

**Annual Report  
2011-12**



**YOU CAN'T SPELL TRAINING WITHOUT NIIT**

# 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.

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# NIIT

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### Board of Directors



**Rajendra S Pawar**  
Chairman & 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



**Sanjay Khosla**  
Director



**Madhabi Puri Buch**  
Director

### Company Secretary

Rajesh Arora

### Group Chief Financial Officer

Ashok Arora

### Chief Financial Officer

Rohit Kumar Gupta

### Auditors

Price Waterhouse

### Banks

ICICI Bank  
Indian Overseas Bank  
Standard Chartered Bank  
Citibank NA  
BNP Paribas  
Wells Fargo Bank  
Bank of the West  
Llyods TSB Bank Plc

### Registered Office

B-234, Okhla Industrial Area, 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

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

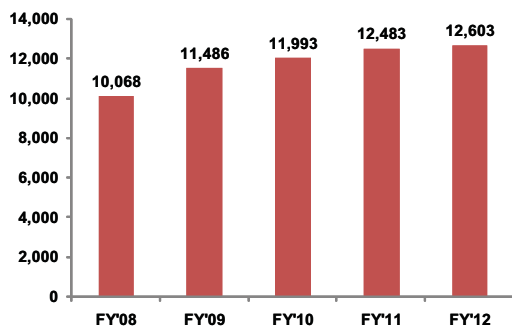
Alankit Assignments Ltd.  
Unit - NIIT Limited  
Alankit House  
2E/21, Jhandewalan Extn.  
New Delhi-110055, India  
Tel : +91-11-23541234, 42541234  
Fax : +91-11-42541967

### Website

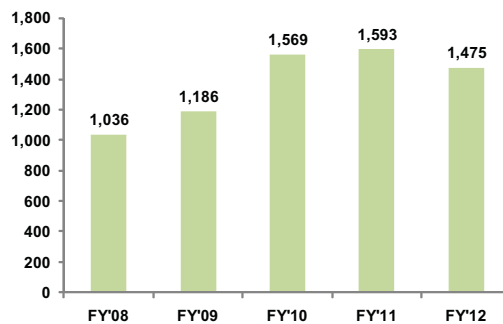
[www.niit.com](http://www.niit.com)

