



**NIIT Limited**

Registered Office:  
Plot No 85, Sector 32,  
Institutional Area,  
Gurugram 122 001,  
(Haryana) India  
Tel:+91 (124) 4293000  
Fax:+91 (124) 4293333  
Email: info@niit.com

CIN: L74899HR1981PLC107123

www.niit.com

January 29, 2025

**The Manager**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

**The Manager**  
**National Stock Exchange of India Ltd**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051

**Subject: Transcript of Investors/analysts Call – Unaudited Financial Results for the quarter and nine months ended December 31, 2024**

**Scrip Code: BSE – 500304; NSE – NIITLTD**

Dear Sir,

Pursuant to the requirement of Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Transcript of Investors/analysts Call organized on January 24, 2025 post declaration of Unaudited Financial Results of the Company (Consolidated & Standalone) for the quarter and nine months ended December 31, 2024.

The same is also available on our website i.e. [www.niit.com](http://www.niit.com).

This is for your information and records.

Thanking you,  
**Yours sincerely,**  
For **NIIT Limited**

**Arpita B Malhotra**  
**Company Secretary &**  
**Compliance Officer**

**Encls : a/a**



“NIIT Limited  
Q3FY25 Earnings Conference Call”  
January 24, 2025



**MANAGEMENT: VIJAY THADANI – MANAGING DIRECTOR AND VICE  
CHAIRMAN  
PANKAJ JATHAR – CHIEF EXECUTIVE OFFICER  
SANJEEV BANSAL – CHIEF FINANCIAL OFFICER  
KAPIL SAURABH – M&A AND IR  
SAURABH TANEJA – M&A AND IR**

**Moderator:** Ladies and gentlemen, good day and welcome to NIIT Limited Quarterly Results Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vijay Kumar Thadani, MD and Vice Chairman. Thank you, and over to you, Mr. Thadani.

**Vijay Kumar Thadani:** Thank you. Good afternoon. Thank you very much for joining us. This afternoon being a busy results season. The fact that you decided to spend your time with us, we truly appreciate and we are looking forward to a very educative conversation for us as well as hopefully, we'll add some value to your thoughts. We are here to discuss the results for the quarter ending December '24, which is the third quarter of the financial year for us. And I have with me our full management team. I have our CEO, Mr. Pankaj Jathar.

Pankaj actually started the briefing last quarter. However, he had a very bad sore throat. So in between I had to step in to complete his briefing. And this time he is in a good shape. So he'll take us through the results for quarter 3. I also have our Chief Financial Officer, Sanjeev Bansal. Some of you may have met him, but we also requested him to give some color on the financials, which he will.

And then I have our full management team here and Kapil Saurabh, who leads the Investor Relations, Saurabh Taneja two of them are also participating in this call and would be happy to take on follow-up conversations after this meeting. So as usual, we will start with some prepared comments which Pankaj will share, after which we'll open it for Q&A in which all of us will participate. Over to you, Pankaj.

**Pankaj Jathar:** Thank you, Vijay, and thanks for stepping in last time. This time, hopefully, I should be able to carry it through. Thank you, everyone for joining the call. I'm happy to be presenting NIIT's results on this call. On this earnings call, I shall be discussing the operating performance of the company for Q3 FY '25 and also outline the plan for Q4. Starting with the Q3 financials. Revenue for Q3 was at INR981 million which is up 8% quarter-on-quarter and 15% year-on-year.

While this is the fourth successive quarter of double-digit year-on-year growth, the revenue this quarter is slightly below our expectations. Speaking of the product mix, there was all-round growth in Q3 as revenue from technology as well as BFSI and other programs grew on Y-o-Y as well as Q-o-Q basis. Revenue from technology programs is up 10% Q-o-Q and 7% Y-o-Y.

Revenue from BFSI and other programs is up 4% Q-o-Q and 35% Y-o-Y. Technology is to BFSI and others mix is at 65 is to 35 versus 70 is to 30 last year and 64 is to 36 last quarter. The learner mix, I'll just talk about that. We saw growth across both Early Career and Work Pro learners on a Y-o-Y basis. Revenue from Early Career program was up 22% Y-o-Y. Revenue from Work Pro programs was up 8% Y-o-Y.

Early career is to work Pro mix was at 55 is to 45 versus 52 is to 48 last year. We ended the quarter with an EBITDA of INR92 million as compared to INR21 million last quarter and INR78 million in Q3 last year. I will come back and give some more color on the above further in my prepared comments. But meanwhile, I'd like to invite Sanjeev Bansal, the CFO of the company to take us through some of the financial metrics.

**Sanjeev Bansal:**

Thank you, Pankaj. Good afternoon. So I'll give you an update on depreciation and other income and few other items. Depreciation was INR61 million as compared to INR57 million last quarter. Net other income for the quarter was INR143 million, which is predominantly contributed by treasury income. It's down Q-o-Q, primarily due to the mark-to-market impact of change in yields within the quarter on fixed income investments.

