

# ONTRACK SYSTEMS LIMITED



## Company Background

Ontrack Systems is a global IT and ITES company, which provides managed services, software development, maintenance and implementation services across various industry verticals. It was incorporated in 1988 and has been awarded an ISO 9001:2000 certification.

The company has an operating arm, Global Delivery Centre, in Kolkata for providing on-site, off-site and offshore services to its clients across diverse industries. This centre caters to European, North American and Asian clients.

Ontrack has forged strategic alliances with some of the leading players in the market such as Novell, IBM, Oracle, Microsoft and Compaq. The company has a global presence through its subsidiaries in the UK, USA, UAE and Holland. In addition, it has two overseas branches in Germany and Japan.

It recorded a turnover of EUR 4.67 million for 2004-05, a 23.52-per cent increase over the previous year. Its operating profit for 2004-05 stood at EUR .517 million, a 14.4-per cent increase over the previous year.

## Ontrack Systems Limited in the EU

The EU is a strategic market for the company, which is highlighted by the fact that that Europe contributed 74 per cent to its revenue in FY05. It is concentrating on the EU and expects to generate significant business from the region.

## Ontrack Systems Limited in the UK

Ontrack Systems (UK) Limited is a 100-per cent subsidiary of Ontrack Systems Limited. Its offices in the UK are located in Harrow and Maidenhead. The Maidenhead office also serves as the global sales headquarters for the company.

Ontrack UK focusses on providing Bespoke Development Services. It provides IT solutions to its customers, including IT services, software development, SAP solutions, networking, and consultancy and managed services. The company offers the following three broad lines of services:

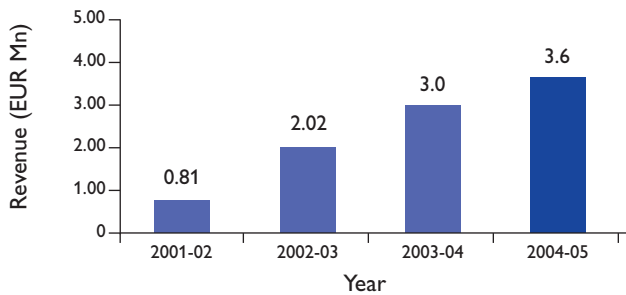
- **IT-managed services:** It is the core business line of Ontrack Systems (UK) Limited, contributing approximately 50-55 per cent to the total revenues.
- **Application development:** This is another important functional area of the company. It contributes approximately 25 per cent to the company's total revenues.
- **Placement services:** Ontrack UK also provides placement and consulting services.

Ontrack's customer base in the UK includes companies such as Buchham Ltd., Mitsui & Co. Plc., UK, and a Fortune-10 corporation. The company has established a back-up and disaster recovery centre in Cardiff, UK, which provides information security-managed services on a global scale. It also controls Ontrack Systems' global operations.

Ontrack Systems (UK) Limited contributed approximately 76 per cent to the total revenues of Ontrack Systems. It recorded sales of EUR 3.48

million in 2004-05, a 21.3-per cent increase over the previous year's figure of EUR 2.87 million. The operating profits increased by 39.25 per cent over the previous year to EUR 0.13 million in the year 2004-05.

Revenue of Ontrack Systems (UK) Limited:  
2002-05 (EUR million)



Source: Company Annual Report

### Ontrack in the Netherlands

Ontrack Systems BV is a subsidiary of Ontrack Systems (India) Ltd. in the Netherlands. It is an end-to-end IT solutions provider and offers software expertise.

## Factors for Success

### Targeting Niche Segments

Ontrack is one of the niche players in the enterprise networking segment and is focussed on systems integration, hardware maintenance and software development. In 2002, Ontrack entered into a joint venture by acquiring a 50-per cent equity stake in the UK-based Personalmedic Limited. This gave the company the required thrust to its presence in the software application services in the healthcare segment.

### Tapping Foreign Market Potential

Ontrack Systems recognised Europe as the second-largest software export destination for Indian software firms. In line with this recognition, it established its wholly owned overseas subsidiary, Ontrack Systems (UK) Limited, in Maidenhead, UK,

in 2001 to cater to its clients across Asia, North America and Europe. In 2005, approximately three-quarters of the total revenues of the company were generated by its UK operations.

### Leveraging Expertise

Ontrack Systems has a dedicated team of experts, who provide solutions to its global clients across diverse industry verticals. The development centres in India and the UAE further augment the company's knowledge and expertise by providing support services. The company leverages software development centres in different parts of the world to provide high-quality solutions at competitive prices.

### Focussing on Relationship Building

Ontrack Systems concentrated on building strong and enduring relationships with multinational firms that could be prospective clients for its IT-service offerings. Ontrack attended various high-level summits, such as the FT-NASSCOM IT Summit, organised by top government organisations in Europe. These helped the company in client interaction and relationship building through one-to-one client sessions.

### Future Plans

Ontrack has established a presence in the EU through mergers and acquisitions. The company plans to chart out a similar growth map in the future, and it is holding talks for acquisitions in the UK and continental Europe.

On an organic basis, the company plans to grow by 20-25 per cent, while maintaining its margins. It plans to expand internally by increasing the manpower in its current offices. This is expected to enable it in fulfilling its long-term goals.

[www.ontrackuk.net](http://www.ontrackuk.net)