



# **Analytical Review of Q3 2017 Results**

# Disclaimer



**“Investors are cautioned that this presentation contains forward looking statements that involve risks and uncertainties. The Company undertakes no obligation publicly to update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Actual results, performance, or achievements could differ from those expressed or implied in such forward-looking statements.”**

## Key Highlights – Q3 2017



- Revenue Rs. 144.89 crores (US\$ 22.53 mn) compared to Rs. 144.11 crores (US\$ 21.53 mn) in Q3, 2016 and Rs. 147.92 crores (US\$ 22.91 mn) in Q2, 2017.
- EBITDA Rs. 11.32 crores (US\$ 1.75 mn) compared to Rs. 15.94 crores (US\$ 2.38 mn) in Q3, 2016 and Rs. 5.74 crores (US\$ 0.89 mn) in Q2, 2017.
- Profit After Tax Rs. 6.43 crores (US\$ 0.99 mn) compared to Rs. 10.77 crores (US\$ 1.61 mn) in Q3, 2016 and Rs. 4.66 crores (US\$ 0.72 mn) in Q2, 2017.
- Earnings per share of Re. 0.52 as against Re. 0.85 in Q3, 2016 and Re. 0.38 in Q2, 2017.

## Key Highlights (Continues...)



- Telecom and Digital Media continues to be our largest industry vertical with ~ 28% share of revenues.
- Serving 22 million dollar plus customers on run rate basis.
- 6 key wins during the quarter.
- Q3 Margins improved as against Q2 but remain muted due to strengthening of the INR and investment in newer technologies and sales activities.
- Strong Balance Sheet with:
  - Share Holder Funds - Rs. 297.30 crores or \$ 45.54 mn.
  - Cash & bank balances - Rs. 151.81 crores or \$ 23.25 mn.

# Financial Performance - Contribution Analysis – Q3 2017



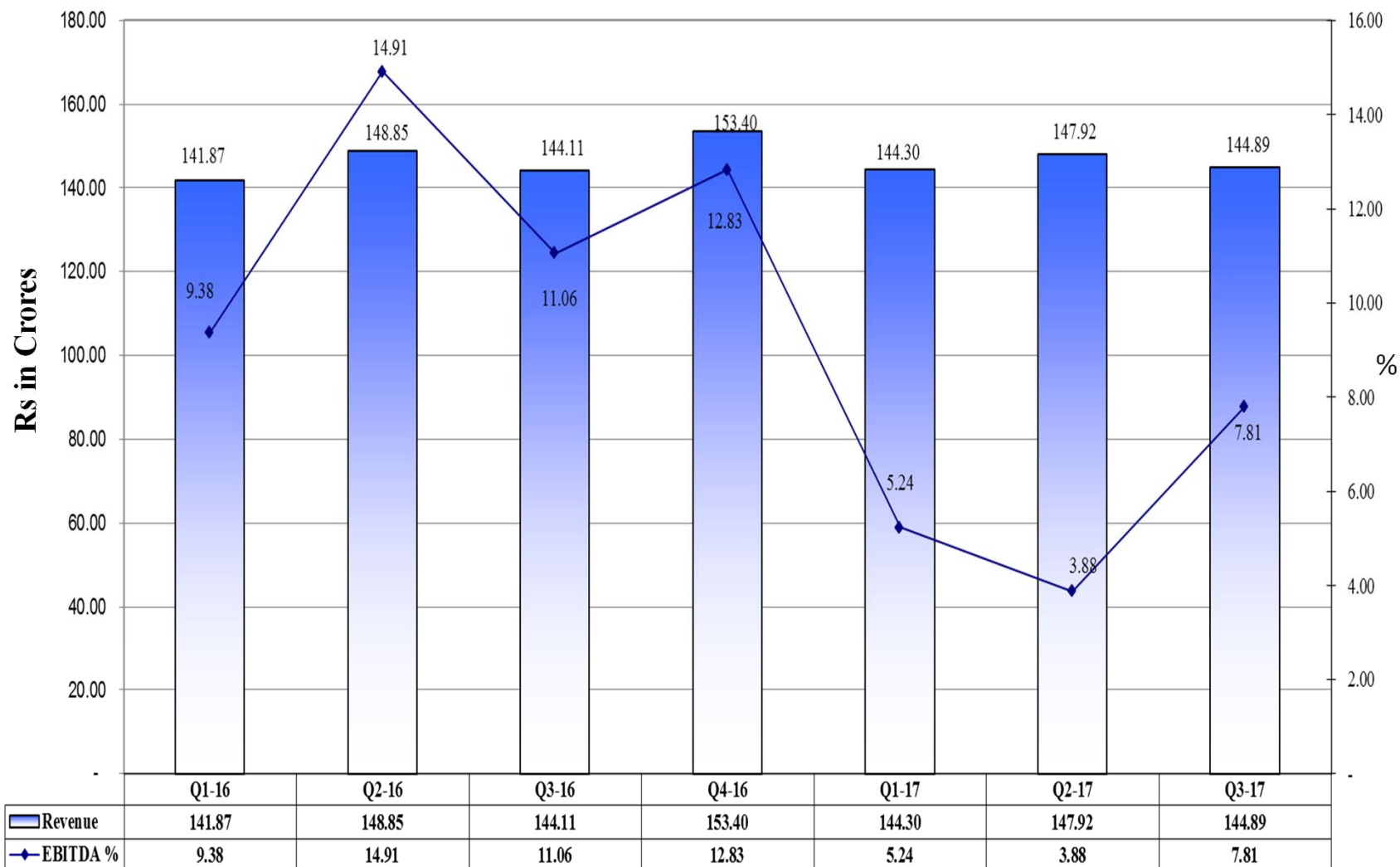
(Figures in mn)

