



Financial Performance FY14



Data | Domain | Delivery

May 20, 2014



Financial Summary



Metrics		FY14 Q4	Q-o-Q	FY14	Y-o-Y
Revenue	Total revenue (INR mm)	2,159	-2%	8,520	33%
	OPG revenue (INR mm)	2,169	-1%	8,410	27%
	OPG revenue (USD mm)	35.5	0%	138.3	14%
Profit	EBITDA (INR mm)	919	3%	3,646	54%
	OPM (INR mm)	846	5%	3,206	40%
	Net profit (INR mm)	645	4%	2,557	49%
Margin	EBITDA (%)	43%	1%	43%	6%
	OPM (%)	39%	1%	38%	3%
	Net profit (%)	30%	1%	30%	3%
EPS	Basic (INR)	21.5	3%	85.1	46%
	Diluted (INR)	20.9	3%	82.8	46%

- USD revenue up 13.8% Y-o-Y (13.1% in constant currency); QoQ flattish
- Annual dividend proposed to be Rs. 35 per share (~48% of PAT including taxes)
- Operating margin at INR 3,206 mm up by 40% YoY; OPM at 38%

Other Income FY14 Q4 vs. FY14 Q3



Other Income	FY14 Q4	FY14 Q3	FY14 Q2	FY14 Q1
Investment & Other Income	46.7	30.8	33.5	30.6
Hedge Gain / (Loss)	(18.0)	(48.3)	(125.7)	(58.4)
Revaluation and Realised Gain	(39.1)	23.8	98.6	135.7
Total	(10.4)	6.4	6.4	107.8

Mar'14 exit – INR 60.10/\$ & INR 82.58/Euro

Figures in INR million

- Higher investible surplus and increase in yield in Q4 due to which Investment income have improved
- **Fx Hedges**
 - \$20.4 mm hedges matured @ 58.94/\$ in Q4 vs. average spot of 60.95
 - \$17.4 mm hedges matured @ 57.32/\$ in Q3 vs. average spot of 61.90
- **Revaluation and Realised Loss**
 - USD/INR Q4 exit : 60.10 vs. USD/INR Q3 exit : 61.90

Hedge Updates



Current Hedge Status

- Total outstanding hedges now \$88.8 mm at average INR 64.5/\$
 - 2.5 times last quarter revenue vs. average of 2.7 times in preceding 4 quarters; likely to remain between 2.4 – 3.0
 - 100% forwards

Contract	Year	Currency	Amount (mm)	Average Rate (INR)
Forwards	FY15	USD	\$57.5	63.9
		Euro	€ 7.8	80.7
	Total FY15 H1– Equiv USD		\$35.5	62.1
	Total FY15 H2– Equiv USD		\$32.7	64.1
	Total FY15 – Equiv USD		\$68.2	63.1
	FY16	USD	\$17.3	69.1
		Euro	€ 2.4	95.3
		Total FY16 – Equiv USD		\$20.6

Note: EUR / USD taken at 1.37

Balance Sheet & Other Updates



- Total Cash and Cash equivalents of INR 3,546 mm (INR 117.5 per share) ; zero debt
- Trailing 12 months EPS
 - Basic: INR 85.1; Diluted: INR 82.8
- Current book value per share of INR 195.2 vs. INR 146.7 last year
- Buyback offer closed on 26th Feb 2014; total 37,623 shares purchased at INR 814.66 per share

Facility Update

- New floor in Airoli expected to be operational in May-14; mainly for growth
- Two additional floors planned in Airoli in the rest of FY15; mainly for consolidation

FY15 Wage hike

- 11% hike this year compared to ~10% last year
- Additional ~4% impact due to several pay policy changes targeted at entry level staff
 - Increase in floor salary
 - Additional incentives and conversion of variable into fixed

Other

- Auditor rotation proposed for FY15
- Propose to adopt principles of AS30 for hedge accounting from FY15

