



Financial Performance – FY17 H1



Data | Domain | Delivery

Nov 07, 2016



Financial Summary



Metrics		FY17 Q2	Q-o-Q	FY17 H1	Y-o-Y
Revenue	Total revenue (INR mm)	3,383	-3%	6,887	6%
	OPG revenue (INR mm)	3,335	-2%	6,739	8%
	OPG revenue (USD mm)	48.9	-3%	99.1	3%
Profit	EBITDA (INR mm)	1,317	-3%	2,677	8%
	OPM (INR mm)	1,141	0%	2,281	15%
	Net profit (INR mm)	971	1%	1,930	24%
Margin	EBITDA (%)	39%	0%	39%	1%
	OPM (%)	34%	1%	34%	2%
	Net profit (%)	29%	1%	28%	4%

- Q-o-Q USD revenue decreased by 2.6% and CC revenue (USD basis) decreased by 1.7% on expected lines
 - Continue to see similar head winds in near term
- INR OPM Y-o-Y up by 15% for H1 and INR PAT up 24% Y-o-Y in H1
 - INR 45.7 mm PAT increase in Q2 due to recognition of ascertained portion of available tax credits in FY17
- Buyback of INR 2,340 mm at INR 2,000 / share; pending regulatory approval

Note: Prior year financials are restated as per IND AS and are unaudited

Other Income – FY17 Q2 vs. FY17 Q1



Other Income	FY17 Q2	FY17 Q1	FY16 Q4	FY16 Q3
Investment & Other Income	84.7	60.9	40.9	22.2
Hedge Gain / (Loss)	-	-	(0.6)	2.9
Revaluation and Realised Gain	(36.6)	39.1	32.7	12.0
Total	48.1	100.1	73.0	37.2

Note: Previous quarters numbers are restated as per IND AS

Figures in INR million

- Q-o-Q increase in Investment income due to higher surplus deployed and higher yield
- Investment and Other Income Includes Fair valuation of current Investments of INR 12.9 mm (Q2) vs INR 7.9 mm (Q1); In accordance with IND-AS provisions
- **Revaluation and Realised Gain**
 - USD/INR FY'17 Q2 exit : 66.60 vs. FY'17 Q1 exit : 67.51
 - EUR/INR FY'17 Q2 exit : 74.85 vs. FY'17 Q1 exit : 74.96

Hedge Updates



Current Hedge Status

- Total outstanding hedges now \$141.6 mm at average INR 71.80/\$; 100% forwards
 - 2.9 times quarter revenue vs. average of 2.4 times in preceding 4 quarters.

Contract	Year	Currency	Amount (mn)	Average Rate (INR)
Forwards	FY17 H2	USD	47.2	70.4
		Euro	6.2	80.1
	Total FY17 H2 – Equiv USD		54.2	70.5
	FY18	USD	73.4	72.3
		Euro	5.3	82.7
	Total FY18 – Equiv USD		79.4	72.4
	FY19	USD	8.1	74.3
		Euro	-	-
	Total FY19 – Equiv USD		8.1	74.3
	Total			141.6

