



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 the mankind.



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CHAIRMAN'S MESSAGE



Dear Shareowners,

2017-18 was a year of global economic rejuvenation, with the economy growing at 3.7 percent and more than 120 nations logging in higher momentum and showcasing economic revival. On the flip side, immigrant issues, a heightened spirit of nationalism and protectionism and raised tariff walls threatened to vitiate the political and trade climate and increase risks.

The path to growth was led by the US economy which recorded a strong year with the unemployment rate falling to 3.9 percent and spurring a war for talent. Leading corporations enhanced spend on Learning and Development, especially owing to technological disruption and their investments in the state-of-the-art. Many outsourced their training requirements to specialised learning companies.

Mirroring global trends, the Indian economy also increased momentum with the GDP at 6.7 percent and growing at a robust 7.7 percent in

Q4 of FY 18. This positioned India as the fastest growing global economy, with an expected GDP of 7.4 percent in 2018 and 7.8 percent in 2019 according to the International Monetary Fund.

Focus

Recognising that digital technologies such as Blockchain, Automation—encompassing machine learning, Artificial Intelligence, Robotics, and Analytics—as well as Social, Cloud and Mobile were catalysing global IT spending as well as the need for more skill-intensive manpower, NIIT continued to develop a talent pipeline for digital projects. NIIT's focus during FY 2018 therefore, was on introducing a slew of cutting-edge programs that further expanded its portfolio of digital training offerings. Whether it was our DigiNxt Series, our super five Career Series programs or our Training.com platform with its advanced courses in Data Sciences, and Digital and Social Media Marketing, digital was the way to go for NIIT.

Business performance

NIIT's FY 2018 financial statistics remained positive, with net revenues pegged at Rs. 850.5 crores and PAT at Rs. 62.5 crores (a jump of 53 percent). NIIT's Operating Profit grew by 11 percent during FY 2018 and the EBITDA margin improved 80 basis points YoY.

We achieved this owing to the robust performance of our Corporate Learning Group which grew at 14 percent YoY and cash management in our Skills & Careers and schools businesses. This also resulted in our net debt being brought down to Rs. 40.1 crores, including acquisition related cash out flow. Overall we continued to strengthen our platforms of growth, while improving liquidity, profitability, and capital efficiency.

CLG was indeed the brightest star on our horizon which accounted for 61 percent of NIIT revenues in FY 2018 and increased its revenue visibility by 18 percent YoY. CLG continued to drive the growth and profitability of NIIT through the strong momentum of its Managed Training Services business that ended the year with 39 global customers, of which eight logos were added in FY 2018 alone. In FY 2018, CLG continued investing in building capacity for large comprehensive deals, gearing up for future opportunities.

Important moves for CLG in FY 2018 included its acquisition of Eagle Productivity Solutions, a globally reputed company which has expanded the wingspan of its training capability to cover rollouts of Cloud-based enterprise applications. During the year, we also entered into strategic relationships with Cornerstone OnDemand, a global leader in Cloud-based learning and human capital management software as well as EdCast, the award-winning AI-powered Knowledge Cloud provider with customers that include GE, HPE, Dell EMC and Accenture.

Despite being impacted by headwinds in IT and banking segment hiring, our Skills & Careers Business (SNC) continued to increase reach and

improve efficiency through a better leverage of technology in learning. The segment was buoyed by its 'Beyond IT' revenues, our StackRoute, DigiNxt and Training.com initiatives that saw strong traction, and our super five new Career Series programs that expanded NIIT's product portfolio and helped revive growth. These included courses in Accounting and Business Analytics, Banking and Finance, Data Analytics and Predictive Modelling, Digital Marketing and Branding, and Full Stack Software Engineering. Another highlight for SNC was the TPaaS (Talent Pipeline-as-a-Service) offering we launched for corporates, which covered all aspects related to on-boarding new talent.

StackRoute incidentally received an overwhelming response from IT companies and was adopted by seven corporate customers in FY 2018 as compared to previous years.

