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Technology Fast50 India 2010
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Winners' report
November 2010
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Overview



Welcome to the sixth Deloitte Technology Fast 50 India program conducted by Deloitte Touche Tohmatsu India Private Limited. The program was initiated in 2005 by Deloitte in line with the regional programs in other parts of the globe – Deloitte Technology Fast 500, which is well established in North America, Europe, Middle East & Africa (EMEA) and Asia, that recognizes the world's fastest growing and dynamic technology companies.

The Technology Fast 50 programs are also independently conducted by Deloitte in other Asia Pacific countries including Australia, China, Japan, Korea, Malaysia, New Zealand, Singapore and Taiwan. All eligible nominations for the Technology Fast 50 programs automatically qualify for participation in the Deloitte Technology Fast 500 Asia Pacific program which recognizes 500 fastest growing technology companies in the Asia Pacific region. Participating companies encompass all technology industry segments including

Software, Telecommunications / Networking, Computers / Peripherals, Internet, Semiconductor, Biotechnology and Media & Entertainment.

It gives us immense pleasure to state that like in the previous years, this year too, the response for the event has been overwhelming. We are indeed grateful to all the technology companies across India that have participated in the Deloitte Technology Fast 50 India 2010 program. We also express our sincere gratitude to those who have been with us in this journey since its inception in 2005. The enthusiasm of these participant companies clearly underscores the importance of sustainable revenue growth in generating shareholder value, creating a strong brand and a dominant space in the global TMT (Technology, Media and Telecommunication) sector.

Congratulations to the Top 3 Indian winning companies that had an average growth rate of 1617 percent over the last three years. The last one year (April 2009-March 2010) has seen the market sentiments remain gloomy in the earlier quarters followed by a rebound in the latter half. Though technology as a sector in itself was relatively less affected by the downtrend, it took the opportunity provided by the relative lull in business to put its house in order. The companies went ahead with several key innovations that has enabled them to make their offerings more relevant to the core business and processes of their customers, reduce the cost of ownership, provide flexibility to choose as per need and above all create an ecosystem for the sector itself to foster more innovation. Growth in Software as a Service (SaaS) and Cloud based offerings corroborates this story.

Results

The Deloitte Technology Fast 50 India Program conducted by Deloitte India, now in its sixth year, ranks the fastest growing technology companies in India based on their percentage revenue growth over the last three financial years.

Despite competitive conditions all round for industry players across India, the 50 companies on our list have managed to achieve an average revenue growth rate of 296 percent over the last three years.

Top 3 winners

The overall winner, with revenue growth rate of 1765 percent is Fatpipe Networks India Limited. This company, which is a new winner of Deloitte Fast 50, is the inventor and multiple patent holder of technology that provides the highest levels of optimization, reliability, security and acceleration of Wide Area Networks (WANs). Fatpipe is an innovative creator of WAN redundancy technology, router clustering, which affords companies automatic and dynamic failover of a downed data line connection due to a WAN component or service failure.

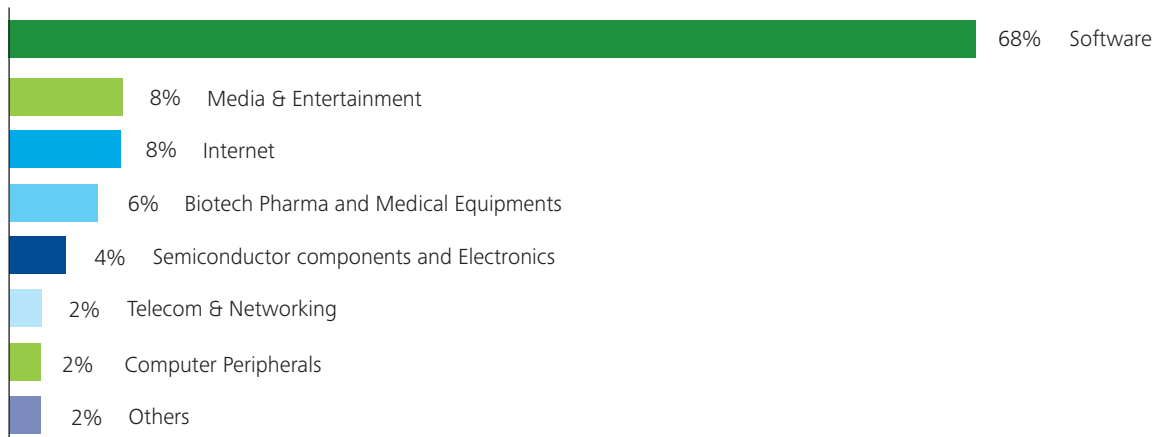
In the second place is Ad2pro Media Solutions Private Limited, another new winner of Deloitte Fast 50 with an

impressive growth rate of 1649 percent. This company is the leading provider of creative design and production services with a focus on marketing communication for all types of media. They have created a Virtual Studio platform that combines creative talent and operational excellence with a strong technology backbone.

