



NIIT

**LEADERSHIP
IN DIGITAL
LEARNING
WORLD**

ANNUAL REPORT 2016-17

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

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Chairman's message

Dear Shareowners,

FY 17 was a challenging phase for the global economy, which slowed down even further in the face of macro-economic uncertainties, currency volatility and major geo-political developments.

Economic activity in India slowed down as well in the second half of the financial year because of the temporary dip in consumption induced by cash shortages and payment disruptions from the currency exchange initiative.

These developments—across the world and on home turf—impacted your Company, which faced a scenario where customer companies were more risk averse, more cautious and slower to make decisions.

The good news however is that despite the adverse economic conditions, global corporations continued to invest in training, and built up greater trust in their outsourcing training partners.

This trend was fuelled by the Digital Transformation (DX) phenomenon sweeping the world, which added a completely new dimension to the area of talent development.

A scaling of DX investments created a demand for a new crop of talent that was equipped with advanced Digital skills. It therefore compelled these organizations to take a serious view of reskilling existing manpower, or acquiring professionals well versed in Digital.

Focus

The DX and automation trends acted as a spur for your Company, which has been quick to recognize the opportunities being created by the rise of Digital. NIIT's early mover advantage in the Digital skilling realm, and its focus on building manpower for this rapidly expanding arena, served it well during FY 17. It also helped your Company to offset the slowdown in demand for IT skills, which resulted from an overall lower hiring sentiment displayed by the IT-BPM sector.

Overall, NIIT focused on introducing a spate of new offerings that expanded its multi-disciplinary learning management and training delivery solutions portfolio in FY 17. It strengthened its platforms of growth while concentrating on improving liquidity, profitability and capital efficiency.

Business Performance

Your Company remained in robust financial health during FY 17, logging in revenues of Rs. 1187.7 crore YoY with a PAT of Rs. 65.1 crore.

Besides a landmark and revenue positive Q4, NIIT also rode on the back of a strong revenue performance by its Corporate Learning Group, (CLG) which kept it on the path of growth and profitability.

As in past years, Managed Training Services (MTS), remained in the driving seat for CLG, accounting for 97 percent of the revenues of that business in Q4 and building up a customer portfolio of 34 organizations worldwide. MTS incidentally has grown by seven fold over the last six years!

It was essentially significant deals, including the one forged with the Real Estate Council of Ontario, and multi-year contracts and renewals in the Telecom, Oil & Gas, Life Sciences, Technology, Manufacturing, Energy, and Mining sectors that continued to catalyze CLG's momentum during the year.



The efforts of the B2B India team also contributed to the success of CLG, enabling the business to deepen its engagements with clients in India such as Wipro, ICICI, Reliance, Vodafone, Gionee, Maruti-Suzuki, Deloitte among other blue-chip Indian and MNC firms.

Your Company's Skills & Careers Business (SNC) meanwhile remained stable, based on the traction achieved by business renewal initiatives such as StackRoute™, the DigiNxt series, 'India's Nxt Tech Star', Training.com and NIIT.tv.

The innovative StackRoute™ initiative helped create a talent pool of hundreds of Digital innovators for the IT industry within a year of its launch. StackRoute seems to have caught the imagination of Indian corporates, drawing firms in Bengaluru, Chennai and Delhi NCR.

Your Company's multi-modal training platform Training.com meanwhile addressed the reskilling and continuous training needs of CXOs through a newly penned partnership with India's premier B-School, IIM Calcutta. Within a short span of time, the platform has generated more than 1.2 million visitors with over two million page views.

All these were very positive developments for NIIT as the SNC business was facing headwinds in the previous years. FY 17 then was a comeback year. As demand for vanilla IT training declined and the need for Digital skills scaled, NIIT introduced a wide range of Digital products which drew a positive response from the market.

