

Acropetal Technologies Ltd

Annual Report 2010-2011



GENERAL INFORMATION

BOARD OF DIRECTOR

Mr. D. Ravi Kumar	Chairman and Managing Director
Mr. Ramdas Janardhana Kamath	Independent Director
Dr. D.K. Subrahmanya Reddy	Independent Director
Dr. Mathew J. Manimala	Independent Director
Mr. Ashok Kumar Jultha	Director
Mr. Mohan Hosahally Ramakrishna	Independent Director
Dr. Rajesh Nair	Director
(up to 1st September, 2010)	

COMPANY SECRETARY

Ms. Shobha Acharya

AUDIT COMMITTEE

Mr. Ramdas Janardhana Kamath	Chairman
Dr. D.K Subrahmanya Reddy	Member
Mr. Mohan Hosahally Ramakrishna	Member

REMUNERATION COMMITTEE

Dr. Mathew J. Manimala	Chairman
Mr. Ramdas Janardhana Kamath	Member
Mr. Mohan Hosahally Ramakrishna	Member

SHAREHOLDERS GRIEVANCE COMMITTEE

Dr. D.K Subrahmanya Reddy	Chairman
Mr. Mohan Hosahally Ramakrishna	Member
Mr. D. Ravi Kumar	Member

BANKERS

State Bank of Travancore
Axis Bank Limited
United Bank of India
South Indian Bank Limited

STATUTORY AUDITORS

M/s K. Gopalakrishnan & Co.
Chartered Accountants
120, Infantry Road,
Next to Balaji Plywood
Bangalore- 560 001.

REGISTERED OFFICE

#2/10, 3RD Floor, Ajay Plaza
1st Main, N S Palya
Bannerghatta Road
Bangalore - 560 001.



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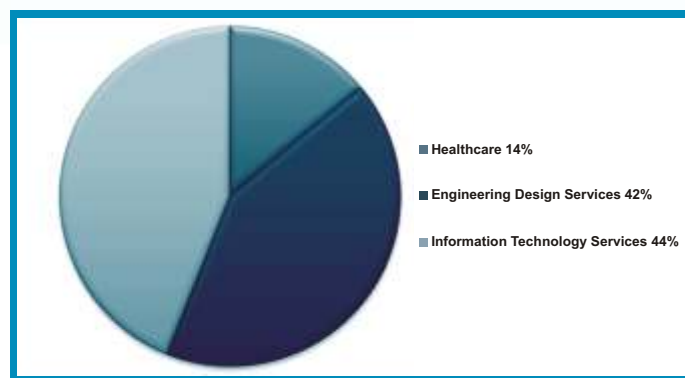
ACROPETAL TECHNOLOGIES - A Curtain Raiser

Bangalore-based IT services and products company offering Information Technology (IT) partnerships for integrated enterprise solutions to its global clients.

- Presence in over 7 countries worldwide including business partners
- State of the Art Development Centre and Corporate Office – over 55,000 square feet
- Development centre under construction - 200,000 square feet
- IP protection & separate network protection for ODC and data sensitive client engagement
- Global Delivery Model with optimal onsite, offsite, offshore services facilitating cost effective and high quality services

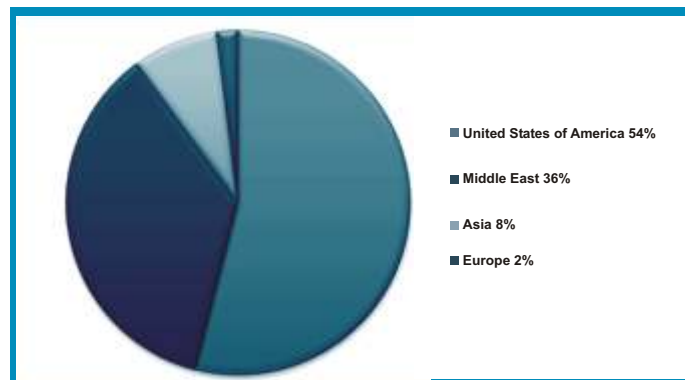
Industry Verticals

Segment Wise Revenues



Geographies

Geographical Break up of Revenues



Key Management Team

Mr. D Ravi Kumar	Chairman & Managing Director
Mr. Jamili Jalaiah	Executive Vice President – Strategy
Mr. Ashok Kumar Jultha	Director Healthcare Services
Mr. Sudhendu Kumar Basu	Vice President – Finance
Dr. Sandeep K. Krishnan	Head – Human Resources
Mr. Sanjay Prasad	Executive Vice President & Head Technology Solutions
Mr. Pavaman YA	Executive Vice President Enterprise Solutions
Mr. Ajoy Sridhar	Vice President Sales – SAP Practice
Mr. N. Mohan Kumar	Head – US Operations