Tax was INR33 million with an effective tax rate of 19%. ETR is slightly higher on Q-o-Q and Y-o-Y basis due to the higher profit in subsidiary. Minority interest was INR6 million, representing share of profit of subsidiaries not fully owned by the holding company. And loss from discontinued operations was INR1 million.

Apart from that considering all the financials the PAT was INR134 million during the quarter versus PAT of INR118 million last quarter and INR144 million in last year. PAT is up 13% Q-o-Q and down 7% Y-o-Y. EPS was INR1 per share in Q3 versus INR0.90 in Q2 and INR1.1 per share in last quarter. Thank you. Over to you, Pankaj.

**Pankaj Jathar:**

Thanks, Sanjeev. Let me talk you through the balance sheet metrics. The balance sheet metrics remain strong. DSO was slightly higher at 68 days compared to 59 days last year and 56 days last quarter due to increased billing volume in Q3. Consistent with the investment cycle that the company is in, capex for the quarter was INR100 million in platform and software licenses and a few other similar things.

Cash and equivalents at the end of the quarter was INR7,395 million versus INR7,201 million in Q2 FY '25 and INR7,179 million last year. While continuing to invest in growth, the company has been focused on adapting its expense structure to convert fixed assets to variable costs to address increased volatility in the environment. In line with this, headcount was reduced by 58 year-on-year and 15 quarter-on-quarter to end at 720.

Here's some commentary on the business. Broad-basing of our go-to-market that the company deployed over the last year has resulted in consistent recovery in the business over the last year. This is the fourth successive quarter of double-digit year-on-year growth. As you know, business was impacted last year due to a virtual freeze in hiring by large IT services firms. The swift actions that the company took to broad base the GTM has resulted in the following.

For technology programs, we expanded coverage into GCCs and into Tier 2 GSIs. Increased focus on up skilling and re skilling with a number of advanced programs such as enterprise architects, cyber security, AI and ML and GenAI, digital architects and engineering managers

as well. For BFSI and other programs, we increased penetration into large private banks where we work with top four private banks for training both early career and working professionals.

Broad-basing offerings for India enterprises includes solutions for enterprise-wide adoption of GenAI. These actions resulted in a sustainable and profitable growth platform for the company. The company continues to build on these actions. However, I do wish to reiterate that the environment remains challenging and volatile. For tech programs, while we've seen that hiring sentiment in tech is improving, actual hiring has not picked up as yet.

This impacted our growth this quarter. We expect this improvement in hiring sentiment to start to have a positive impact on our growth in the next few quarters for BFSI and other programs. While banks hiring was robust this quarter, we saw some tapering of the growth towards the end due to recent regulatory actions. While this had a marginal impact on growth this quarter, we expect to see a larger impact in Q4.

In other words, we are seeing two opposing trends. In tech, we see a positive upswing in hiring, while BFSI is likely to see some plateauing, creating a netting impact over the next couple of quarters. Revenue in Q4 will likely be lower than Q3 because of seasonality and the netting impact of the tech and BFSI trends that I just mentioned.

The company has been investing in expanding its customer base and in initiatives to improve visibility. We plan to continue to double down on these actions and recover the growth trajectory over a couple of quarters. Recovery in hiring would add to the growth run rate. Just to reiterate, we continue to see the tremendous growth opportunities ahead of us. Each of these market dynamics creates an opportunity to strengthen our business.

We believe the current dynamics are short-term trends and medium- to long-term opportunity remains intact, given the strong need for skilling to build Viksit Bharat, a strong edge that India still has in technology skills. Immense re-skilling opportunity that GenAI presents and a massive opportunity in new sectors such as ER&D, EV and new age manufacturing.

Coming to our guidance, we now expect revenue to grow at 25% year-on-year in Q4. This would imply about 20% growth for the full year versus earlier expectations of 25% to 30% growth. Over the medium to long term, overall, we continue to see a large opportunity ahead of us and remain committed to our stated long-term goals. Vijay, I hand it back to you.

**Vijay Kumar Thadani:** Thank you. I think after this brief I'm sure there are a number of questions. So we would like to open it up for Q&A and all of us are available here to answers any questions.

**Moderator:** Thank you. We will now begin the question and answer session. The first question comes from the line of Faisal Hawa with H.G Hawa and Co. Please go ahead..

**Faisal Hawa:** Sir, my question is, as the new CEO now, what is the one insight about NIIT and its present business that you have from which you feel that you can now build up a much larger business? Second question is what are the three steps that you have taken to double sales roughly in 2 years

to 3 years from today and third is what is the use of the cash balances that we have that we propose because we seem to add cash every quarter and this cash balance is not being effectively utilized at this point of time, which is depressing our key ratios?

**Vijay Kumar Thadani:**

So the second question I understood clearly as to what is our plan to use up the cash use or utilize the cash. And the fact that we are adding every quarter to that and -- so that is one question you had. And the second question, which you had was what are the two or three steps that we have taken to create -- to double our revenue over the next few years.

As you know, we have a very ambitious goal which have been public with, and I think we remain committed to that goal. And your question is how are we planning to do that? So let me answer the second part first. The cash and I'll ask Pankaj to start to answer the first part, after I finish the second one and then I'll contribute to that in case there's something more to be added.

