servers, workstations, peripherals & data communication based networking products. This industry has continued to show a rock solid performance. It has been largely unaffected by all this brouhaha of slow down in the US economy as well as the software meltdown, as most of the hardware revenues come from internal business. The market for PCs in our country is still huge & largely untapped. It has been growing at a rate of more than 40% every year and will continue to do so in the next five years. Irrespective of the political inertia in managing development projects, the PC penetration is bound to jump; because, for a population of more than a billion people, we still have only 6 million PCs, i.e. a mere 6 per 1000, while the prevailing world average is 26 per 1000. Even a country like China has a penetration level of 9 PCs per 1000. The total number of PCs sold in 2000-2001 was 1.72 million v/s 1.12 million in 1999-2000.



Source: Computers Today

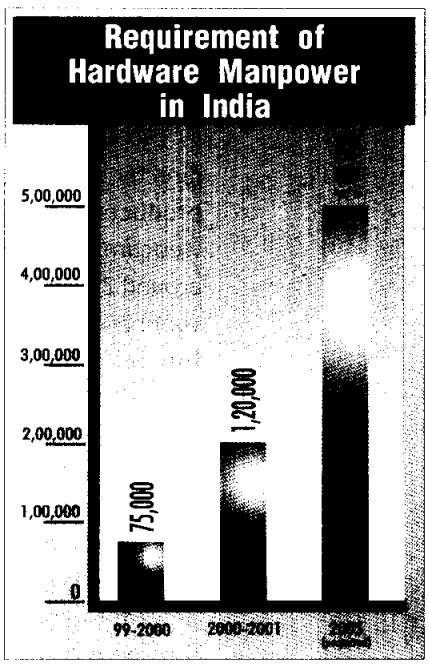


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The Outlook

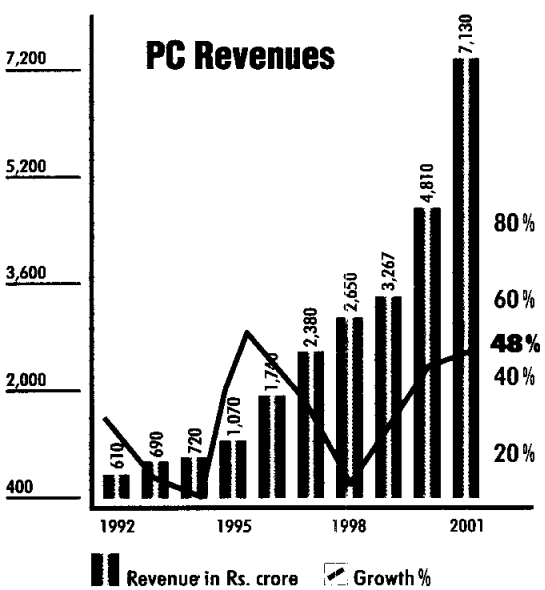
A hardware vision has been formulated for year 2005 when the PC penetration would climb from the present 6 per 1000 to 26 per 1000, boosting employment from 1.2 lakh to 5 lakh in industry, while raising exports from $ 0.27 billion to $5 billion even as PC volumes increase from 1.8 million to 10 million in the country.



Also, increase in infotech usage in government through launch of operation **Citizen Connect** will increase government spending on IT from 0.8 percent of Gross Domestic Product to 3%. 20 computers each will be supplied to 9 lakh schools during the same period and this will itself translate to 18 million computers.

An Indian PC (a low cost bare bone machine) and Indian specific price is being negotiated for operating systems, CPUs & memory devices which would bring down the cost of a PC to Rs. 15,000/- from the present Rs. 25,000/- level. Also, custom duties & other levies will be rationalized to bring down the PC cost. The corporate sector like banks, insurance companies, etc. have increased their IT spend tremendously. The rise in ATM machines and other off-site transactions have contributed to the ever increasing spend on hardware. The hardware growth has also increased because of the booming internet based services. An independent survey has shown that more than 20,000 PCs were bought by the bourgeoning internet cafes. The PC penetration at home and small offices (SOHO) has also increased dramatically.

