



## **NIIT Technologies Limited**

### **CHAIRMAN'S SPEECH**

Dear Shareholders,

Welcome to the 18th Annual General Meeting of NIIT Technologies Ltd.

The year 2009-10 saw technology spending decline globally in the face of the worst economic slow-down to sweep the world. Your Company has remained resilient, recovering from a low in the first quarter, to steadily improving its business quarter on quarter through this year, delivering better net profit for the full year than previous years.

This was achieved through relentless focus on internal efficiencies, strengthening of relationships with key customers, and building strong domain competencies in specific industry segments.

### **FOCUS**

Since inception the Company has pursued a consistent strategy to focus on a few industry segments and build strong specialization.

The BFSI segment contributed to 43% of revenues and we added 4 new clients during the year besides strengthening our relationship with existing clients.

Travel and Transportation contributed to 31% of revenues with 7 new client additions. We entered into a global partnership with Singapore Airport Terminal Services (SATS) to create a platform to address cargo operations.

Retail and Distribution contributed to 11% of revenues with 3 new client additions.

In addition, we brought sharper focus in the domestic market by re-organizing structure to address the IT needs of the Government. Significant success in this area came with the award of the prestigious "Intranet Prahari" project for the Border Security Force valued at Rs. 228 Crore involving the complete turn-key implementation of the solution across the entire force.

### **FORESIGHT**

Through the difficult year gone by the Company was able to demonstrate resilience by virtue of its foresight to not only manage and improve internal efficiencies but also spot trends. The way we would do business in the coming

decade would be dramatically different from what we have been doing in the past decade. More of our business in future would be derived from delivering customer value than only leverage cost arbitrage from offshore locations. To facilitate this, we introduced Managed Services and IP-asset based services which are now a significant 27% of our revenues.

Further, the Company is embracing the potential of Cloud Computing. As an early entrant into this space, we are ready to deliver end-to-end solutions to our customers. We announced a partnership with Hitachi Information Systems of Japan, to leverage their infrastructure to provide cloud services. Hitachi, with its reliable and scalable infrastructure, will own the Cloud, NIIT Technologies will harness its competencies in Remote Infrastructure Management and Managed Services to operate the Cloud and provide value-added services.

There is also a recognition that the developed markets of the US and Europe would be slow to recover while emerging markets will continue to grow. This year, we would focus on these markets, building fresh traction in regions such as Asia, Australia and the Middle East. NIIT Technologies has set up an office in Dubai, which will be our gateway to the Middle East.

## **FIRST CHOICE**

Over the years we have forged extremely rewarding relationships with global majors, a testimony to mutual commitment and our ability to retain marquee clients, drawing repeat business from them.

The Company's vision is to be the "First Choice" of services for the segments serviced and recent independent industry surveys are beginning to support this view.

The Datamonitor, Blackbook of Outsourcing 2009 Travel Industry survey has ranked NIIT Technologies as the No 1. outsourcer in this segment from among all global outsourcers. This is the second consecutive year that NIIT Technologies has been ranked No 1, demonstrating without doubt our leadership in servicing this sector.

In its report titled "7 vendors dominate the European market for General Insurance Policy Administration Systems" NIIT Technologies ROOM Solutions was identified among the 7 having the third largest number of installations.

In yet another area of specialization our subsidiary NIIT GIS Ltd. was identified as the best software company in the Map India 2010 conference.

The Company has a simple strategy - to focus and differentiate. It competes on the strength of its specialization and has built a strong balance sheet with negligible debt and healthy cash position.

## **BUSINESS FINANCIALS**

NIIT Technologies posted a consolidated income of Rs. 9,137 million for the financial year ending March 31, 2010. Net Profit for this period stood at Rs. 1,264 million, an improvement of 10 % over the previous year.

Exports remained the mainstay of our business, accounting for 89 percent of NIIT revenues. The domestic market contributed to 11 percent of the total turnover.

In terms of geographic mix, we had 43 percent of revenues coming in from EMEA (Europe, Middle East and Africa) during 2010. The revenue share of these regions was marginally lower as compared to the previous year, on account of the recessive environment in Europe and adverse fluctuations in their currencies. The Americas stepped up their contribution to 33 percent in 2009-10, while revenues from APAC increased to 13 percent.

## **NURTURING PEOPLE**

NIIT Technologies remains committed to a “People-centric” organization encompassing innovative HR strategies, Best Practices and unique approaches to attracting and retaining talent. At the end of the financial year, the global staff strength of NIIT Technologies stood at 4,476 people.

Our investment in People has resulted in several recognitions coming our way. NIIT Technologies received the Award for “Innovation in Career Development,” at the Global HRD Congress in 2010. The Award recognized the innovative practices we had deployed to build robust employee career development strategies and commitment to our people.

## **LOOKING AHEAD**

The financial year 2009-10 ended with a significant intake of fresh orders in the last quarter of USD 124m resulting in a total order book of USD 276m for financial year 2009-10, of which USD 147m is confirmed for execution in the financial year 2010-11. Your company has therefore created a robust platform from growth for the coming year and with the improved economic climate, I am optimistic about significantly improved revenues during the year.

I would like to thank all of you for your support and encouragement to put in our best.

**Rajendra S Pawar**

Chairman, NIIT Technologies Ltd.

Date: July 09, 2010