So as far as the cash is concerned, you would recall that we had said, a lot of this cash came out of the proceeds of the divestment that we had done. And we shared a part of that cash, a large part of that cash with the shareholders already. And we said that the balance is for building the NIIT for the future and that would be A towards organic investments as well as inorganic activity.

On organic investments, while we have been investing slowly, I think, as Pankaj mentioned, during last quarter, it was our desire to push the accelerator. But given the environment that we face, I think we pushed it -- pushed that part of the investment to this quarter. And this quarter onwards you will start seeing that investment cycle in terms of operating expenses, which is one utilization of cash.

The second is in building capability which is a continuing investment which is happening. The third was inorganic. I think we have been examining the inorganic opportunities. We have very clearly defined the areas in which we would like to participate in. We have clearly defined the value that we expect the inorganic opportunity to add and the idea was also to create sustainable value.

We have been looking at a number of targets. We have had a number of discussions on valuations and other issues. I think now things are beginning to fall in reasonable limits and we are in a number of discussions. But obviously, in all these things one can share a piece of news only when it is finalized. So -- and I have said this before, so it's not that we've not been in conversation earlier.

So I think at the right time we would be able to share more detail, but that certainly is an objective that we are pursuing. On doubling both organic and inorganic, I think inorganic part I already covered, but on the organic side what we are intending to do to accelerate growth, I think I'll ask Pankaj to step in and then if need be, I will add more.

**Pankaj Jathar:**

Thanks, Vijay. And thank you for the question. I will just lay this out simply. There are three legs of our strategy for growth in the coming years. There is the enterprise business, the

consumer business. And the third leg is what Vijay just articulated about the inorganic part of our strategy.

On the enterprise business, we have tech and BFSI and others as the 2 main areas that we are looking to grow in. We are investing in creating products for this market. We are investing in capabilities of sales and delivery in these areas. And we see some of those investments will bear out fruit for us and that's how we will grow in the enterprise segment.

On the consumer side, we have just started in fact last Sunday you would have seen an ad in the Times of India from us. So that's a first bit of the marketing spend which Vijay was talking that we are going to start in this quarter. So we are looking at that as a push into the consumer segment. And the third leg of our growth will come from inorganic and that we will talk about when it is the right time. Those are the three strategies on which we are basing our growth in the future. Back to you, Vijay.

**Faisal Hawa:**

And sir, if you could just tell me that one insight that you have, which you feel that can shape up the business for the -- as a leader, what is that one thing which you feel like NIIT has that can be very much instrumental in driving the growth further?

**Vijay Kumar Thadani:**

Well, I think amongst the various impacts with AI and GenerativeAI will have on humanity. One very significant one on which I think there is more or less a strong consensus is that learning will never be the same. Education will never be the same. Over what period will this transition happen, we don't know.

We would definitely like to be one of the drivers of that because we very strongly believe that AI and GenerativeAI have tremendous potential to transform how people learn and how -- and you see the old model of education where we were always short of teachers and we were trying to make sure that the teachers capability is available to maximum number of students. Of course, it goes beyond a number then it starts becoming counterproductive.

And therefore, you always have a teacher teaching a class of 10, 15, 20, 30 as the case maybe. I think GenerativeAI creates a potential that a teacher can be a personal teacher to each of the students while retaining his identity and GenerativeAI being his assistant, the teacher's assistant, his or her assistant, in making sure that the learning becomes very personalized.

This will have a tremendous impact on how people learn, how fast people learn, how fast are they able to deploy. This is an area we are very strongly committed to. I think have -- internal word I use is I think we have a pole position there. We have to now make sure we convert that pole position into a significant sustainable competitive advantage.

I think this is one area where we think we will be able to make a very, very significant difference. Obviously, this is at the back of 43 years of our existence, which have been always eating, breathing, dreaming, smelling, drinking of how technology can transform learning. And I think in this particular case that significant impact I think this is here to be felt and experienced. So I think this is the area that we feel the strongest about.

- Pankaj Jathar:** If I may add Vijay just one other thing, which as coming from outside. Vijay has part of the story he's built this. Coming from outside, what I see as a huge asset that NIIT has is its brand. This is the only Edtech company which has been around for so long and still enjoys the trust of its customers and its clients across the board. And that is one huge asset which we have, which no one else in the market actually has and that is going to be one of the assets or weapons in our armoury as we build this business to meet the goals that we've talked about.
- Faisal Hawa:** Sir, if I can squeeze in another question, otherwise, I can come back into the line?
- Vijay Kumar Thadani:** I think you can. If there is another one waiting, then maybe it's good to allow that other person to speak.
- Faisal Hawa:** I will come back into the queue.
- Moderator:** Thank you. The next question comes from the line of Amit Agicha with H.G Hawa and Co. Please go ahead.
- Amit Agicha:** Congratulations on a good set of numbers. So the question was with respect to the headcount, could you clarify the impact of the declining headcount on the operational efficiency and what measures have been taken to further optimize the cost structure from fixed to variable?
- Pankaj Jathar:** Okay. So reduction of head count is part of our variabilization effort that is ongoing for the company. So the impact on operational expense will be a positive impact. At the same time, the cost goes into the variable side of the business as we execute orders. In terms of efforts, one of the efforts we are taking is, of course, relooking at our fixed costs.
- And seeing where we can variabilize what across the business and building assets and systems, which can help us create efficiencies and synergy across the different teams that we have operating within the company. So there are a number of initiatives under these two heads that we are running to improve efficiency and variabilize costs across the board.
- Amit Agicha:** And sir, one last question was like how does the company plan to capitalize on the projected 15% CAGR in AI talent demand?
- Pankaj Jathar:** Let me repeat that. How do plan to capitalize on the 15% AI CAGR demand that's going to happen.
- Vijay Kumar Thadani:** Yes, go ahead.
- Pankaj Jathar:** So AI is part of almost every discussion that we have with our customers and on both sides, on the enterprise business and the consumer business. And consequently, AI is also part of a lot of the solutions that we are driving. We have also created a specific AI product which our sales teams are taking to market, which is about educating leaders in an organization on how they can use AI to benefit their business.



