1 June 2011

Update | Sector: Information Technology

Infosys Technologies

BSE SENSEX	S&P CNX
18,503	5,560

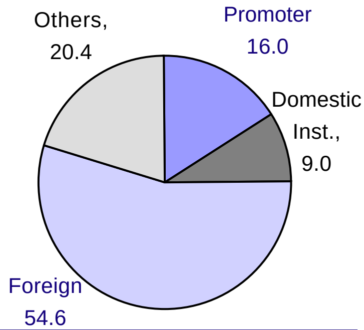
CMP: Rs2,792 TP: Rs3,400 Buy

Bloomberg	INFO IN
Equity Shares (m)	571.2
52-Week Range (Rs)	3,494/2,591
1,6,12 Rel. Perf. (%)	-1/-4/-3
M.Cap. (Rs b)	1,594.6
M.Cap. (US$ b)	35.4

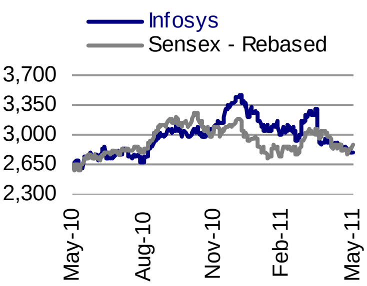
Y/E March	2011	2012E	2013E
Sales (Rs b)	275	333	394
EBITDA (Rs b)	90	103	121
NP (Rs b)	68	80	97
EPS (Rs)	119.4	140.6	169.5
EPS Gr. (%)	11.2	17.7	20.6
BV/Sh. (Rs)	454.1	547.2	669.8
P/E (x)	23.4	19.9	16.5
P/BV (x)	6.1	5.1	4.2
EV/EBITDA (x)	16.1	13.6	11.1
RoE (%)	27.8	28.0	27.8
RoCE (%)	33.1	32.6	31.7

Price as on 31 May 2011

Shareholding pattern % (Mar-11)



Stock performance (1 year)



Weak 4Q an anomaly; FY12 guidance conservative

Stock correction a buying opportunity; possible upside of 22%

- **Infosys management views the weak 4Q more as an anomaly than a structural indicator of demand and relative positioning.**
- **We see Infosys' margin guidance as conservative and embedding the worst case. Its strong order backlog and deal pipeline provide high revenue growth visibility in FY12.**
- **The stock is down ~20% YTD; we recommend buying aggressively with a price target of Rs3,400 (20x FY13E EPS).**

FY12 growth in the bag provided status quo in macro scenario: The management reiterated that macro uncertainty remains the key impediment to fundamentals. Though budgets are up 2-3% for CY11, they are getting re-evaluated every quarter and as such do not provide visibility around demand. That being said, the management's 18-20% revenue growth expectation does not embed any improvements in the macro scenario, but just status quo.

1QFY12 trending in line with guidance, so far: 1QFY12 is shaping up in line with the guidance of 2.6-3.6% revenue growth that the management had issued in April. Weakness in 4QFY11 was largely due to the Telecom and Insurance verticals, and some deal deferrals. Insurance weakness was seasonal and revenue should pick up in the next quarter. The Telecom pipeline has improved in 1QFY12; growth should materialize gradually through the year.

Margin strategy unchanged; guidance embeds worst case scenario: The management reiterated its strategy of growing faster than industry whilst maintaining its industry-high margins. This is despite guiding a 300bp margin decline in FY12. We see the margin guidance as being especially conservative, with the full impact of headwinds like currency, lower utilization and wage inflation being assumed, but no help being embedded from offsets like pricing increases, productivity improvement, scale benefits, improving subsidiary performance, increasing share of fixed bid/offshore contracts, and better business mix. The only offset that it has built in is employee pyramid management through higher influx of freshers.

