ANNUAL REPORT
2001-02

NIIT

NIIT Limited

Regd. Office: NIIT House, C-125 [illegible], New Delhi [illegible]

NOTICE

Notice: 20th Annual General Meeting of the Members

Notice is hereby given that the [illegible] Annual General Meeting of the Members of NIIT Limited will be held on [illegible] the 21st day of January 2003 at 10:00 A.M. [illegible] Auditorium [illegible] Road [illegible], New Delhi [illegible] to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 30th September, 2002 and the Balance Sheet as at that date and the Reports of the Auditors and Directors thereon.
2. To declare a dividend on Equity Shares out of the Balance of the [illegible] of the Companies Act, 1956 read with [illegible] Dividend out of Reserves Rules, 1975 and subject to [illegible] approval [illegible].
3. To appoint a Director in place of Mr. Vijay K. Thadani [illegible], who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. [illegible], who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. [illegible], who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. M/s. Price Waterhouse, Chartered Accountants, the retiring auditors, are eligible for re-appointment.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. [illegible] be and is hereby appointed as a Director of the Company, liable to retire by rotation [illegible] for re-appointment."

8. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered in the manner [illegible]:

Insertion of new Article No. [illegible] – Issue of Sweat Equity Shares

[illegible] contained in Section 79A of the Companies Act, 1956, the Company may issue Sweat Equity Shares [illegible] to [illegible] or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called, of a class of shares already issued if the following conditions are fulfilled:

a) The issue of Sweat Equity Shares is authorised by a Resolution passed by the Company in the General Meeting.
b) The Resolution specifies the number of shares, their value and the class or classes of Directors or Employees to whom such equity shares are to be issued.
c) Not less than one year has at the date of the issue elapsed since the date on which the Company was entitled to commence business.
d) The Sweat Equity Shares are issued in accordance with the regulations made by the Securities and Exchange Board of India in this behalf, if applicable.

Insertion of new Article No. [illegible] – Meeting of Board/Committees through Video/Teleconferencing/ Web/Other electronic means

The Company shall have the power to hold Board or Committee Meetings through the means of video, web, teleconferencing or other electronic means [illegible] Board or Committee Meetings through the means of video, web, teleconferencing or other electronic means [illegible] provisions of the Companies Act, 1956 and other regulations, [illegible] Directors [illegible] Meeting [illegible] Board or Committee meetings shall be [illegible].

Insertion of new Article No. [illegible] – Passing of Resolution by Postal Ballot

The Company may, subject to the provisions of Section 192A of the Companies Act, 1956 and the Rules framed thereunder [illegible] resolutions [illegible] postal ballot [illegible] General Meeting [illegible] General Meeting [illegible]

Insertion of new Article No. [illegible] – Interim Dividend

"The Directors may from time to time pay to the Members such interim dividends as [illegible] justified by the profits of the Company [illegible]."

Insertion of new Article No. [illegible] – Adjustment of debts out of Dividend payable

"The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists, subject to Section 205A of the Act."

By the Order of the Board
For NIIT Limited

Place: New Delhi
Date: [illegible] November 2002

P. K. [illegible]
[illegible] Legal and
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Resolutions set out under item No. 7 and 8 and information [illegible] with respect to item No. [illegible] is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from [illegible] the [illegible] day of January, 2003 to [illegible] the 21st day of January, 2003 (both days inclusive).
4. The Dividend out of [illegible] as recommended by the Board of Directors, if declared at the Meeting, will be paid, in terms of the provisions of Section 205A(3) of the Companies Act, 1956 read with the Companies (Declaration of Dividend out of Reserves) Rules, 1975, to [illegible] Members, whose names appear in the Company's Register of Members [illegible] by the Depositories as on [illegible] day of January, 2003.
5. Those Members holding shares in physical form may write to the Company for any change in their address and bank mandates. Members holding shares in electronic form may inform any change in address to their depository participants immediately so as to enable the Company to dispatch dividend warrants at their correct addresses.
6. Members holding shares in the same name or same order of names under different folios are requested to send share certificates for consolidation of such shares to the Company.
7. The Members desirous of [illegible] for the [illegible]

[illegible]

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 7

[illegible]

ITEM NO. 8

[illegible]

Additional Information

[illegible]

By the Order of the Board
For [illegible]

[illegible]
[illegible]
Company Secretary

Place : New Delhi
Date : [illegible] December 2007

NIIT

NIIT Limited

Regd. Office : NIIT House, C-125, Okhla Ph-I, New Delhi 110020

PROXY FORM

Folio No./ID No. ____________ DP-ID No. ____________

I/We ______________________ of ______________________ in the district of ____________ being a member/members of NIIT Limited, hereby appoint ____________ of ____________ in the district of ____________ or failing him/her ____________ of ____________ in the district of ____________ as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10.00 A.M. at N.C.U.I. Auditorium, 3 Siri Institutional Area (Opp. Siri Fort Auditorium), August Kranti Marg, New Delhi 110 016, on Friday, the 31st day of January, 2003

