



THINK DIGITAL. THINK POLARIS.

Earnings Announcement – First Quarter FY 2015-16

August 06, 2015



Safe Harbor Statement

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to our ability to manage growth, intense competition among Indian and overseas IT companies, various factors which may affect our cost advantage, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Polaris has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. Polaris may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.



Key Financial Highlights

- Revenues at Rs. 496 crore registering 6% QoQ growth; 4% YoY growth
- In dollar terms, revenues stood at \$76 Mn
- EBITDA at Rs. 64 crore registering 27% QoQ growth; 6% YoY growth
- Profit After Tax (PAT) stood at Rs. 38 crore registering 3% QoQ growth
- Revenues were distributed across all geographies with the Americas contributing 53%, Europe 20%, India 8% and Rest of the World 19%



Key Business Highlights

- 4 New clients were added in Q1FY16 reflecting client confidence in our digital offerings
- Active clients were 159 against 157 in the last quarter.
- Polaris rated as a "Major Contender" By Everest Group in their report titled "IT Outsourcing in Banking with PEAK Matrix Assessment"
- Talent strength of 7305 (Excl. BPO division)



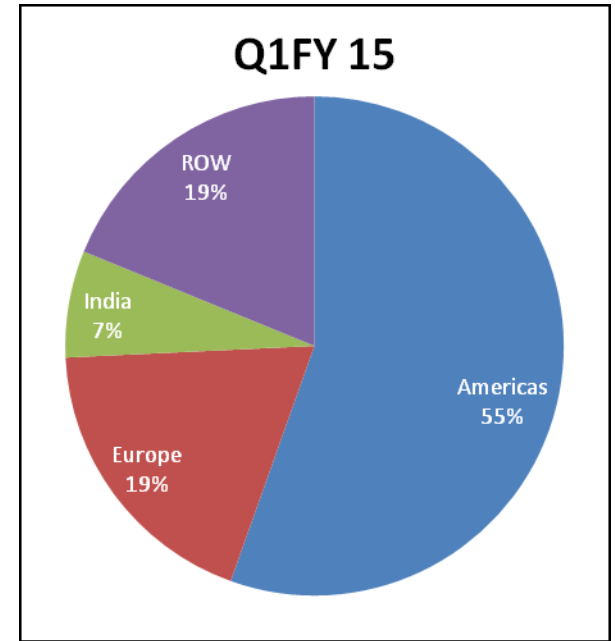
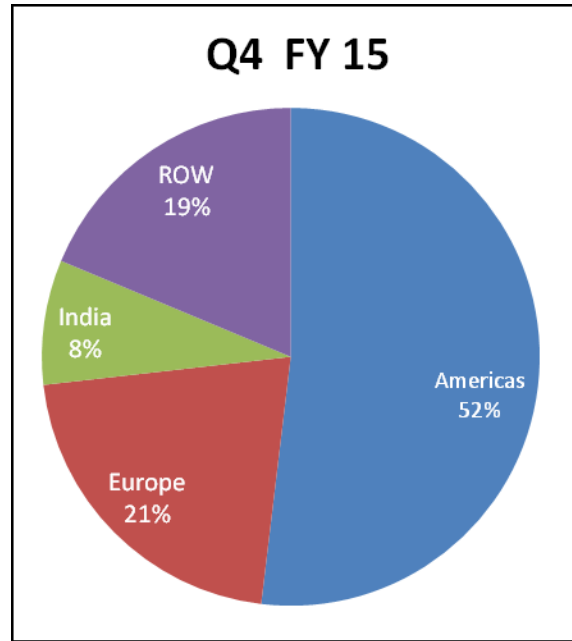
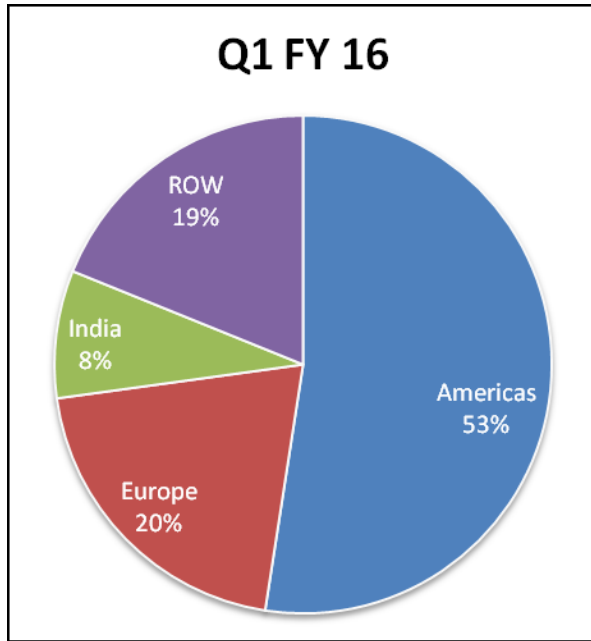
Q1 FY 16 Business Financials

Rs. Lakhs

Particulars	QUARTER ENDED			YEAR ENDED
	June 30, 2015	March 31, 2015	June 30, 2014	March 31, 2015
INCOME				
Income from Software development, Support & BPO services	49,583.48	46,701.57	47,467.58	189,334.54
EXPENDITURE				
Software development expenses	35,153.44	34,691.61	35,034.10	139,964.80
Selling & Marketing and General & Administrative expenses	8,050.64	6,981.82	6,391.20	26,860.97
Total Expenditure	43,204.08	41,673.43	41,425.30	166,825.77
Profit before interest, depreciation & amortisation other Income, foreign exchange gain/ (loss), exceptional items & tax	6,379.40	5,028.14	6,042.28	22,508.77
Depreciation and Amortisation expenses	674.59	670.65	763.94	2,790.87
Profit before other Income, foreign exchange gain/ (loss), exceptional items & tax	5,704.81	4,357.49	5,278.34	19,717.90
Foreign exchange gain/ (loss)	(445.04)	436.52	(162.46)	1,182.81
Other Income including exceptional items	450.27	438.31	457.41	2,242.24
Profit before tax	5,710.04	5,232.32	5,573.29	23,142.95
Provision for taxation	1,902.95	1,530.12	1,395.90	6,422.28
Profit after tax	3,807.09	3,702.20	4,177.39	16,720.67
Minority Interest/ Share of profit/(loss) of Associate Companies	1.48	6.31	-	6.31
Profit for the period	3,808.57	3,708.51	4,177.39	16,726.98

