

## AMERICAS

### United States of America

Principal Office:  
NIIT (USA) Inc.  
1050 Crown Pointe Parkway  
5th Floor  
Atlanta, GA 30338, USA  
Phone: +1 770 551 9494  
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Element K Corporation  
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Phone: +585 240 7500  
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### Netherlands Antilles

NIIT Antilles N.V.  
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Netherlands Antilles  
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### Canada

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Fax: +585 240 7760

## EUROPE

### United Kingdom

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6th Floor, Westfields, London Road  
High Wycombe, Buckinghamshire  
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Phone: +44 0 1494 539333  
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Element K (UK) Limited  
12B Talisman Business Centre  
Bicester, Oxon OX26 6HR, UK  
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## ASIA

### China

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12C, Long Life Mansion  
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## INDIA

Registered Office  
NIIT Limited  
C-125 Okhla Phase - 1  
New Delhi 110 020,  
India  
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Fax: +91 11 26817344

Element K India Pvt Ltd.  
4th Floor, RR Chambers-II  
Thiru-vi-ka Industrial Estate, Guindy  
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## Malaysia

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Phone: +60 3 83135200  
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## MIDDLE EAST

### Bahrain

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5th Floor, Chamber of Commerce Building  
P.O. Box 710, Manama  
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Phone: +973 17 224807  
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### United Arab Emirates

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702, Al Khaleej Centre  
PO Box 43145  
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Phone: +971 4 3558846  
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## AFRICA

### Mauritius

NIIT GC Ltd.  
Level 6, One Cathedral Square  
Jules Koenig Street  
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Mauritius  
Phone: +230 207 1000  
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# NIIT

### Corporate Office

NIIT Limited  
85, Sector 32 Institutional  
Gurgaon 122 001, India  
Phone: +91 124 4293000  
Fax: +91 124 4293333  
Website: [www.niit.com](http://www.niit.com)  
Email: [niit.webmaster@niit.com](mailto:niit.webmaster@niit.com)



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NIIT Limited

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# 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



## CORPORATE INFORMATION

### 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*

Subroto Bhattacharya  
*Director*

Surendra Singh  
*Director*

Shardul S. Shroff  
*Director*

Sanjay Khosla  
*Director*

### Company Secretary

Parveen Jain

### Group Chief Financial Officer

Ashok Arora

### Chief Financial Officer

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  
C-125 Okhla Phase - I  
New Delhi 110 020, India  
Email (Investor Services): [investors@niit.com](mailto:investors@niit.com)  
Tel : +91-11-41407000  
Fax : +91-11-26817344

### Corporate Office

NIIT House  
85, Sector 32, Institutional  
Gurgaon 122 001, India  
Email: [niit.webmaster@niit.com](mailto:niit.webmaster@niit.com)  
Tel : +91-(124)-4293000  
Fax : +91-(124)-4293333

### Registrar and Share Transfer Agent

Alankit Assignments Ltd.  
Unit - NIIT Limited  
Alankit House  
2E/21, Jhandewalan Extn.  
New Delhi-110055, India  
Tel : +91-11-23541234, 42541234  
Fax : +91-11-42541967

### NIIT Websites

Corporate Website : [www.niit.com](http://www.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 AffinIITians and students of NIIT are Student NIITians.

All trademarks acknowledged.

## FINANCIAL HISTORY

### REVENUES & PROFITABILITY (Rs. Mn)

For the Fiscal period ended	30-Sep-02 12 months #	31-Mar-04 18 months ##	31-Mar-05 12 months	31-Mar-06 12 months	31-Mar-07 12 months
Global Revenues (NIIT & its subsidiaries)	6,541	7,076	3,984	4,507	7,951
REVENUES OF NIIT LTD.	3,603	4,606	2,871	3,449	4,008
Operating Expenses	3,088	3,773	2,497	2,874	3,325
Interest & Finance Expenses	8	20	11	43	50
Depreciation	460	417	195	238	314
Profit Before Tax	47	397	168	294	319
Profit After Tax	91	457	160	270	329
Equity Dividends	174 ***	96	106	116	143
Earnings Per Share (Rs.) * - Basic	2.35	17.76	8.26	13.97	16.97
Operating Margin (%)	14.3	18.1	13.0	16.7	17.0
Profit Before Tax / Revenues (%)	1.3	8.6	5.9	8.5	8.0
Return on Capital Employed	1.3	17.0	5.3	7.7	8.5