Affix Re. 1 Revenue Stamp here

Signature of Proxy

Signature of Member(s)

Note : Proxies, in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

NIIT

NIIT Limited

Regd. Office : NIIT House, C-125, Okhla Ph-I, New Delhi 110020

ATTENDANCE SHEET

(The attendance sheet duly filled in to be handed over at the meeting)

Name of the attending member (in block letters) ______________________

Member's Folio No./ID No. ____________ DP ID No. ____________

Name of Proxy(s) (in Block Letters) (to be filled in if a proxy attends instead of the member) ____________

____

No. of Shares held ______________________

I hereby record my presence at the Annual General Meeting being held at 10.00 A.M. at N.C.U.I. Auditorium, 3 Siri Institutional Area (Opp. Siri Fort Auditorium), August Kranti Marg, New Delhi 110 016, on Friday, the 31st day of January, 2003

Member's/Proxy's Signature
(to be signed at the time of handing over this sheet)

Note : 1. Please bring this form with you to the Annual General Meeting.
2. The Registration Counter shall open at 9.30 A.M.

Board of Directors
Rajendra S Pawar
Chairman and Managing Director

Vijay K Thadani
Chief Executive Officer

P Rajendran
Chief Operating Officer

[illegible]
[illegible] - NIIT Technologies

[illegible]
Director

[illegible]
Director

Surendra Singh
Director

[illegible]
Director

[illegible]
Additional Director

Company Secretary
[illegible]

Chief Financial Officer
[illegible]

Auditors
Price Waterhouse

Principal Bankers/Institutions
ICICI Bank Limited
Indian Overseas Bank
Standard Chartered Bank Limited
Citibank N.A.
Hongkong and Shanghai Banking Corporation Limited
[illegible] Bank [illegible]
Canara Bank
[illegible] Bank

[illegible]
[illegible] & Co

Registered Office
NIIT Limited
NIIT House
C-125 [illegible]
New Delhi 110 020, India
Tel +91-11-[illegible]
Tel +91-11-[illegible]
Fax +91-11-[illegible]
[illegible]

Corporate Office
NIIT Limited
8, Balaji Estate
Sudarshan Munjal Marg
Kalkaji, New Delhi 110 019, India
Tel +91-11-[illegible]
Fax +91-11-[illegible]
[illegible]

NIIT Websites
[illegible] Website [illegible]
[illegible] Portal [illegible]
[illegible] [illegible]

[illegible]

[illegible]

Financial History

REVENUES & PROFITABILITY (Rs. Mn.)

For the Fiscal Year ended September 30	1998	1999	2000	2001	2002#	2002
Global Revenues (NIIT & its Subsidiaries)	6484	8850	15371	11389	7995	6341
REVENUE OF NIIT LTD.	4956	5816	7690	7108	5057	3603
Operating Expenses	3020	2815	4844	5765	4542	3088
Interest & Finance Expenses	138	45	45	28	8	8
Depreciation	294	436	354	259	460	460
Profit Before Tax	1134	1519	2385	1051	47	47
Profit After Tax	1084	1428	2341	960	91	91
Equity Dividends	97	129	164	174	174**	174**
Earnings Per Share (Rs.)*	28.02	36.95	57.99	24.53	2.35	2.35
Operating Margin (%)	34.1	34.3	37.0	19.2	10.2	14.1
Profit Before Tax/ Revenues (%)	24.7	26.0	31.0	14.8	0.9	1.3
Return On Capital Employed (%)	28.5	34.5	36.3	12.7	1.3	1.3

ASSETS & LIABILITIES (Rs. Mn.)

As At September 30	1998	1999	2000	2001	2002
Sources of Funds					
Equity Capital	257	386	386	386	386
Preference Capital	70	-		-	
Reserves and Surplus	2601	3757	5798	6564	6351
Loan Funds	872	1	-	600	495
Deferred Tax Liability					87
Total	3800	4144	6184	7551	7320
Application of Funds					
Gross Block (includes Capital Work in Progress)	1900	2115	3460	3118	3636
Net Block (includes Capital Work in Progress)	1273	1114	1135	1575	1749
Investments	573	573	675	1904	3507
Current Assets	2545	3327	5530	5365	3129
Current Liabilities	592	873	1159	1293	1066
Net Current Assets	1953	2454	4371	4072	2063
Miscellaneous Expenditure	5	4	3		-
Total	3800	4144	6184	7551	7320
Debt-Equity Ratio	0.31	0.00	0.00	0.09	0.07
Current Ratio	4.30	3.81	4.77	4.15	2.94
Fixed Asset Turnover (Times)	2.55	2.20	3.14	2.25	1.00
Receivable Days (Times)	88	79	65	66	145
Book Value Per Share (Rs.)*	74	107	167	180	174
Share Price as on Sep 30 (BSE) (Rs.)	1367.00	2835.00	1425.00	108.00	130.65
Market Capitalisation (Rs. Mn.)	35,145	109,183	55,075	4,174	5,050

