



Mastek FY16 Total Income at Rs 544.3 crore

- 11 new clients added during the quarter

CLARIFICATION NOTE

With respect to the financial results for the fourth quarter and full year ended 31st March, 2016 for Mastek Limited, please note that the current quarter/year figures are not comparable with the corresponding quarter of the previous year, consequent to demerger of Insurance Products and Services business of Mastek Limited into “Majesco Limited” effective from 1st April 2014.

Mumbai, India – 19th April 2016: Mastek, the technology solution provider for digital transformation programs in the Government, Retail and Financial Services worldwide, announced today its financial results for the **fourth quarter and full year of FY16**.

Review of financial performance for the quarter ended 31st March, 2016

On a quarter-on-quarter basis:

- The operating income was Rs 124.3 crore during the quarter under review as compared to Rs 137.8 crore during the previous quarter reflecting a decrease of 9.8% in rupee terms and a drop of 6.4% in constant currency terms.
- Total income was Rs 127.6 crore during the quarter under review as compared to Rs 140.7 crore during the previous quarter, down 9.3% on Q-o-Q basis.
- The Company reported EBITDA of Rs 4.0 crore (3.1% of total income) in Q4FY16 as compared to Rs 3.6 crore (2.6% of total income) in Q3FY16.
- Net profit stood at Rs 5.9 crore in Q4FY16 as against Rs 0.8 crore in Q3FY16, up by 641.8% on QoQ basis. The growth was driven by increase in other income mainly due to realization of gains on Mutual Funds Investments and reversal of Tax provision for earlier year.

For the Financial Year ended 31st March, 2016:

- The operating revenue was Rs 526.9 crore for FY 2016 as compared to Rs 1,012.6 crore in FY 2015.
- Total income was Rs 544.3 crore for FY 2016 as compared to Rs 1,029.7 crore in FY 2015.

Note (i):All references to Mastek’s financial results in this release pertain to the company’s consolidated operations.

Note (ii):Current quarter figures are not comparable with the corresponding quarter figures of the previous year, consequent to demerger of Insurance Product and Services business effective 1st April 2014.

Note (ii):Rs 1 crore (cr.) = Rs 10 million (mn.).



- The Company posted an EBITDA of Rs 33.0 crore (6.1% of total income) for FY 2016 as compared to an EBITDA of Rs 61.1 crore (5.9% of total income) in FY 2015.
- Net profit stood at Rs 13.8 crore for FY 2016 as against Net profit of Rs 17.7 crore for FY 2015.

Operating highlights

- **New accounts billed during the quarter:** The Company added 11 new clients during Q4FY16. Total client count as of 31st March, 2016 was 88 (LTM).
- **12m Order Backlog:** Mastek's 12-month order backlog was Rs 205.5 crore (\$31.02mn) as on 31st March, 2016 and in constant currency stood at Rs 205.2 crore (\$30.97mn) as compared to Rs 210.0 crore (\$31.7mn) at the end of Q3FY16, reflecting a decline of 2.1% QoQ in rupee terms (an decrease of 2.3% QoQ in constant currency).
- **Employees:** As on 31st March, 2016, the company had a total of 1,298 employees, of which 910 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 31st December, 2015 was 1,302.
- **Billable utilization:** The Company's billable utilization stood at 78.5% in Q4FY16 as compared to 81.7% in Q3FY16.
- **Exceptional Items:** During the quarter company incurred restructuring cost of Rs 0.63 crore related to Stamp Duty payable in respect of demerger of the Insurance Products and Services Business
- **Cash & Cash Equivalents:** The total cash & cash equivalent stands at Rs 119.9 crore as on 31st March, 2016 as compared to Rs 110.3 crore at the end of 31st December, 2015.
- **Cashless Technologies:** The Board has approved the purchase of a 100% stake in Cashless Technologies India Pvt. Ltd., a company incorporated in India on 2nd Feb'2016 for a consideration of Rs 1 lakh. The company was formed by Mr. Sudhakar Ram, MD and Group CEO, Mastek Ltd and Hiren Shah, SVP, Mastek Ltd. with Share Capital of Rs 1 lakh.

Commenting on the results, Mr. Sudhakar Ram, Managing Director & Group CEO, Mastek, said:

“Despite being the year of demerger, acquisition and re-strategizing, we have been able to maintain our revenues. We have repositioned ourselves as a pure play IT services firm in order to drive complex digital transformation programs for our clients. We have added 31 new clients during a challenging year which has energized the organisation and validated our strategy. We have started focusing more to build on our digital capabilities and we are confident that FY'17 would be a growth year for us.”

Commenting on the results, Mr. Abhishek Singh, CFO Designate, Mastek, said: “Mastek has had a difficult FY16 on the backdrop of demerger, acquisition and a challenging situation with a client. However, with deep domain expertise and longstanding relationships coupled with a headstart in the Digital space, it is poised for a stronger FY'17.”

About Mastek

Mastek is a publicly held (NSE: MASTEK; BSE: 523704) leading IT player with global operations providing enterprise solutions to government, retail and financial services organizations worldwide. With its principal offshore delivery facility based at Mumbai, India, Mastek operates in the UK and Asia Pacific regions. Incorporated in 1982, Mastek has been at the forefront of technology and has made significant investments in creating intellectual property, which along with proven methodologies and processes, increase IT value generation to its customers through onsite and offshore deliveries. For more information and past results & conference call transcripts, please visit our web site www.mastek.com (and/or the Investors section at <http://www.mastek.com/investors.html>). Updated disclosures regarding corporate governance may also be accessed in the web site's Investors section at: <http://www.mastek.com/investors/corporate-governance.html>.

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Shareholders may also contact Mastek via email at Investor_grievances@mastek.com, which has been specifically created for the redressal of investor grievances. You may also contact the Investor Relations team by email at investor.relations@mastek.com.

Note: Except for the historical information and discussion contained herein, statements included in this release may constitute forward looking statements. These statements involve a number of risks and uncertainties that could cause actual results to differ materially from those that be projected by these forward looking statements. These risks and uncertainties include, but not limited to such factors as competition, growth, pricing environment, recruitment and retention, technology, wage inflation, law and regulatory policies etc. Such risks and uncertainties are detailed in the Annual Report of the company which is available on the website www.mastek.com. Mastek Ltd. undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof.