



Financial Performance > FY14 Q3

January 21, 2014

Data | Domain | Delivery



Financial Summary



Metrics		FY14 Q3	Q-o-Q	FY14 YTD	Y-o-Y
Revenue	Total revenue (INR mm)	2,202	2%	6,361	35%
	OPG revenue (INR mm)	2,195	2%	6,241	28%
	OPG revenue (USD mm)	35.7	5%	102.7	15%
Profit	EBITDA (INR mm)	894	-4%	2,727	60%
	OPM (INR mm)	805	-6%	2,360	41%
	Net profit (INR mm)	623	-7%	1,912	55%
Margin	EBITDA (%)	41%	-3%	43%	7%
	OPM (%)	37%	-3%	38%	3%
	Net profit (%)	28%	-3%	30%	4%
EPS	Basic (INR)	20.8	-7%	63.7	51%
	Diluted (INR)	20.3	-8%	62.3	52%

- USD revenue up 4.7% Q-o-Q (4.0% in constant currency)
 - Includes some Q4 work preponed by clients
- Operating margin at INR 1,912 mm up by 55% YoY; YTD OPM at 38%
- EPS at 63.7 up 51% Y-o-Y

Other Income FY14 Q3 vs. FY14 Q2



Other Income	FY14 Q3	FY14 Q2	FY14 Q1
Investment & Other Income	30.8	33.5	30.6
Hedge Gain / (Loss)	(48.3)	(125.7)	(58.4)
Revaluation and Realised Gain	23.8	98.6	135.7
Total	6.4	6.4	107.8

Dec'13 exit – INR 61.90/\$ & INR 85.36/Euro

Figures in INR million

- Low investible surplus in Q3 due to dividend pay out in Q2
- **Fx Hedges**
 - \$17.4 mm hedges matured @ 57.32/\$ in Q3 vs. average spot of 61.90
 - \$17.9 mm hedges matured @ 53.59/\$ in Q2 vs. average spot of 62.95
- **Revaluation and Realised gain**
 - Includes realised gain on closure of escrow
 - USD/INR Q3 exit : 61.90 vs. USD/INR Q2 exit : 62.78

Hedge Updates



Current Hedge Status

- Total outstanding hedges now \$95.6 mm at average INR 62.77/\$
 - 2.7 times last quarter revenue vs. average of 2.6 times in preceding 4 quarters
 - 99% forwards, 1% options

Contract	Year	Currency	Amount (mn)	Average Rate (INR)	
Forwards	FY14 Q4	USD	\$17.7	59.4	
		Euro	€ 2.0	77.3	
	Total FY14 – Equiv USD			\$20.4	58.9
	FY15	USD	\$52.7	63.9	
		Euro	€ 7.8	80.7	
	Total FY15 H1– Equiv USD			\$33.3	62.0
	Total FY15 H2– Equiv USD			\$30.1	64.1
	Total FY15 – Equiv USD			\$63.4	63.0
	FY16	USD	\$9.1	69.7	
		Euro	€ 1.2	95.0	
	Total FY16 – Equiv USD			\$10.8	69.6
	Options	FY14	USD	\$1.0	54.0

Note: EUR / USD taken at 1.38

Balance Sheet & Other Updates



- Total Cash and Cash equivalents of INR 3,146 mm excluding escrow; zero debt
- Equivalent to INR 104.7 per share
- Trailing 12 months EPS
 - Basic: INR 80.2; Diluted: INR 78.8
- Current book value per share of INR 215.8 vs. INR 197.3 in last quarter

Facility Update

- SEZ approval received for new floor in Airoli - planned go live : Apr-14 (600 Seats)
- Discussing additional floors in Airoli to consolidate Mumbai facilities , subject to regulatory approval

Buy Back Update

- 37,623 shares purchased and extinguished till date
- Average purchase price (excluding brokerage and expenses) INR 814.66
- No buy back in Q3 as price was above maximum price

Agilyst Acquisition

- Final payment done for Agilyst acquisition; total acquisition cost ~ \$21 mm

P&L Comparison: FY14 Q3 vs. FY14 Q2



Figures in INR millions.

