



# Analytical Review of Q1 2016 Results



# Disclaimer



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## Q1 - 2016

- Revenue Rs. 141.87 crores (US\$ 21.02 mn) compared to Rs. 150.79 (US\$ 24.23 mn) in Q1, 2015 and Rs. 145.78 (US\$ 22.06 mn) in Q4, 2015. QoQ decrease of 2.69% .
- EBITDA Rs. 13.31 crores (US\$ 1.97 mn) compared to Rs. 15.65 crores (US\$ 2.51 mn) in Q1, 2015 and Rs. 15.08 crores (US\$ 2.27 mn) in Q4, 2015. QoQ decrease of 11.73%.
- Profit After Tax Rs. 7.64 crores (US\$ 1.13 mn) compared to Rs. 8.20 crores (US\$ 1.32 mn) in Q1, 2015 and Rs. 23.29 crores (US\$ 3.52 mn) in Q4, 2015
- Profit After Tax for Q4, 2015 includes Rs. 10.66 crores (US\$ 1.60 mn) as exceptional - non recurring profit.
- Earnings per share of Re. 0.60 as against Re. 0.64 in Q1, 2015 and Rs. 1.84 in Q4, 2015.

## Key Highlights (Continues...)



- Telecom and Digital Media continues to be our largest industry vertical with ~ 30% share of revenues.
- Serving 21 million dollar plus customers on run rate basis.
- Added 7 key customer during the quarter.
- Margins were impacted by salary raises primarily at offshore centre, project ramp up costs as offset by operational efficiencies and strengthening of US Dollar.
- Strong Balance Sheet with:
  - Share Holder Funds - Rs. 254.68 crores or \$ 38.44 mn.
  - Cash & bank balances - Rs. 98.96 crores or \$ 14.94 mn.

# Financial Performance - Contribution Analysis – Q1 2016



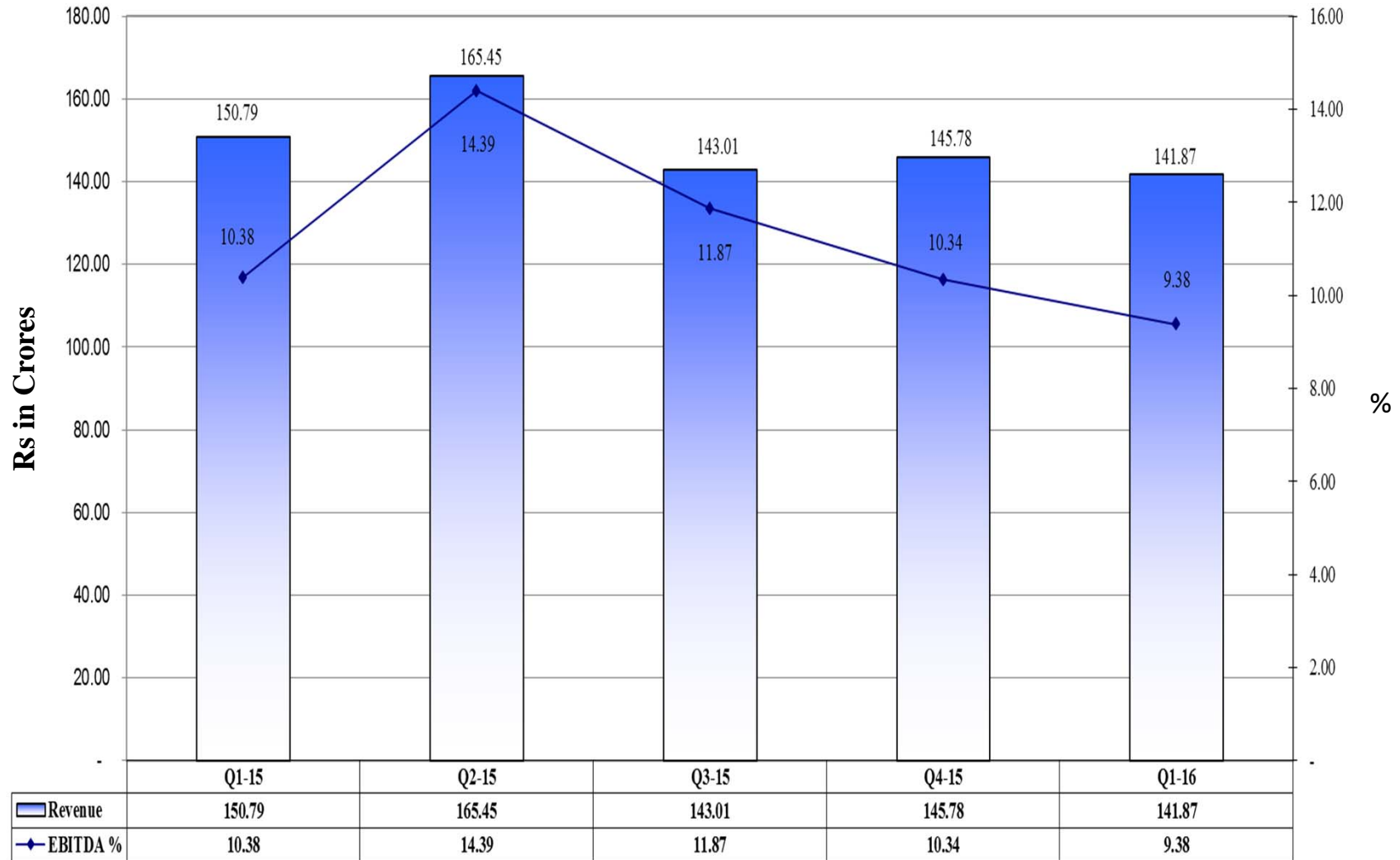
(Figures in mn, except per share data)