The Journey

2001 - 2002

- ✍ Acropetal incorporated in Bangalore
- ✍ Engineering Design Services key focus area
- ✍ Started Bangalore development center

2002-2003

- ✍ Added IT services vertical
- ✍ QMS for quality initiated
- ✍ Started dedicated development centre for one of our large client

2003-2008

- ✍ Best Performer High Growth SMB – By STPI IT Export Awards 06 - 07
- ✍ First Among the Fastest Growth SME Companies In Karnataka – 06 – 07
- ✍ Received Approval for setting up 100 % EOU under STPI scheme

2008-2009

- ✍ Healthcare & Energy as New Verticals
- ✍ High Growth in SMB Unit – By STPI 2008 - 2009
- ✍ ISO 9001 – 2008 quality certified

2009-2010

- ✍ Strategic investment in healthcare products
- ✍ Re-align Strategy to focus on 4 verticals
- ✍ Setup 100% wholly owned subsidiary in UAE

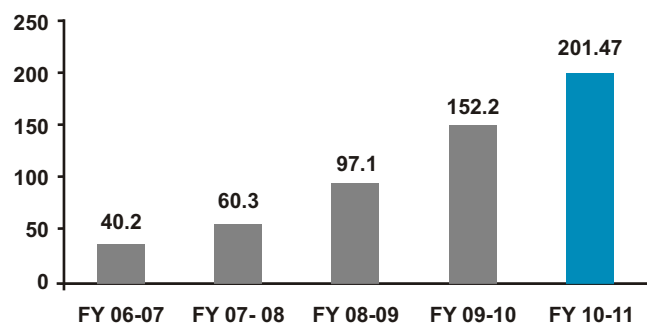
2010-2011

- ✍ CMD Recognized as CEO of Emerging Organizations at Asia Pacific HR Congress 2010
- ✍ Healthcare & Energy key focus verticals
- ✍ Successful IPO, now listed at BSE and NSE

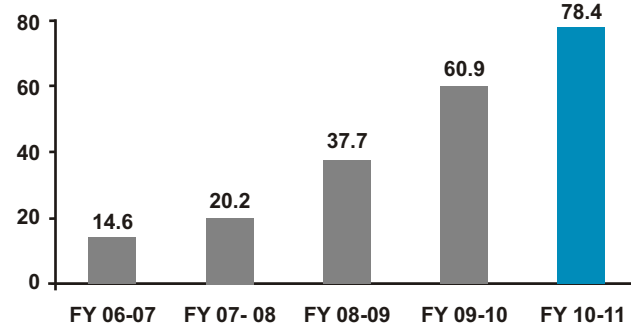


Financial Performance (Consolidated)

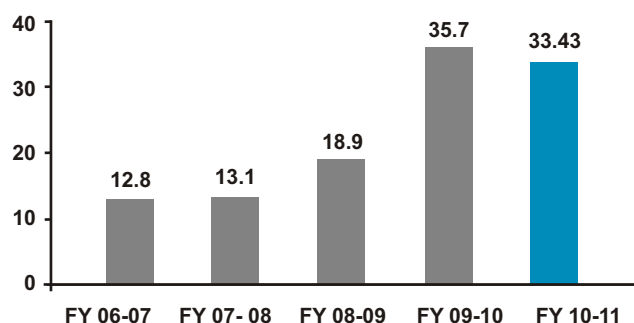
Net Sales (Rs. in Crores)



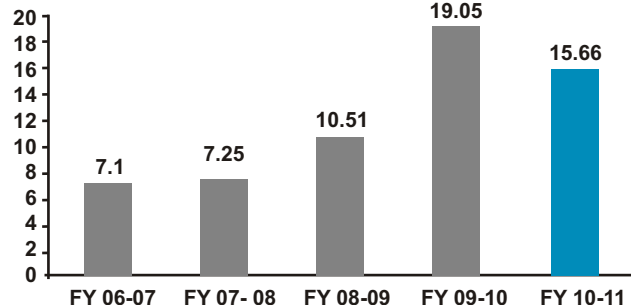
EBITDA (Rs. in Crores)



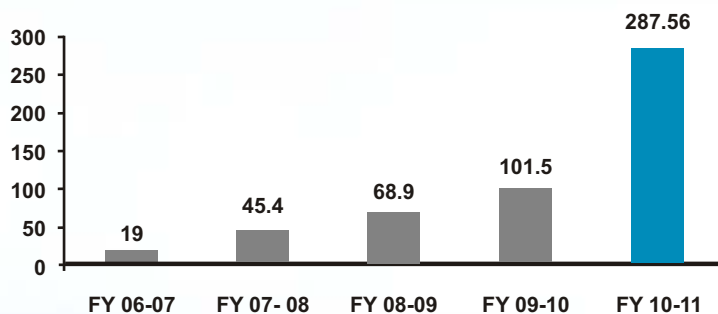
PAT (Rs. in Crores)



EPS (Rs.)