No changes in our estimates; maintain Buy: Though Infosys new strategy and leadership changes do not necessarily signify anything revolutionary, the fact that Infosys is thinking ahead of the competition in identifying the trends that may shape the industry in the years to come and is positioning itself to take advantage of these tends early should help it to sustain its competitive advantage over peers. We believe Infosys is far ahead of the curve and competition in terms of positioning for the future. The strategy of having one-third of revenue from each of Transformation and Innovation, and just one-third of revenue from Operations is the right one, even if it may entail some investments and some sacrifice on the margins in the near term. There could be upside to our margin assumptions if we are right about our revenue growth trajectory for the company. We retain our EPS estimate for FY12 and FY13 at Rs140.6 and Rs169.5, respectively. Maintain **Buy**, with a target price of Rs3,400 (20x FY13E EPS).

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Weak 4Q an anomaly; FY12 guidance conservative

Stock correction a buying opportunity; possible upside of 22%

- **We met with Infosys' management. The central messaging both implicitly and literally was, "Form is temporary, class is permanent". It views the weak 4Q more as an anomaly than a structural indicator of demand and relative positioning.**
- **A rare volume miss relative to own 4QFY11 guidance, back-ended nature of FY12 revenue guidance, and guidance of 300bp margin decline in FY12 have made investors nervous as to whether Infosys, the long heralded leader in Indian IT is losing its mojo. Given the recent weak execution and organizational flux, investors will keep Infosys in the penalty box for sometime, and Infosys' guidance could be viewed as "realistic with some upward bias" as against "ultra conservative" as has been the case historically.**
- **We see Infosys' margin guidance as conservative and embedding the worst case. Its strong order backlog and deal pipeline provide high revenue growth visibility in FY12. The stock has declined ~20% YTD; we recommend buying aggressively at current levels, with an investment horizon of 12-18 months. We maintain Buy, with a price target of Rs3,400 (20x FY13E EPS).**

FY12 growth in the bag provided status quo in macro scenario

Guided growth of 18-20% does not embed any improvements in the macro scenario; achievable if there is status quo in the macro scenario

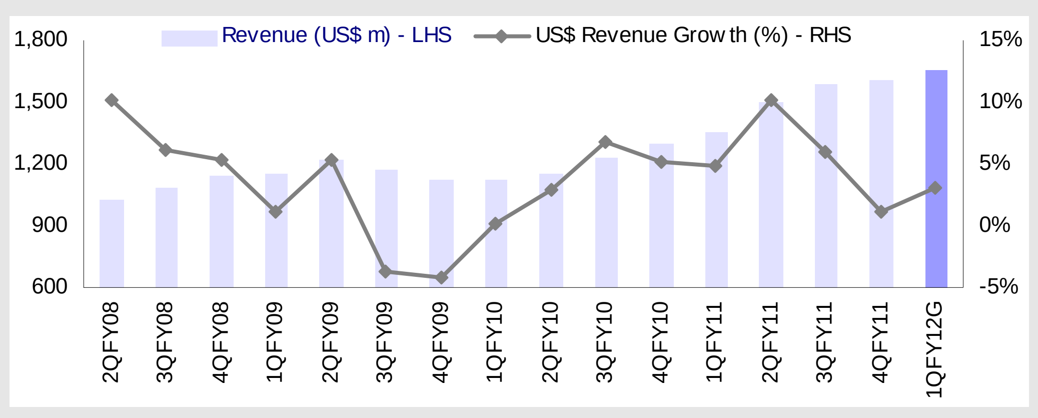
The management reiterated that macro uncertainty remains the key impediment to fundamentals. Though budgets are up 2-3% for CY11, they are getting re-evaluated every quarter and as such do not provide visibility around demand. That being said, the management's 18-20% revenue growth expectation does not embed any improvements in the macro scenario, but just status quo.

1QFY12 trending in line with guidance, so far

1QFY12 is shaping up in line with the guidance of 2.6-3.6% revenue growth that the management had issued in April. In our view, there were three key sources of weakness in 4QFY11: (1) Telecom revenue declined 4.8% QoQ, (2) Insurance was especially weak, even in the context of weak seasonality, with its revenue contribution declining from 8.4% in 3QFY11 to 7.2% in 4QFY11, and (3) some deals were deferred from 4QFY11 into 1QFY12 and later.