Particulars	Q3 2017		Q3 2016		Q2 2017	
	INR	US\$	INR	US\$	INR	US\$
<b>Revenues</b>	<b>1,448.91</b>	<b>22.53</b>	<b>1,441.13</b>	<b>21.53</b>	<b>1,479.24</b>	<b>22.91</b>
Cost of revenues	1,016.13	15.80	949.80	14.19	1,026.48	15.90
<b>Gross margin</b>	<b>432.78</b>	<b>6.73</b>	<b>491.33</b>	<b>7.34</b>	<b>452.76</b>	<b>7.01</b>
<b>SG &amp; A</b>	<i>29.87%</i>		<i>34.09%</i>		<i>30.61%</i>	
Expenses	319.58	4.98	331.89	4.96	395.38	6.12
	<i>22.06%</i>		<i>23.03%</i>		<i>26.73%</i>	
<b>EBITDA</b>	<b>113.20</b>	<b>1.75</b>	<b>159.44</b>	<b>2.38</b>	<b>57.38</b>	<b>0.89</b>
	<i>7.81%</i>		<i>11.06%</i>		<i>3.88%</i>	
Depreciation and amortization	30.07	0.47	29.83	0.44	30.39	0.47
<b>Income from operations</b>	<b>83.13</b>	<b>1.28</b>	<b>129.61</b>	<b>1.94</b>	<b>26.99</b>	<b>0.42</b>
Interest expense	(0.53)	(0.01)	(0.33)	(0.01)	(0.65)	(0.01)
Other income (net)	14.91	0.24	34.49	0.52	31.31	0.49
<b>Income before income tax</b>	<b>97.51</b>	<b>1.51</b>	<b>163.77</b>	<b>2.45</b>	<b>57.65</b>	<b>0.90</b>
Income tax expense	33.20	0.52	56.10	0.84	11.02	0.18
<b>Net earnings</b>	<b>64.31</b>	<b>0.99</b>	<b>107.67</b>	<b>1.61</b>	<b>46.63</b>	<b>0.72</b>