### ASSETS & LIABILITIES (Rs. Mn)

As At	30-Sep-02	31-Mar-04	31-Mar-05	31-Mar-06	31-Mar-07
Sources of Funds					
Equity Capital	386	193	193	193	198
Reserves & Surplus	6,351	2,499	2,538	2,695	2,896
Loan Funds	495	214	500	1,195	1,340
Deferred Tax Liability	87	-	-	-	-
<b>Total</b>	<b>7,320</b>	<b>2,906</b>	<b>3,231</b>	<b>4,083</b>	<b>4,434</b>

### Applications of Funds

Gross Block (includes Capital Work in Progress)	3,605	1,745	1,878	2,215	2,630
Net Block (includes Capital Work in Progress)	1,749	726	754	954	1,158
Investments	3,507	1,537	1,487	1,456	1,702
Deferred Tax Assets	-	-	-	20	77
Current Assets	3,129	1,620	1,811	2,758	2,846
Current Liabilities	1,066	977	821	1,105	1,349
Net Current Assets	2,063	643	990	1,653	1,497
<b>Total</b>	<b>7,320</b>	<b>2,906</b>	<b>3,231</b>	<b>4,083</b>	<b>4,434</b>
Debt:Equity Ratio	0.07	0.07	0.18	0.41	0.43
Current Ratio	2.94	1.66	2.21	2.50	2.11
Fixed Asset Turnover	1.00	2.64	1.53	1.56	1.52
Receivable Days	145	106	137	165	144
Dividend per share (Rs.)	4.00	5.00	5.50	6.00	6.50
Book value per share (Rs.)	174	139	141	149	157
Share Price on Closing date (BSE) (Rs.)	131	180	182	296	665
Market Capitalisation (Rs. Mn)	5,050	6,957 **	3,509	5,728	13,138

Notes: # The company had simplified its operating arrangement in the Learning Business in 2002

## The Company had spun off its Software Solutions business during the period to a separate Company, NIIT Technologies Limited

\* Based on Equity outstanding as on Balance Sheet date

\*\* Based on the 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 programmes:

- ❖ GNIIT for IT careers
- ❖ 'NIIT 'Edgeineers', a range of specialized programmes to provide cutting-edge career for engineering graduates and IT professionals
- ❖ NIIT NetworkLABS, specialised programmes on Networking and Infrastructure Management
- ❖ Degrees in alliance with Universities
- ❖ SWIFT for Internet and IT literacy
- ❖ Board exam preparation solutions
- ❖ Bioinformatics and Educational Technology programmes
- ❖ Executive Management Programmes for working professionals, from NIIT Imperia, Centre for Advanced Learning
- ❖ Training programmes for financial services sector from NIIT Institute of Finance, Banking & Insurance
- ❖ Facilitate scholarship programmes through Bhavishya Jyoti Scholarship initiative

### • For Corporations

Enterprise Learning Solutions:

- ❖ Instructor-led and e-Learning Training in IT and Soft Skills
- ❖ Advisory Services
- ❖ Custom Content Development
- ❖ Application and Process Rollout Training
- ❖ Learner Management Systems
- ❖ Learner Support Services
- ❖ A suite of catalogue products from Element K
- ❖ Assessment and Testing services from NIIT Litmus

### • For Colleges and Universities

- ❖ Curriculum Design
- ❖ Custom Courseware Development
- ❖ Learning Delivery, Hosting Services
- ❖ Learner and Faculty Support Services
- ❖ Student Administration
- ❖ In-campus IT Programmes

### • For Government and Private Schools

- ❖ Integrated solutions for computer and computer-aided education for K-12 learners

### • Hole-in-the-Wall Initiative

- ❖ Minimally Invasive Education kiosks to provide free and unsupervised access to computers for children belonging to economically and socially marginalized populations



