

NIIT Digital 
#NeverStopLearning



ANNUAL REPORT 2019-20
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 the mankind.

Chairman's Message

Dear Shareowners,

The Financial Year (FY) 2019-20 proved to be a very challenging one for the global economy. In large part, the reason for this was the disruption both economic and health-related caused by the Covid-19 pandemic in the last quarter of FY 2020. The US economy, which had created over 22.4 million new jobs since the Global Financial Crisis, saw unemployment, as of April 2020, rising to 14.7 percent, the highest ever in the history of the series.

On the India front, there was a dip in the economy, from 6.1 percent GDP growth last year to 4.2 percent this year. Covid-19 impacted hiring across sectors including the IT-ITES industry, which also saw weak and delayed on-boarding of people and a resultant impact on student sentiment. An enabling outcome of the Covid-19 crisis however, was the resurgence of digital businesses that made a comeback owing to consistent lockdowns in India. The Indian education and training industry also witnessed a mushrooming of online platforms, owing to the discontinuation of classroom-based learning, and decline in face-to-face training volumes.

Business performance

The Company's net revenues in FY20 touched Rs. 8,892 million, up three percent YoY. The Covid-19 crisis impacted growth, especially during Q4 of FY 20.

The Corporate Learning Group (CLG) defied global trends and logged in a growth of nine percent for FY20 as compared to last year and 10 percent YoY in Q4 FY20.



CLG remained a frontrunner, accounting for 78 percent of the Company's revenues in FY20.

Riding on the training outsourcing wave visible across Fortune 1000 organizations, CLG signed 14 new global customers in FY20 for its Managed Training Services. These included five in Q4 of FY20.

The Skills & Careers Business (SNC) however registered a 15 percent YoY decline in business due to the Covid-19 pandemic. This fall was largely driven by SNC's performance in Q4, which saw a 41 percent YoY decrease in revenue. During Q4, Covid-19 related restrictions greatly impacted our SNC business in China and India as well as other geographies.

Despite these negatives, StackRoute and TPaaS remained growth pillars for SNC with their strong

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customer value proposition and proven learning outcomes. Revenues from these key initiatives grew 17 percent for the year and contributed 40 percent to SNC's revenues.

NIIT's Operating Profit (EBITDA) for FY20 stood at Rs. 852 million, a decline of nine percent YoY. The Company recorded a PAT of Rs. 13,275 million as compared to Rs. 864 million in FY19. This included a one-time impact of our divestment in NIIT Technologies. The Company's business performance during FY20 was driven by a spate of rationalization initiatives that were rolled out to streamline it further, make it leaner and create more space for growth. This meant simplifying business operations, and exiting low-margin and low-return products and services.

Therefore, while we beefed up and sharpened our focus on the two larger businesses of CLG and SNC, we discontinued operations in our wholly-owned subsidiary, NIIT Yuva Jyoti Limited (NYJL), transferred business from NIIT Institute of Process Excellence (NIPE) to NIIT Limited, and closed two subsidiaries and three centers in China.

We also accelerated the digital transformation of our own B2C business, utilizing technology to improve its effectiveness and efficiency in the delivery of education and training to learners. Our investments in our online learning platform (NIIT Digital) over the last few years enabled us to seamlessly ensure the continuation of services to existing students despite the Covid-driven lockdowns mandated by the government. FY20 in fact, saw us deliver deep skills using the NIIT Digital platform.

NIIT stepped up its investments in identified organic growth areas during FY20 with the aim of spurring the growth of Managed Training Services in CLG and StackRoute and TPaaS initiatives in SNC.

Divestment of holding in NIIT Technologies

Our divestment of holding in NIIT Technologies to Baring Private Equity Asia, gave NIIT an opportunity to reward you all, our valued shareowners. We were also able to build up a strong balance sheet and ample liquidity to create new capabilities for driving growth in the identified areas of business

Awards and Acknowledgments

Several awards and recognitions were conferred on NIIT during FY20, that kept the Company in the news and visible across various halls of fame. NIIT for instance, earned 37 coveted Brandon Hall Group HCM Excellence awards jointly with customers.

It was recognized as the "Best Education Company to work with" at the Indian Education Congress & Awards 2020. The Company was ranked among the Top 20 Training Outsourcing Companies by TrainingIndustry.com 2019 for the twelfth consecutive year.

Additionally, NIIT was listed among the high performers in the fields of Content Development, Gamification, and Digital Learning.

Future outlook

I am glad to share with you that NIIT is consistently investing for growth. Our strong balance sheet and liquidity position have given us an opportunity to invest in our Corporate Learning Business and address the large potential created by digital disruption in the SNC business.