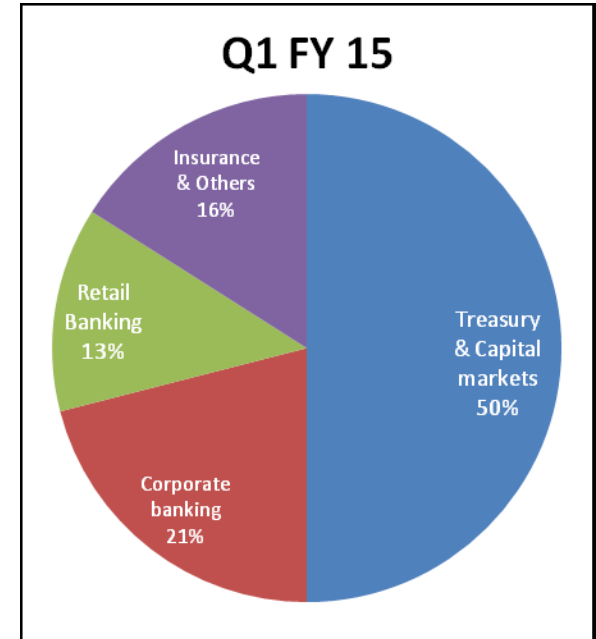
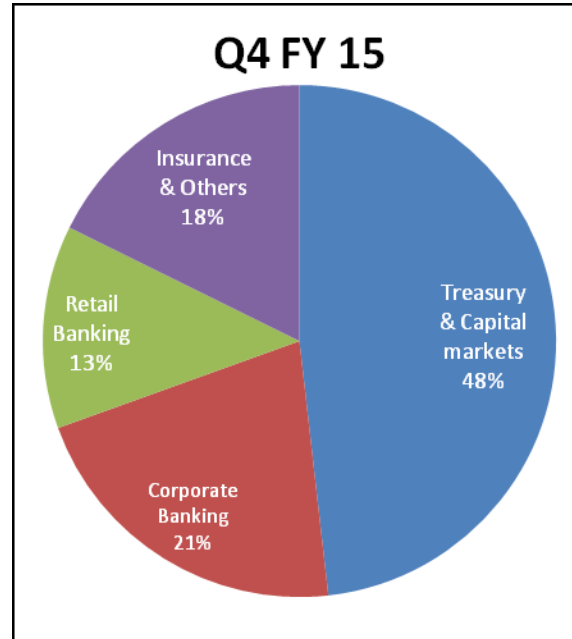
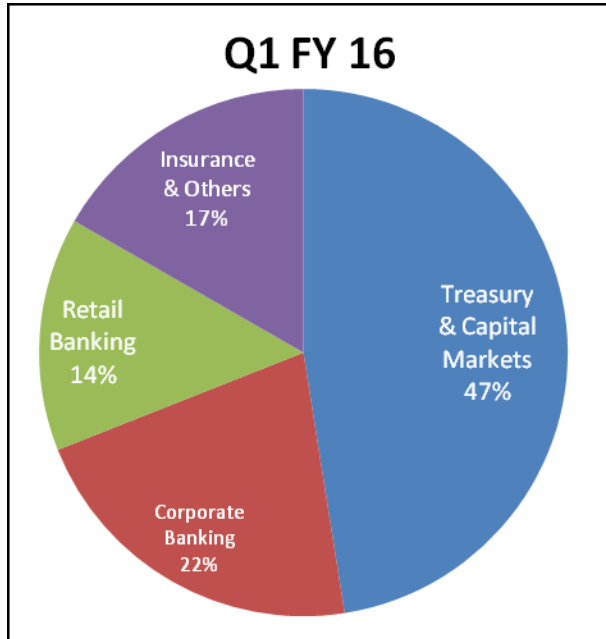