- **Alliances with global IT majors:**

- ❖ EMC, Intel, Microsoft, Oracle, Sun Microsystems, SumTotal, Thomson Prometric

- **Assessed at SEI-CMM Level 5**

- **Awards and Acknowledgements**

- ❖ NIIT was ranked amongst India's "Most Respected Companies" in the IT sector in a survey done by Business World magazine in 2007
- ❖ Leading IT industry magazine Dataquest awarded the "Top Training Company Award" to NIIT in 2006
- ❖ NIIT was ranked amongst "India's Top 50 Most Trusted Services Brands" in a survey conducted by The Economic Times Brand Equity in 2007 for the third consecutive year
- ❖ Customers ranked NIIT as "India's Most Customer Responsive Educational Institution" in 2006, for the 2nd consecutive year by the Avaya GlobalConnect and Economic Times
- ❖ NIIT was awarded the "Indian Franchisor of the Year Award by Franchising Association of India"
- ❖ NIIT is ranked among the Top 20 Companies in the Training Outsourcing Industry: TrainingOutsourcing.com
- ❖ NIIT is the only Asian IT Education company among the 'Top 20 Worldwide IT Training Market Leaders': International Data Corporation
- ❖ Features among the Superbrands of India (2003-05) by the Superbrands Council, US
- ❖ Ranked among '25 Great Places to Work': Business World Survey 2003
- ❖ 'Award for Excellence in Innovative HR practices' 2005: Delhi Management Association and Watson Wyatt World
- ❖ China Information World, the Beijing-based IT weekly presented NIIT with awards for 'Best Contribution towards Vocational Education in China (2004)' and 'Best Curricular Structure in China' in 2004
- ❖ China Computer Weekly, the Chongqing-based publication with a base of over one million readers, recognised NIIT as the 'Most Influential Education Certificate Brand in China for 2004' and the company with the 'Best IT training curriculum' for the same period
- ❖ eAngelz 'Asian Visionaries & Leaders', Singapore award for NIIT Chairman Rajendra S. Pawar
- ❖ NIIT Chairman Rajendra S. Pawar was awarded the "Distinguished Educationist Award" by Rotary Education Foundation
- ❖ Government of Chongqing, the largest city in the world, appointed NIIT CEO Vijay Thadani as Economic Advisor to help it become hub of knowledge-based economy

- **Global operations in**

- ❖ Americas – Brazil, Cuba, Mexico, Peru, USA
- ❖ Europe – Kazakhstan, UK
- ❖ Asia - Bangladesh, Cambodia, China, India, Indonesia, Malaysia, Nepal, North Korea, Sri Lanka, Turkey, Vietnam
- ❖ Middle East - Iran, Oman, Qatar, Yemen
- ❖ Africa –Botswana, Ghana, Libya, Nigeria, Senegal, Sudan, South Africa, Zimbabwe
- ❖ Australia/Oceania - Fiji



## DIRECTORS' REPORT

Dear NIIT Shareowner,

Your Directors take pleasure in presenting the twenty-fourth Annual Report along with the audited statement of accounts for the financial year ended March 31, 2007.

### Financial Results

The highlights of your Company's financial results for the period April 1, 2006 to March 31, 2007 are as follows:

NIIT Limited (Consolidated Revenue)		(Rs. Mn.)
Particulars	2006-07	2005-06
Net Revenues	7,951	4,507
EBITDA (earning before interest, taxes, depreciation and amortization)	774	603
Share of profits from associates/attributable to minority	331	165
Profit after tax	573	401
Basic EPS (Rs.)	29.54	21.40
Diluted EPS (Rs.)	28.06	21.05

Your Company's consolidated net revenues for the year under review grew from Rs. 4,507 million to Rs. 7,951 million, a growth of 76% on year to year basis and the profit after tax grew from Rs. 401 million to Rs. 573 million, a growth of 43% on year to year basis.

NIIT Limited (standalone)		(Rs. Mn.)
Particulars	2006-07	2005-06
Net Sales (Income from operations)	3,903	3,378
Other Income	105	71
Profit before depreciation and taxes	633	531
Depreciation	314	237
Net tax provision	(10)	24
Net Profit	329	270
Basic EPS (Rs.)	16.97	13.97
Diluted EPS (Rs.)	16.34	13.88

Your Company's total income from operations for the year under review were Rs. 3,903 million (as against Rs. 3,378 million in the previous financial year), while the net profit was Rs. 329 million (as against Rs. 270 million in the previous financial year).

### Business Operations

The year 2006-07 saw your Company gain momentum

by accelerating growth and improving profitability by focusing on the following strategy set:

- partnerships,
- new businesses and
- inorganic growth

During the year, your Company initiated nine new technology partnerships, ramped up the NIIT inside model by tying up with formal universities and expanding its network of direct centers.

Your Company also diversified its offerings across skill areas to meet the global demand for such talent. It launched new businesses, including the NIIT Institute of Finance, Banking & Insurance to cater to the growing requirement of manpower in the banking, insurance and financial services industry; NIIT Imperia to address the skill upgradation requirements of middle management; and NIIT Litmus, an assessment and training service.