Particulars	Q1 2016		Q1 2015		Q4 2015	
	INR	US\$	INR	US\$	INR	US\$
<b>Revenues</b>	<b>1,418.69</b>	<b>21.02</b>	<b>1,507.86</b>	<b>24.23</b>	<b>1,457.84</b>	<b>22.06</b>
Cost of revenues	935.88	13.87	994.35	15.98	975.76	14.78
<b>Gross margin</b>	<b>482.81</b>	<b>7.15</b>	<b>513.51</b>	<b>8.25</b>	<b>482.08</b>	<b>7.28</b>
	34.03%		34.06%		33.07%	
<b>SG &amp; A</b>						
Expenses	349.74	5.18	357.04	5.74	331.33	5.01
	24.65%		23.68%		22.73%	
<b>EBITDA</b>	<b>133.07</b>	<b>1.97</b>	<b>156.47</b>	<b>2.51</b>	<b>150.75</b>	<b>2.27</b>
	9.38%		10.38%		10.34%	
Depreciation and amortization	28.31	0.42	45.89	0.73	33.01	0.50
<b>Income from operations before exceptional items</b>	<b>104.76</b>	<b>1.55</b>	<b>110.58</b>	<b>1.78</b>	<b>117.74</b>	<b>1.77</b>
Exceptional items			-	-	36.96	0.49
<b>Income from operations</b>	<b>104.76</b>	<b>1.55</b>	<b>110.58</b>	<b>1.78</b>	<b>154.70</b>	<b>2.26</b>
Interest expense	(0.31)	(0.00)	(0.22)	(0.00)	(0.35)	(0.00)
Other income (net)	21.74	0.32	20.02	0.32	35.40	0.54
<b>Income before income tax</b>	<b>126.19</b>	<b>1.87</b>	<b>130.38</b>	<b>2.10</b>	<b>189.75</b>	<b>2.80</b>
Income tax expense / (benefit)	49.82	0.74	48.39	0.78	(43.15)	(0.72)
<b>Net earnings</b>	<b>76.37</b>	<b>1.13</b>	<b>81.99</b>	<b>1.32</b>	<b>232.90</b>	<b>3.52</b>
<b>Earnings per share (Face value of Re. 1/- each)</b>						
Basic	<b>0.60</b>	<b>0.01</b>	<b>0.64</b>	<b>0.01</b>	<b>1.84</b>	<b>0.03</b>
Diluted	<b>0.60</b>	<b>0.01</b>	<b>0.64</b>	<b>0.01</b>	<b>1.84</b>	<b>0.03</b>