And we are finding a lot of interesting conversations for this product and we are finding opportunities here. So there are a number of initiatives we are running with AI which is creating new business opportunities with existing clients, going through new clients with the opportunity to help them understand how better to use AI within their organizations. And we've also created a suite of products which companies can license from us to use AI internally without exposing their data to the outside world.

So these are some of the initiatives that we have. Some of these are already ready and in the market with the sales team. Some are under production in the product creation phase.

**Amit Agicha:** Understood, sir. So we can understand like it is something, something about like agent AI here, kind of tech?

**Vijay Kumar Thadani:** Yes, I think that's also correct.

**Amit Agicha:** Thank you, sir. That was helpful and all the best for the future. Thank you.

**Moderator:** Thank you. Next question comes from the line of Ganesh Shetty an Individual Investor. Please go ahead.

**Ganesh Shetty:** Good afternoon, sir and thank you for the opportunity. Sir just want to ask the question regarding the B2C business in tech sector, how it is shaping up especially for new Edtech courses for fresh graduates. Are we seeing an intense competition over there which can impact our margin, sir?

**Vijay Kumar Thadani:** Thank you, Ganesh. Always good to hear you. As you know, the -- one of the main initiatives which the Edtech sector was involved in addition to various other was skilling the tech workforce and there were different business models, which have been in play. So obviously there is a lot of activity, but at the same time, I think there is a huge opportunity. I think idea is to find that niche space which NIIT can take full advantage of.

And I think we understand and we find that our competition also respects that space that we have enjoyed for the last 30 years, 40 years and we therefore continue to have a strong say in that particular space. So the issue is as follows: Irrespective of what you are learning wherever you are learning, I think the need to constantly up-skill, re-skill, is the need of the hour as technology is changing.

Even if you are a technology participant or a worker, you need to constantly re-skill and up-skill. If you are studying somewhere, then whatever you studied needs to get a top up of the most current technology skills. And third technology has a role to play irrespective of any career or any profession that you're following. All these and domain-specific skills like banking, like manufacturing, like the newer age disciplines which are coming up and newer professions that are coming up.

All require a mix of technology, domain and the application of each one of these new technologies into making that domain richer. So we believe that we enjoy a very specific niche

and a strong advantage in one particular segment. You will start seeing our presence much more than it has been over the last 2 years or 3 years. That's why we say we have been in an investment cycle.

Our investment cycle part one was to build a strong internal capability and get ready and how we started becoming visible a little bit as Pankaj just talked about, of which one small visible action was what you might have seen a week before in the newspapers. So I think that's where we stand. But in the coming quarters, you'll hear much more as we go forward.

**Ganesh Shetty:** Thank you sir. That is helpful. Sir, can you please elaborate on getting into new sectors which you have alluded in the past? And can you please, again, share the future -- share us the progress from the last quarter where we are there?

**Vijay Kumar Thadani:** Sure. So I think we will share with you these things as we go along. At this point of time, we have offered specific offerings of making sure that the way software engineering, for example, is getting redefined with AI. We have come up with some curricular in that context. We are building curricular also in the context of how other disciplines are getting influenced by AI. So I think you'll hear a lot about those as we go forward. So we'll keep you briefed every quarter in every call.

**Ganesh Shetty:** Thank you sir. That's all from me and all the best for the future.

**Moderator:** Thank you. Next question comes from the line of Faisal Hawa with H.G. Hawa and Co. Please go ahead.

**Faisal Hawa:** In this, there's a strategy you alluded with regards to Tier 2 and Tier 3 towns, so does it mean that we will open a lot of centers there like some smaller centers of 300, 400 square feet or does it mean that we will be now doing some kind of far-reaching courses through use of any kind of multimedia, et cetera? And is our brand also still recognized very well in Tier 2, Tier 3 towns as well?

**Vijay Kumar Thadani:** Okay. I think you asked three, four questions in one. So your first question is will we be extending ourselves to Tier 2, Tier 3 towns? Yes, the large opportunity actually remains outside of Tier 1. Tier 1 themselves have become very big, but I think Tier 2, Tier 3 towns present a huge opportunity. As with the whole NIIT system, perhaps we are addressing the whole nation, wherever any learner is.