\# Based on the old operating arrangement in the Learning Business for fee to fee companies. Rs. 1,454 million has been added to Revenue as well as Operating Expenses for the current year.
* Based on Current Equity
** Proposed

NIIT at a glance

- [illegible] Software Solutions [illegible] and Knowledge Solutions
- **Software Services from NIIT Technologies:**
  - Custom Software Development & Maintenance
  - Legacy Maintenance & Modernization
  - Enterprise Integration
  - Knowledge Solutions
- **Software Solutions for Verticals:**
  - Financial
  - Insurance
  - Transportation
  - Retail
- **NIIT's specialized divisions offer:**
  - [illegible] SAP [illegible] and services from [illegible] USA
  - e-Learning [illegible] from [illegible], USA
  - Management Consulting, Systems Integration and Product [illegible] for [illegible] Data [illegible] USA
  - Custom Software Development and Legacy Solutions from NIIT Software AG for [illegible], Germany and Switzerland
  - [illegible] Business Process Management Services [illegible] from NIIT SmartServe
  - Geographic [illegible] System [illegible] ESRI India
- **Outsourcing Development Centres:**
  - Bangalore, Delhi, Kolkata and Chennai in India
- **Nearshore Development Centres:**
  - Atlanta, [illegible] in US, London, [illegible], Switzerland, [illegible] in Europe and Singapore
- **Global standards in software development processes:**
  - ISO 9001:2000 [illegible]
  - Software and Knowledge Solutions [illegible] SEI-CMM [illegible] for [illegible] in the world [illegible] SEI-CMM Level 5
- Software [illegible]
- Global customers [illegible] Singapore [illegible]

NIIT

- Complete provider of IT Education for diverse segments with Instructor-led Training, Computer-based learning and e-learning:
  - Futurz for IT careers and IT enablers
  - CATS for advanced technologies
  - SWIFT for basic and IT literacy
  - CareerEdge for Mainstream skills
  - NetVarsity for online learning
  - Planetworkz for youngsters – CHIS
- Complete IT learning solutions for K-12 learners in schools
- Alumni base of over 2.5 million
- Training network covering 2447 centres in 28 countries
- Alliances with global IT majors including Cisco, IBM, Microsoft, Oracle and Thomson Prometric
- The only Asian Company to be ranked among the Top 15 IT training companies in the world by IDC, USA
- Conferred the Microsoft CTEC Solution of the Year award 2003
- Adjudged the first Level 5 of Software Development organization by ...
- NetVarsity, NIIT's online learning website adjudged the best e-learning Portal of the Digit Web Awards 2001
- Conferred the Excellence in Training Award 2001-02 by Manufacturers' Association for Information Technology
- Conferred the HRD Excellence Award 2002 by National HRD Network
- Global operations in over 40 countries:
  - **Americas** - Colombia, USA
  - **Europe** - Austria, Belgium, France, Germany, Netherlands, Sweden, Switzerland, UK
  - **Asia** - Bangladesh, Bhutan, China, Hong Kong, India, Indonesia, Japan, Malaysia, Nepal, Philippines, Singapore, Sri Lanka, Thailand, Vietnam
  - **Middle-East** - Bahrain, UAE, Oman, Qatar, Saudi Arabia, Yemen
  - **Africa** - Botswana, Egypt, Ghana, Kenya, Mauritius, Namibia, Nigeria, South Africa, Sudan, Tanzania, Uganda, Zimbabwe
  - **Australia** - Australia, New Zealand

Futurz CareerEdge CATS SWIFT

NetVarsity.com planetworkz NIIT@School

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the [illegible] Annual Report along with the Audited Statement of Accounts for the financial year ended 30th September 2002.

The highlights of the Company's Results for the year 2001-02 are as follows:

			(Rs. Mn)
	2001-02	2001-02*	2000-01
Global Brand Revenue			
(NIIT and its Subsidiaries)	6,561	[illegible]	11,[illegible]
[illegible]	3,[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

In view of the Company having sufficient and [illegible] Free Reserves, and the management's confidence in its future revenue growth and profitability, it is considered prudent by the Board that a dividend of Rs 4.50 per equity share of Rs 10 be declared for the current year out of Free Reserves of the Company in accordance with the provisions of Section 205 A (3) of the Companies Act 1956 read with the Companies (Declaration of Dividend out of Reserves) Rules, 1975 and subject to specific approval of the Central Government. Accordingly, the Board of Directors at their meeting held on [illegible] December 2002 have recommended the dividend payment of Rs 4.50 per equity share of Rs 10 out of Free Reserves to the shareholders, subject to obtaining specific approval from the Central Government.