Operating P&L	FY14 Q3	OPR (%)	FY14 Q2	OPR (%)
Operating Revenue	2,195.4		2,146.1	
Cost of Revenues				
Employee Cost	721.3	32.9%	700.9	32.7%
General and Administrative Expenses				
Rent	78.2	3.6%	77.6	3.6%
Communication Expenses	26.4	1.2%	19.5	0.9%
Legal and Professional Fees	35.0	1.6%	46.8	2.2%
Electricity	21.3	1.0%	19.5	0.9%
Conveyance	10.9	0.5%	11.2	0.5%
Provision for Bad Debt	-	0.0%	-	0.0%
Others	76.2	3.5%	56.5	2.6%
Total G&A	248.1	11.3%	231.1	10.8%
Selling and Distribution	337.8	15.4%	286.1	13.3%
Depreciation, Interest and Amortization	82.9	3.8%	74.3	3.5%
Total Operating Cost	1,390.1	63.3%	1,292.5	60.2%
Operating Profit	805.1	36.7%	853.6	39.8%
Avg Exchange Rate				
INR/USD	61.45		62.80	
INR/EUR	84.19		84.79	

OPM Bridging Analysis: FY14 Q3 vs. FY14 Q2



- S&D increase driven by increases in onsite headcount, bonus and commission and travel

Note: Bridging analysis is in constant currency; impact of currency movements on revenue is shown as Exc. rate.

S&D Exp. includes employee cost of onsite business development team.