Note: EUR / USD taken at 1.12

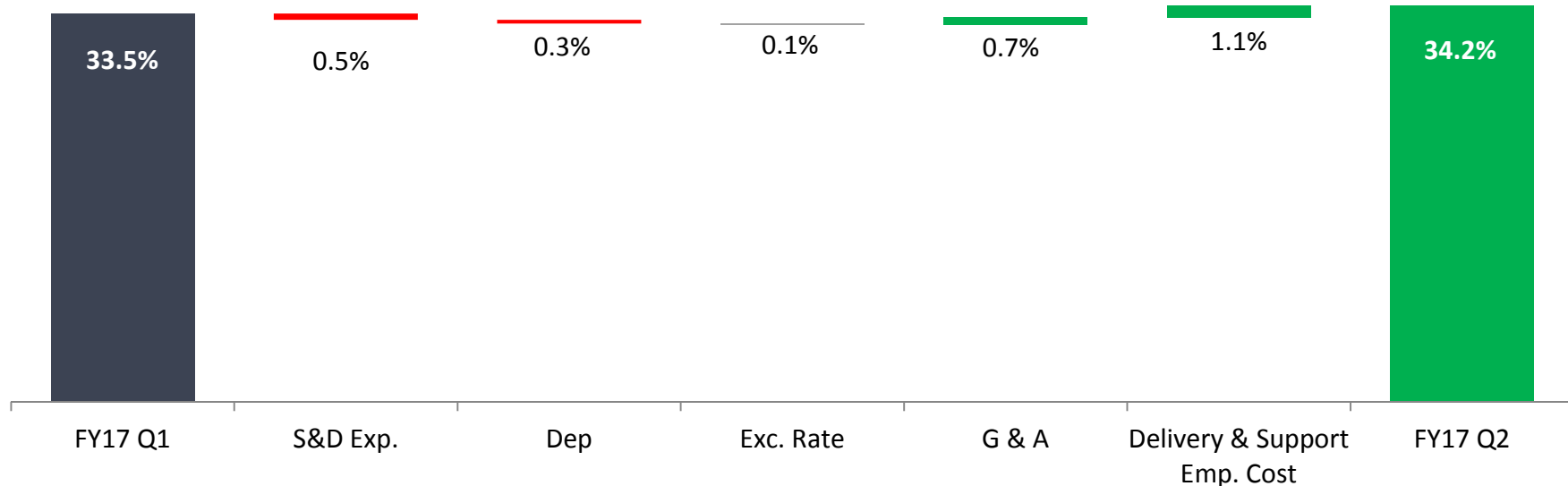
P&L Comparison: FY17 Q2 vs. FY17 Q1



Operating P&L	FY17 Q2	OPR (%)	FY17 Q1	OPR (%)
Operating Revenue	3,335.3		3,403.3	
Cost of Revenues				
Delivery and Support Employees Cost	1,266.5	38.0%	1,325.4	38.9%
General and Administrative Expenses				
Facilities (Rent and Electricity)	148.9	4.5%	152.5	4.5%
Administrative Services (Transport, HK, Security)	44.6	1.3%	44.3	1.3%
Technological Services (Communications, AMC)	89.6	2.7%	87.0	2.6%
Legal and Professional Fees	46.2	1.4%	75.3	2.2%
Provision / Written off for Bad Debt	-	0.0%	-	0.0%
CSR & Donation	13.1	0.4%	5.6	0.2%
Others	49.9	1.5%	57.5	1.7%
Total G&A	392.3	11.8%	422.2	12.4%
Selling and Distribution	407.2	12.2%	396.2	11.6%
Depreciation and Amortization	128.3	3.8%	119.5	3.5%
Total Operating Cost	2,194.3	65.8%	2,263.2	66.5%
Operating Profit	1,141.1	34.2%	1,140.1	33.5%
INR/USD (Avg)	66.94		66.88	
INR/EUR (Avg)	74.70		75.52	

Figures in INR millions.

OPM Bridging Analysis: FY17 Q2 vs. FY17 Q1



- G&A: Professional fees were higher in Q1 for a project to improve account mining and sales process;
- Delivery & Support Employees Cost: Lower in Q2 primarily due to cost refresh due to higher offshore attrition and lower onshore delivery cost

Note:

- Bridging analysis in constant currency; impact of currency movement for revenue shown under Exc. rate
- S&D Exp. includes employee cost of onsite business development team

Balance Sheet & Other Updates



- Total Cash and Cash equivalents of INR 7,043.2 mm; vs INR 5,982.4 mm for FY'17 Q1
 - Equivalent to INR 172.3 per share vs INR 146.5 for FY'17 Q1
 - Net operating cash flow in FY'17 H1 is INR 1,661.6 mm vs INR 1,725 mm in FY'16 H1
 - Capex during FY'17 H1 is INR 130.5 mm vs 355 mm in FY'16 H1
- Q2 EPS: Basic: INR 23.8; Diluted: INR 23.5
- H1 EPS: Basic: INR 47.3; Diluted: INR 46.7
- Current book value per share of INR 316.2 vs. INR 289.8 last quarter