Networth (Rs. in Crores)



Dear Fellow Stakeholders

It is with pleasure that I pen this note to you, the stakeholders of our company which listed recently at the premier Indian stock exchanges post the successful completion of our Initial Public Offering of Rs. 170 crores. At the outset, allow me to thank all of you who participated to make this issue a successful one and for reposing their faith in our business.

Our Operations

We recorded a 32% rise in net sales from operations on the back of strong traction from existing and new customers. Operating profits grew by 30% on account of good business traction and our cost conscious approach.

At the net profit level we witnessed a marginal de-growth of 6%, mainly due to increase in provisions made for depreciation on the assets acquired during the year. Infact there is an increase of 24.70% in cash profit.

Global Headwinds

The global economic scenario remained uncertain following prolonged weakness in the U.S. and European markets and it continues to remain so. Activity is slowing down and downside risks have increased again. Growth in many advanced economies is still weak, considering the depth of the recession that has set in therein.

In India, whereas the economy has been relatively insulated from the global downturn, rising inflation and interest rates have cast an overhang on domestic growth prospects. Nevertheless, the Indian economy continues to be one of the fastest growing economies in the world.

Poised to become a USD 225 billion industry by 2020, as per NASSCOM estimates, the Indian information technology (IT) industry has played a key role in putting India on the global map. The IT-BPO sector has become one of the most significant growth catalysts for the Indian economy.

The sector is estimated to have grown by 19 per cent in the FY2011, clocking revenue of almost USD 76 billion. India's outsourcing industry has witnessed a rebound and registered better than expected growth according to NASSCOM.

The export revenues are estimated to have aggregated to USD 59 billion in FY2011 and contributed 26 per cent as its share in total Indian exports (merchandise plus services), according to a research report 'IT-BPO Sector in India: Strategic Review 2011', published by NASSCOM. Furthermore, the domestic IT-BPO revenues excluding hardware are expected to have grown at almost 16 per cent to reach USD 17.35 billion in FY2011.

Competitive Edge

Our company's competitive edge lies in its niche offerings with strong focus on four major industry sectors such as Infrastructure, BFSI/Retail, Health and Energy.

This diversified product portfolio helps our company to leverage on our domain expertise in addition to offering end-to-end solutions to our customers.

The ability of our teams to consistently deliver value to clients is due to the disciplined implementation of processes across all facets of our business. This foundation governs quality management across our operations and for each stakeholder group. Our strong commitment to operational excellence is also supported by an extensive local and global delivery model.

Our success in meeting client expectations in fiscal 2011 led to significant new contract signings, expanding our relationship with others.

These wins, combined with major contract renewals across our targeted industries, including new revenue opportunities generated through strong customer relationship driven engagements and focused sales and marketing initiatives have enhanced our scale and delivery capabilities. Our focus will continue to be on generating the results our clients need to grow and thrive in their respective industries. Our company has legacy clients, who have remained with us for a long period of time and this augurs well in terms of the stability tenets.

Strategic Inorganic Growth

We have raised funds for acquisition purposes. Our thought process was to acquire companies which compliment our existing portfolio in terms of technology and also enable us to offer end-to-end solutions.

Client base expansion is also the core focus area of our acquisitions. In line with this strategic focus, we acquired Line Beyond Inc, USA and Optech Consulting Inc. USA. These companies provide synergies in terms of client enlargement.

Significant opportunities exist in core verticals (BFSI) and geographic segments (US), and emerging geographic (Asia Pacific) and vertical markets such as retail, healthcare and government. Additionally, the Indian domestic market, with its current low penetration levels, offers significant headroom for growth in the future. Tapping these will be one of our major growth drivers going forward.

Vote of Thanks

The success behind the niche we have created for ourselves amidst the burgeoning numbers of IT service providers emanates from the ownership mentality which is woven into all aspects of our management approach resulting in high accountability and empowerment of all our staff members. Our Company was awarded the 'organization with innovative HR practices' at the Asia-Pacific HRM congress for Global HR Excellence Award, 2010.

I take this opportunity to thank all our stakeholders here for their continued support and look forward to another year of growth driven by innovation.

Chairman & Managing Director

D Ravi Kumar