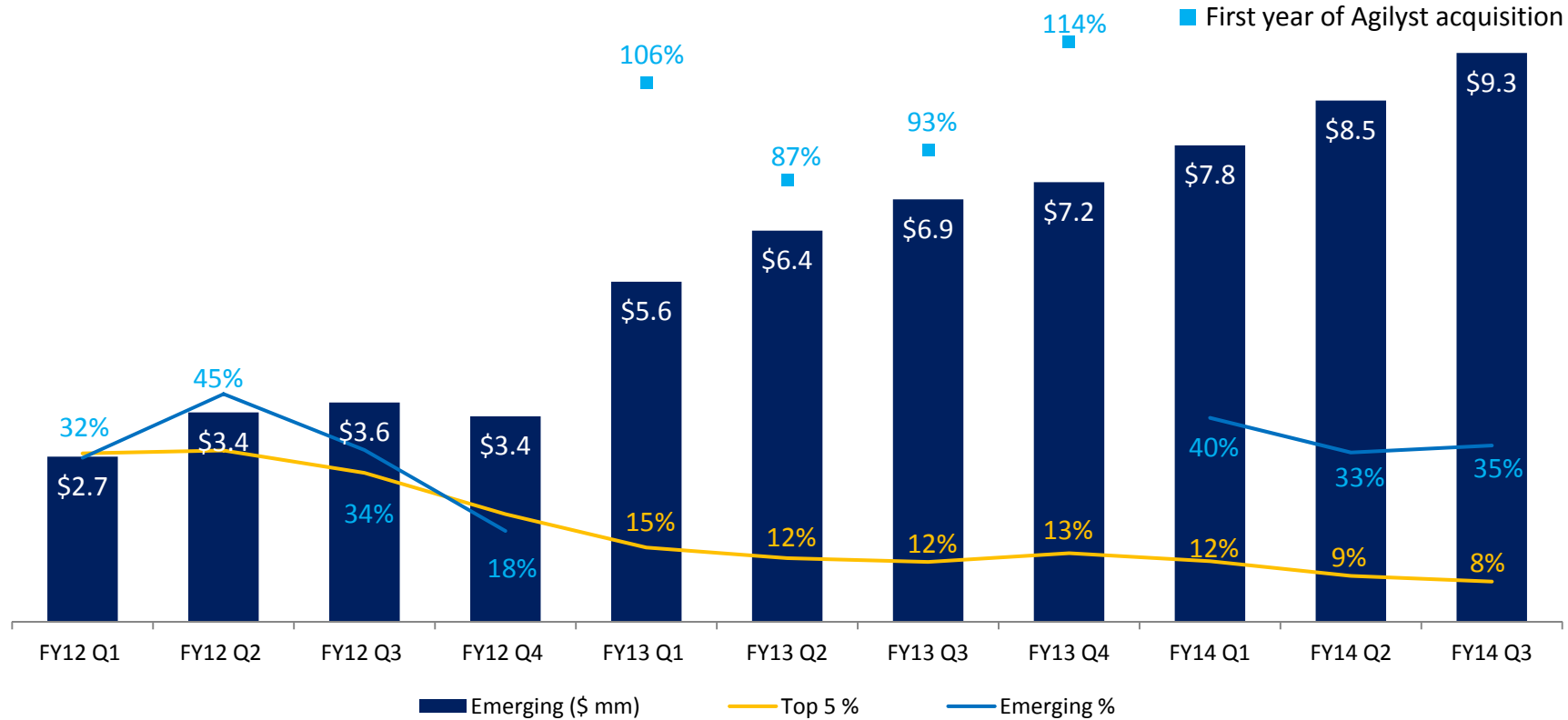
Key Business Metrics



Metrics		FY14 Q3	FY14 Q2	FY14 Q1	FY13 Q4	FY13 Q3
Currency	USD	81%	81%	81%	81%	82%
Contribution (%) *	EURO	14%	14%	15%	15%	12%
Geographic Concentration *	North America	74%	74%	74%	74%	75%
	Europe	21%	21%	21%	21%	18%
Debtors	DSO	33 days	41 days	35 days	33 days	31 days
Client	Top 5 contribution	74%	75%	76%	78%	78%
	New client added	2	5	5	6	7
Billing Mix	FTE	95%	95%	94%	91%	92%
	SEZ Revenue	60%	60%	60%	60%	59%
Seat count		6,385	6,317	5,954	5,831	5,415
Staff utilization		66%	65%	66%	69%	69%

* Other smaller currencies and geographies not shown

Revenue Mix Trends

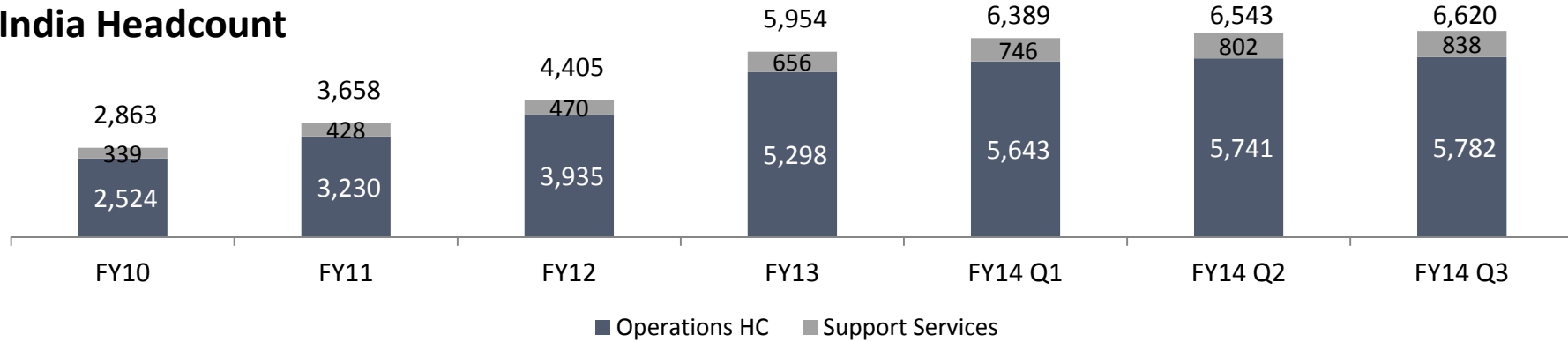


- Revenue growth YoY : Top 5 – 8%, Emerging – 35%
- Emerging revenue has continued to outpace growth in strategic clients in line with firm strategy

