



Analytical Review of Q4 & Year 2017 Results



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Q4-2017

- Revenue Rs. 155.52 Cr (US\$ 24.01 mn). QoQ increase 7.34% (6.57 % in US\$)
- EBITDA Rs. 10.34 Cr (US\$ 1.60 mn) i.e. 6.7% of revenue as against 7.8% in Q3 2017.
- Net profit after tax Rs. 8.12 Cr (US\$ 1.25 mn) as against Rs 6.43 Cr (US\$ 0.99 mn) in Q3 2017.

FY 2017

- Revenue Rs. 592.64 Cr (US\$ 91.01 mn.). YoY increase by 0.75% (3.96% in US\$).
- EBITDA Rs. 34.97 Cr (US\$ 5.37 mn.) i.e. 5.9% of revenue as against 12.1% in 2016.
- Net profit Rs 24.48 Cr (US\$ 3.76 mn) as against Rs 53.69 Cr (US\$ 7.99 mn) in 2016.

Key Highlights (Continues...)



- Telecom and Digital Media continues to be our largest industry vertical with 26% share of revenues.
- Served 21 million dollar plus customers including 4 accounts contributing dollar three million plus revenue during 2017 .
- Added over 16 key clients during 2017.
- Margin were impacted by Rupee appreciation, delay in execution of certain projects, investment in digital technologies and sales activities.
- Strong Balance Sheet with:
 - Share Holder Funds - Rs. 303.3 crores or \$ 47.5 mn.
 - Cash & bank balances - Rs. 160.7 crores or \$ 25.2 mn.

Financial Performance - Contribution Analysis – Q4 2017



(Figures in mn)

Particulars	Q4 2017		Q4 2016		Q3 2017	
	INR	US\$	INR	US\$	INR	US\$
Revenues	1,555.23	24.01	1,534.02	22.75	1,448.91	22.53
Cost of revenues	1,076.61	16.62	998.17	14.80	1,016.13	15.80
Gross margin	478.62	7.39	535.85	7.95	432.78	6.73
SG & A	<i>30.77%</i>		<i>34.93%</i>		<i>29.87%</i>	
Expenses	375.19	5.79	339.00	5.03	319.58	4.98
	<i>24.12%</i>		<i>22.10%</i>		<i>22.06%</i>	
EBITDA	103.43	1.60	196.85	2.92	113.20	1.75
	<i>6.65%</i>		<i>12.83%</i>		<i>7.81%</i>	
Depreciation and amortization	30.78	0.48	28.94	0.42	30.07	0.47
Income from operations before exceptional items	72.65	1.12	167.91	2.50	83.13	1.28
Exceptional items	-	-	46.35	0.69	-	-
Income from operations	72.65	1.12	214.26	3.19	83.13	1.28
Interest expense	0.39	0.01	(0.41)	(0.01)	(0.53)	(0.01)
Other income (net)	49.41	0.76	32.12	0.47	14.91	0.24
Income before income tax	122.45	1.89	245.97	3.65	97.51	1.51
Income tax expense	41.21	0.64	59.99	0.89	33.20	0.52
Net earnings	81.24	1.25	185.98	2.76	64.31	0.99

Movement in Gross Margin % Q4-17 Vs Q3-17

Gross Margin % in Q3-17	29.87
Impact of increase in utilization	1.62
Impact of Rupee depreciation	0.18
Increase in retirement and year end provisions	(0.90)
Gross Margin % in Q4-17	30.77