CSR Update

- Spent INR 18.6 mm for existing and new projects in FY'17 H1 related to India; FY plan is INR 65 mm
- Areas covered: Health, Education, Child Labour Protection
- Total Life touched / benefited in H1 ~27.0k

Corporate Structure Update

- Canadian subsidiary incorporated under EIUL in Sep'16 for business expansion

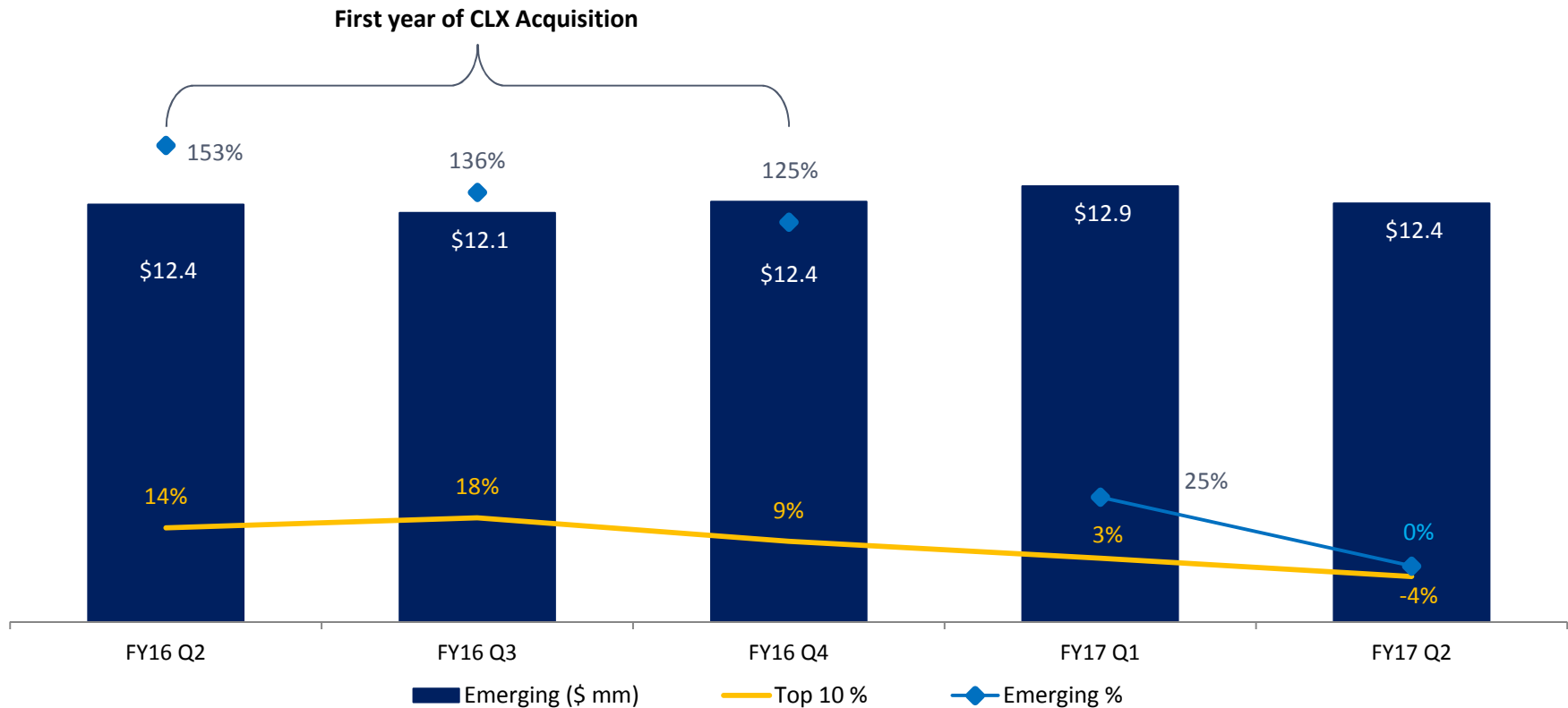
Key Business Metrics



Metrics		FY 17 Q2	FY 17 Q1	FY 16 Q4	FY 16 Q3	FY 16 Q2	FY 16 Q1
Currency Contribution* (%)	USD	73%	72%	72%	73%	74%	76%
	EURO	19%	19%	19%	18%	18%	15%
	GBP	8%	9%	9%	9%	8%	9%
Geographic Concentration*	North America	68%	66%	67%	67%	67%	72%
	Europe	29%	30%	30%	29%	29%	25%
Debtors (including unbilled)	DSO	74 days	80 days	73 days	71 days	80 days	78 days