P&L Comparison: FY14 vs. FY13

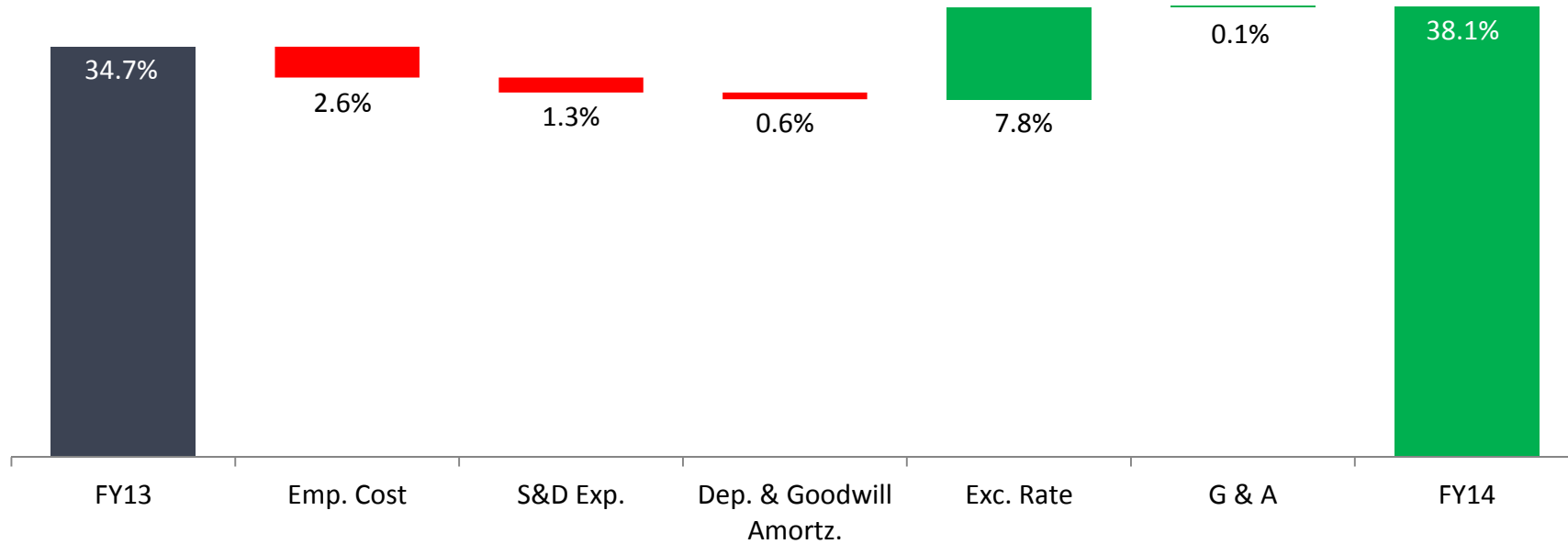


Figures in INR millions.

Operating P&L	FY14	OPR (%)	FY13	OPR (%)
Operating Revenue	8,409.9		6,605.3	
Cost of Revenues				
Employee Cost	2,743.5	32.6%	2,253.9	34.1%
General and Administrative Expenses				
Rent	310.7	3.7%	261.4	4.0%
Communication Expenses	106.9	1.3%	79.2	1.2%
Legal and Professional Fees	146.7	1.7%	165.3	2.5%
Electricity	73.5	0.9%	70.7	1.1%
Conveyance	45.8	0.5%	61.2	0.9%
Provision / Written off for Bad Debt	0.9	0.0%	(0.2)	0.0%
Others	273.2	3.2%	215.2	3.3%
Total G&A	957.5	11.4%	852.8	12.9%
Selling and Distribution*	1,173.1	13.9%	952.2	14.4%
Depreciation, Interest and Amortization	330.3	3.9%	255.4	3.9%
Total Operating Cost	5,204.4	61.9%	4,314.2	65.3%
Operating Profit	3,205.5	38.1%	2,291.2	34.7%
Avg Exchange Rate				
INR/USD	60.50		54.41	
INR/EUR	81.17		70.07	

