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NIIT bets big on emerging markets to drive growth

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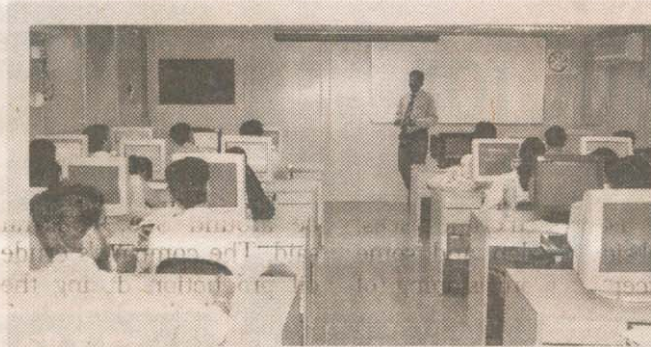
New Delhi

IT LEARNING solutions company NIIT is banking big on emerging markets in a bid to spur revenues from the region.

The company would focus on markets such as South Africa, Nigeria, Malaysia and China to increase its overall revenue share to over 22 per cent from the 15 per cent at present in the next few years, NIIT CEO Vijay Thadani told *Financial Chronicle*.

The move comes at the backdrop of a raging recession in the West that has hurt its revenue generation from key markets such as US and Europe.

"Our business operations in US and Europe has been dramatically hit, especially our custom training businesses," Thadani said. This has prompted the company to look at markets, which are expected to invest heavily in human infrastructure development.



Business strategy

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"China is using the recession to develop people in the field of education," he added. Similarly, Malaysian government has provided a stimulus package for upgrading skill development in all parts of the country.

"We want to work very closely with these countries to help in employability," he said.

At present, 50 per cent of the company's revenues come from overseas markets. In a parallel development, the IT education company would be recruiting 1,800 people for its Gujarat i-learning initiative in the next one-year.

The company was expecting this segment to grow between 35 per cent and 40

per cent this financial year, Thadani said.

"We are not looking at large-scale recruitments at this juncture. Most of the hiring would be project based," he added.

The company has a presence in 12 states including Andhra Pradesh, Karnataka, Tamil Nadu and Assam. The company is also planning to take up newer initiatives, but with a caveat. "Though the worst is probably over, we are looking to refrain from high risk investments which have very long gestation periods. However, we would continue to look into other business segments," he said.

Earlier this year, NIIT bagged a five-year contract from the Gujarat government to provide computer-aided learning in 1,870 schools. The contract was worth Rs 84.50 crore.

NIIT/BSE Rs 58.95 ▲

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