## FINANCIAL HISTORY

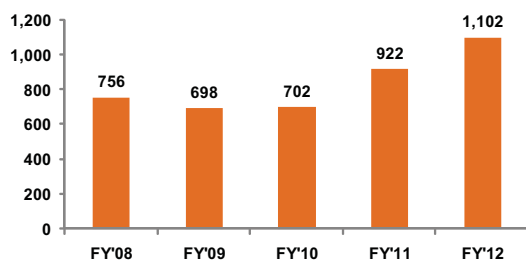
**Revenue (Rs. Mn)**



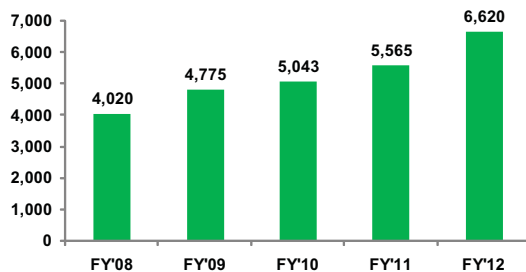
**EBITDA (Rs. Mn)**



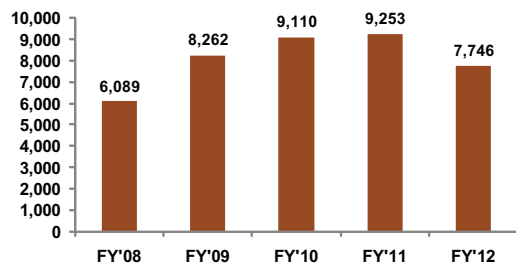
**PAT (Rs. Mn)**



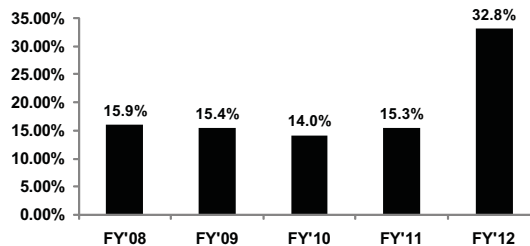
**Net Worth (Rs. Mn)**



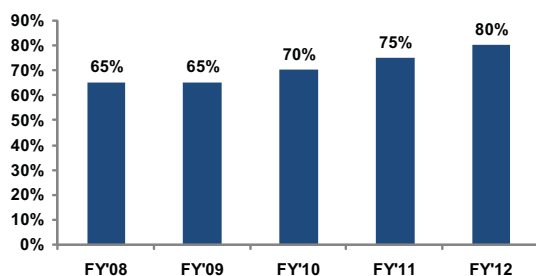
**Capital Employed (Rs. Mn)**



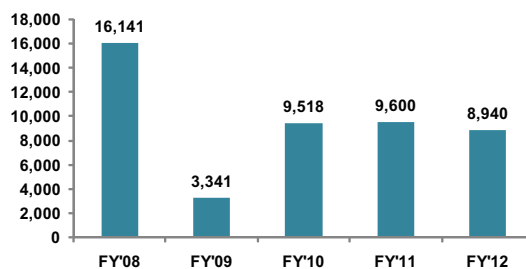
**RoCE (%)**



**Dividend (%)**



**M-Cap (Rs. Mn)**



## NIIT at a Glance

### Global Learning Solutions for Individuals, Enterprises, Schools and Colleges

- o Presence in 32 countries worldwide
- o Largest Learning Content Development facility in the world

#### • For Individuals

Instructor-led Training, Synchronous Learning, Computer-based Training and e-Learning programmes:

- ❖ New-age GNIIT for IT careers powered by NIIT Cloud Campus™ India's First Cloud Campus
- ❖ 'NIIT Edgeineers', a range of specialized programmes to provide cutting-edge career for engineering graduates and IT professionals
- ❖ NIIT GlobalNet+, specialized programmes on Networking and Infrastructure Management
- ❖ Express Diplomas for graduates looking for a quick start to IT careers.
- ❖ Degrees in alliance with Universities
- ❖ SWIFT for basic computer and internet skills
- ❖ Executive Management Programmes for working professionals, from premier business schools through NIIT Imperia, Centre for Advanced Learning
- ❖ Training programs for financial services sector from NIIT Institute of Finance, Banking & Insurance (IFBI)
- ❖ NIIT Institute of Process Excellence Limited, a NIIT-GENPACT venture (NIIT Uniqua), offers complete training outsourcing services to the Business Process, Knowledge and Technology Services industry to create business models that enhance productivity and lower costs.
- ❖ Facilitate scholarship programs through BhavishyaJyoti Scholarship initiative
- ❖ National IT Aptitude Test, India's largest and most widely recognized IT Aptitude Test
- ❖ Industry linked joint programs in IT and Management Sciences with IGNOU-world's largest Open University

#### • For Corporations

Learning Solutions for Enterprise:

- ❖ Managed Training Services
- ❖ Learning Content
- ❖ Learning Administration
- ❖ Learning Delivery
- ❖ Learning Management Systems
- ❖ Learning Technology
- ❖ Advisory Services
- ❖ Virtual Labs
- ❖ Demand Generation Services
- ❖ Student Retention



## NIIT at a Glance (Contd.)

- **For Colleges and Universities : NIIT Careers@Campus**

- ❖ Employability Enhancement Programs for college students on campus
- ❖ Curriculum Design in line with industry feedback – soft skills and technical skills
- ❖ Blended Learning Delivery - Synchronous Learning, instructor-led and hands-on practice
- ❖ Online Learner Support Services

- **For Government and Private Schools**

NIIT has provided computer-based learning to over 16,000 government and private schools across the country cumulatively impacting lives of more than 10 million kids. Some of the highlights of school learning solutions by NIIT are:

- ❖ NIIT NGuru is a holistic School Learning Solution that comprises of Interactive Classrooms (an end to end Teaching Learning solution for classrooms that uses elements of interactivity, automation and web links library); Math lab (State-of-the-art Mathematics Laboratory for schools which comes with Geometer's Sketchpad Software, Multiple Teaching and Learning Aids like Technology Applications, Videos, Manipulative, Measuring Instruments and Theme Based Ambience); IT Wizard (equips the students with core computer knowledge and IT skills); Quick School (an Education Resource Planning solution for school management) and Mobile Science Lab (the first of its kind portable computerized Science Laboratory which enables students to correlate scientific concepts taught in the class to real life).