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

OPM Bridging Analysis: FY14 vs. FY13



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

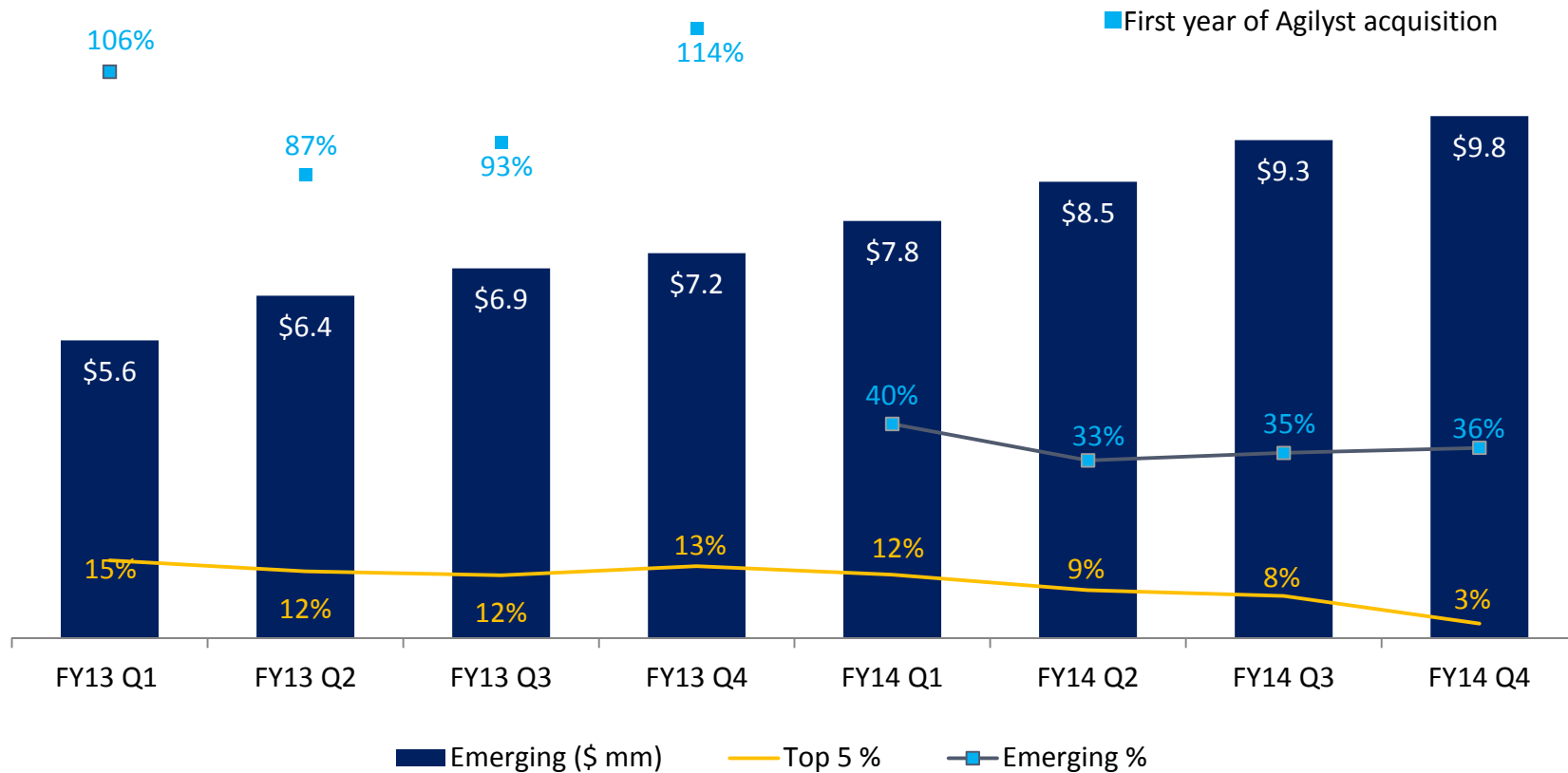


Metrics		FY14	FY 13	FY 12	FY 11	FY 10
Currency Contribution (%)	USD	81%	82%	78%	75%	73%
	EURO	14%	13%	18%	21%	23%
	GBP	5%	4%	3%	3%	4%
Geographic Concentration	North America	74%	74%	67%	61%	61%
	Europe	22%	20%	26%	32%	34%
Debtors	DSO	38 days	33 days	29 days	59 days	57 days
Client Concentration	Top 5 contribution	74%	79%	86%	87%	82%
	New client added	16	25	10	15	8
	Client Billed	75	73	55	57	55
Billing Mix	FTE	94%	92%	94%	88%	73%
	SEZ Revenue	60%	60%	67%	59%	42%
Staff utilization		65%	69%	71%	71%	70%

