

May 5, 2010, Wednesday

NIIT Tech Q4 net up 57 pct; declares dividend of Rs 7/share

MUMBAI: IT solution provider NIIT Technologies' consolidated net profit today reported a growth of 57 per cent at Rs 41.3 crore for the fourth quarter ended March 31, 2010, over the same period year-ago.

Revenues of the company rose to Rs 239.2 crore for the quarter ended March 31, from Rs 227 crore in the same quarter last year, NIIT Technologies said in a filing to the Bombay Stock Exchange.

"A strong quarter with growth on all business parameters demonstrated the company's successful navigation through the challenges posed by the economic crisis of the past," NIIT Technologies CEO Arvind Thakur said.

The board of directors have proposed a dividend of Rs 7 per equity share to the shareholders of the company.

For the year ended March 31, 2010, the company reported a growth of 10 per cent in net profit at Rs 126.4 crore, over the same year-ago period.

"Fresh orders worth USD 124 million secured during the quarter created a healthy order position with USD 147 million executable over the next 12 months," Thakur added.

Shares of NIIT Technology were trading at Rs 188.50 on the BSE, up 0.48 per cent from previous close.

Please Visit: <http://economictimes.indiatimes.com/news/news-by-company/earnings/earnings-news/NIIT-Tech-Q4-net-up-57-pct-declares-dividend-of-Rs-7/share/articleshow/5893767.cms>

NIIT Tech Q4 profit rises 57% on lower taxes, high margin deals

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Eyeing Govt deals:(from right) The CEO of NIIT Technologies, Mr Arvind Thakur; the Chairman and Managing Director, Mr Rajendra S Pawar; and the CFO, Mr. K.T.S. Anand, at a press conference in the Capital on Wednesday.

NIIT Technologies on Wednesday posted a 57 per cent increase in quarterly net profit at Rs 41.3 crore on the back of increase in high margin contracts, greater cost efficiency and lower taxes.

The company – which is mulling performance-linked wage hikes between 5-14 per cent – sees an improvement in the business environment driven by projects from markets such as Asia Pacific and India, and the Government space.

Its consolidated revenue for the fourth quarter ended March, 2010 increased five per cent to Rs 239.2 crore against Rs 227 crore in the year-ago period.

NITL secured fresh orders worth \$124 million during the quarter and added five new global clients.

NIIT Technologies said it will focus on Government contracts in India and other countries and expects its contribution in overall revenue to increase this year from the current five per cent. “There will be pressure on margin because of Government contracts as these



contracts require to provide complete solution for which one will have to purchase hardware,” Mr Arvind Thakur, CEO of NIIT Technologies, said.

The operating margin expanded by 432 basis points to 22 per cent in the quarter on account of cost management and higher non-linear revenue.

Commenting on the improved net profit, he said in the corresponding quarter previous year, NTL had paid a higher tax of Rs 4 crore, while there was no such tax outgo in the latest quarter. On the BSE, the company's scrip closed higher at Rs 188.50 on Wednesday.

For the full year ended March 2010, the net profit grew 10 per cent to Rs 126.4 crore, even as the revenue fell seven per cent over the previous year. The consolidated revenue stood at Rs 913.7 crore in FY10 against Rs 979.9 crore in FY09. “The slowdown in 2008-09 had resulted in the first quarter revenue of FY10 to be significantly lower on a year-on-year basis. However, through the fiscal, the company posted a quarter-on-quarter growth,” Mr Thakur added.

Please Visit:

<http://www.thehindubusinessline.com/2010/05/06/stories/2010050653300400.htm>



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NIIT Tech Q4 net up, sees margins sustaining in FY11

NIIT Technologies, the software services arm of NIIT Ltd has reported a consolidated net profit of Rs 41.3 crore for the fourth quarter. Its consolidated revenues came in at Rs 239 crore and operating margins stood at 22%.

Commenting on the company's performance in the quarter, the management said the reduction of revenues of 3% was due to cross currency. "APAC and India revenues grew substantially," it added.

In an interview with CNBC-TV18, Arvind Thakur, CEO, NIIT Technologies spoke on the quarter gone by and the road ahead.

Q: You mentioned earlier that cross currency has eaten into volume growth a little bit. Given that what would you expect to see in terms of a sustainable volume trend for the next couple of quarters?

A: In this quarter we saw a significant impact of the fall in currency. Volume growth in this quarter was about 7%. But we had a currency impact of 3%. So overall sequential growth in this quarter has been 4%.

Going forward, I think we need to be concerned about the situation in the Eurozone which is causing instability in the currencies over there. I anticipate that the revenues coming from that region would continue to be challenged as far as the currency is concerned.

Q: One concern for a lot of the IT companies is the kind of a wage hikes that have been announced for FY11. What are you targeting in terms of that?

A: All companies have been through a very difficult period in the last 12 months and have come out strong from that period with much better margins. So giving wage hikes and dealing with that going forward should not be so much of a challenge because that is more like business as usual.



Q: You see an impact upon the margins on account of this and you are confident of maintaining this 22% margin that you all have delivered this quarter in FY11?

A: What we like to do really is to look at the full year and maintain margins that we have delivered for the full year in this financial year as well.

Q: Just one point on the GIS segment, we want to understand how much of revenues have you all seen from this and what's the outlook over there?

A: The GIS business really is focused on the government business. We are beginning to see significant traction in the government business. That is now assuming significant proportions of our revenue. This quarter, 8% of our revenue came from the government business. Overall for the year, it's been 5%. Going forward we expect business from the government to increase in the coming financial year.

Q: Are you in a position to bid for many of the big projects which are coming by way from the government?

A: Most certainly. In fact last quarter we secured a very significant engagement from the Border Security Force which was a Rs 228 crore contract. I think that's a game changer for us as a company.

Please Visit: http://www.moneycontrol.com/news/results-boardroom/niit-tech-q4-net-up-sees-margins-sustainingfy11_455927-0.html

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Please Visit: <http://www.business-standard.com/india/news/niit-tech-q4-net57-declares-dividends-7share/93329/on>