## Movement in Gross Margin % Q3-17 Vs Q2-17

Gross Margin % in Q2-17	30.61
Impact of lower billable days	(1.06)
Impact of rupee depreciation primarily against EURO	0.18
Impact of decrease in other COGS	0.14
Gross Margin % in Q3-17	29.87

# Revenues and Margins, Historical Trend



# Consolidated Key Balance Sheet Data



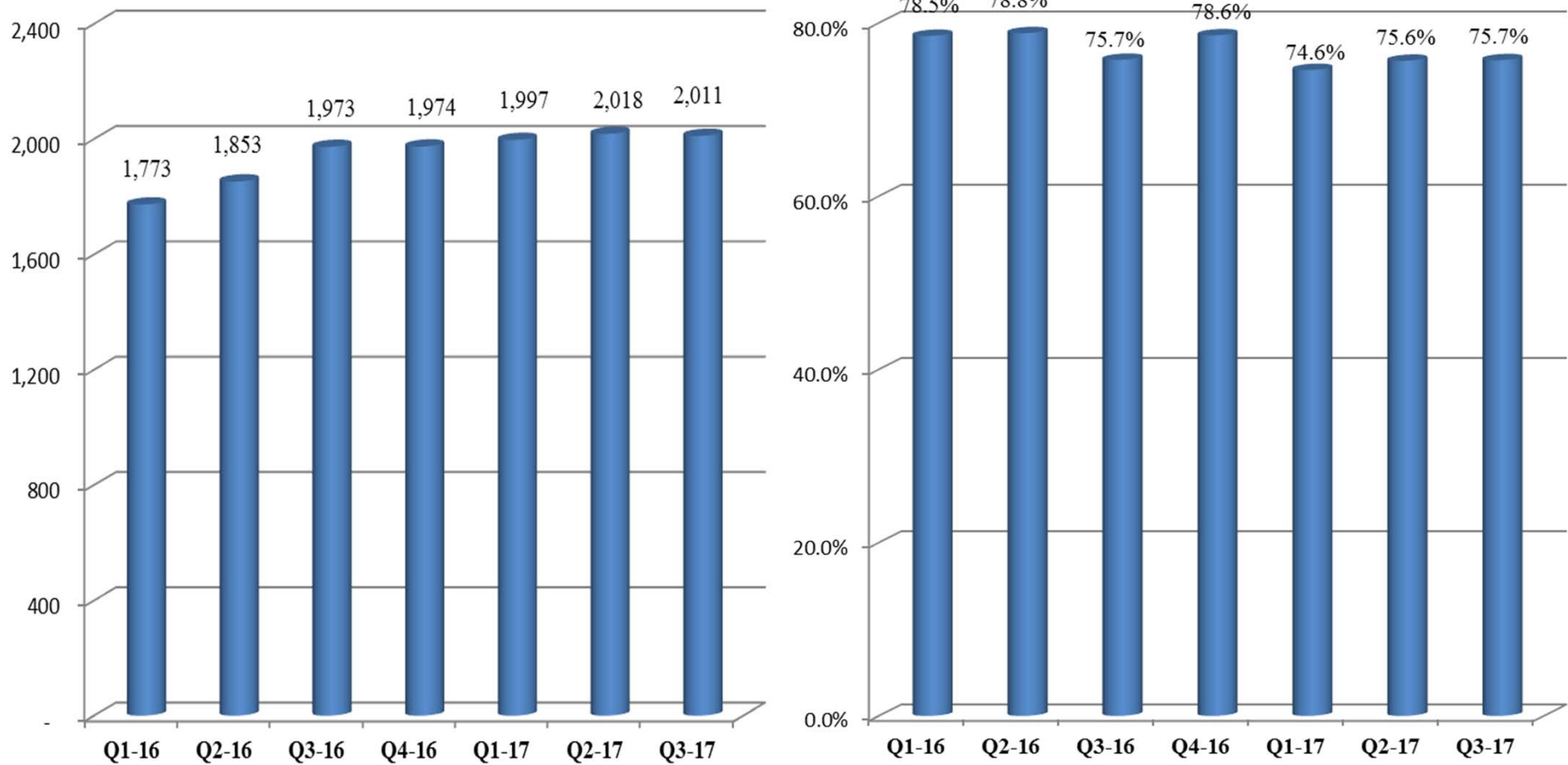
Rupees in Crores except "DSO"