- **Hole-in-the-Wall Education Ltd. (HiWEL)**

- ❖ Minimally Invasive Education kiosks to provide free and unsupervised access to computers for children belonging to economically and socially marginalized sections of the society.

- **NIIT Yuva Jyoti (NYJ)**

- ❖ NIIT strengthened its focus on vocational skills training by entering into one of the largest public-private partnerships with National Skill Development Corporation (NSDC) to enhance skills and employability of youth across India through its NIIT Yuva Jyoti initiative.
- ❖ NYJ envisions to setup more than 1500 state of the art Skill Development Centres, across tier 2/3 and smaller towns of India, covering over 1000 cities and train more than 7 million youth in the next 10 years.

- **Alliances with global IT majors**

- ❖ Cisco, IBM, Intel, Microsoft, Oracle, SAP, SAS, Tally, Thomson Prometric, Pearson VUE & Zend

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

- **Awards and Acknowledgements (FY' 2011-2012)**

- ❖ NIIT received 'Top IT Training Company Award 2011' for the 19th year in succession by Cybermedia publications
- ❖ NIIT received the 'Best Education Company to Work with' title at the Indian Education Awards 2011
- ❖ NIIT featured in Aon Hewitt's Top 25 list of 'Best Employers in India-2011'

## NIIT at a Glance (Contd.)

- ❖ NIIT has also been voted for being the second most trusted education brand in India by Brand Equity- Nielsen Survey 2011
- ❖ NIIT featured as the 'Most Trusted Leader in Education' in Brand Trust Report, India Study, 2012, undertaken by Trust Research Advisory
- ❖ NIIT received three accolades at the World Education Awards, 2011. NIIT's Skill development project in the Republic of South Africa was felicitated with, 'Best Vocational and Skills Initiative of the year' award; NIIT Imperia was recognized as 'Best Training to Working Professionals' and NIIT's Mobile Science Lab was acknowledged as the 'Best Innovation in Science Education'
- ❖ NIIT Vietnam received the ICT Gold Medal Award 2011 for the 6th Consecutive Year from the Ho Chi Minh Computer Association
- ❖ NIIT USA earned fifth consecutive appearance amongst Top 20 Companies in the Training Outsourcing Industry rankings
- ❖ NIIT Foundation was adjudged as the 'Best Private Sector Skills Provider' at UK India Skills Forum (UKISF) Awards 2011
- ❖ NIIT was adjudged as the 'Best Result Oriented ICT School' in Ghana for the second consecutive year
- ❖ NIIT USA received the Gold at the Chief Learning Officer (CLO) magazine's annual "Chief Learning Officer Learning In Practice" Awards
- ❖ NIIT USA was honoured with the 3 Brandon Hall 'Excellence Awards' for Performance Support, Learning, and Marketing
- ❖ NIIT USA was honoured by Seventh Annual Human Resource Outsourcing Association (HROA) for its partnership with Diageo
- ❖ NIIT NGuru received Manthan Award in the Chairman's distinction category for e-education and learning
- ❖ NIIT received 'Franchisor of the Year: IT' Award by Franchise Plus, India's leading business opportunity magazine
- ❖ NIIT's association with Grandmaster Viswanathan Anand was recognized as the Top brand ambassador engagement at the Indian PR and Corporate Communication Awards (IPRCCA) 2011, instituted by Exchange4Media
- ❖ NIIT HiWEL received the prestigious Mac Arthur Digital Media and Learning Award. (This was an effort by MacArthur Foundation and HASTAC to find and inspire the most novel uses of new media in support of learning, NIIT HiWEL was awarded for innovative use of internet and digital technology to transform learning and knowledge creation)
- ❖ NIIT received Microsoft's "Learning Solutions Partner of the Year" Award for the third consecutive year. (This award marked a Hat-Trick by NIIT for being the "Best Learning Solutions Partner" in India)
- ❖ NIIT USA achieved top ranking in Training Magazine's Top 125 List of best Employee Development Organization, for the fourth consecutive year





## NIIT at a Glance (Contd.)

- ❖ NIIT USA was ranked among Top 20 Companies in the Training Outsourcing Industry - 2011 and 2012. (NIIT is being featured in this ranking since 2008).
- **Global operations in**
  - ❖ Africa – Botswana, Ghana, Kenya, Mali, Mauritius, Nigeria, Senegal, South Africa, South Sudan, Zimbabwe, Egypt
  - ❖ Americas – Mexico, Peru, USA
  - ❖ Asia – Afghanistan, Bangladesh, Bhutan, Brunei, China, India, Indonesia, Iran, Malaysia, Maldives, Nepal, Oman, Qatar, Singapore, Vietnam
  - ❖ Australia – Sydney
  - ❖ Europe – UK, Norway

## DIRECTORS' REPORT

**Dear NIIT Shareowner,**

Your Directors take pleasure in presenting the 29<sup>th</sup> Annual Report along with the audited statement of accounts for the financial year ended March 31, 2012.