Going forward we see significant opportunities in the Corporate Learning space, with global corporate spending on L&D projected to rise to USD 300 billion.

With the penetration of training outsourcing at less than five percent currently, there is clearly large headroom for growth.

When it comes to Skills and Careers, the IT and BFSI markets continue to offer significant growth opportunities for NIIT. With our new products, business models, and the strengthened leadership team, NIIT is well positioned to draw graduates seeking to improve their employability for jobs in these industries. NIIT will continue to increase its focus on Deep Skilling as compared to entry level skills. The Company expects StackRoute and TPaaS offerings to drive growth for the business moving ahead.

Our future outlook I believe remains upbeat owing to our investments in both organic and inorganic initiatives to add new capabilities that our customers now require.

We have also taken strong steps for cash conservation, which will further improve our collections in the coming year. This is in addition to the initiatives rolled out for cost rationalization across our businesses in Q4 FY20.

While there are new risks and concerns in the current Covid period, we are making investments in key growth areas in these uncertain times. It is our hope that FY21 will be a year of economic recovery, both at the global and national levels. NIIT will continue to persevere and deliver on promises made to shareowners as well as external and internal customers. The year 2021 is expected to see the emergence of a stronger NIIT, a Company in sync with, and leveraging the opportunities opening up in the dynamic environment.

Rajendra S Pawar

Chairman, NIIT Limited

Corporate Information

CIN

L74899DL1981PLC015865

CHIEF EXECUTIVE OFFICER

Sapnesh Kumar Lalla

CHIEF FINANCIAL OFFICER

Sanjay Mal

(took over from Amit Roy from June 5, 2020)

COMPANY SECRETARY

Deepak Bansal

AUDITORS

S R Batliboi & Associates LLP

BANKS

CitiBank NA | ICICI Bank

Indian Overseas Bank

Standard Chartered Bank | HDFC Bank

Kotak Bank | YES Bank | RBL Bank

Wells Fargo Bank | Bank of America

Bank of Ireland | Llyods TSB Bank PLC

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**REGISTRAR AND SHARE
TRANSFER AGENT**

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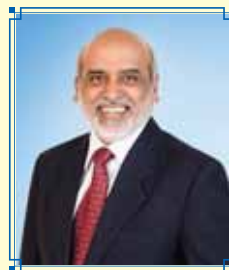
Board of Directors



RAJENDRA S PAWAR
Chairman



VIJAY K THADANI
Vice Chairman &
Managing Director



P RAJENDRAN
Joint Managing Director



ANAND SUDARSHAN
Independent Director



GEETA MATHUR
Independent Director



RAVINDER SINGH
Independent Director



ASHISH KASHYAP
Independent Director

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NIIT at a Glance

2019-2020

NIIT is a leading Skills and Talent Development Corporation that is building a manpower pool for global industry requirements. The company, which was set up in 1981 to help the nascent IT industry overcome its human resource challenges, today ranks among the world's leading training companies owing to its vast and comprehensive array of talent development programs. With a footprint in over 30 nations, NIIT offers training and development solutions to Individuals, Enterprises and Institutions. NIIT has two main lines of business across the globe – Corporate Learning Group and Skills & Careers Business.



CLG Perspective Planning Team

NIIT's Corporate Learning Group (CLG) offers a comprehensive suite of Managed Training Services including custom curriculum design and content development, learning administration, learning delivery, strategic sourcing, learning technology, and advisory services. With a prolific team of experienced learning professionals, NIIT is dedicated to helping customers increase the business value of learning and development (L&D). Built on the sound principles of 'Running Training like a Business', NIIT's Managed Training Services and

best-in-class training processes enable customers to align business goals with L&D and demonstrably improve learning effectiveness and efficiency to create transformative business impact.



Launch of Real Estate Salesperson Education Program, Canada

The Skills & Careers Business (SNC) delivers a diverse range of learning and talent development programs to millions of individual and corporate learners in areas including **Digital Transformation**, Banking, Finance & Insurance, Retail Sales Enablement, Media Marketing, and new-age IT. The **Training.com** learning platform is an NIIT initiative for advanced career programs, which are delivered live by industry experts in an immersive and interactive online mode, combining instructor-led classrooms with the convenience of accessing the training sessions from anywhere. NIIT has introduced first-of-its-kind strategic initiative - **Talent Pipeline as a Service (TPaaS)**, to ensure reliable availability of specifically skilled talent to global organizations to match the pace of expansion in today's fast changing, uncertain