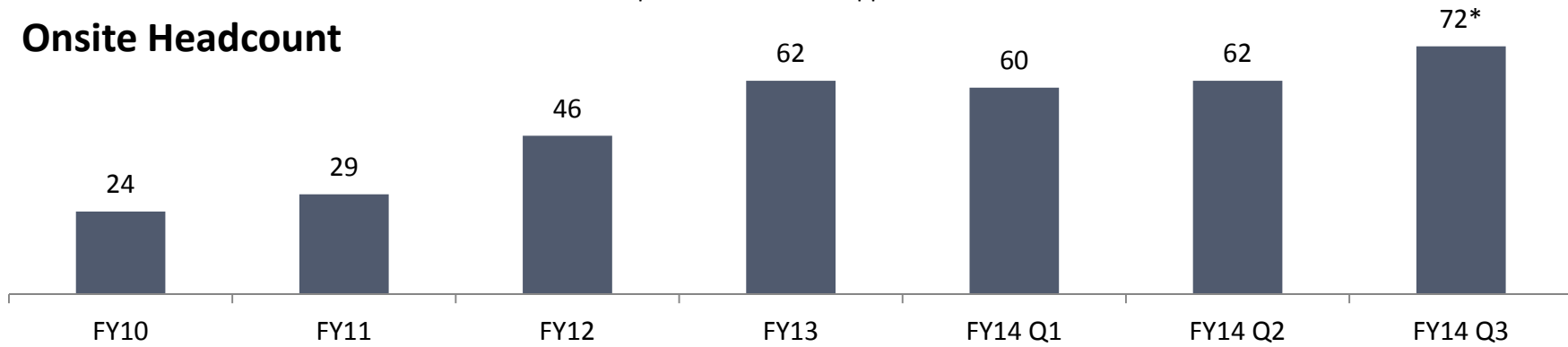
Human Resources Update



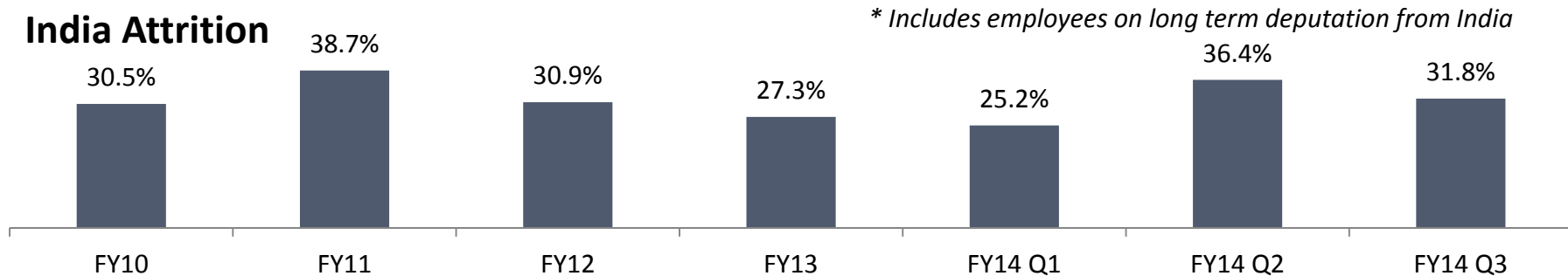
India Headcount



Onsite Headcount



India Attrition



* Includes employees on long term deputation from India

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Thank You

Balance Sheet Abstract



Figures in INR millions.