In August 2006, your Company (through its subsidiary NIIT USA Inc.) acquired Element K Corporation, USA, a Learning Solutions Provider. This was a strategic fit for the Corporate Learning Solutions business of NIIT, which acquired Element K's core assets of e-learning catalogues, robust learning platforms, print courseware titles, custom content, systems integration and managed services.

Your Company continued to figure in the Top 20 IT training companies listing, as well as in the ranking of Top 20 Companies in the Training Outsourcing Industry on a worldwide assessment.

### Future Plans

Your Company is transforming itself to ride the wave of Global Talent Development and has been diversifying its offerings to meet the global need for skilled IT-ITES knowledge professionals. Going forward, your Company's growth will be driven by a well-defined strategy set as well as global trends including a worldwide IT workforce CAGR of 9 percent, an increase in training outsourcing and new careers in services-led economies.

### Bonus Shares

The Directors have, subject to the approval of the members, approved a bonus issue of equity shares in the ratio of 1:2 i.e. one additional equity share for every two equity shares held by the members on the record date, to be fixed later. Necessary resolution for obtaining the approval of the members has been incorporated in the Notice for the forthcoming Annual General Meeting of the Company.

**DIRECTORS' REPORT (Contd.)****Split of Shares**

The Directors, subject to the approval of the members, have also approved the sub-division of existing 1 (one) Equity Share of Rs. 10 (Rupees Ten) each, into 5 (five) Equity Shares of Rs. 2 (Rupees Two) each. Consequent to the proposal of the split of equity shares, your Directors have also recommended necessary amendment to the Capital Clause of the Memorandum of Association and Articles of Association of the Company, for your approval at the forthcoming Annual General Meeting.

**Dividend**

In view of the good performance, your Directors are pleased to recommend, for approval of the members at the forthcoming Annual General Meeting, a dividend of Rs. 6.50 per share, compared to Rs. 6.00 per share in the previous financial year.

**Transfer to Reserves**

In accordance with statutory provisions, your Company has transferred a sum of Rs. 33 million to the General Reserves.

**Subsidiaries**

At the end of the year under review, the Company has 18 subsidiary companies spread across the globe.

During the year under review, NIIT USA Inc., USA, a wholly-owned subsidiary of your Company acquired "Element K Corporation, USA" ("EKC"), along with its nine step down subsidiary companies. Later, six out of the nine subsidiaries got merged with EKC. EKC is one of the largest comprehensive learning solution providers in the world.

The Company has also begun providing training in the areas of Finance, Banking and Insurance, for professionals both at the entry level as well as in-service, through a new subsidiary, the NIIT Institute of Finance Banking and Insurance Training Limited (IFBI). Set up in partnership with the ICICI Bank Limited, this company became the subsidiary of NIIT on August 3, 2006. IFBI has already commenced operations at six locations in India and is expanding its presence to other cities.

The Company has pursuant to the provisions of Section 212(8) of the Companies Act, 1956 (the Act), filed an application with the Ministry of Company Affairs seeking exemption from attaching a copy of the Balance Sheet, Profit and Loss Account, Directors' Report and Auditors' Report of the subsidiary companies and other documents required to be attached under Section 212(1) of the Act, with the Balance Sheet of your

Company. The necessary approval from the Ministry of Company Affairs was received vide their letter dated February 20, 2007. Accordingly, the said documents are not being attached with the Annual Report of your Company. A gist of the financial performance of the subsidiary companies as required by the Ministry of Company Affairs is contained elsewhere in the Annual Report. The Accounts of the subsidiary companies are open for inspection by any Member/Investor at the registered office of the Company. It will make available these documents/details upon request to anyone interested in obtaining the same.

**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 relating to Corporate Governance as stipulated in Clause 49 of the Listing Agreements. For the financial year ended March 31, 2007, the compliance report is provided in the Corporate Governance Report attached to the Annual Report. The Auditor's Certificate confirming the compliance to the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreements is annexed to the Corporate Governance 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, in all interactions with its stakeholders including Shareholders, NIITians, Lenders and Regulatory Authorities.

**Directors**

In accordance with the provisions of the Companies Act, 1956 and Articles 64, 65 and 66 of the Articles of Association of your 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 re-appointment.

**Directors' responsibility statement**

As required under Section 217 (2AA) of the Companies Act, 1956, your Board of Directors of the Company hereby states and confirms :

- That in preparation of Annual Accounts for the financial year, applicable Accounting Standards have been followed along with the proper explanations relating to material departures;