The second part was will we be setting up centers, independent centers? I think these are questions which will get addressed. We are -- we do believe that the future of learning is not pure digital and I don't think it is pure physical either. I think the mix of the hybrid and that the mix of physical and digital is a constant titration exercise, which will have to be done both on the basis of what a person is learning as well as the person himself as to what the person is capable of and is the circumstances present -- given the circumstances in which this person is and what the person has to achieve.

So I think the future will be hybrid, but I think we will be able to discuss more as we go along. And will there be a fixed model that I can predict at this point of time or we can predict? I don't think the answer is yes. It will be continuously -- it will be a dynamic situation and it will titrate. Not only that, the technology, the way it is unfolding itself presents newer opportunities and newer way of doing things.

So we have to keep all this in mind as we go along, but we are definitely thinking one or two steps ahead of what in general people are thinking. So I think you should see some forward steps from our side going forward.

**Faisal Hawa:**

Sir, my question is also to Mr. Pankaj as to what are the key learnings that you're getting from Amazon, which he will -- he would like to get into NIIT also in its present mode? And a lot of people would -- and I think most people would agree that NIIT could also do with a lot of start up thinking and more agile.

In that way, I think Mr. Thadani has experience with growing large software companies and industry connects would go a long way. To me, this looks like an opportunity where the revenue of this company could even go to like INR2,000 crores because there is so much skilling required in India. And most people, speaking as a parent also I can say that we are deeply disillusioned with the education even at the school level.

And I think the promoters of the company actually know what is the end result wanted. And I know so many of my friends who have done NIIT courses with engineering and they still say that NIIT did more for us than our engineering college also did as far as jobs in U.S., et cetera, are concerned.

It leads me to think that why this business has not been a much larger business and -- but also, I'm much more hopeful that now that the management is really on to growing this business. I feel that this revenue could go to any level, but it's just that I would like to know what is the strategy and how you want to execute. So it would also go a long way, if you could give us on a quarterly basis, what your centers growth revenue is for each center.

And what -- how much of the revenue growth is being contributed by new centers, just like they do it in the restaurant business, et cetera?

**Vijay Kumar Thadani:**

So while Pankaj will answer his part of his learning from Amazon, how he's translating it here and the other parts. I must say that you asked the question, you gave the answer. You also described the future. So I love such questions. Thank you very much, but Pankaj anyway answer.

**Faisal Hawa:**

But as shareholders, many a times, we think like owners, which we are not.

**Vijay Kumar Thadani:**

No, please take it as my very sincere piece of thanks because you have also told us exactly how we should go forward and give us confidence that we are actually thinking in the right direction. So I truly appreciate. I'll let Pankaj add a little bit.

**Pankaj Jathar:** He also mentioned that his friend did NIIT courses. I wonder if he also did it or not, but we can discuss whether...

**Faisal Hawa:** Yes. As a matter of fact, my wife did and a lot of those skills are still with her at this point of time. And I mean my friends are at such high posts in Charles Schwab. And I mean when I -- one is in a company which ultimately got sold to NIIT and NIIT also sold it finally. So -- and they are also into learning solutions.

And both of them always said we never learned anything from our college courses and whatever we learned in programming, we learned from NIIT. And we are like 50 years of age. So like at 50 years, we say -- I think that's the way you -- that's the time when you look back at life most - - I mean, with absolute honesty.

**Vijay Kumar Thadani:** So thank you very much. I was wondering there is the zing in your voice coming from. So you have been to NIIT. Thank you. So Pankaj.

**Pankaj Jathar:** So I'll not take too much time on this. But quickly, a couple of things that I've carried with me on the stint that I had with Amazon definitely is the data-oriented decision-making. So that is something that Amazon always has trained everyone who works there too. So that is something that's not that NIIT didn't have, data oriented decision-making, but it's just building that into the way of working way of thinking, that is one skill that I am trying to carry through and instil it over here. So that's one.

And the other thing is just the decision-making process on how you differentiate between decisions that are short term and long term and how you empower teams to take decisions which are in their business on their own by building guardrails and tenets for businesses to take those decisions. Both of these things typically should improve speed of decision-making and speed of execution in the organization.

But what I'm also talking about is bringing in new ways of doing things which takes time to see. So those are some of the things that I bring with me from my previous experiences and there's, of course, a bunch of other tactical things that one does learn from different organizations, not just Amazon, but everyone else I had worked as well, which one carries through and experiments with them. Thanks for the question. That was an interesting question and a good conversation as well.

**Faisal Hawa:** I appreciate it too. Thank you.

**Moderator:** Thank you. Next question comes from Raaj with Arjav Partners. Please go ahead.

**Raaj:** Sir, I just want to get a handle on EBITDA part, how much was the EBITDA for the full year FY '25?

**Vijay Kumar Thadani:** How much will be the EBITDA for -- I think the EBITDA for the full year will be the same as what you have -- you are seeing now because I don't think in the next quarter, we are going to

add anything to EBITDA. We are -- as we said the investment cycle has started so operating expenses will be a little ahead of the revenue that it will generate. So to that extent, I think next quarter we are looking at a breakeven or just thereabouts plus minus a little bit based on the investments that we make.