* Other smaller currencies and geographies not shown

- Lower utilization in FY14 due to higher share of Cable & FS

Revenue Mix Trends

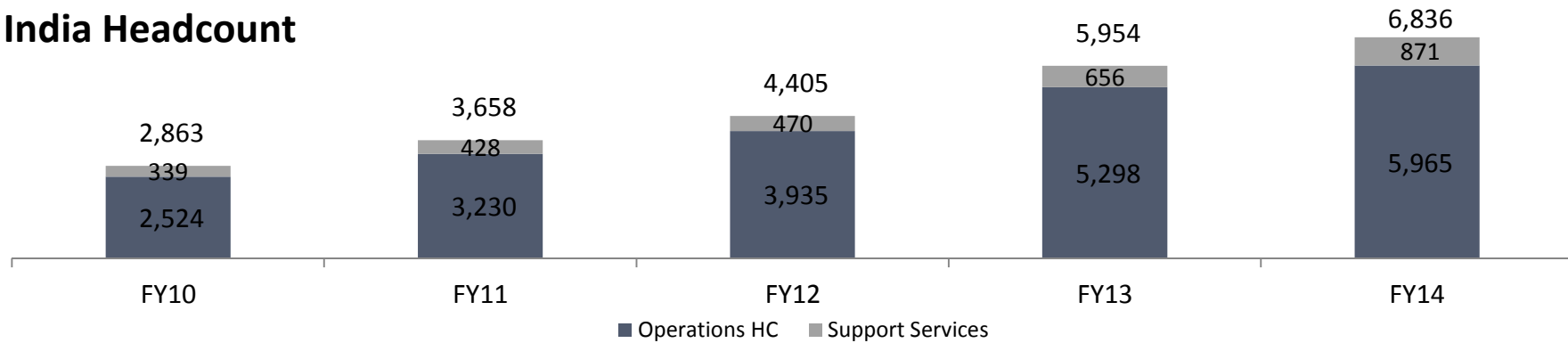


- Revenue growth YoY : Top 5 – 3%, Emerging – 36%
- Emerging revenue has continued to outpace growth, strategic clients in line with firm strategy

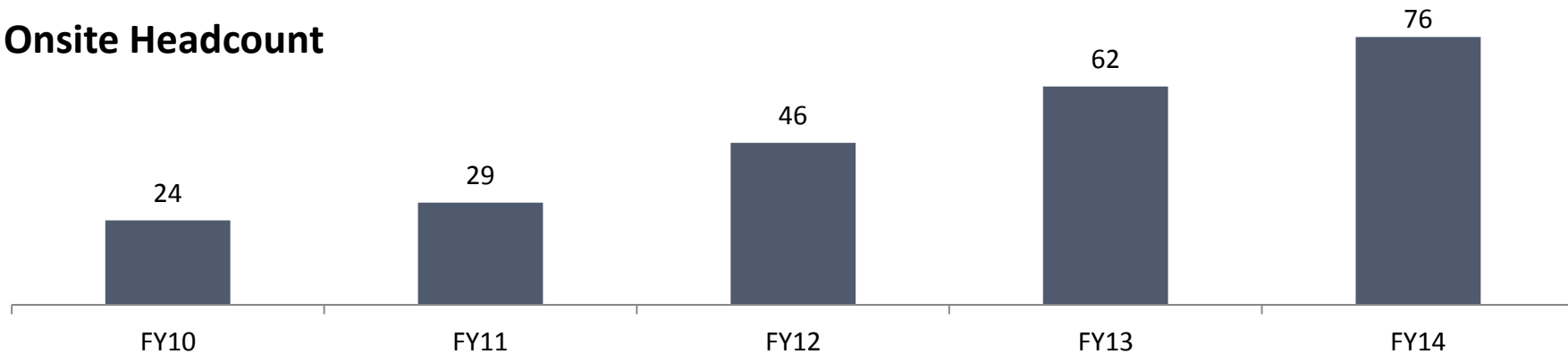
Human Resources Update



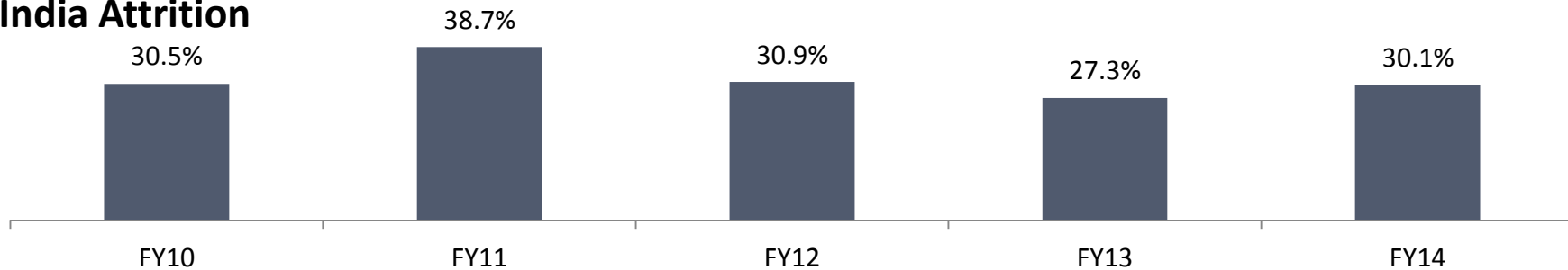
India Headcount



Onsite Headcount



India Attrition



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Thank You

Balance Sheet Abstract



Figures in INR millions.