Financial Performance - Contribution Analysis – Year 2017



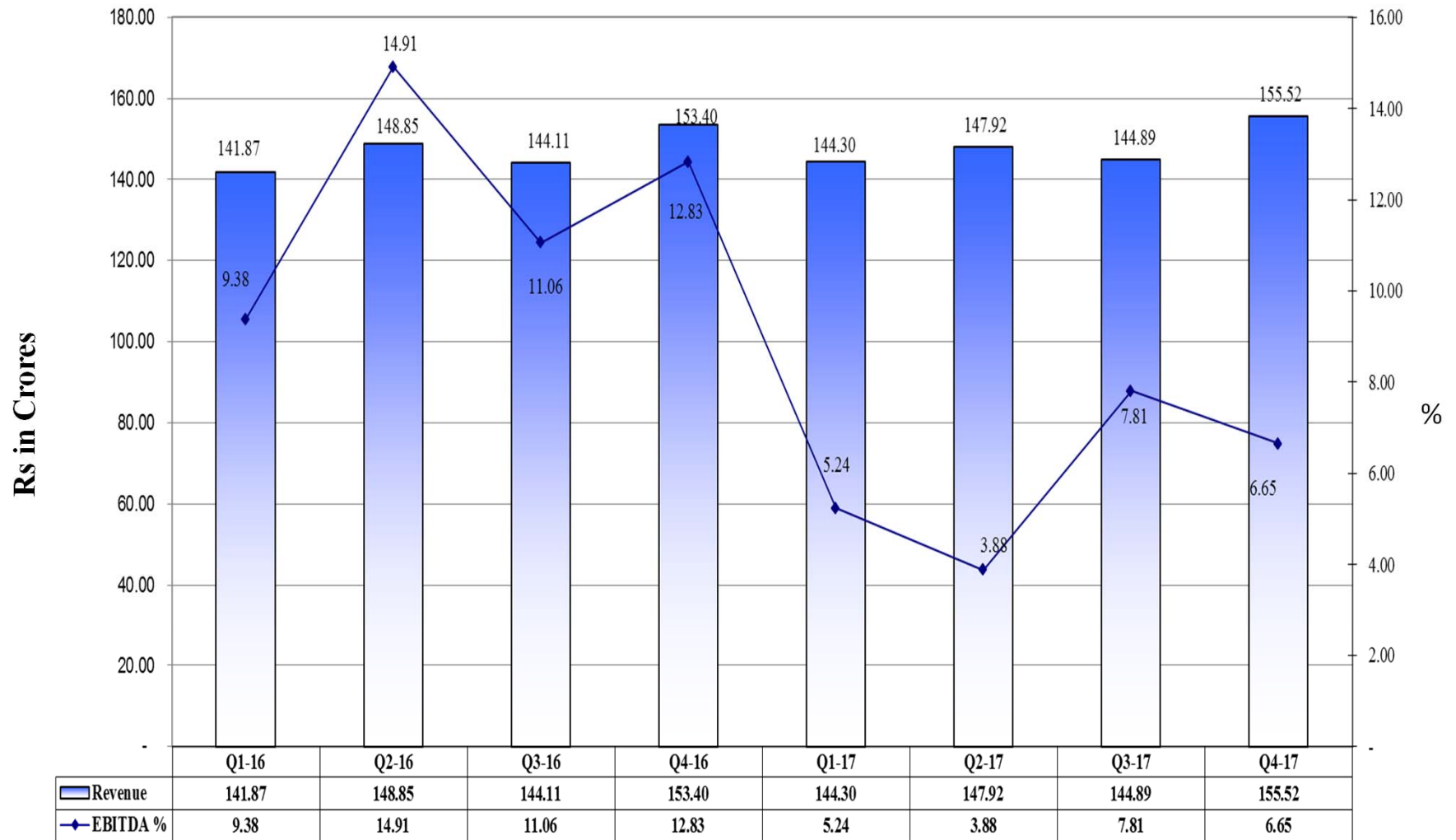
(Figures in mn)

Particulars	Year 2017		Year 2016	
	INR	US\$	INR	US\$
Revenue	5,926.36	91.01	5,882.37	87.55
Cost of revenue	4,127.40	63.38	3,832.28	57.04
Gross margin	1,798.96	27.63	2,050.09	30.51
	30.36%		34.85%	
SG & A				
Expenses	1,449.31	22.26	1,338.79	19.93
	24.46%		22.76%	
EBITDA	349.65	5.37	711.30	10.58
	5.90%		12.09%	
Depreciation and amortization	119.67	1.84	115.12	1.71
Income from operations before exceptional items	229.98	3.53	596.18	8.87
Exceptional items	-		46.35	0.69
Income from operations	229.98	3.53	642.53	9.56
Interest expense	(3.08)	(0.05)	(1.36)	(0.02)
Other income (net)	149.61	2.30	115.70	1.72
Income before income tax	376.51	5.78	756.87	11.26
Income tax expense	131.70	2.02	219.99	3.27
Net earnings	244.81	3.76	536.88	7.99

Movement in Gross Margin % 2017 Vs 2016

Gross Margin % in 2016	34.85
Impact of Salary increase	(2.48)
Impact of Rupee appreciation	(1.03)
Impact of decrease in utilization	(0.98)
Gross Margin % in 2017	30.36