Client Concentration	Top 10 contribution	75%	74%	76%	77%	75%	78%
Billing Mix	FTE	81%	81%	80%	82%	81%	85%
	SEZ Revenue	64%	66%	66%	66%	67%	69%
Staff Utilization		69.4%	68.7%	67.7%	68.7%	66.5%	65.0%
Client Contribution* (based on 12 month accrued revenue)	US\$ 500k+ Clients	18	18	16	16	9	9
	US\$ 1mm+ Clients	17	18	17	13	12	10
	US\$ 5mm+ Clients	7	7	7	7	7	7

*Other smaller currencies, geographies and client contribution not shown

Revenue Mix Trends - Consol

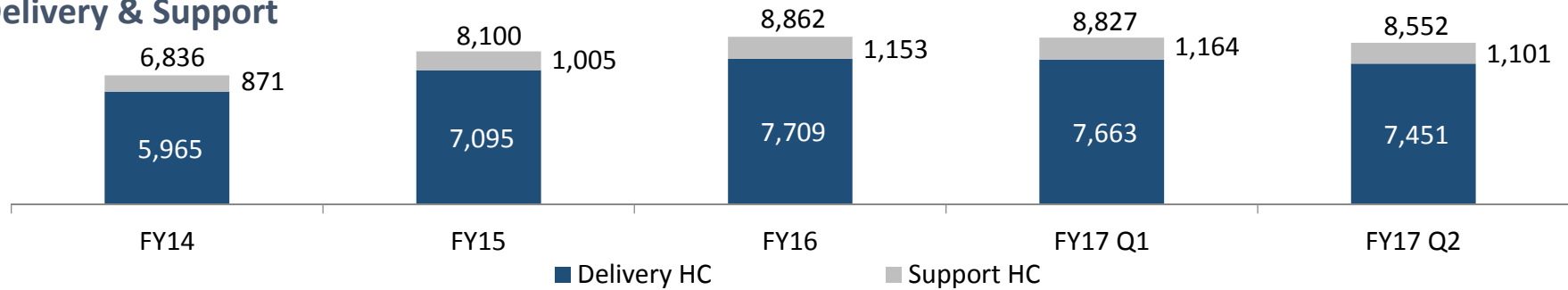


- Top 10 client Y-o-Y drop of -3.6% in USD & -3.3% in CC
- Emerging client Y-o-Y growth flat in USD & 5.2% in CC; 25% of emerging revenues adversely impacted due to GBP devaluation

