

NIIT Technologies Limited

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Chairman's speech at the 24th Annual General Meeting on August 1, 2016

Dear Shareholders,

Good morning.

It gives me great pleasure in welcoming you to the 24th Annual General Meeting of your Company.

The financial year 2015-16 (FY2016) has been a period of significant progress for NIIT Technologies on its agenda and strategic priorities. The Company improved its revenue mix, expanded its operating margins, increased its cash flows, and recorded strong growth in the high opportunity Digital Services space.

Growth in line with the industry

During the year under review the Company's consolidated revenues grew by 13.1% to Rs 26,824 million from Rs. 23,725 million in the preceding year, with revenues from international markets growing even faster, by 17%. The Digital Services business too witnessed robust growth during FY2016 and contributed 15% to overall revenues.

Revenues from the BFSI vertical grew 29% during the year under review and contributed to 38% of overall revenues. The Travel & Transportation vertical contributed 35% to overall revenues for the year, with the Company maintaining its strong market position in that industry vertical.

Substantial margin expansion

The qualitative shift in revenue mix, with higher contribution from international markets and Digital, drove significant improvements in operating (EBITDA) margins with sequential expansions during the year. Operating margin for the full year FY2016 was 17.6%, representing an expansion of 308 basis points over FY2015.

Profits after taxes (PAT) for the year more than doubled to Rs 2,800 million.

Higher client addition, multiple large deal wins

In the face of continued uncertainty in some markets and increased competitive intensity, the Company was able to acquire several new clients and win many large deals during FY2016. The number of new clients added at 28 was much higher than the 19 acquired in the previous year.

Among the large deals won by the Company was a £23 million contract from the UK communications regulator Ofcom for managing its infrastructure & application systems and offer a customer-focused service. The Company also bagged a new multi-year large transformational outsourcing engagement with an insurance client in Europe and acquired another multimillion dollar new insurance logo in the US.

Recognitions and awards

During FY2016, your Company was conferred with several awards and industry recognitions that reflect its accomplishments and enhanced profile, while also raising its market visibility and standing. In the area of Digital Services, NIIT Technologies was identified as a Leader in NelsonHall's NEAT vendor evaluation for Digital Transformation Services (Digital Focus market segment). The Company was listed in '50 Best IT-BPM Company to Work For in 2015' by Great Place To Work® Institute and was also listed in the 'Top 5 large organizations' within the IT-BPM domain. In addition to that, the Company also bagged the Best Service Provider Award from one of its long-standing clients DB Systel, which is the ICT subsidiary of Deutsche Bahn (German Railways).

Future focus: Smart IT, Scale Digital

Your Company has a track-record of being an early adopter of new and disruptive technologies, including Automation and Digital Services.

We created an Automation framework that enables us to leverage Robotic Process Automation (RPA) and drive efficiencies in its solutions. To enhance its capabilities in this domain, the Company has taken an approach that involves both in-house development (such as a proprietary framework called ProcessGymSM) as well as partnerships with companies like UiPath, which specializes in RPA solutions.

Chairman's speech Contd.....

As a result of multiple initiatives and ongoing investments, today your Company commands a growing presence across the Digital Services value chain – Digital Experience, Digital Analytics, and Digital Integration. In March 2016, we also established a Digital Innovation Center in Hyderabad which will provide a global platform for research and technological development to tap new market opportunities for Digital Integration and serve as a hub for innovative thinking with state of the art IT infrastructure, Internet of Things (IoT) labs, and digitally enabled training rooms.

As it prepares for its next phase of growth driven by new technologies and delivery models, the Company has continued to invest in re-skilling, re-tooling and training of its employees.

I would like to take this opportunity to express my gratitude to our clients, fellow NIITians, partners, vendors, and other business associates for their contributions. I also deeply appreciate the encouragement received from you and all other stakeholders over the years, and look forward to your continued support.

Thank you.

Rajendra S. Pawar

Chairman, NIIT Technologies Ltd.