	As at Sep 30, 2017	As at Jun 30, 2017
Share Holders' Funds	297.30	286.84
Receivables	101.93	103.63
Receivables in days "DSO" for the quarter	49	48
Cash & Bank *	151.81	135.09
Fixed Assets	33.03	33.82

\* Including investments in liquid funds and fixed deposits with banks



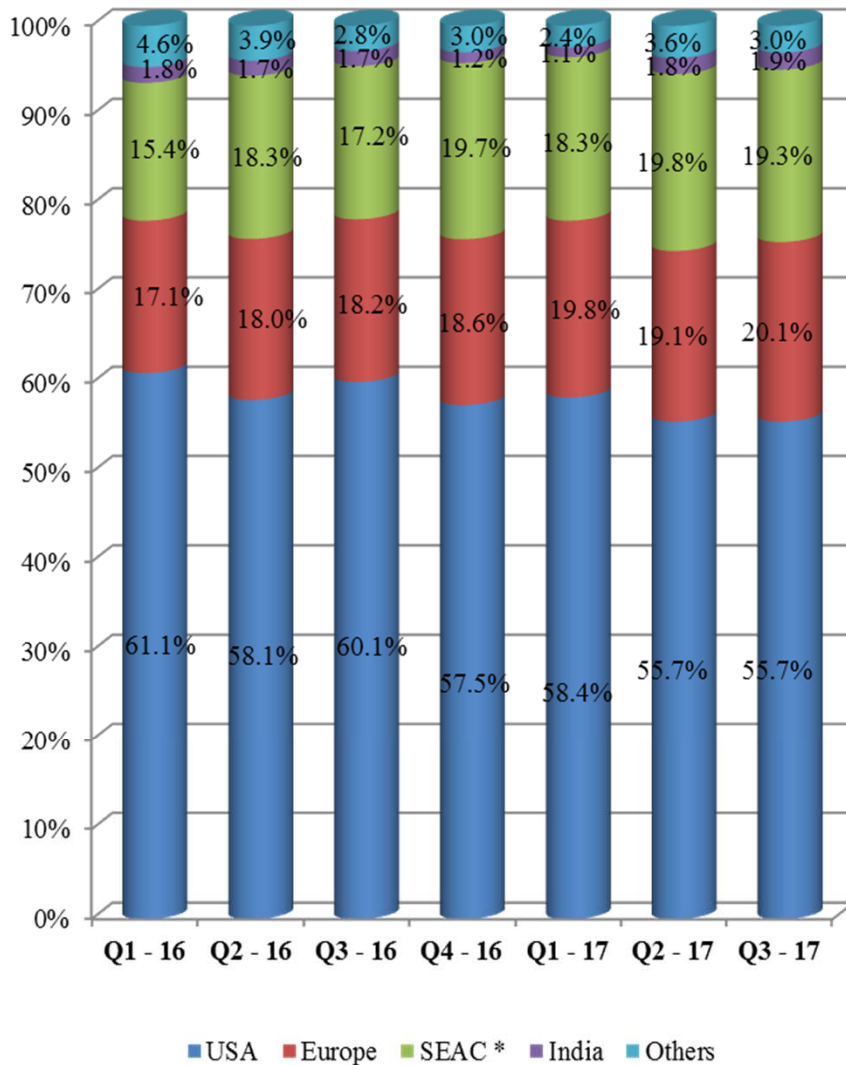
# Billable Head Count and Utilization



# Yearly Revenue Break-Down

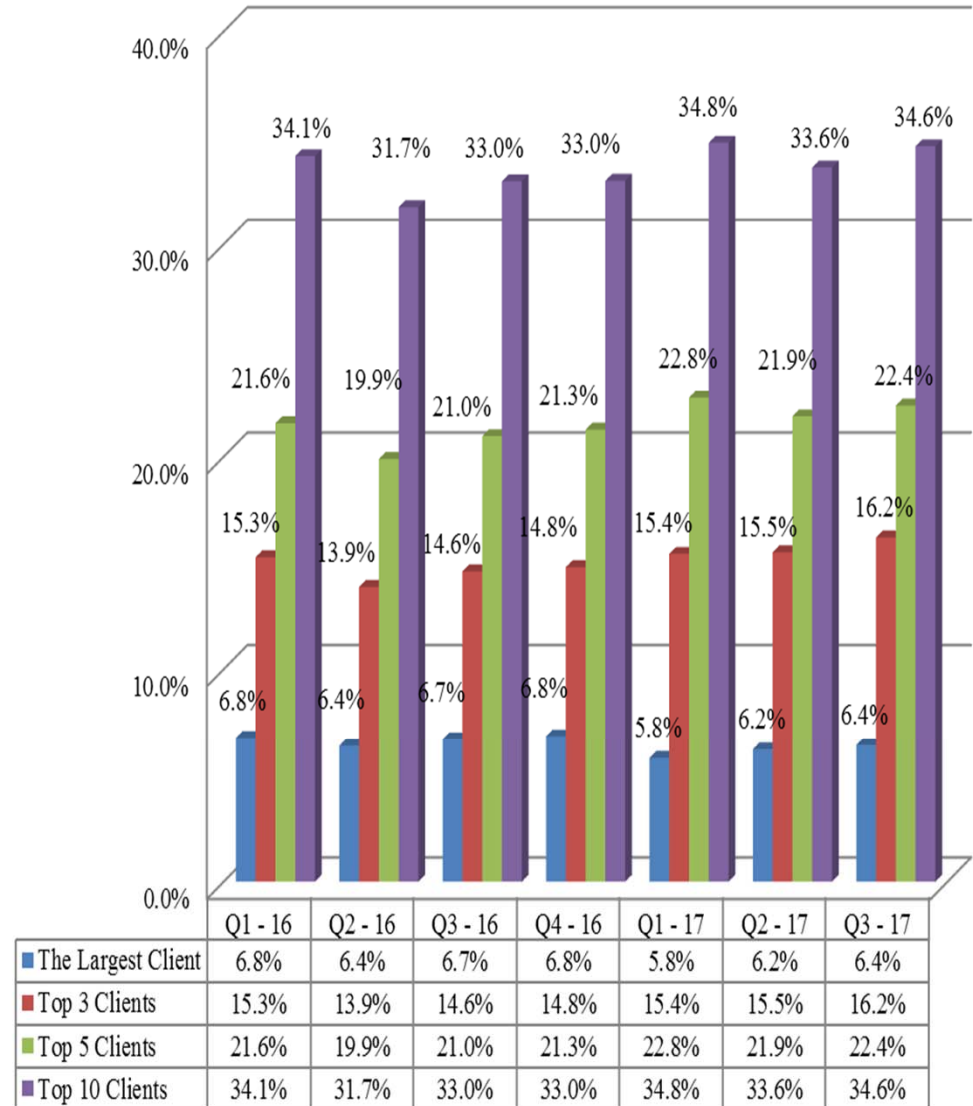


## By Geography



\* South East Asian Countries

## Client Concentration



- Performance for the Year 2017 was impacted by Rupee appreciation and investment in newer technologies and sales activities.
- Strong Cash Balance Rs 152 crores to grow organic and inorganic.
- Business environment is encouraging for digital technologies.
- Our digital and sales activity investments are gaining traction but will take a quarter or so to give visible results.
- Continue Focus for 2017:
  - Partnering with clients in building robust and agile digital ecosystems;
  - Strengthening offerings around digital technologies;
  - Software engineering to be the driver for profitable growth.
  - Strong balance sheet to invest for future growth.

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For Your Support**