Revenues and Margins, Historical Trend



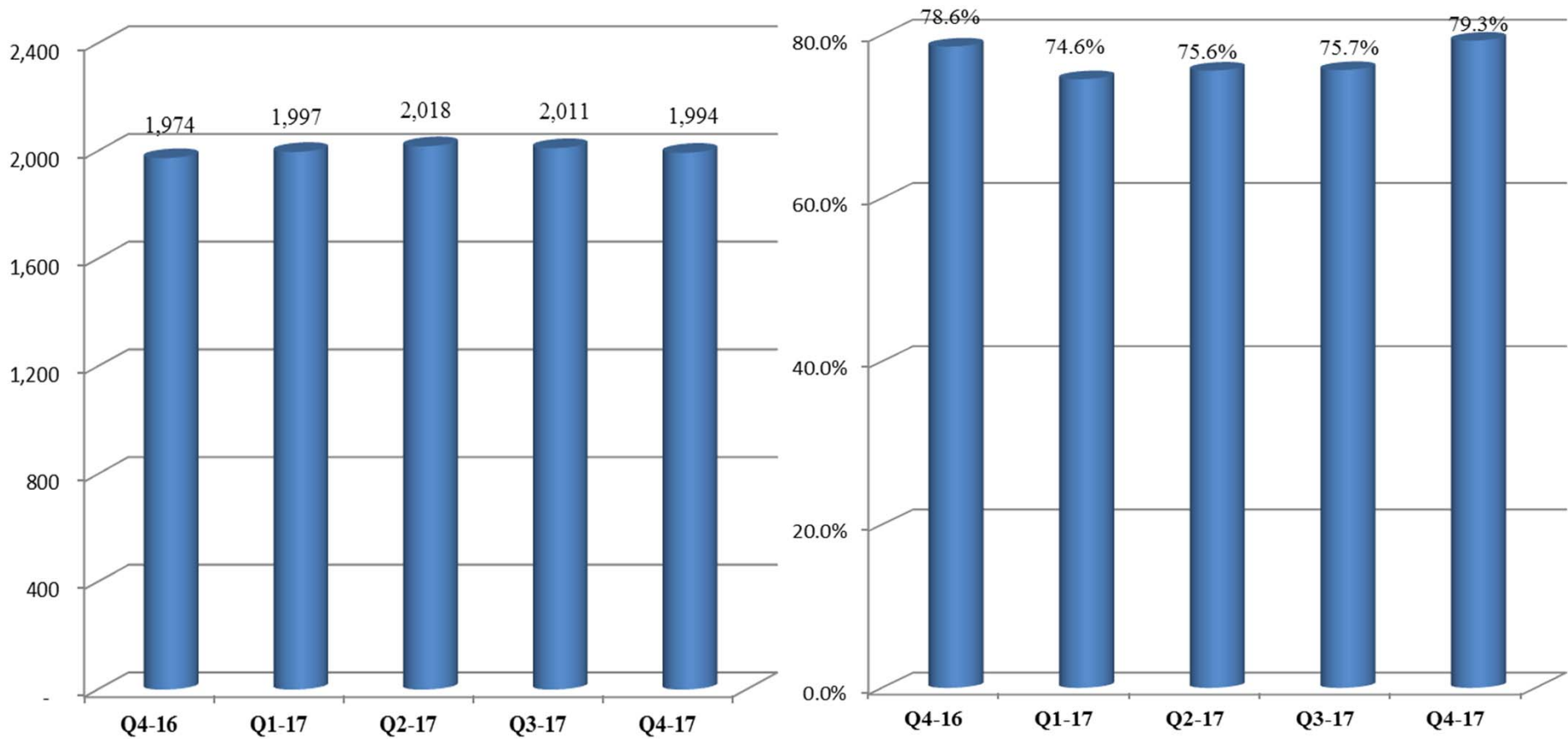
Consolidated Key Balance Sheet Data



Rupees in Crores except "DSO"

	As at December 31, 2017	As at December 31, 2016
Share Holders' Funds	303.31	277.97
Receivables	120.81	108.22
Receivables in days "DSO"	55	55
Cash & Bank	160.72	119.97
Fixed Assets	31.80	34.79