### Financial Highlights

The highlights of your Company's financial results for the financial year April 1, 2011 to March 31, 2012 are as follows:

(Rs. Mn.)

Particulars	NIIT Limited-Group (Consolidated)		NIIT Limited (Stand alone)	
	2011-12	2010-11	2011-12	2010-11
Net Sales (Income from operations)	12,603	12,483	7,381	6,480
Other Income	76	84	462	294
Total Income	12,678	12,566	7,843	6,744
Total Expenditure	11,411	11,297	6,873	5,780
Profit before depreciation and taxes	1,267	1,269	971	994
Depreciation and Amortisation	874	854	684	577
Exceptional Items (Net)	1,636	142	856	136
Net tax provision	1,408	89	181	56
Net profit before share of Associates' Profit & Minority Interest	621	469	963	497
Share of Associates' Profit and Minority Interest	481	453	-	-
Net Profit	1,102	922	963	497
Basic EPS (Rs.)	6.67	5.58	5.83	3.01
Diluted EPS (Rs.)	6.67	5.58	5.83	3.01

During the year, your Company's consolidated income from operations has increased to Rs. 12,603 million as against Rs. 12,483 million in the previous year, Net Profit (after Associates' Profit) is Rs. 1,102 million as against Rs. 922 million in the previous year, registering a growth of 19.5% over the previous year.

The income from operations for the year under review for the Company on a stand alone basis increased to Rs. 7,381 million as compared to Rs. 6,480 million in the previous year, thereby registering a growth of 14 % on yearly basis and Net Profit increased to Rs. 963 million as against Rs. 497 million in the previous year.

### Business Operations

In the financial year 2011-12, the Global Economy faced fresh challenges with several of the major economies battling with issues of growth and solvency. The Indian economy witnessed a year of slower growth, high inflation and strong forex volatility, the situation exacerbated by slow pace of decision making

by Government. In this environment, your Company focused on improving the return on capital employed and quality of balance sheet while re-engineering the Company's businesses for higher growth.

During the year under review, the Individual Learning Solutions offerings included IT, BFSI, Management, BPO and English & Professional life skills. For this, your Company leverages its global presence across India, China and other developing countries for reaching out to the students as well its partnership with large technology companies in USA and Europe to provide the requisite solutions.

In the School Learning Solutions business, your Company provided solutions and services for IT training and technology enabled learning & teaching for schools, teachers' training and learning for underserved children. The Company offered NIIT nGuru solution comprising of 'Interactive Classrooms' for teachers, 'Math lab' and 'IT Wizard' for students and 'Quick School' an Education Resource Planning solution for school management.

In the Corporate Learning Solutions business, your Company focused on the managed training services business and achieved traction in the same with three new contracts with a total revenue visibility of USD 120 million. This growth was backed by aggressive sales and engagement management teams with robust delivery performance.

Your Company entered into a strategic partnership with the National Skill Development Corporation to form the NIIT Yuva Jyoti Limited (NYJL). This subsidiary Company was incorporated to engage in the business of skill development, thus converting unemployed youth into employable professionals in various sectors. NYJL started out with strong focus on Service Sectors like Retail (Both traditional retail and Auto Sales), Hospitality (F&B) and ITeS (BPO), offering both career specific and career foundation specific courses.

During the year under review, your Company divested its stake in its step down subsidiary, Element K Corporation, based in Rochester, NY, USA, by selling the Element K business to SkillSoft Corporation and SkillSoft Ireland Limited, indirect subsidiaries of SSI Investments II Limited which is the parent company of SkillSoft Limited (formerly SkillSoft PLC), for a consideration of USD 110 million in cash, subject to closing adjustments. The company has utilized a large part of the consideration to reduce its debt levels and