The major players among branded PC vendors include Compaq, HCL, HP, Zenith & IBM. However, it seems that most of the growth was registered in the unorganized market or rather in the non-branded segment, which comprises about 58% of the market.



Source: Computers Today

The miniscule amount of notebook sales (only 27,000 notebook computers) indicates that corporate India is not yet mobile-computing ready.

As the fortune of printers is directly related to that of computers, 8.5 lakh inkjet, dotmatrix & laser printers were sold. HP & Epson were the main players in this segment.

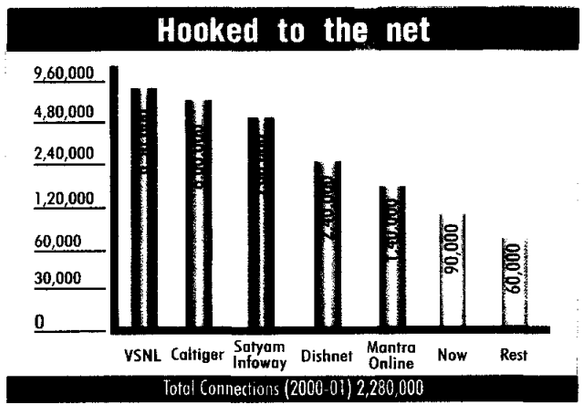
The Networking equipment sales grew by 54%, to 2751 crores. This included the routers market, since banks are moving from LANs to a switched architecture.

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Internet

As I have mentioned earlier, the growth in internet has been mainly in the SOHO segment. This has directly translated into net-based products such as PCs, Modems, webcams etc. India, today, has around 22 lakh net subscribers with some 70 lakh users. A year ago the figure stood at just 9 lakh subscribers & 28 lakh users. China boasts 20 million net connections. It has 140 million telephone connections in contrast to India's overall tally of 25 million.

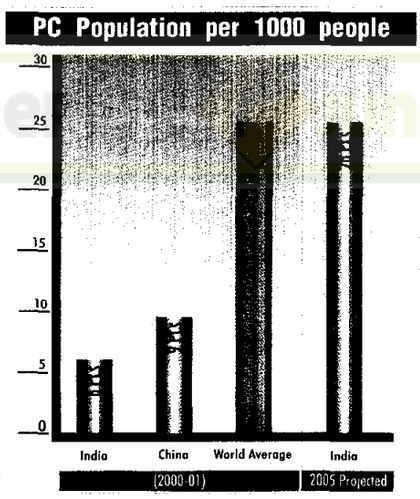


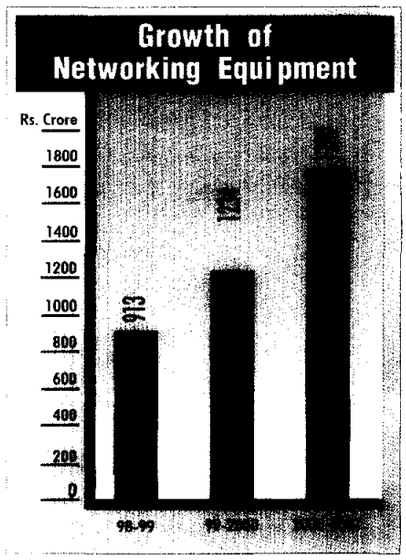
Source: Computers Today

VSNL has given 650,000 connections, followed by Caltiger having 625,000 subscribers and Satyam Online with 500,000. HCL Infinet have 100,000. Today it costs Rs.10/- per hour to surf the net, down from Rs. 50/- in 1996.

Datacom/Infocom Industry

Infocommunication is the new mantra. The broadband market is expected to grow to $ 3-4 billion by the year 2004. The datacom market includes hardware like servers, modems, routers, brouters etc. The softwares include Windows NT, Novell etc. Today, every business unit has its computers networked. This indicates tremendous growth in this industry in the very near future.





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The Business of Training

Computer training is characterized by its close association with the industry. This is specially true for career-centric courses. Today, the common public is getting alienated towards software courses due to the failure of this segment in matching faculty deliverables with the promise to fulfill the career aspirations of the x-generation.



Train the Trainers' workshop under way: making learning fun, faster and easier.

