

# NIIT Technologies Limited

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## Chairman's speech

### Dear Shareholders,

It gives me great pleasure to welcome you to the 22nd Annual General Meeting of your Company.

FY2014 has been a year of consolidation, whereby we have set the base for future growth by securing large long-term engagements, building a healthy order book, moving ahead with change initiatives, including structure changes and embracing emerging technologies to meet the changing expectations of our customers.

### Business Performance

During the year our revenues grew by 14% to Rs.23, 050 million. The year was characterized by an all-time high intake of new orders. The Company secured \$749 million of new orders on the back of some large deals resulting in an increase in orders executable over the next 12-months to \$290 million.

Your Company enhanced its focus on Western markets and reorganized itself to create a platform for higher growth. 83 percent of the order intake was from Western markets. Business in the US increased by 29%, accounting for 42% of NIIT Technologies' revenues. Recovery in the BFSI business in North America resulted in this surge. EMEA contributed 37 percent, while the share of APAC and India stood at 21 percent.

In our industry segments of focus, Travel and Transportation accounted for 37 percent of the business. BFSI contributed to 34 percent and Manufacturing and Government contributed to seven and eight percent of the revenue mix, respectively.

Operating profits during the year grew by 6.7% to Rs.3, 515 million representing an operating margin of 15.2%.

### Large Deals

As the world moved towards gradual economic recovery, your Company rode the wave of new opportunities, securing transformational deals with large global customers.

Among these was a partnership with Sao Paulo International Airport to transform its cargo handling systems, and also Asia's first multi-year service contract with the Airports Authority of India (AAI), for implementing Airport Operations Control Centres (AOCC) across 10 airports in India.

During the year a USD 300mn deal was secured from a top BFSI client for a period of 10 years. This large engagement includes renewal and vendor consolidation with respect to maintenance support and operation around the client's existing platform as well as major contribution to the development and implementation of its new platform.

The last quarter of FY '14 was marked by securing \$144 million of fresh business. This included two large contracts of US\$25 million plus with two existing large customers in the Insurance and BFSI segment in the US.

The Company added 16 new clients during 2013-14.

### Restructured for growth

In order to strengthen its presence in chosen markets, deepen its engagement with marquee customers and develop new business streams, your Company created a new position of Chief Operating Officer during the year. Sales and delivery for IT and Business Process Management (BPM) services across geographies were consolidated under this role. During the year, the Company additionally set its sights on the Infrastructure Management Services (IMS) segment, expected to be a high-growth opportunity in the future, and carved it out as an Independent Business Unit. Keeping in mind the emerging market for Digital Services your Company also created a focused position to address this opportunity.

### New Ideas, More Value

In FY '14 NIIT Technologies rolled out an organisation wide culture change initiative to address the changing expectations of customers driven by an engaging service vision 'New Ideas, More Value'. This involves a structured education programme which aims to uplift service levels. Besides education, uplifting service involves several interconnected initiatives encompassing many aspects of the engagement. These steps were taken to change our culture from doing what we are told to do well, to identifying opportunities for value add. Through this initiative

NIIT Technologies has made a significant shift in mindset, putting together its vast resources and innovative approaches to provide exceptional value to its clients.

Some key engagements which have led to exceptional customer value include digital transformation of Carey International, alignment of Aer Lingus's IT investments to business value, engagement with Adecco to enhance leverage of web and mobile platforms, and partnership with SATS Food to improve traveller satisfaction.

### **Earning recognition for HR Practices and top talent**

Listed in Forbes Asia's Best under a billion companies, NIIT Technologies was conferred with four coveted awards at Asia's Best Employer Brand Awards 2013. Your Company was ranked sixth in the Top Employer category and won the awards for 'Best in HR Strategy', 'Excellence in Training' and for 'Progress', its Career Mobility Centre, which was acknowledged as an innovation in career development. The Company also featured in Computerworld's 100 Best Places to Work in the IT 2013 list.

During the year several leaders of NIIT Technologies were also recognised within their fields of expertise which is a matter of great pride for us.

### **Future Outlook**

We are now more focused on the western markets, particularly the US where the demand environment is much better than what it was a year ago. With orders executable over the next 12-months improving by 15%, we have created a positive momentum for the organization, and look forward to a strong FY2015.

It has been great to have you with us in our journey, supporting us through the good times and challenging phases and encouraging us to raise the bar. Through our fresh approach of 'New Ideas, More Value' we hope to provide you and all our stakeholders with an enriching experience.

**Rajendra S Pawar**

**Chairman, NIIT Technologies Ltd.**