Since the [illegible] rate of dividend (of Rs 4.50 per equity share of Rs 10) out of Free Reserves exceeds the prescribed limits as per the provisions of Section 205 A (3) of the Companies Act 1956 read with Rule 2 [illegible] of the Companies (Declaration of Dividend out of Reserves) Rules, 1975, the Company has filed an application with the Central Government, i.e., The Ministry of Finance and Company Affairs, Department of Company Affairs, in order to obtain specific approval to declare and pay dividend of Rs 4.50 per equity share of Rs 10 or such other rate that may be approved by the Central Government for payment of dividend to the shareholders out of Free Reserves of the Company.

The global slowdown and the [illegible] and geopolitical instability, worldwide, dampened [illegible] in both the IT Services and Education sectors. As a result, it impacted both business segments of the Company, leading to a [illegible] in Global Brand Revenue to Rs 7,[illegible] Mn.

The Global Software Business, conducted as NIIT Technologies, contributed [illegible]% of revenues at Rs 4,[illegible] Mn, while the balance was contributed by the Global Learning Business at Rs 3,[illegible] Mn.

The International revenues stood at Rs 4,[illegible] Mn, accounting for [illegible]% of the Global Brand Revenues during the financial year 2001-02. The contribution of the Americas geography stood at [illegible]% [illegible] from [illegible]% in the previous year. The Europe geography contributed 23% to revenues [illegible] from 23% in the last year with Asia Pacific and Greater China geographies sharing the remaining portion ([illegible]% previous year).

In light of the challenges, the Company initiated an aggressive cost management programme, which yielded savings in the overall fixed expenses to the tune of Rs 987 Mn. The Company also undertook a more stringent review with regard to impairment in the value of [illegible] and [illegible] in order to provide for the additional business risks associated with the current economic pressures. Accordingly, it was considered prudent to provide adequately for doubtful debts. After such provisions, at a consolidated level, the Company posted an operating profit of Rs [illegible] Mn (Rs 1,[illegible] Mn previous year).

The Book Value per equity share of Rs 10 each of the Company stands at Rs 174 at the end of the financial year.

The year saw the launch of a separate brand for the software business of NIIT aptly named 'NIIT Technologies'. The strategic de-emphasis of low margin Product Distribution and System Integration continued through the year. The Company's strategy of focusing on the three key verticals, namely, Finance & Insurance, Transport and Retail has been rewarded with a continued revenue contribution of [illegible]% from these segments. The strategic moves in the Legacy Maintenance and Modernisation space were [illegible] and [illegible] contributed [illegible]% of the revenues. The Company's steps for inorganic growth resulted in [illegible] acquisitions, namely, the Custom Development business of [illegible], Cheap Systems and Data Exchange International (DEI), which strategically fitted into NIIT's core verticals and practices. The acquisitions were smoothly integrated into NIIT and collectively [illegible] revenue and [illegible] [illegible] The Company added [illegible] Fortune 500 clients during the year. The order intake grew [illegible] [illegible] in 2001-02. The order book stands at Rs 3,[illegible] Mn at the end of the year of which Rs 1,[illegible] Mn is executable over the next 12 months.

The Company was able to consolidate its leadership position over [illegible] market share significantly despite the downturn in the industry. [illegible] the Company introduced a variety of courses at different price points to cater to an increased market size. The Company also launched [illegible] programs for [illegible] IT education [illegible]. [illegible] World Computer Literacy Day, the Company reached out to 100,000 [illegible], [illegible] a [illegible]% growth on year on year basis.

In the schools segment [illegible] Rs 1,550 Mn [illegible] Andhra Pradesh Government, to impart computer education to students in [illegible] Government schools over a five year period. [illegible] [illegible] NIIT imparts computer education in over 2,[illegible] schools in India covering more than 750,000 students.

NIIT also expanded its reach in the international arena during the year. In the fast emerging China market, the Company has over 100 education centres. Going forward, the Company is entering new geographies including Russia. The Company ended the year with [illegible] [illegible] globally, one of the largest IT Education centre networks in the world.

For the second consecutive year the Company was ranked in the top 15 Global IT Education and Training Providers being conducted by International Data Corporation (IDC), the world's leading provider of technology intelligence, industry analysis and market data. NIIT was the only Asian company to do so.

The overall business climate has been turning positive for the IT industry. Outsourcing is becoming synonymous with Offshoring and India is emerging as a leading contender for such contracts.

Being in [illegible] position with a commanding market share in the IT Education and Training business, the Company is set to add on IT Enabled Education into its portfolio. After successful completion of pilot