Revenue: Geographic Distribution



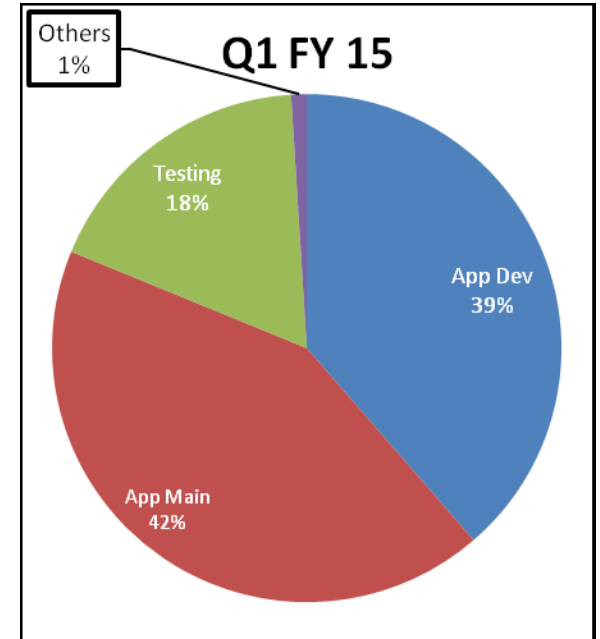
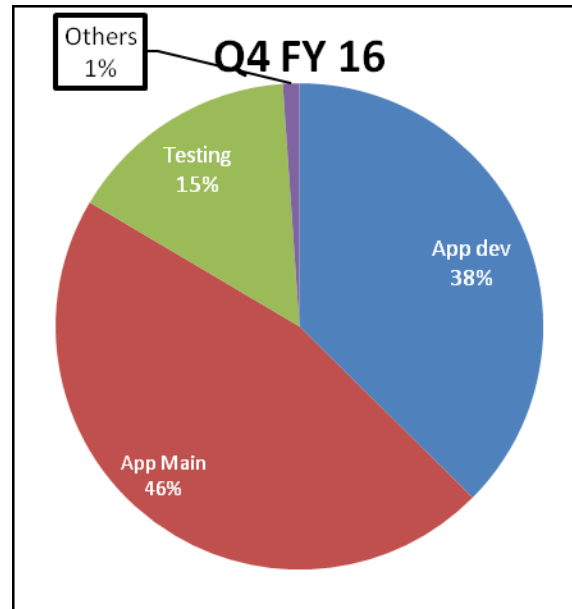
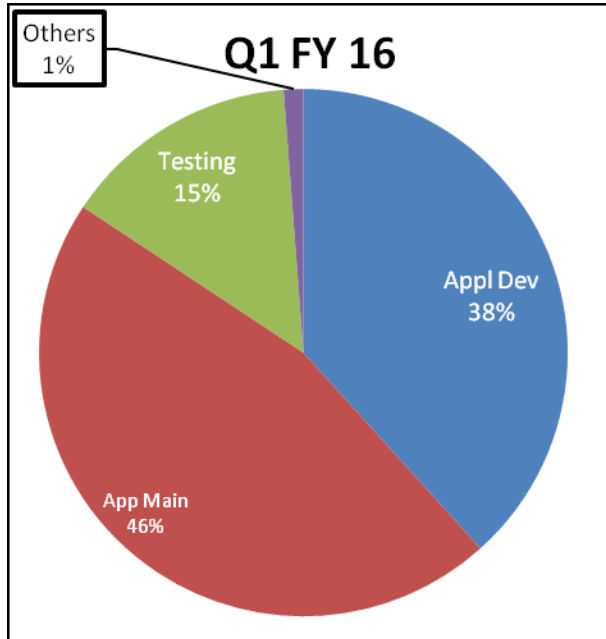


Revenue: Vertical Split





Revenue: Service Offering





Q1 FY 16 Financial Metrics

Revenue by	Q1 FY 16	Q4 FY15	Q1 FY15
Fixed Bid	38.8%	41.1%	34.4%
Time & Material	61.2%	58.9%	65.6%

Onsite Offshore Ratio - By Efforts	Q1 FY 16	Q4 FY15	Q1 FY15
Onsite	21%	22%	21%
Offshore	79%	78%	79%

DSO		Q1 FY 16	Q4 FY15	Q1 FY15
	Billed	45	44	39
	Unbilled	40	44	40
	Total	85	88	79

Capacity Utilization	76.7%	78.2%	78.2%
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Q1 FY 16 Financial Metrics

	Q1 FY 16	Q4 FY15	Q1 FY15
Cash & Cash Eqv (INR Cr)	318*	314	349
Major Cash Outflow Items	Capex: Rs 7.7 Cr Dividend payment Rs 50 cr	Capex : 8.93Cr	Capex : INR 27.5 Cr Employee annual payout 30 Cr

* Includes balance in unpaid dividend A/c of Rs. 101 Cr

USD INR Rate	Q1 FY 16	Q4 FY15	Q1 FY15
Average Rate	63.49	62.31	59.74
Closing Rate	63.65	62.50	60.18



Q1 FY16 Client Metrics

Client Concentration	Q1 FY 16	Q4 FY15	Q1 FY15
Top 5	39.2%	45.3%	43.7%
Top 10	53.1%	59.7%	58.8%

Client Concentration	Q1 FY 16	Q4 FY15	Q1 FY15
US\$ 1+ Mn accounts	24	27	27
US\$ 3+ Mn accounts	7	7	3
US\$ 5+ Mn accounts	6	5	7
US\$ 10+ Mn accounts	6	7	6
US\$ 25+ Mn accounts	1	2	2



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