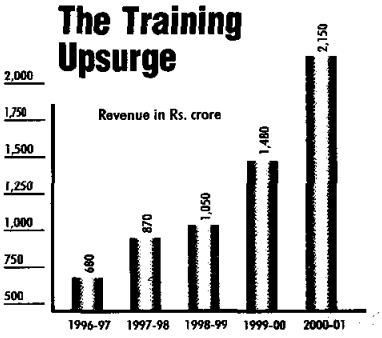
On the other hand, the hardware sector is brimming with confidence. Demand for hardware professionals far outweighs the supply, so much so that organizations have to make do with inexperienced talent and then groom them. So, the next question is why is there a supply shortage? Is there a catch somewhere? And how does one take the final call as has been done by Jetking?

The Limitations

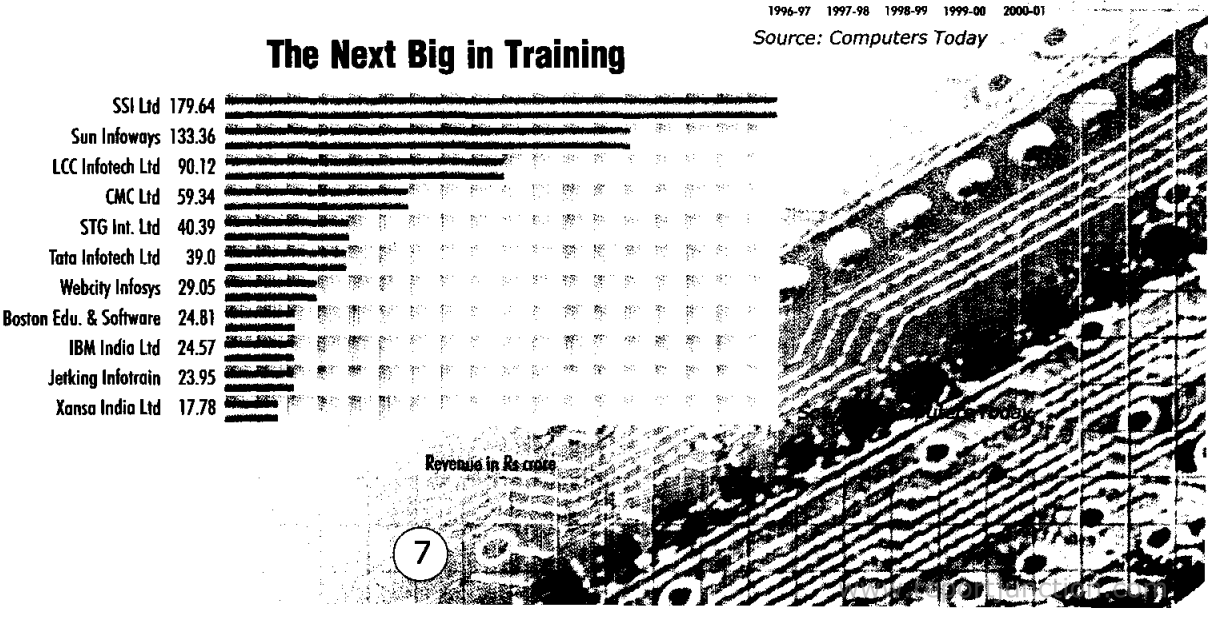
This field is not so glamorized. The dollar earning option is never emphasized, nor has the government done anything to bring standardization in this field. Adding to this situation is the fact that other training institutes offer training material which, in many cases, fail to meet industry standards. Finally, there is very little awareness in the student community about their career path and the various avenues it offers. So, while the supply side is haunted by the inhibitors, the demand side has a contrastingly brighter future.



Smartrain: High Energy, High Content & High Involvement workshop in action.