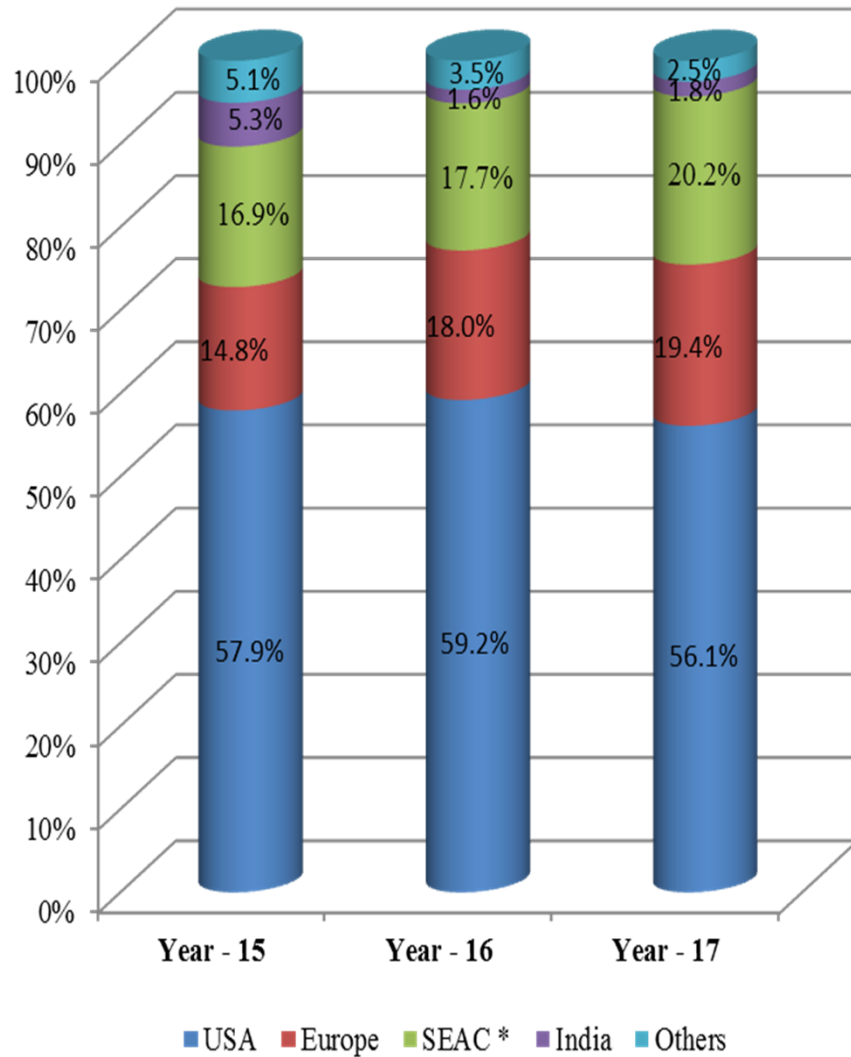
Billable Head Count and Utilization



Yearly Revenue Break-Down

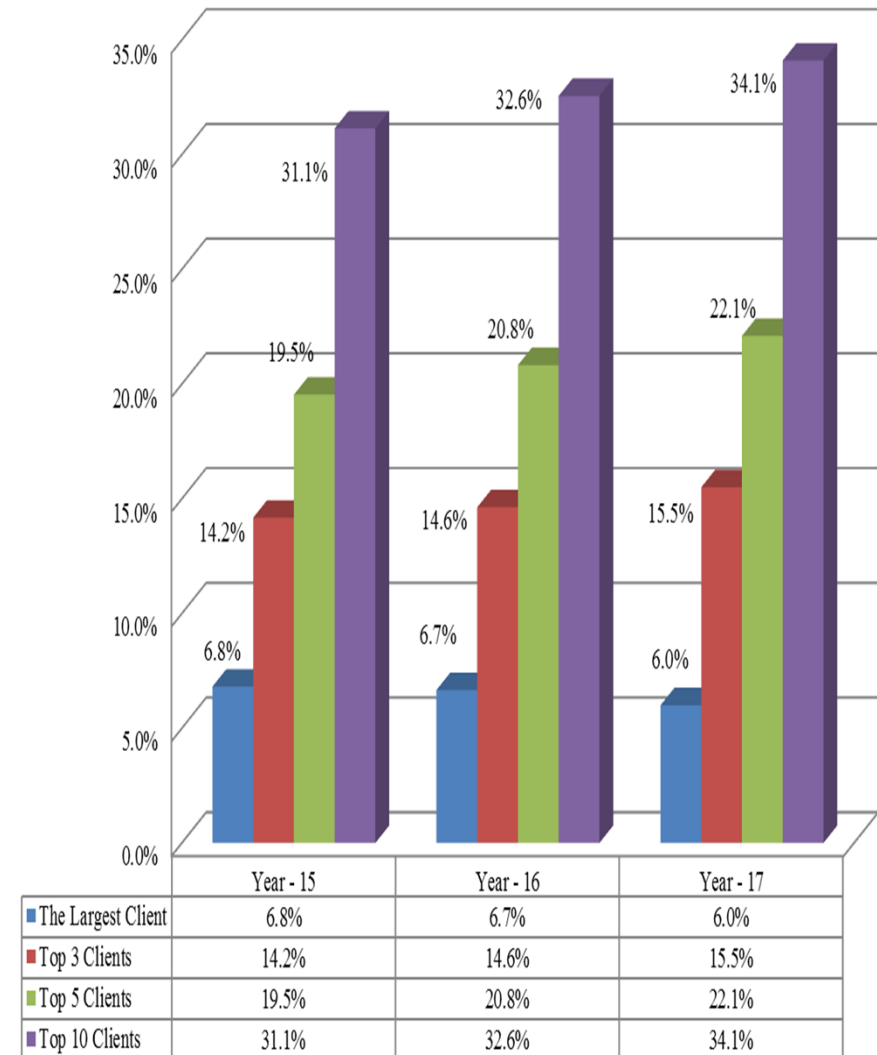


By Geography



* South East Asian Countries

Client Concentration



- Performance for the year 2017 was impacted by Rupee appreciation, investment in digital technologies and sales activities.
- Committed to improve our margins by delivering profitable growth in 2018 with discipline in execution.
- Strong Cash Balance of Rs 160 crores to grow organic and inorganic.
- Strategy for 2018:
 - Leverage digital capabilities to achieve penetration for all services and solutions;
 - Partner with customer to build scalable software products using digital technologies;
 - Drive new opportunities through end to end capabilities, deep vertical knowledge and geographical footprint;
 - Strong balance sheet to invest for future growth.

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For Your Support**