

ANNUAL REPORT 2013-14
NIIT LIMITED

Ride the Winds of change



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.

The logo for NIIT, consisting of the letters "NIIT" in a bold, blue, sans-serif font.

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CHAIRMAN'S MESSAGE

Dear Shareowners,

The decisive mandate of the general elections of 2014, has been received well and there is an all round improvement in sentiments. However last year was the second successive year of sub-five percent growth in GDP, and 2014 continues to be a challenging period for the Indian economy.

While the economic headwinds of last year led to a weakness in hiring across verticals, especially the IT sector, the mood is expected to change this year. IT is on the horizon of the new government and is expected to be a key focus area. This positive sentiment is expected to have a spill-over effect on IT hiring, which is projected to pick up during the year.

FINANCIAL PERFORMANCE

Despite the sluggish Indian economy and adverse market conditions, NIIT improved its operating profit by 19 percent last year compared to 2012-13. In a tough year, this was no mean achievement. It was the result of the company's decision to convert challenges into opportunities and 'Ride the winds of change'. Your Company successfully weathered the storm, finding new ways to grow and thrive. It drew on its pioneering DNA to bring New Ideas to market and create innovative products that delivered More Value to learners. This helped your Company achieve a net revenue of Rs. 951 crore last year and a PAT of Rs. 17.8 crore.

The final quarter of the last year in fact, recorded the highest momentum as PAT increased by 415 percent. This upswing was led in large part by your Company's Corporate Learning Solutions business that grew its revenues by 41 percent, alongside an order intake of USD 21.8 million. The other positives of the last quarter included an 85 percent YoY increase in EBITDA and an addition of 371 schools in the portfolio of the company's School Learning Solutions (SLS) division.

BUSINESS OPERATIONS

The last year saw your Company continue to build on its four Platforms for growth—Corporate, Individuals, Schools and Skills, represented by Managed Training Services (MTS), Cloud Campus, nGuru and Yuva Jyoti, respectively. The focus was on proving Liquidity, Profitability and Capital Efficiency, which helped NIIT to perform reasonably well in all segments and recover growth and margins for the business.

Corporate Learning Solutions (CLS) remained a key revenue driver for NIIT, based on a robust pipeline of fresh orders that reflected strong customer confidence. Managed Training Services (MTS), which added seven new global clients to its portfolio and took their total number to 21, led the transformation of the CLS business. With strong growth last year, CLS now accounts for 42 percent of NIIT's revenue.

Your Company successfully rode the winds of change in the Individual Learning Solutions segment as well, bringing new-ness into existing brands. Predominant among these was Cloud Campus, which embraced change to improve reach. During the financial year, your Company expanded the umbrella of Cloud Campus, going beyond just IT training and taking the number of ILS courses to 96. These included a slew of programs in the areas of Banking, Global Finance, Management and Digital and Social Media Marketing.

The new Cloud Campus with an enhanced portfolio of programs enabled NIIT's Career Building Solutions (CBS) business to grow its non-tech revenues, taking cumulative enrolments to around 60,000.

Recently your Company extended the flagship GNIIT program, with the launch of 'Revolution GNIIT'. This path-breaking offering maximizes career opportunities for Class XII and college students by making available a wide range of future-ready courses in Banking & Finance, Digital Marketing & Social Media, Cloud & Mobile Software Engineering, Big Data & Business Analytics, e-Commerce & Business Administration and Cloud Computing & IT Management.

Your Company increased traction and visibility within the arena of Banking and Finance training with NIIT Institute of Finance and Banking experiencing strong demand for its programs last year. Robust hiring by partner banks enabled the institute to



place 8,407 students over a 12 month period, notching up a growth of 42 percent in banking placements and establishing its students as the 'First Choice' for recruiters.

Fresh order intake, driven by innovations in the existing nGuru suite of products, enhanced significant segments of your Company's School Learning Solutions (SLS) business. The cutting-edge nGuru solutions, including Math Lab Plus & IT Wizard Plus, enabled SLS to strengthen its foothold and leadership position within the non-government schools segment. SLS signed up 668 private schools during the year for the nGuru offerings. As an empanelled member of the CBSE (Central Board of Secondary Education), your Company also trained 9,029 teachers and school principals on CCE (Continuous and Comprehensive Evaluation).

Your Company's vocational skills training initiative—NIIT Yuva Jyoti (NYJ), established in partnership with National Skill Development Corporation (NSDC), continued to gain momentum, expanding its reach to over 50 locations and training more than 16,000 students since commencement. NYJ had a strong order intake of Rs 183 million during the year and execution is expected to ramp up in the coming quarters.

THE ROAD AHEAD

Going forward, changing technology trends and increase in just-in-time hiring of skilled workers, are expected to create new opportunities for the training sector. Your Company will remain focused on its four platforms of growth, expanding market share in these segments as the overall economic environment improves both in India and across the world.

The Corporate Training market in the USA and Europe for instance, is expected to create an opportunity of USD 125 billion, based on increased spending by companies. Organizations are realizing that outsourcing to specialist training companies can help them improve efficiency and increase effectiveness. Your Company's growth in this domain—driven by a significant order book and fast expansion in Managed Training Services—is therefore expected to continue.

In the months ahead, NIIT's ILS business is expected to enhance market coverage owing to Cloud Campus. Now offering a wider range of products, especially non-tech and multiple stream modular programs, Cloud Campus is becoming a convenient choice for its target segment. In the future, Cloud Campus will be further fine-tuned to the changing needs of learners.

The current year will see NIIT consolidating its gains and generating superior returns for all stakeholders. Your Company will continue to drive growth through asset-light business models and its consistent pursuit of the four platforms of growth.

I would like to thank you all for remaining by our side and providing us your unstinting support as we traversed through turbulent waters, stayed on course and continued to ride the winds of change.

Rajendra S Pawar
Chairman
NIIT Limited



CORPORATE INFORMATION

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



Surendra Singh
Director



Sanjay Khosla
Director



Madhabi Puri Buch
Director



Anand Sudarshan
Director



Geeta Mathur
Director

CIN: L74899DL1981PLC015865

COMPANY SECRETARY
RAJESH ARORA

GROUP CHIEF FINANCIAL OFFICER
ASHOK ARORA

CHIEF FINANCIAL OFFICER
ROHIT KUMAR GUPTA

AUDITORS
PRICE WATERHOUSE

BANKS
INDIAN OVERSEAS BANK
ICICI BANK
STANDARD CHARTERED BANK
CITIBANK NA
BNP PARIBAS
WELLS FARGO BANK
BANK OF THE WEST
LLYODS TSB BANK PLC

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WEBSITE
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NIIT AT A

GLANCE

2013-2014

Global Learning Solutions for Individuals, Enterprises, Schools and Colleges

- ❖ Presence in 40 countries worldwide
- ❖ Impacted over 35 Million learners
- ❖ Impacted over 17,000 schools
- ❖ One of the largest learning content development facilities in the world
- **For Individuals**
Instructor-led Training, Synchronous Learning, Computer-based Training and e-Learning programmes for IT, Banking and Financial Services, Knowledge Process Outsourcing (KPO), Business Process Management (BPM), Executive Management Education, Digital Marketing, Business Analytics, Vocational Skills, School Learning Solutions and Communication and Professional Life Skill:
 - ❖ NIIT announced 'ReVOLUTION GNIIT'- a path-breaking GNIIT program that maximises career opportunities for class XII and college students by offering a range of future-ready courses in -Banking and Finance, Digital Marketing and Social Media, Cloud & Mobile Software Engineering, Big Data and Business Analytics, e-Commerce & Business Administration and Cloud Computing & IT Management
 - ❖ Introduced "India's first Cloud Campus"
 - ❖ The NIIT Cloud Campus enabled courses will help create a pool of trained professionals for today's globalized knowledge economy
 - ❖ NIIT has partnered with Digital Marketing Institute (DMI), the global leaders in training professionals in digital marketing, to offer digital marketing education and professional certification in offer digital marketing education and professional certification in
 - ❖ 'NIIT Edgeineers', a range of specialized programmes, provide cutting-edge career for engineering graduates and IT professionals
 - ❖ Express Diplomas and 'Post Graduate Programme in IT' for graduates looking for a quick start in IT careers.
 - ❖ Degrees in alliance with Universities
 - ❖ Scholarship programs and National IT Aptitude Test (NITAT), India's largest and most widely recognized IT Aptitude Test

- ❖ 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)

▪ For Corporations

Learning Solutions for Enterprises:

- ❖ NIIT Learning Solutions for Enterprises is a market-leading learning outsourcing business that provides Managed Training Services including Content Development and Curriculum Design, Learning Administration, Learning Delivery, Strategic Sourcing, Learning Technology and Advisory Services
- ❖ NIIT Institute of Process Excellence Limited, a NIIT-GENPACT venture (NIIT Uniqua), delivers training solutions focused on measurable business outcomes. Based on a deep understanding of the specific challenges of the Business Process Management industry (BPM), Uniqua's comprehensive range of training outsourcing services is customized for the business processes, knowledge and technology services industry workforce.
- **For Colleges and Universities: NIIT Careers@Campus**
 - ❖ Employability Enhancement Programs for college students on campus
 - ❖ Courses on Engineering Design, Embedded Systems and Information Technology
 - ❖ Foundation Skills in IT in association with NASSCOM
 - ❖ Support for courses on Engineering Mathematics and IT courses in line with curriculum
 - ❖ Placement Preparation
 - ❖ Blended Learning Delivery - Synchronous Learning, instructor-led and hands-on practice.
- **For Government and Private Schools**
 - ❖ NIIT nGuru is a holistic range of School Learning Solutions that aims to make the vital process of teaching and learning simpler, thus bringing back the joy of learning to students. NIIT has extended its nGuru range of solutions to 19 states, touching 88 cities and over 17,000 government and private schools in the country. It is an integrated and comprehensive teaching, learning and education resource planning solution for the schools that has been designed to address the needs of all key stakeholders within the education realm Students, Teachers, School management and Parents

- ❖ NIIT nGuru solutions for schools utilizes appropriate technology as backbone and encompasses all the possible components required to service the present and future learning needs of a school. NGuru suite consists of **Interactive Classrooms** an end to end Teaching Learning solution for classrooms that uses elements of interactivity, automation and web links library; **Math Lab Plus** 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 Plus** equips the students with core computer knowledge and IT skills; **Quick School** an Education Resource Planning solution for school management and various training programs aimed at professional development for teachers (including CCE and IPICT).

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

Hole-in-the-Wall Education Ltd. (HiWEL) was established as an organization (a subsidiary of NIIT Ltd.) in 2001 with its mission, "To bridge the digital divide by offering exciting and effective education and learning experience through innovative technologies to the underserved groups." Hole-in-the-Wall Learning Stations thus became a wholesome tool in itself that allowed children to have access to education and at the same time, learn the use of computers and its application. Currently more than 500 such learning stations have been set up across Asia and Africa.

▪ Skill Building Solutions (SBS)

- ❖ NIIT Yuva Jyoti, an initiative between NIIT & National Skills Development Corporation (NSDC), with a mission to transform over 7 million youth through Skill Development by 2022
- ❖ Skill Building Solutions (SBS) focuses on providing industry/Job specific training to unemployed youth of India mainly from low and middle income households in semi-urban and rural areas and make them employable. SBS is the key future growth engine of NIIT towards being a truly Global Talent Transformation company
- ❖ During the financial year under review, SBS strengthened its presence in Retail, BPO, IT and informal sector and ventured into Banking & Telecom sector
- ❖ SBS added new locations to its network to take total reach to more than 50 locations in key cities in India with over 16,000 students trained, since

commencement. SBS is also leveraging NIIT network for expanding its reach. Skills development programs are gaining traction within communities and enrolments are beginning to ramp up.

▪ NIIT Foundation (NF)

NIIT Foundation (NF) was set up in 2005 by the promoters of NIIT with the key objective of providing world-class education and training to the under-served communities in India by building sustainable training models. NF's mission is to positively impact the underprivileged of the country through its educational process. To give this vision a concrete shape, NF has in place a number of initiatives to better understand the issues at the grassroots level. NIIT Foundation offers the following projects:

- ❖ Skill Development Centers have been successful in bridging the gap between the underserved youth and the industry. Since 2008, NF has worked closely with local communities and industry players to create sustainable models that can then be made available to other institutions and also to the world at large. NF has grown from one center in one state in 2008 to 25 such centers across 9 states of India. Till date NF has impacted more than 45,000 youth across these locations with placements in top corporates
- ❖ NReach through this program NF reaches out to other NGOs working in education and employability and offers them IT training, courseware and certification support. NF has partnered with over 150 NGOs to structure their existing IT training and also provide qualitative interventions that are being delivered to the children and youth associated with them
- ❖ Hole-in-the-Wall Learning Stations besides setting up training centers, NIIT Foundation also installs award winning Hole-in-the-Wall learning stations. These help in bridging the digital divide and work very well for marginalized children between 6 to 14 years of age - particularly girls and those who have dropped out, are at a high risk of dropping out of school
- ❖ Volunteering NF creates a platform for individuals/employees of NIIT and other corporates to engage with underserved youth and share their time, skills and expertise. This is a structured, yet flexible program that matches the need of the volunteer as well as the youth/center.