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'We plan to launch a healthcare vertical by the year-end'

Delhi-based NIIT Technologies posted a 57 per cent rise in net profit for the quarter ended March. It has Rs 189.5 crore of cash on the balance sheet and says it will be used to pursue new opportunities. CEO ARVIND THAKUR told *Kirtika Suneja* he would explore only a few segments for growing this year. Edited excerpts:

Q&A

Arvind Thakur
CEO, NIIT

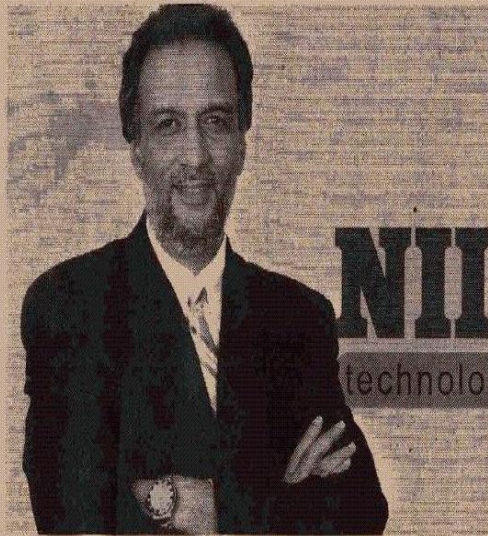
With the IT industry and global economy recovering, what new opportunities do you see?

We are seeing opportunities in global mega trends like far more regulation and reporting after the slow-down, climate change, ageing populations in developed countries which implies greater healthcare requirements and, last, global unrest that has increased the need for security which can be managed by technolo-

gy. These mega trends will throw up new opportunities. Ageing populations mean increased healthcare requirements. Thus, we plan to launch a healthcare vertical by the end of this year, to offer health insurance and other solutions to providers and users in the healthcare space.

From where are the challenges coming?

The new challenges are coming from the supply side. Competition has intensified and India is no longer the only low-cost destination for offshoring. There is another challenge, to transform the business to offer better domain understanding to customers and not only cost arbitrage, as was the case in the last decade.



During the results, you said the focus will be on emerging

markets. Which are these untapped markets?

We have stability in the US that has

got more to do with the stability of the rupee rather than business. Challenges in Europe are emanating from the sovereign debt crisis. Hence, the emerging markets or the focus areas for us are Asia, Australia and the Middle East. So, we will add the Middle East this year by using our strength to enter this market. We recently opened an office in Dubai. Though the solutions for Asia-Pacific are different from those in the US and Europe, this region is showing good traction.

How is the India segment shaping up?

India contributes 11 per cent to our revenues. We expect it to improve by one per cent every year. In fact, with the deal we had this year with

the Border Security Force, this could increase by more than one per cent this year. It is from the government vertical that India will benefit. Government contributes five per cent to our revenues now but we expect it to reach seven-eight per cent by the year end.

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With almost Rs 190 crore of cash, what are your growth plans?

Organically, we are focusing on our new 25-acre campus in Noida, that will be up and running by the end of this year. However, there are no acquisitions lined up, because we are always

looking for buys to fill gaps or get into new geographies. But, we might do an acquisition in the healthcare space to enter it.

NIIT Tech to launch healthcare practice by year end

KIRTIKA SUNEJA
New Delhi, 20 May

NIIIT Technologies, the IT services arm of education major NIIT, will incubate a healthcare vertical by the end of this year. The division will cater to clients in the healthcare space.

The company is exploring health insurance as an area of interest and plans to offer solutions to both providers and users of healthcare. "Healthcare is an interesting industry and has huge requirements for technology but it is fragmented as of now. We have just started thinking about the area and will evolve a practice by the end of this year," said Arvind Thakur, CEO, NIIT Technologies.

The company, which is already servicing clients in the banking, financial services and insurance (BFSI), travel and retail space, plans to leverage its strength in the insurance vertical and then foray in the healthcare segment and offer health insurance solutions to its clients.

"We want to engage in the main activities and problems of providers like hospitals, doctors and consultants and our teams are engaged in studying the vertical," added Thakur.

Last year, the company's business in BFSI together stood at 43 per cent, travel, transportation and logistics at 31 per cent, while retail and manufacturing contributed 11 per cent to the total revenues.

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Last year, the company's business in BFSI together stood at 43 per cent, travel, transportation and logistics at 31 per cent, while retail and manufacturing contributed 11 per cent to the total revenues.

Thakur added that the healthcare vertical will also see multi-billion dollar opportunities from the healthcare space in the US, especially the Obama administration's proposed American Recovery and Reinvestment Plan.