

# NIIT Tech Q2 profit rises 44%

**Our Bureau**

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Information technology solutions provider NIIT Technologies expects its business to improve in the coming quarters as the economic environment in the West it believes is improving.

"Environment in the US is improving and Euro Zone, which was a bit tough may improve in the coming months, with likely re-election of Angela Merkel as the Chancellor (of Germany)," Arvind Thakur, Chief Executive Officer and Joint Managing Director, NIIT Technologies, told reporters here.

He said markets such as West Asia and Africa are also expected to get better in near future in travel and transportation sectors - the segments where NIIT Technologies focuses. However, the shares from domestic market will shrink owing to

NIIT Tech		(Rs. Crore)	
	July-Sept 2013	July-Sept 2012	Change (%)
Revenues	587.3	500.1	17.4
Gross profit	198	179.8	10.1
Net profit	62.4	43.1	44.7
EPS (in Rs)	10.33	7.18	43.9

**OUTLOOK** Environment in the US is improving. West Asia and Africa are also expected to get better in near future.

more focus on the international markets. The domestic market contributed 16 per cent of the company's revenue in July-September quarter, which may go down to around 10 per cent.

The company reported a net profit of Rs 62.4 crore for the second quarter ended September 30, up 45 per cent from the same period last year. Its consolidated revenue also grew 17.4 per cent year-on-year to Rs 587.3 crore. "We experienced robust growth in the US with business expanding by 15 per cent se-

quentially during the quarter," Thakur said. The contribution from the US increased to 41 per cent from 38 per cent last year to the total revenue. However, revenues from Europe, West Asia and Africa decreased to 36 per cent from 39 per cent last year.

Among industry segments, travel and transportation contributed to 37 per cent, banking, financial, services and insurance was 33 per cent, and manufacturing/distribution contributed to six per cent to the revenue mix, the company said. Fresh or-

ders of \$84 million were secured during the quarter leading to \$248-million worth of orders executable over the next 12 months, the company said.

Its headcount reduced by 190 people, and the staff strength stood at 8,017 at the end of the quarter. However, the utilisation improved to 80.3 per cent from 77.3 per cent from the previous quarter, while the attrition remained at 12.4 per cent, Thakur said.

## NEW COO

The company also created a new position of Chief Operating Officer and inducted Sudhir Chaturvedi into the role, who will be based in the UK and will look after global sales and delivery for software and business services, Thakur added.

Its shares closed at Rs 288.50 on the BSE, down 2.89 per cent from the previous close.

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