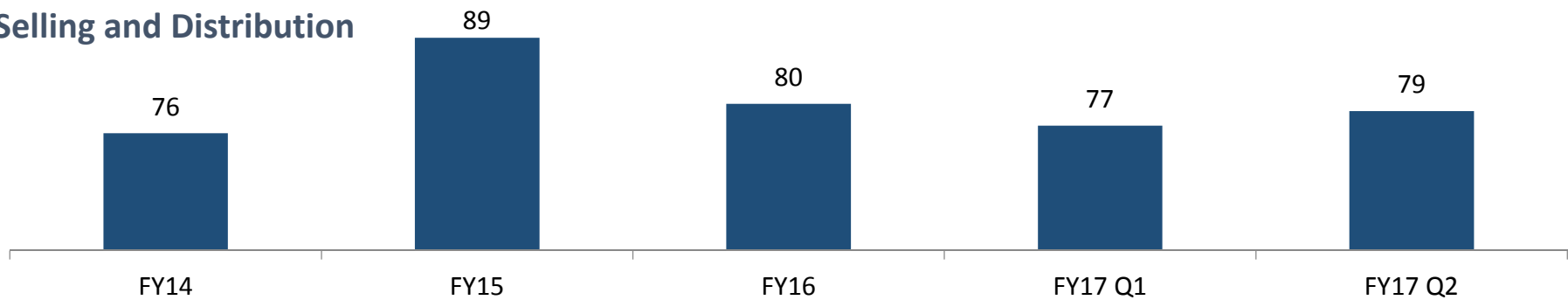
Human Resources Update



Delivery & Support

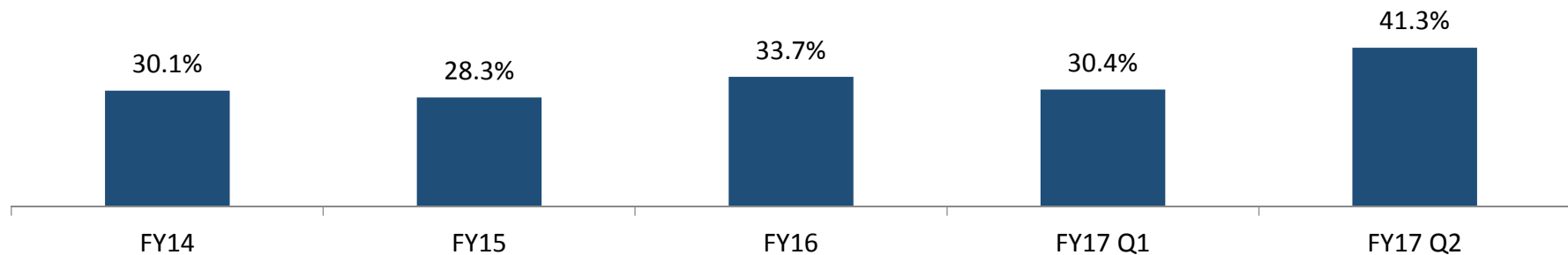


Selling and Distribution



* FY16 and onwards includes CLX- Realignment of onshore delivery roles and exclusion of onshore admin roles

India Attrition



This presentation contains forward-looking statements, inter-alia, to enable investors to comprehend company's prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is, inter-alia, subject to assumptions, risks, uncertainties, including but not limited to our ability to successfully conclude and integrate (potential) acquisition(s) and general regulatory and economic conditions affecting the industry. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, expected or projected. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Further this presentation may also contain references to findings of various reports available in public domain. We make no representation as to their accuracy or that we necessarily subscribe to those findings. Figures for previous periods / year have been regrouped, wherever necessary.

Thank You

Balance Sheet Abstract



Particulars	Sep 30, 2016	June 30, 2016	% of Change
Shareholder's Funds			
Capital	408.8	407.9	0.2%
Minority Interest	6.1	5.9	-
Reserves and Surplus	12,516.5	10,533.5	19%
Total Shareholder's Funds	12,931.4	10,947.3	18%
Application of Funds			
Fixed Assets	3,543.3	3,650.0	-3%
Deferred Tax Assets (net)	(130.7)	(221.6)	-41%
Net Current Assets and Investments (Liquid)	9,518.8	7,518.9	27%
Total Application of Funds	12,931.4	10,947.3	18%

Figures in INR millions.