US$ revenue growth guidance of 2.6-3.6% QoQ for 1QFY12 implies that the growth will have to be more back-ended to meet the full-year guidance

Guided US$ revenue growth of 2.6-3.6% QoQ (3.1% at the mid-point) for 1QFY12



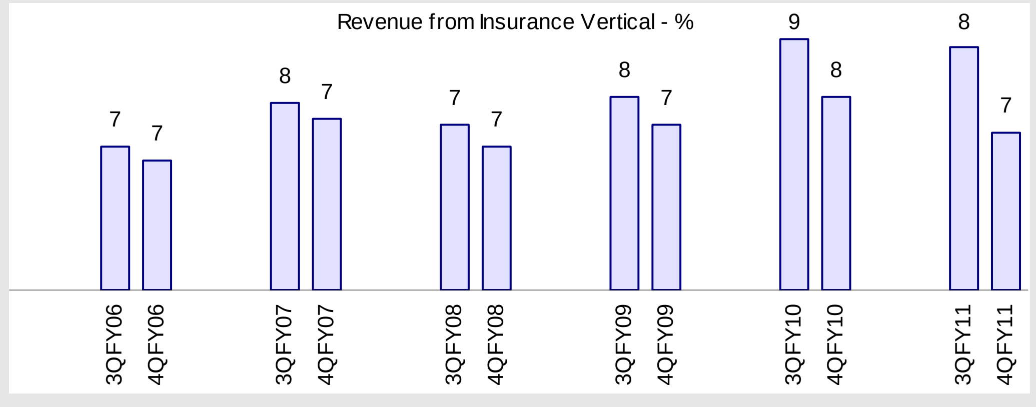
Source: Company/MOSL

Weakness in Insurance was seasonal and revenue should pick up in the next quarter; Telecom growth should materialize gradually through the year, with pipeline having improved in 1QFY12

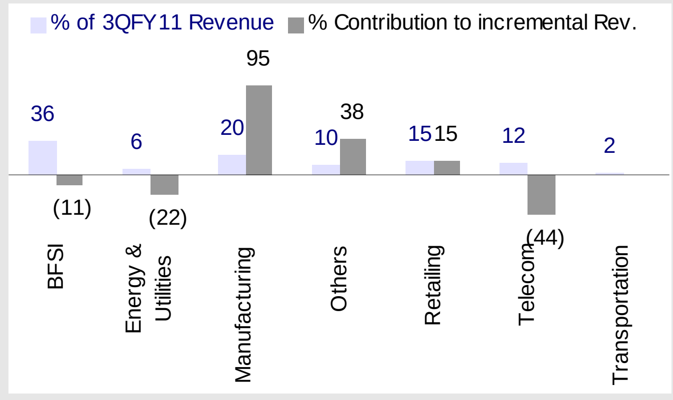
Telecom pipeline strong: The Telecom pipeline is now better than it has been at any point during the last few years. As the pipeline gets converted, growth will materialize, though not necessarily imminently but through FY12. While the SPs and OEMs continue to struggle, growth in Telecom vertical will hinge upon traction in accounts like Vodafone and AT&T. The deal with Vodafone, which involves the rollout of ERP across 30 countries, has been deferred by a couple of quarters. Its onset can lead to a modest revenue spike.

4Q is usually weak for Insurance: For Insurance, 4Q has historically been a weak quarter even vis-à-vis other verticals on a relative basis. The weakness in 4QFY11 may not imply any structural issues. The management has indicated that the Insurance vertical could see the closure of some very large deals shortly, which should also aid revenue growth.