The stable parts of the business and their margins that will anyway contribute. But I think the variable in this will be the speed at which we deploy the investment in the consumer part of the business, which is what is waiting.

**Pankaj Jathar:** No, I think you've covered it. So it will be a flat quarter from EBITDA point of view. So what it is still now is what carries through to the end of the year.

**Raaj:** So sir, once this business gets stable, how much will be our normalized EBITDA going ahead?

**Vijay Kumar Thadani:** In steady state, this business should generate 15% to 20% EBITDA. Some of the stable parts of the business are already generating that.

**Raaj:** And overall at a company level, so when can we see this type of EBITDA 15% to 20%?

**Vijay Kumar Thadani:** I think over maybe four to six quarters.

**Raaj:** Four to six quarters.

**Vijay Kumar Thadani:** It depends on the speed at which to see 15% to 20% at a company level. Actually, it is very possible to do it very quickly, but then the growth will get to that extent completely curtailed. Whereas if we are investing in growth and responsible growth, not at any cost, sustainable responsible growth then I have a feeling the EBITDA will remain subdued during the year.

And I think the following year after that we should start seeing the benefits of that in both growth as well as EBITDA. I mean at a broad level, we can share -- we are in -- we are -- in terms of renewing our planning cycle which I think by next quarter, we'll be able to share much more color.

**Raaj:** So EBITDA growth can be seen from FY '27 onwards?

**Vijay Kumar Thadani:** Yes. I mean, yes, in FY '27 in some parts of FY '27, you will start seeing the stable part of the EBITDA appearing in the total.

**Raaj:** And for FY '26 also the focus will be on growth. So sir, how much growth are we anticipating there?

**Vijay Kumar Thadani:** I think we'll be able -- see we are already on record to say that we are pursuing our growth to become 3x and 3y which is INR1,200 crores or thereabouts in FY '28. We are pursuing that for which the levers have to be -- the accelerator has to be put. A lot of stuff has been done. And I think we are in the process of doing that. I think next year -- this year was -- given the volatility as well as the challenge that is taking place.

And by the way it's a dynamic situation. Things are changing on a monthly basis in a business which does not respond that fast to NIIT by design. A student starts a course. He has to take 3 months to 6 months to complete it. But in between the situations change and we have to change along with that. Given that, I think the business has responded well that we still have a 20% plus growth opportunity in this year. And -- but we need to accelerate more.

Like Mr. Pankaj himself said, our expectation and aspiration was to grow at a faster pace. I think that faster pace we should be able to achieve during next year and we have to make up for a little bit of lost time also. So I think these -- all of these factors will contribute to our plan for next year.

But a higher degree of clarity, we can share with you in next quarter when the planning cycle will be complete, will have gone through the Board, et cetera. So it will be possible -- it will be more possible and proper to then share with you how we are planning next year.

**Raaj:** Thank you. All the best.

**Moderator:** Thank you. Next question comes from the line of Rahul with Dolat. Please go ahead.

**Rahul:** Essentially, you gave a couple of outlook in terms of what kind of a growth you are expecting and what kind of EBITDA margin you're expecting for Q4 and also...

**Pankaj Jathar:** Can't hear you Rahul. Rahul not able to understand what you're saying. Can you please...

**Vijay Kumar Thadani:** Hold on maybe one of us will paraphrase.

**Rahul:** Yes. Is it any better?

**Vijay Kumar Thadani:** Yes. This is perfect.

**Rahul:** Right. So what I'm trying to understand is that I think you just alluded to a couple of data points which reflects your Q4 guidance or beyond that? So if I just -- it would be great if you could articulate it in a proper order because if I do -- if I connect different statements that you made, for example, you said 20% growth for this year then we see a minus 5% growth for Q4.

And if I assume even a flattish cost for a 5% lower revenue, still we should be making some INR2 crores EBITDA. So why you say that there won't be any EBITDA in Q4, will the growth could be lower than 20% for the year and maybe similarly if you could realign your thoughts for different guidance for FY '27 or '26 as well?

**Vijay Kumar Thadani:** Okay. So since I made all these statements, let me make the clarification also. Let's start from quarter 4. So first of all, Pankaj did mention in his very first sentence that the revenue was short of the expectation we had. And I want us to go back one quarter ago when we said that we would be growing at 10% this quarter -- two quarters ago, I think we said we'll be growing at 10% per quarter and on a quarterly basis.

And by the way, if all the two environment changes that we saw. One, technology hiring sentiment high, but not as much action on ground. That is visible. I think I've read some news reports also saying that it's not visible on the ground. So obviously, it is coming at a delay -- with a delay. I think that definitely had an impact on this quarter and will have impact on the next quarter because next quarter, little action takes place quarter 4. So its subsequent actions in quarter 4 will be there.

However, we do see that hiring and its impact on trading spends, we should start seeing, if not next quarter the following quarter most certainly. I mean if not this quarter, this quarter as in the JFM. We should be able to start seeing in AMJ, and then JAS. So that's one. On banking, which was going absolutely gung-ho during end of last quarter, and you read the same newspapers that I do.

We saw that there have been some regulatory tightening and banks hiring to that extent has tapered off. They were going at a very fast growth rate and we were very well positioned and doing very well, which we continue to do. It's not that they have stopped, it's just that they have slowed down. And that slowdown, I don't think will reverse itself in a quarter. So I do see the impact of that continuing in quarter 4.

And therefore if we were to go on that basis, the 10% Q-o-Q which we should have seen on quarter 2 to quarter 3 was subdued to 8% now, but that was a towards -- since that happened end of the quarter. Next quarter, we are seeing the full impact of that. Therefore, I think the impact will be more. Remember, quarter 4 for last 5 years, if you will see, have been lower than quarter 3 otherwise.

So the environment conditions or the seasonal conditions are against us when we go in quarter 4. But when you are in a high-growth phase, then you can overcome that. Unfortunately, we will not be in that high growth phase in this quarter because of the changes that I talked about. Therefore, why we will see a very responsible and strong Y-o-Y growth in quarter 4 which will be 25% or thereabouts on a year-on-year basis.

On quarter-on-quarter, in fact, you will see a negative which is to be expected if you were to look at last 4 years. But if we were on the high-growth path then we could have surpassed that. Then we would have seen a positive quarter-on-quarter, but we'll not be able to see that in this quarter. If you take this into account and add up the numbers, then the overall growth for the year will come to 20%.

In the next -- in this quarter that we are looking at, we are actually investing large sums of money on growing the consumer business and putting the investments which are operational nature in this. That's why to that extent the EBITDA will be subdued in quarter 4. And when I was responding to somebody's question on what will be the EBITDA for the whole year, my answer was the EBITDA for the whole year is more likely to be the same as what we experienced in the first three quarters.

The total of first three quarters because fourth quarter is not likely to add much to the EBITDA. That is approximately what I said. Is this consistent with your understanding now or with what I said earlier. And then I will come to the next part?

**Rahul:** Yes, so far, please?

**Vijay Kumar Thadani:** Then if we were to grow -- continue to grow at the rate at which we had foreseen and we still are committed to and wanting to grow to that number. Then next year, if we had grown to the 30%-odd, 30% or 32% that we wanted to grow this year, then next year we would have had to grow at a similar rate. We are a little behind, number one.

And number two, the first -- the beginning or the end of the previous year that is last quarter of this year is not looking as good where the situation will reverse itself we are hoping and that it will. Therefore, we should be back on that path during next year and we should be consistent. And wait for an opportunity when we can scale even beyond that. What gives us confidence that we can do it because last 2 years, we have had two bumps.

One bump was in IT hiring suddenly stopped, but what we did was we actually built new capabilities. We actually broad based our offerings, we broad based our customer base. That has come to our rescue this year, even though the situation has not stabilized. I think this bump is, again, we are realigning ourselves. I think at the end of this bump, we'll come out stronger. And I believe that we should be on a higher growth trajectory next year.

What that number will be and how much beyond the 30%-odd that we need, I think we will be able to share with you as we go later in the next quarter or thereabouts.

**Rahul:** Just to -- yes, sorry.

**Vijay Kumar Thadani:** Go ahead. Sorry, I'm done.

**Rahul:** Yes. Okay. So also to the earlier comment that there is a swing or there's a shift happening while one sector is doing good, another segment is not doing so great. If you could express how long do you expect that trend to play out, that would be great?

**Vijay Kumar Thadani:** I have a feeling the technology spend on training, I think that is recovering. So I don't think that trend -- that trend will only point upwards. So I have a feeling that part will set itself right in the next couple of quarters. If you saw our mix from 70-30 had gone down 64-36. And this quarter, it is back to 65-35.

So there is a recovery, which we are seeing. We think that recovery will -- in the next two quarters should move very fast. The other contributor to that, which I hope is not the contributor is that the stability in banking or BFSI space, if the stability does not happen and BFSI hiring remains challenged then obviously that 70-30 will happen faster. But I hope that's not the reason it happens.



I hope the reason it happens is because technology grows fast, technology spend -- technology training spend happen fast enough and so do in BFSI and other sectors. We are also examining other sectors by the way. However, they don't add up to a lot right now. So we don't -- we talk - - we bundle them under BFSI and others. But I think over the next few quarters, many of -- some of them may become significant and when they become so, then we will also start sharing with you.

**Rahul:** Great. Understood. And on -- since we have such a high growth aspiration and this aspiration we had right from the demerger point, but we have not seen any meaningful progress happening so far. So what makes you think the acceleration could be just around the corner. Is there a resistance on our spending which we had and that's the paddle we want to press here on that could drive that momentum or is there anything else that you could help us build that kind of a thought here?

**Vijay Kumar Thadani:** So it will be -- I would not be very correct to say that we have not experienced it. We have experienced it in between for quarters, but then some external element happens. Remember, we also have the inorganic part which is the part which has not yet got activated. And I think those may be some opportunities which as and when they come to fruition may also contribute to that, build a synergistic capability which may drive us faster.