Particulars	March 31, 2014	March 31, 2013	% of Change
Shareholder's Funds			
Capital	301.8	298.8	1%
Reserves and Surplus	5,587.8	4,084.5	37%
Total Shareholder's Funds	5,889.5	4,383.3	34%
Application of Funds			
Fixed Assets	1,559.5	1,355.2	15%
Deferred Tax Assets (net)	18.3	12.8	43%
Net Current Assets and Investments (Liquid)	4,311.7	3,015.3	43%
Total Application of Funds	5,889.5	4,383.3	34%

Financial Summary – Quarterly View



Metrics		FY14 Q4	FY14 Q3	FY14 Q2	FY14 Q1	FY13 Q4
Revenue	Total Revenue (INR mn)	2,159	2,202	2,152	2,007	1,713
	Opg Revenue (INR mn)	2,169	2,195	2,146	1,899	1,743
	Opg Revenue (USD mn)	35.5	35.7	34.1	33.0	32.3
Profit	EBITDA (INR mn)	919	894	934	898	656
	OPM (INR mn)	846	805	854	701	620
	Net Profit (INR mn)	645	623	672	617	482
Margin	EBITDA	43%	41%	43%	45%	38%
	OPM	39%	37%	40%	37%	36%
	Net Profit	30%	28%	31%	31%	28%
EPS	Basic	21.5	20.8	22.4	20.6	16.4
	Diluted	20.9	20.3	22.1	20.4	16.0

P&L Comparison – Quarterly View



Figures in INR millions.

Operating P&L	FY14 Q4	OPR	FY14 Q3	OPR	FY14 Q2	OPR	FY14 Q1	OPR	FY13 Q4	OPR
Operating Revenue	2,169		2,195		2,146		1,899		1,743	
Cost of Revenues										
Employee Cost	656	30%	721	33%	701	33%	665	35%	598	34%
General and Administrative Expenses										
Rent	82	4%	78	4%	78	4%	73	4%	73	4%
Communication Expenses	36	2%	26	1%	20	1%	25	1%	26	1%
Legal and Professional Fees	40	2%	35	2%	47	2%	25	1%	31	2%
Electricity	16	1%	21	1%	20	1%	16	1%	18	1%
Conveyance	11	0%	11	0%	11	1%	13	1%	14	1%
Provision for Bad Debt	1	0%	-	0%	-	0%	-	0%	(0)	0%
Others	93	4%	76	3%	56	3%	48	3%	59	3%
Total G&A	278	13%	248	11%	231	11%	200	11%	220	13%
Selling and Distribution*	306	14%	338	15%	286	13%	244	13%	238	14%
Depreciation, Interest and Amortization	84	4%	83	4%	74	3%	90	5%	67	4%
Total Operating Cost	1,324	61%	1,390	63%	1,293	60%	1,198	63%	1,124	64%
Operating Profit	846	39%	805	37%	854	39.8%	701	36.9%	620	35.6%

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

Revenue Quality – Quarterly View



Metrics		FY14 Q4	FY14 Q3	FY14 Q2	FY14 Q1	FY13 Q4	FY13 Q3	FY13 Q2	FY13 Q1
Revenue Growth (%)	USD	-0.4%	4.7%	3.4%	2.2%	2.9%	5.0%	NA	NA
	Constant Currency	-0.6%	4.0%	3.1%	2.4%	3.6%	4.5%	NA	NA
Currency Concentration (%)	USD	80%	81%	81%	81%	81%	82%	83%	83%
	EURO	14%	14%	14%	15%	15%	12%	13%	14%
	GBP	5%	5%	4%	3%	4%	5%	3%	3%
	Other	1%	0%	1%	1%	0%	1%	1%	0%
Geographic Concentration	North America	74%	74%	74%	74%	74%	75%	75%	71%
	Europe	22%	21%	21%	21%	21%	18%	19%	20%
	ROW	4%	5%	5%	5%	5%	7%	6%	9%
Debtors	DSO	38 days	33 days	41 days	35 days	33 days	31 days	41 days	30 days
Client	Top 5 contribution	73%	74%	75%	76%	78%	78%	79%	80%
	New client added	4	2	5	5	6	7	4	8
	Clients Billed	64	64	65	61	61	58	54	54
Billing Mix	FTE	94%	95%	95%	94%	91%	92%	93%	93%
	SEZ Revenue	60%	60%	60%	60%	60%	59%	58%	62%
Seat count		6,391	6,385	6,317	5,954	5,831	5,415	5,369	4,686
Staff utilization		64%	66%	65%	66%	69%	69%	68%	68%