

# 'Our focus is on geographical information system for UID project'



After focusing on three industry segments — insurance, travel and retail — since 2004, NIIT Technologies has taken a step forward. The company has decided to lay more stress

on the domestic market (contributes 10% of the revenue) after bagging the Rs 228-crore Border Security Forces deal. Arvind Thakur, CEO, NIIT Technologies, discusses with FE's Diksha Dutta the company's strategies and its positioning in the competitive IT industry. Excerpts:

**How do you perceive the domestic market and how do you look forward to UID?**

There are huge opportunities in the domestic market and our focus is on the government sector. In this sector, our target area is security intelligence. We have recently bagged Rs 228-crore order from the Border Security Force (BSF), the country's premier paramilitary force. The project involves setting up of the complete infrastructure, network and applications to facilitate operations management, integrated financial activities and human resources management for the force.

Another area of our interest is the power sector. The government has a huge programme here and the

technology requirement has changed in this domain. The requirements include data connection, back office and GIS (geographical information system). We have specialization in GIS and that is the area we are targeting in the power sector.

The UID is absolutely critical to the nation. There are many elements to the UID and we are focusing on GIS for it.

GIS is a technology just like oracle for database storage. NIIT has a joint venture with ESRI that gives us access to the technology to prepare solutions. We have just implemented it for the Singapore government. We have built a technology, one map, for them, something like Google maps.

One more interesting industry is healthcare and our eyes are on it. However, with the recent US health reforms, offshore is a better market for it. We haven't addressed it yet, it is an attractive segment.

**How do you think the Budget will impact the IT industry?**

There is strong emphasis on inclusions in the Budget and the government poli-

cies. There is also emphasis on technology to support inclusion. Areas like healthcare, education, financial inclusion and public distribution will benefit tremendously from technology. For example, in healthcare, one could use

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remote consulting to reach primary healthcare facilities to the remotest part of the country.

On the other hand, the non-extension in tax holiday under the STPI is no big deal. The industry has benefitted for a long time now and it is mature. The ad-

ditional impact of taxes will be offset by companies like us because we will be moving into our own SEZ. It will be a bigger issue with small players who will not have the ability to move into an SEZ or relocate.

**You started concentrating on cloud services in the previous quarter. How do you think it will impact the business?**

In a competitive market, we have to embrace new innovative models like output-based contract, on demand services and cloud computing. We are moving towards the direction which essentially makes the business non linear (reported 27% non linear revenue in the last quarter). This means the growth and revenue are not proportionate with the headcount.

To my mind, cloud is going to be very disruptive. So, we are laying stress on it and want to have the early mover advantage. We are launching our services next month in partnership with Hitachi.

**How do you position NIT Technolo-**

**gies in this consolidated competitive market?**

The world is competitive and will continue to be. The need is to carve out specialised areas. For each area of specialisation, we are providing end-to-end application development, infrastructure services and business transformation.

**How does the deal pipeline look like?**

It is very good. In the present scenario, the US is quite stable and so is the APACE. I think Europe is a little slow and lagging behind in recovery. The PIGS (Portugal, Italy, Greece and Spain) countries are a bit of problem because of the sovereign debt. In the European Union, if a country faces a debt problem, other nations have to support it — that is having an impact on their currencies and economies. So, Europe is still unstable.

APACE and domestic markets are the emerging ones. When I talk about the accelerated power development and reform programme, each project is huge and the tenders are all out. They worth Rs 500 crore to Rs 800 crore.