Financial Summary – Quarterly View



Metrics		FY17 Q2	FY17 Q1	FY16 Q4	FY16 Q3	FY16 Q2
Revenue	Total Revenue (INR mn)	3,383	3,503	3,505	3,481	3,376
	Opg Revenue (INR mn)	3,335	3,403	3,432	3,443	3,285
	Opg Revenue (USD mn)	48.9	50.2	50.8	51.8	50.2
Profit	EBITDA (INR mn)	1,317	1,360	1,427	1,262	1,292
	OPM (INR mn)	1,141	1,140	1,200	1,070	1,059
	Net Profit (INR mn)	971	959	1,006	855	801
Margin	EBITDA	39%	39%	41%	36%	38%
	OPM	34%	33%	35%	31%	32%
	Net Profit	29%	27%	29%	25%	24%
EPS	Basic	23.8	23.5	NA	NA	19.8
	Diluted	23.5	23.2	NA	NA	19.4

Note: Previous quarters numbers are restated as per IND AS

Revised EPS for FY'16 Q3 & Q4 would be updated in subsequent quarter

P&L Comparison – Quarterly View



Operating P&L	FY17 Q2	OPR (%)	FY17 Q1	OPR (%)	FY16 Q4	OPR (%)	FY16 Q3	OPR (%)	FY16 Q2	OPR (%)
Operating Revenue	3,335		3,403		3,432		3,443		3,285	
Cost of Revenues										
Delivery and Support Employees Cost	1,266	38%	1,325	39%	1,224	36%	1,366	40%	1,270	38.7%
General and Administrative Expenses										
Facilities (Rent and Electricity)	149	4%	153	4%	144	4%	166	5%	145	4.4%
Administrative Services (Transport, HK, Security)	45	1%	44	1%	42	1%	43	1%	44	1.3%
Technological Services (Communications, AMC)	90	3%	87	3%	92	3%	74	2%	68	2.1%
Legal and Professional Fees	46	1%	75	2%	56	2%	54	2%	38	1.2%
Provision / Written off for Bad Debt	-	0%	-	0%	-	0%	-	0%	0	0.0%
CSR & Donation	13	0%	6	0%	12	0%	21	1%	11	0.3%
Others	50	1%	57	2%	65	2%	42	1%	66	2.0%
Total G&A	392	12%	422	12%	411	12%	399	12%	372	11.3%
Selling and Distribution*	407	12%	396	12%	443	13%	453	13%	442	13.4%
Depreciation and Amortization	128	4%	119	4%	154	4%	155	4%	143	4.3%
Total Operating Cost	2,194	66%	2,263	67%	2,232	65%	2,373	69%	2,226	67.8%
Operating Profit	1,141	34%	1,140	33%	1,200	35%	1,070	31%	1,059	32.2%

*Selling and Distribution includes employee cost of onsite business development team.
Note: Previous quarters numbers are restated as per IND AS

Figures in INR millions.

Key Business Metrics – Quarterly View



Metrics		FY17 Q2	FY17 Q1	FY16 Q4	FY16 Q3	FY16 Q2	FY16 Q1	FY15 Q4	FY15 Q3
Revenue Growth (%)	USD	-2.6%	-1.1%	-2.0%	3.2%	8.1%	14.2%	4.6%	2.1%
	Constant Currency	-0.4%	-0.6%	-2.5%	4.2%	7.7%	4.0%	6.3%	3.1%
Currency Concentration (%)	USD	73%	72%	72%	73%	74%	76%	85%	83%
	EURO	19%	19%	19%	18%	18%	15%	10%	12%
	GBP	8%	9%	9%	9%	8%	9%	5%	5%
	Other	0%	0%	0%	0%	0%	0%	0%	0%
Geographic Concentration	North America	68%	66%	67%	67%	67%	72%	78%	78%
	Europe	29%	30%	30%	29%	29%	25%	18%	18%
	ROW	4%	3%	3%	4%	4%	3%	4%	3%
Debtors	DSO (including Un-billed)	74 days	80 days	73 days	71 days	80 days	78 days	81 days	70 days
Client	Top 10 contribution	75%	74%	76%	77%	75%	78%	86%	87%
Billing Mix	FTE	81%	81%	80%	82%	81%	85%	95%	95%
	SEZ Revenue	64%	66%	66%	66%	67%	69%	73%	72%
Seat Count		8,632	8,626	8,574	8,522	8,601	7,806	7,640	7,439
Staff Utilization		69.4%	68.7%	67.7%	68.7%	66.5%	65.0%	64.5%	65.1%

Note: Previous quarters numbers are restated as per IND AS