## Movement in Gross Margin % Q1-16 Vs Q4-15

Gross Margin % in Q4-15	33.07
Impact of increase in utilization	1.26
Impact of rupee depreciation	0.41
Impact of salary increase mainly at offshore Centre	(0.71)
Gross Margin % in Q1-16	34.03

# Revenues and Margins, Historical Trend



# Consolidated Key Balance Sheet Data

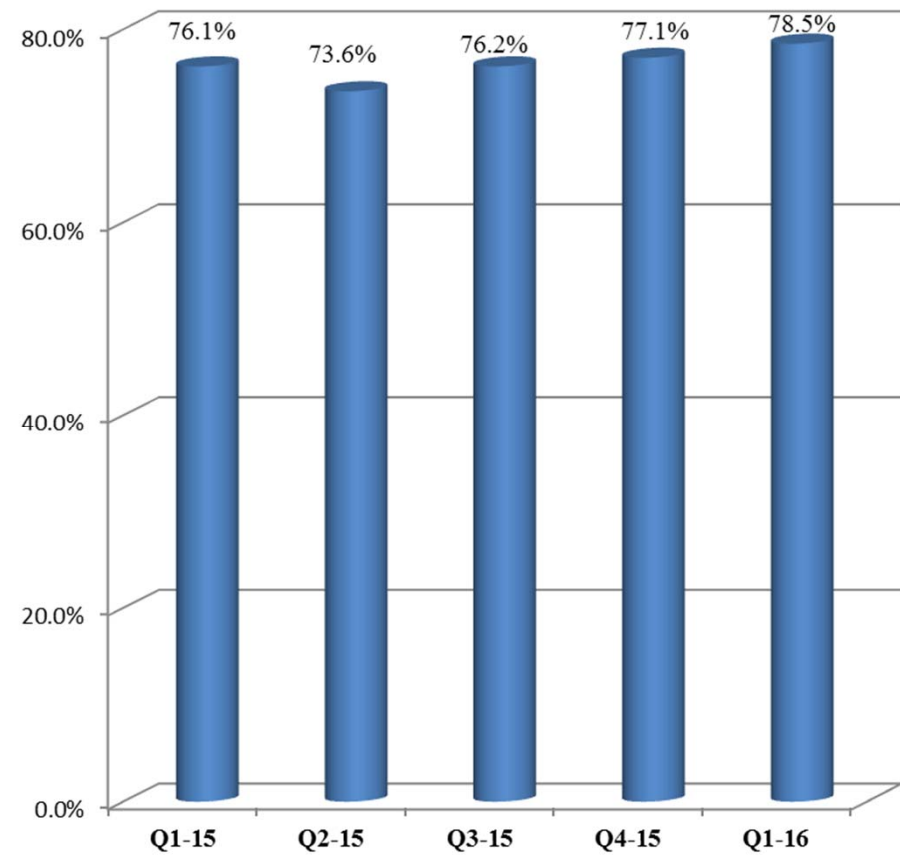
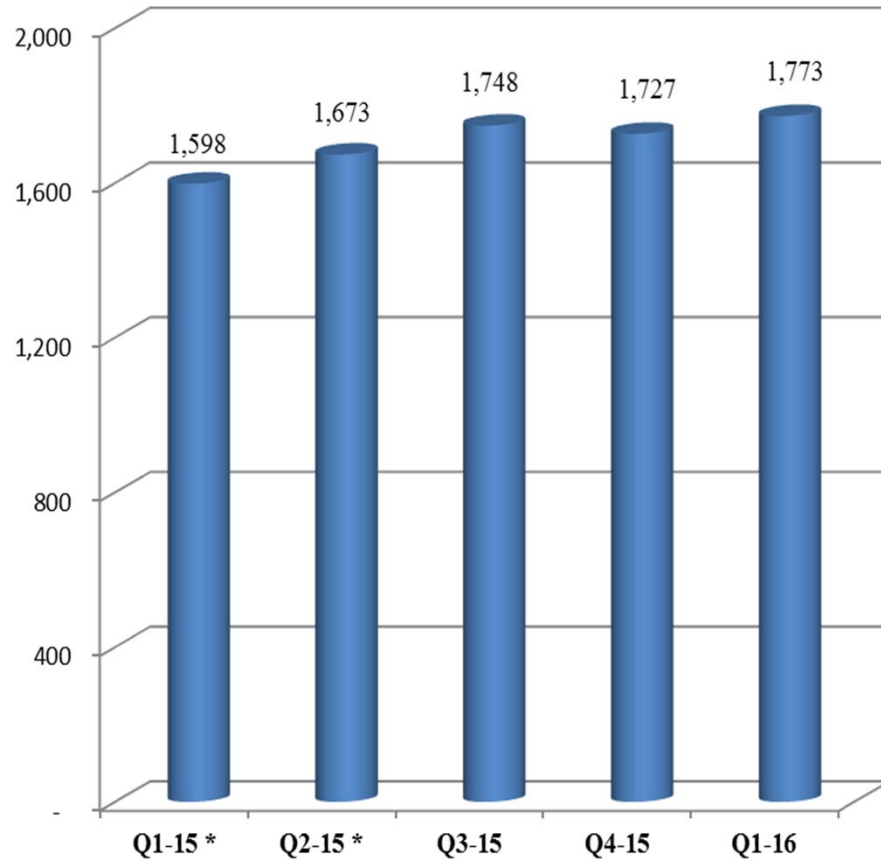