Particulars	December 31, 2013	September 30, 2013	% of Change
Shareholder's Funds			
Capital	300.5	300.9	-0.1%
Reserves and Surplus	6,183.5	5,637.0	9.7%
Total Shareholder's Funds	6,484.0	5,937.9	9.2%
Application of Funds			
Fixed Assets	1,608.4	1,646.7	-2.3%
Deferred Tax Assets (net)	24.4	14.7	66.2%
Net Current Assets and Investments (Liquid)	4,851.2	4,276.6	13.4%
Total Application of Funds	6,484.0	5,937.9	9.2%

Financial Summary – Quarterly View



Metrics		FY14 Q3	FY14 Q2	FY14 Q1	FY13 Q4	FY13 Q3
Revenue	Total Revenue (INR mn)	2,202	2,152	2,007	1,713	1,698
	Opg Revenue (INR mn)	2,195	2,146	1,899	1,743	1,708
	Opg Revenue (USD mn)	35.7	34.1	33.0	32.3	31.3
Profit	EBITDA (INR mn)	894	934	898	656	658
	OPM (INR mn)	805	854	701	620	595
	Net Profit (INR mn)	623	672	617	482	490
Margin	EBITDA	41%	43%	45%	38%	39%
	OPM	37%	40%	37%	36%	35%
	Net Profit	28%	31%	31%	28%	29%
EPS	Basic	20.8	22.4	20.6	16.4	16.7
	Diluted	20.3	22.1	20.4	16.0	16.2

P&L Comparison – Quarterly View



Figures in INR millions.

Operating P&L	FY14 Q3	OPR	FY14 Q2	OPR	FY14 Q1	OPR	FY13 Q4	OPR	FY13 Q3	OPR
Operating Revenue	2,195		2,146		1,899		1,743		1,708	
Cost of Revenues										
Employee Cost	721	33%	701	33%	665	35%	598	34%	578	34%
General and Administrative Expenses										
Rent	78	4%	78	4%	73	4%	73	4%	71	4%
Communication Expenses	26	1%	20	1%	25	1%	26	1%	11	1%
Legal and Professional Fees	35	2%	47	2%	25	1%	31	2%	22	1%
Electricity	21	1%	20	1%	16	1%	18	1%	21	1%
Conveyance	11	0%	11	1%	13	1%	14	1%	14	1%
Provision for Bad Debt	-	0%	-	0%	-	0%	(0)	0%	-	0%
Others	76	3%	56	3%	48	3%	59	3%	57	3%
Total G&A	248	11%	231	11%	200	11%	220	13%	196	11%
Selling and Distribution*	338	15%	286	13%	244	13%	238	14%	266	16%
Depreciation, Interest and Amortization	83	4%	74	3%	90	5%	67	4%	74	4%
Total Operating Cost	1,390	63%	1,293	60%	1,198	63%	1,124	64%	1,113	65%
Operating Profit	805	37%	854	39.8%	701	36.9%	620	35.6%	595	35%

*Selling and Distribution includes employee cost of onsite business development team.

Revenue Quality – Quarterly View



Metrics		FY14 Q3	FY14 Q2	FY14 Q1	FY13 Q4	FY13 Q3	FY13 Q2	FY13 Q1	FY12 Q4
Revenue Growth (%)	USD	4.7%	3.4%	2.2%	2.9%	5.0%	NA	NA	NA
	Constant Currency	4.0%	3.1%	2.4%	3.6%	4.5%	NA	NA	NA
Currency Concentration (%)	USD	81%	81%	81%	81%	82%	83%	83%	79%
	EURO	14%	14%	15%	15%	12%	13%	14%	17%
	GBP	5%	4%	3%	4%	5%	3%	3%	3%
	Other	0%	1%	1%	0%	1%	1%	0%	1%
Geographic Concentration	North America	74%	74%	74%	74%	75%	75%	71%	70%
	Europe	21%	21%	21%	21%	18%	19%	20%	23%
	ROW	5%	5%	5%	5%	7%	6%	9%	7%
Debtors	DSO	33 days	41 days	35 days	33 days	31 days	41 days	30 days	29 days
Client	Top 5 contribution	74%	75%	76%	78%	78%	79%	80%	87%
	New client added	2	5	5	6	7	4	8	2
Billing Mix	FTE	95%	95%	94%	91%	92%	93%	93%	95%
Seat count		6,385	6,317	5,954	5,831	5,415	5,369	4,686	NA
Staff utilization		66%	65%	66%	69%	69%	68%	68%	72%