Besides India, SNC made significant strides in its key Asian playgrounds—China, Vietnam and Bangladesh. While in China your Company set up its largest Big Data talent training base in Guiyang City, it launched its first specialized IT center in Hoa Sen, Vietnam to create talent pool for its Digitalization and unveiled its Center of Excellence in Bangladesh.

SNC's other key initiatives including NIIT.tv, NIIT Imperia and its 'Beyond IT courses' kept steady course, adding new partnerships, fresh learning programs and drawing customers especially in the banking domain.

And last but not least, your Company's MindChampion Learning Systems Ltd. (MLSL), a wholly-owned subsidiary under the Schools Learning Group (SLG) banner, kept its momentum going, while maintaining operational balance and increasing efficiency. During FY 17 MLSL improved its margins through a continued focus on cost management and its go forward IP-driven business which increased by 29 percent YoY.

During the year MLSL signed contracts with leading private schools notching up an order intake of Rs. 422 million.

Achievements

Having built credibility over decades within the Indian and overseas markets, NIIT continued to be a trusted brand in the IT and now Digital Transformation training segment.

In India, it was recognized in 2017 as 'India's Most Trusted Training Brand' by Trust Research Advisory for the fifth consecutive year. During the year, Training.com was conferred with the 'eEducation Services of the Year-Online educational services award 2017' by Franchise India. Another big accolade your Company won was for its NIIT USA business, which was ranked among the 'Top 20 Training Outsourcing Companies 2017' by TrainingIndustry.com for the 10th consecutive year. The organization also ranked NIIT USA among the 'Top 20 Companies in Content Development 2017' for the seventh consecutive year.

Future outlook

With the successful completion of the restructuring and re-energization phase of its three-phase transformation journey which it began in 2015, your Company has now entered the renewal phase of the initiative. NIIT has in place the strategy, execution roadmap and leadership team in place to roll out this transformation.

In FY 18, the CLG business will remain a significant spur for the company's growth, owing to its strong pipeline of new orders. CLG is expected to expand its MTS footprint and leverage new opportunities that start out large. The business will gravitate towards higher margin services and explore inorganic opportunities to add new capabilities.

SNC meanwhile is expected to put its power behind its DigiNxt series and StackRoute programs to gain ground in the Digital training realm. The business will continue to focus on the India and China markets to drive future growth.

In the School Learning segment, your Company will work to position itself as the largest and best school service provider.

NIIT's investments in building capability for large comprehensive deals too are expected to hold it in good stead in FY 18.

I would like to thank each one of you for remaining solidly behind NIIT for all these years. I know for sure that NIIT will go the extra mile to meet and in fact, exceed your expectations.

Rajendra Pawar,
Chairman, NIIT Ltd.

Corporate Information

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CHIEF FINANCIAL OFFICER

AMIT ROY

COMPANY SECRETARY

DEEPAK BANSAL

AUDITORS

PRICE WATERHOUSE

BANKS

INDIAN OVERSEAS BANK

ICICI BANK

STANDARD CHARTERED BANK

CITIBANK NA

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BOARD OF



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Chairman



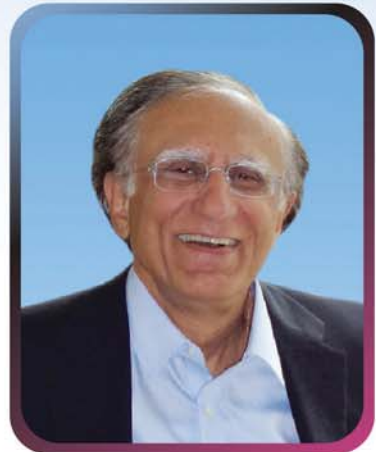
Vijay K. Thadani
Vice Chairman &
Managing Director



P. Rajendran,
Joint Managing Director

DIRECTORS

Mr. Sanjay khosla,
Director



Mr. Surendra Singh,
Director

Anand Sudarshan,
Director



Geeta Mathur,
Director