During FY 2018, SNC entered into a strategic partnership with UP! Your Service, to enable its Corporate Learning portfolio to deliver internal and external cultures of Service Excellence. Additionally, it announced fresh batches of advanced programs in Data Sciences, Digital and Social Media Marketing on our Training.com platform, which enrolled over 3,500 learners during the year. SNC recorded net revenues of Rs. 266.9 crores in FY 2018.

Our schools business under the umbrella of our wholly-owned subsidiary, MindChampion Learning Systems continued to exit from the capital-intensive government schools segment during FY 2018, while successfully completing existing contracts. MLSL's margins were impacted by closing costs in large government schools completed during the year, though cost management and a shift of mix towards private schools helped in partial recovery. The subsidiary's go-forward business grew 2 percent YoY as it signed contracts with 668 private schools for its nGuru suite of products. During the year, SLG recorded a revenue of Rs. 59.3 crores and released new curriculum products in Maths, Science and English. MLSL's Practice Plus, a revolutionary school learning solution

launched in FY 2018 gained traction, helping students learn and master concepts through practice and assessment. The platform was adopted by over 600 schools and today has over 190,000 learners using the platform for assessing their learning.

Achievements

Our FY 2018 pride story saw us rank among 'India's Most Trusted IT Training Brand by Brand Trust Report 2018' and get named in TrainingIndustry.com's Top 20 lists of training outsourcing companies, as well as training, content and gamification companies in 2017. During FY 2018 NIIT bagged 20 Brandon Hall Group HCM Excellence Awards jointly with customers (Independent recognitions also came the way of MLSL and Training.com during the year.)

Future outlook

Having remained on the growth track in FY 2018, NIIT has set itself up for greater performance improvements in its corporate learning, skills & careers and school businesses. While CLG is expected to achieve accelerated growth over the next year, owing to higher outsourcing of L&D by global companies, it will also continue to reap the benefits of large-sized annuity based MTS engagements. In the year ahead, CLG is expected to increase both deal flow and the average size of the contracts with new and existing customers. CLG aims to achieve this by investing in innovation that heightens the customer experience, providing advisory services that drive thought leadership, driving Sales and Marketing and exploring inorganic opportunities to add new capabilities.

Our Skills & Careers business will continue to focus on and expand its existing mainstays-DigiNxt, Training.com and StackRoute. Having worked closely with leading corporates for skilling and upskilling their workforce, StackRoute will continue to help top IT professionals to evolve into tech-IP creators.

DigiNxt meanwhile will help industry build a large pool of digital transformation talent, while Training.com will position itself strongly in the market through its programs in Digital Marketing and Data Science. SNC's super five courses and Talent Pipeline as a Service will add greater strength to NIIT's wide range of offerings.

Having shifted focus to the asset light and IP driven private school business, our school business will continue to consolidate its presence in this segment going forward. As government contracts end, NIIT will improve liquidity and its ROCE profile. The Practice Plus platform is also expected to drive stronger growth in private schools.

In the year ahead, NIIT will continue to lower its risk profile through its enterprise-wide risk management mechanism and achieve an optimum balance between risks and rewards, while maximising value for our shareholders, that is each one of you.

I would like to personally thank you all for your unstinting support, which has enabled NIIT to deal with the vagaries of the market and ensuing challenges. I assure you that as we look towards the future with an unmatched portfolio of offerings, we expect to deliver high impact. In fact, we aim to play a transformational role in the markets where we are present, helping individuals and enterprises across the globe to achieve their full potential and making all our stakeholders proud.

Rajendra S Pawar

Chairman, NIIT Ltd.

CORPORATE INFORMATION

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CHIEF FINANCIAL OFFICER

Amit Roy

COMPANY SECRETARY

Deepak Bansal

AUDITORS

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Standard Chartered Bank | CitiBank NA
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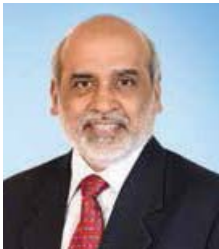
BOARD OF DIRECTORS



RAJENDRA S PAWAR
Chairman



VIJAY K. THADANI
Vice Chairman &
Managing Director



P. RAJENDRAN
Joint Managing Director



ANAND SUDARSHAN
Director



GEETA MATHUR
Director



MR. SURENDRA SINGH
Director