The third place is secured by iYogi Technical Services Private Limited, with a growth rate of 1438 percent, which is also a new entrant in the winners list. This is a comprehensive direct-to-consumer and small business remote tech support company. iYogi also offers a range of powerful tools for helping customers maintain technology at peak performance.



Insights



The sector classification of the Top 50 has remained largely the same as previous years except for the emergence of Media and Entertainment sector among the winners.

- The Software** segment has again emerged as the top contributor this year. With the composition of 68% and unlike previous years where Software dominated with around 80% of the winners list, this year has seen a surge among other technology companies which are a little off the well trodden path
- Internet*** and Media & Entertainment are the key sectors which have shown growth compared to the previous year (it holds true for Media & Entertainment even though it is a new classification)
- There is a recurrence in the downtrend shown by Core Telecom, though this needs to be seen in the backdrop of certain MVAS companies still making it to the top while being classified under Software

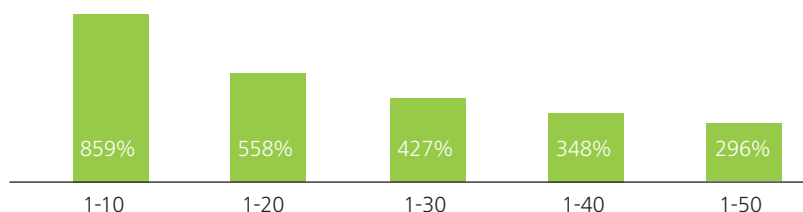
Size composition

Range	2010	2009	2008
Greater than ₹1 bn	26%	44%	54%
Between ₹500 mn and ₹1 bn	16%	8%	8%
Between ₹100 mn and ₹500 mn	28%	26%	18%
Between ₹50 mn and ₹100 mn	14%	10%	10%
Below ₹50 mn	16%	12%	10%

- There is a significant reduction in the larger corporations (> INR 1 billion) from the winners list. Over the last four years, 44 percent to 54 percent of the winners have been from the larger companies (greater than INR 1 billion in turnover) whereas this year it has reduced to 26 percent. This reduction has been offset by a homogenous increase in the smaller clusters
- The mid-sized companies (turnover between INR 500 million to INR 1 billion) have been the best performers and have significantly moved up from their stable state performances in the previous years

Growth Trends

Average growth rate 2010



- The overall average growth rate decreased from 323 percent in 2009 to 296 percent in 2010. But the top companies this year have performed better than the toppers of the previous year. Growth has substantially tapered off in the last quartile of the list. The overall loss of momentum could perhaps be attributed to the financial meltdown of late 2008 / early 2009 – whose impact was felt through the first half of FY 2009-10. Perhaps this is also reflective of the larger trend in the IT sector where the larger companies have taken a much bigger share of the IT spend.

** Mobile VAS, Core IT, BPO, Software Products for various verticals or towards retail user are all clubbed under Software, See analysis in later page for more granular understanding
 *** Internet implies where the entire service delivery transaction is consummated over web, right from reaching out to the target customers, execution of the service and generation of revenue (payments)



Repeat Winners

- There has been a significant decrease, from 28 to 14, in the number of repeat winners this year
- 6 companies have made it to the list four years in a row which highlights the sustainable nature of the growth that these winners enjoy
- A significant number of newer companies have made it to the winners list this year. This combined with the surge in sector specific firms and product companies, perhaps indicates that that Indian technology sector is coming of age and is exploring newer options other than being confined to the generic services mould
- Among the repeat winners many have over past five years grown to a significant size, which is a sign of good momentum

Intra sector insights

Software

- Broad based IT still rules the roost: Among the 34 companies that are classified under software, broad based services oriented IT companies account for 14 (including vertical focused and vertical agnostic ones)
- Coming of age for product companies: 7 of the 34 are either pure product companies or have a strong product orientation. This is a significant increase from previous year's number
- Growth Shifting from equipment vendors and services to applications in telecom space: Telecom (Applications, OSS/BSS) and MVAS & telecom applications focused companies, together account for 7 of the software companies as compared to just 1 core telecom company in the list
- Clear verticals of choice emerge: Banking, Telecom, Education and Travel seems to be the preferred vertical of those focused companies (products and/or services who have made it to the list)
- Service and Solutions focussed companies are not many: Security emerges as a key area here along with companies having a certain degree of focus on Managed Services
- ITES flat, but Analytics going strong: Though ITES as an overall segment has 4 winners, analytics accounts for 3 among these

Internet

As an indicator towards the breadth of services that web based companies can offer, each of the winners cater to a very different need of a very different segment.

Media & Entertainment

Though a new segment, we believe that this could see significant growth from sub-segments like Digital Marketing in the near future. Somewhere a convergence with Internet will be a key driver in this segment.

CEO Survey

A survey of CEOs of the Technology Fast 50 India nominated companies clearly indicates that a sense of optimism and growth reigns in the market. For those companies whose target market had suffered during the downturn, the overall impact of such an event on the demand as well as the supply side has been mixed. However, we cannot infer any significant impact on the revenue, margin, growth and pricing in one hand and cost and availability of labour, capital and acquisition targets on the other.

The survey indicates that acceleration of demand from the target industry segment and geographical diversification are the two key drivers that will propel the growth in the industry.

The winners

S No.	Company Name	%Revenue Growth	Industry Sector
1	Fatpipe Networks India Limited	1765%	Telecommunications/Networking
2	Ad2pro Media Solutions Private Limited	1649%	Media and Entertainment
3	iYogi Technical Services Private Limited	1438%	Computers/Peripherals
4	Pilani Soft Labs Private Limited	1025%	Internet
5	Vriti Infocom Private Limited	687%	Internet
6	Nexus Techno Solutions Private Limited	433%	Software
7	Nitor Infotech Private Limited	420%	Software
8	Mobien Technologies Private Limited	416%	Software
9	I-Create Software India Pvt Ltd.	400%	Software
10	Kuliza Technologies Private Limited	361%	Software
11	IDenizen Smartware Private Limited	353%	Software
12	PK Online Ventures Pvt. Ltd.	310%	Media and Entertainment
13	SMS Country Networks Private Limited	292%	Software
14	UFO Moviez India Limited	278%	Media and Entertainment
15	ZNet Technologies Pvt.Ltd.	268%	Internet
16	Quick Heal Technologies Private Limited	244%	Software
17	Nazara Technologies Private Limited	227%	Software
18	Manipal Universal Learning Private Limited	221%	Software
19	INDIAIDEAS.COM LIMITED	185%	Internet
20	Fin-e-ssential Infotech India Limited	181%	Software
21	Sai Infosystem (India) Ltd.	181%	Software
22	Paladion Networks Pvt Ltd	179%	Software
23	Eka Software Solutions Private Limited	175%	Software
24	ValueMomentum Software Services Private Limited	171%	Software
25	NextBIT Computing Private Limited	169%	Semiconductor, Components and Electronics
26	Diksha Technologies Pvt Ltd	164%	Software
27	Seclore Technology Private Limited	162%	Software
28	Opra Systems Private Limited	158%	Biotechnology/Pharmaceutical/Medical Equipment
29	G-Cube Webwide Software (P) Ltd.	153%	Software
30	Manthan Software Services Private Limited	143%	Software
31	Ninestars Information Technologies Limited	139%	Media and Entertainment
32	Glodyne Technoserve Limited	134%	Software
33	RateGain IT Solutions Private Limited	117%	Software
34	LatentView Analytics Private Limited	116%	Software
35	CresTech Software Systems Private Limited	107%	Software
36	3i Infotech Limited	103%	Software
37	Geodesic Limited.	101%	Software
38	Anantara Solutions Private Limited	101%	Software
39	Strand Life Sciences Private Limited	100%	Biotechnology/Pharmaceutical/Medical Equipment
40	Quality Engineering and Software Technologies Private Limited	98%	Software
41	IMI Mobile Private Limited	98%	Software
42	ValueFirst Messaging Private Limited	97%	Software
43	AurionPro Solutions Limited	91%	Software
44	Camson Bio Technologies Limited	91%	Biotechnology/Pharmaceutical/Medical Equipment
45	Intarvo Technologies Limited	88%	Others
46	Cross-Tab Marketing Services Pvt. Ltd.	85%	Software
47	ICSA (India) Limited	85%	Semiconductor, Components and Electronics
48	Mindteck (India) Limited	81%	Software
49	Micro Technologies (India) Limited	80%	Software
50	MphasiS Limited	76%	Software

Eligibility Criteria

For a Company to participate in the Deloitte Technology Fast 50 India 2010 Program, they were required to:

- Be a technology company, defined as:
 - Owns proprietary technology that contributes to a significant portion of the company's operating revenues
 - Or
 - Manufacture a technology-related product
 - Or
 - Devotes a significant proportion of operating revenues to research and development of technology
 - Or
 - Be technology intensive, or use unique technology to solve problems
- Operating revenues must be at least USD 50,000 in the first year of the three years being analyzed
- Be in business a minimum of three years
- Be headquartered within India

Subsidiaries or divisions were not eligible (unless they had some public ownership and are separately traded).



About Deloitte

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Technology Fast 50 India 2010

Technology, Media and Telecommunications

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