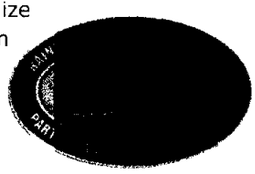
Source: Computers Today



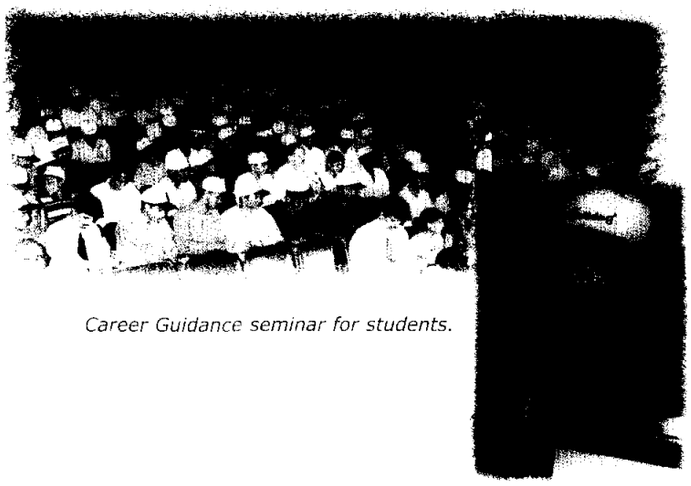
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The Opportunities

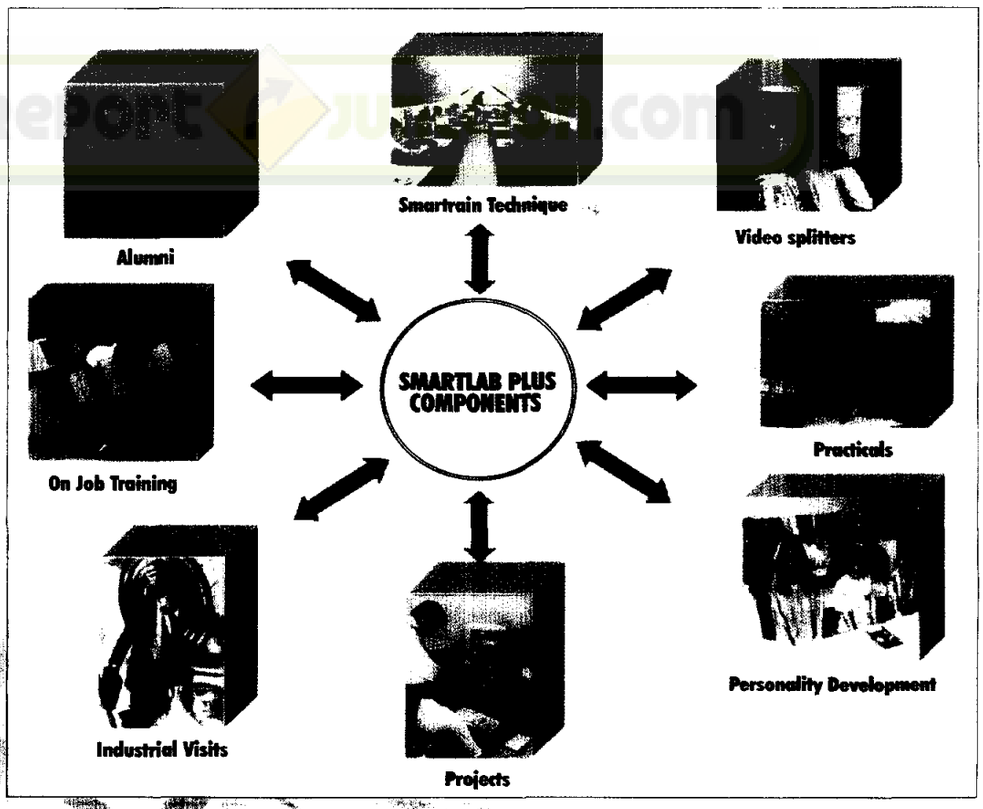
I strongly feel that there should be a proper methodology to recognize courses offered by the current institutions. The certifications from the institutes must have some vendor approvals. The industry can contribute by tapping talent from various institutes and providing in-house training. There is also the need to communicate to the masses about the various paths available in hardware institutes.



Signing off at this juncture, I wish to enumerate that this profession may not be as rewarding as software development, but the tumble would not be as hard either. There are substantial opportunities in the overseas market too. It needs cohesive working between the industry and trainer to communicate this aspect, as a result of which we will find hoards of students walking in to the institutes.



Career Guidance seminar for students.



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