So there are a number of things in the play. And I mean this quarter itself, for example, we could have been with -- that additional 2% growth would have been on the other side of 20%, 25%. So -- and next quarter we will see a 25% Y-o-Y growth. So it's not that we have not experienced it or we are very close to experiencing it. I think as we become stronger and more mature, I think it will start happening.

**Rahul:** Sure. That's it from my side. Thank you.

**Moderator:** Thank you. Next question comes from the line of Faisal Hawa with H.G. Hawa and Co.

**Faisal Hawa:** So sir, is there any strategy of doing anything else also like some tie-ups with foreign universities or some courses which are more to do with developing skills which are now needed apart from the IT services or BFSI like, for example, sales is a skill which India lacks big time.

So any kind of courses that we would like to pursue even for children who are less than 10, are we -- could you diversify in those kind of things also particularly, I would like to -- some answer on the university tie-up question because we have such a strong brand name. Any foreign university would love to tie up with us?

**Vijay Kumar Thadani:** Yes. See we believe in sustainable partnerships. And we believe in partnerships which -- where -- as you rightly said we are a very strong brand and we would like to be seen as an equal rather than as a sub. Given the -- in the space that we operate in, we are a dominant brand. These are considerations which keep in mind, we have not closed our eyes to any situation, but we always look for an opportunity which A will create sustainable growth, which will enhance our brand presence, which will most important will service the needs of our customers.

I'm not sure whether a university credential by itself adds as much as the ROI of the kind. And I'm not saying this as a generic statement, I'm talking about every university tie-up does not. So we will look at these opportunities cautiously and we take steps which contribute to a stable long-term and sustainable future. So I think everything that contributes to that, we'll be happy to examine.

**Management:** Faisal, I would like to point out that our largest investor whether through direct investments or through other vehicles that they have is actually one of the world's largest university.

**Faisal Hawa:** And any other skills that we would like to develop apart from IT and BFSI like particularly in sales or some kind of more intangible skills? Are we coming out with courses for those also?

**Vijay Kumar Thadani:** So definitely we do have by the way those as a part of our offering, except we don't offer them in a consumer format. We offer them in the corporate or enterprise format. Sales and service excellence is a part of our curriculum which is very strong. And we are very well respected in some domains in that area and have significant market shares. Is that an area we would like to grow? Definitely.

The India enterprise, see so far all this business that we are getting is out of GSIs, GCCs and large banks. That leaves about huge part of the India enterprise completely open where we can make a very big difference. There a little part is being done by sales and service excellence. I think there is a huge opportunity. Generative AI and its impact on how we conduct their business and their lives.

I think there will be an important contributor in our offering sets. I had shared on last quarter. This time we have not shared those statistics, but we had made significant moves in that area and I think we are very strongly positioned. All these will be contributing to the future strategy, but manufacturing, ER&D, design, these are all areas and the soft skills that you refer to, they're not exactly soft, but service skills, sales and service skills as well as soft skills. These are areas in which we see a potential and are operating already. We need to scale those up.

**Faisal Hawa:** Sir, did you say that our target is INR1,200 crores revenue in FY '28. So 3 years 3x?

**Vijay Kumar Thadani:** Yes. At least that's the call which Pankaj has given to the teams. And it's written on our boards all over the place, 3x, 3y.

**Faisal Hawa:** And most of the KRAs for key departments and heads have been accordingly aligned also?

**Vijay Kumar Thadani:** Yes, by department. All the 720 people that you saw have been aligned. We, in fact, did a massive communication exercise in last quarter. And communication not of talking about things, but actually laying out how exactly and what exactly does each person have to do. It's not going to happen by -- be done by one person, it's going to be done by all of us and more. So what does each person have to do.

So I think speed, simplification, synergy. These were three lines which came out very strongly in the 3x, 3y.

**Faisal Hawa:** Thanks a lot sir. I really appreciate your questions and also answering our question so well. Thank you.

**Vijay Kumar Thadani:** Please come and talk to us more. Your words are very encouraging.

**Moderator:** Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I would now like to hand the conference over to the management for closing comments.

**Vijay Kumar Thadani:** Thank you very much. As usual, it's been a very educative session, very energizing, especially with the questions that you asked and you made us think about answering and I think it strengthens our conviction in what we are trying to do. Pankaj, the best part of today was Pankaj's throat stayed on. I'm sure last time was just an odd phenomenon and this was your first long interaction with him.

He is, of course, available to you for any follow-up conversations. And so is Kapil and Saurabh and Saurabh Taneja. So they are both available to you for any further questions or so is the CFO, Sanjeev Bansal, myself all of us. So please do talk to us. In addition to being shareholders, each one of you is the potential student of NIIT.

So I'll just say the last line of NIIT, which always used to be there if you have not studied at NIIT, you are missing something. So we hope that something -- some sparks will light, and we will see the growth that we envision together. All the best.

**Pankaj Jathar:** Thank you.

**Moderator:** On behalf of NIIT Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.