Rupees in Crores except "DSO"

	As at Mar 31, 2016	As at Dec 31, 2015
Share Holders' Funds	254.68	242.86
Receivables	103.25	104.63
Receivables in days "DSO" for the quarter	55	49
Cash & Bank	98.96	92.20
Fixed Assets	31.81	32.02



# Billable Head Count and Utilization

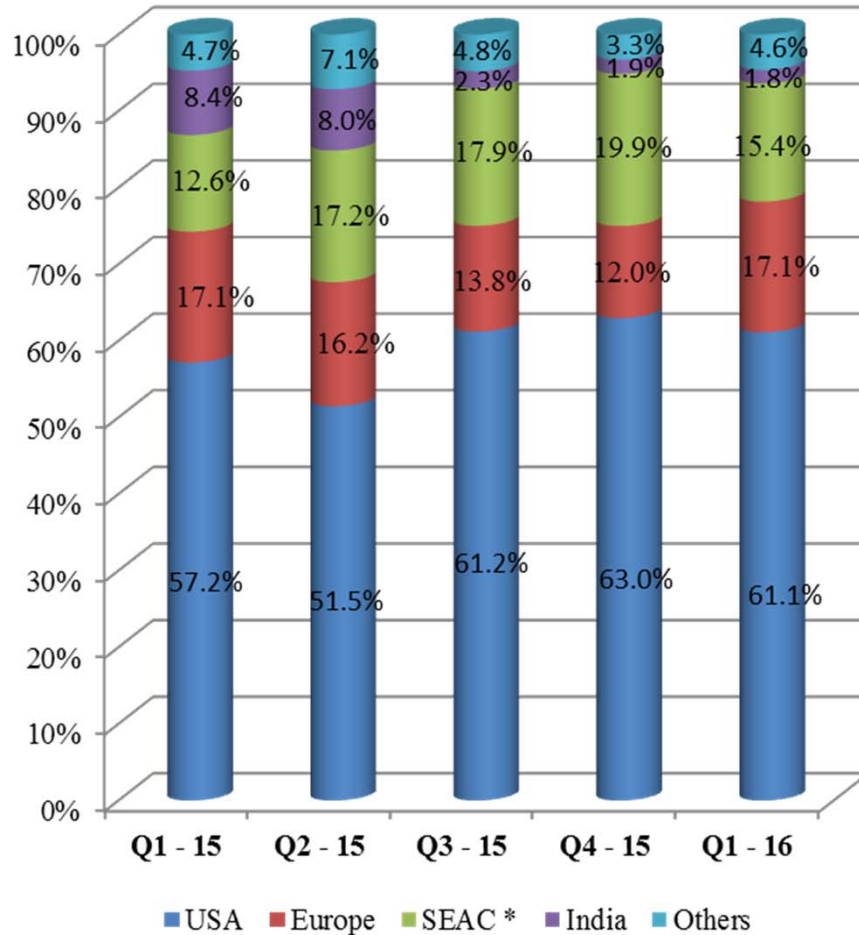


\* Excluding Indus

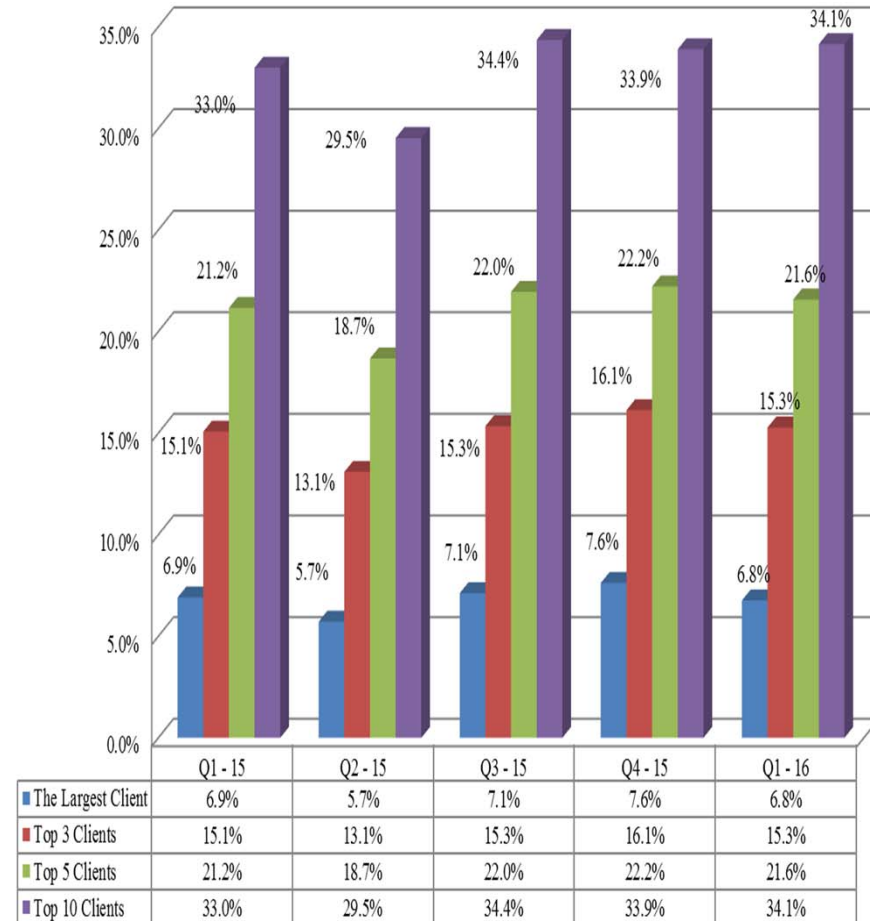
# Yearly Revenue Break-Down



## By Geography



## Client Concentration



\* South East Asian Countries

- Q1 2016 results were mainly impacted by salary raises & start up cost for the new projects.
- Added about 50 net billable count over the quarter to cater sales pipeline.
- Rupee depreciation is helping our margin.
- Continuous focus for the year 2016:
  - Deepen the partnership with clients to strategize their IT needs through industry specific innovative services and solutions;
  - Continue to invest in innovation around people, processes and technologies;
  - Strengthening offerings horizontally with Mobility and Analytics;
  - Strong balance sheet to invest for future growth.

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