

NIIT Technologies announces consolidated results FY 2008-09

May 26 2009, Tuesday



Mr Rajendra S. Pawar (right), Chairman, NIIT Technologies, with Mr Arvind Thakur, CEO, at a press conference in the Capital on Tuesday. —

NIIT Technologies Ltd on Tuesday posted a 15 per cent dip in its consolidated net profit for the fourth quarter ended March 31, 2009 on the back of hedging losses. Its profit after tax (PAT) stood at Rs 26.3 crore against Rs 31 crore during the year-ago period. Sequentially, the PAT was up 57 per cent over the previous quarter.

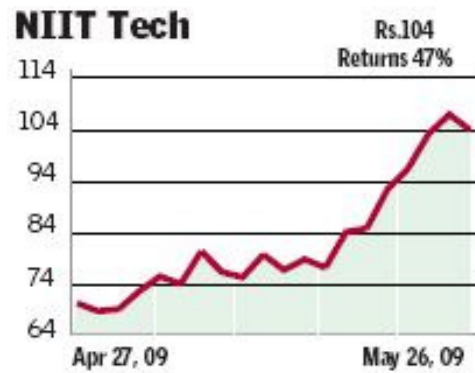
The company's consolidated revenue at Rs 227 crore represented a nine per cent drop on year-on-year and quarter-on-quarter basis.

The rupee further depreciated against the dollar during the quarter resulting in a reduction in revenue of Rs 22.1 crore on account of crystallization of effective hedges, the company said.

The NIIT Technologies CEO, Mr Arvind Thakur, said, "Top clients in our major industry segments cut back in their spending during the quarter. Our immediate response has been to step up marketing efforts to broad base clients and further improve cost structures to sustain operating margins."

The company said it is seeing a price erosion of one percentage point in offshore contracts and three percentage points on onshore, for new contracts. The company secured a fresh order intake of \$46 million during the quarter which included addition of five new customers. Pending order book executable over 12 months is pegged at \$97 million.

For fiscal 2008-09, NIIT Technologies' PAT fell 15 per cent year-on-year to Rs 114.8 crore. "This was on account of hedging losses. Also, due to the decline in value of European currencies (such as pound sterling), the accounts payable and receivables had to be re-calibrated at a lower value," Mr Thakur said.



The revenues for the full year were up four per cent at Rs 979.9 crore, and loss on account of crystallization of effective hedges stood at Rs 54.2 crore.

Commenting on the performance, Mr Rajendra S Pawar, Chairman, NIIT Technologies, said the company continued with its strategy to strengthen position in select verticals (financial services, travel/transport, and retail) and also step-up focus on non-linear business lines of managed services and IP-asset based solutions.

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