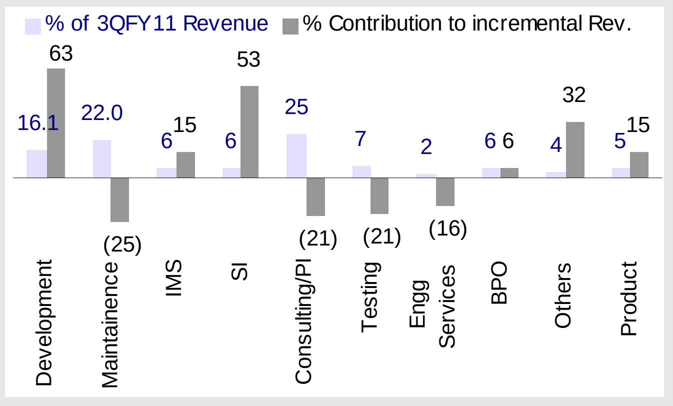
4Q has historically been a weak quarter for Insurance, though more pronounced in FY11



4Q weakness pervasive across key verticals, ex-Manufacturing



Discretionary Services remained weak - possible explanation for higher impact of utilization on margins



Source: Company/MOSL

Margin strategy unchanged - can afford to choose its battles for now

While Infosys' strategy continues to be aimed at achieving the highest margins in the industry, we do not see the margin strategy hampering growth just yet

The management reiterated its strategy of growing faster than the industry whilst maintaining its high margins. We do not necessarily agree with the margin philosophy for the following reasons:

- We see returns (rather than margins) as a better benchmark for capital allocation decisions
- We do not see the rationale in letting go of growth, which may come at the cost of margins but will yet be significantly value accretive

However, we do not see Infosys' margin strategy hampering its growth just yet. Given the nascence of offshoring within IT Services and that there will always be several existing/ potential clients that will value Infosys' execution capabilities, strong Balance Sheet, ability to attract and retain the best talent in the industry etc; we believe that it will be able to choose its battles for now. Today Infosys can afford to let go off a GE or emerging market wireless opportunity. Whether it will be able to do so in 3-4 years, when IT offshoring matures, is questionable.

Growth imperative for margin expansion

Deal activity, demand environment and deferral of some revenues from 4QFY11 to 2QFY12 give us comfort on growth, which, in turn, will take care of margins

If our revenue growth expectations for Infosys materialize, then managing margins should not be a concern for the company. Growth should take care of margins. We can envisage a scenario where the eventual margins in FY12 may not be significantly different from FY11 on a constant currency basis. The following give us comfort on growth:

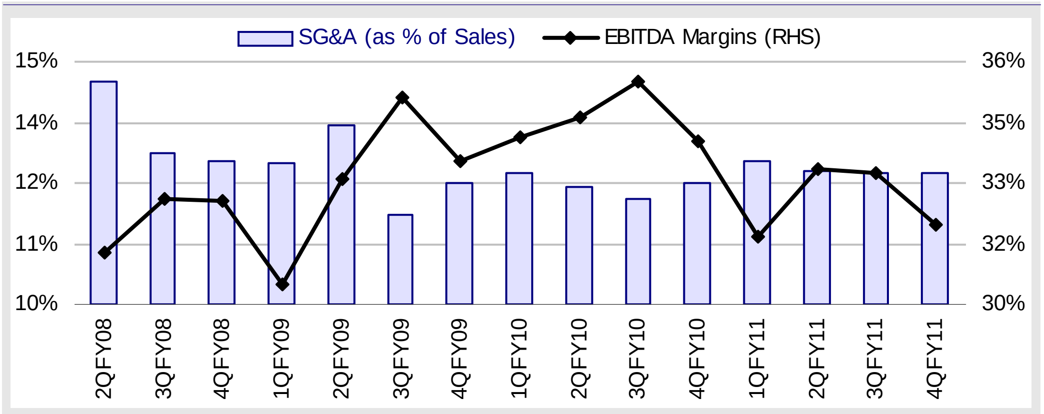
- We expect 3Q to be a seasonally stronger quarter in FY12 than was the case in FY11, driven by a material flush of budget spends this year in the quarter. In FY11, pent-up demand had ensured that budgets were spent evenly through the year, with a flush being absent in 3Q.
- Deal activity and win rates remain strong. Infosys won four transformational and six large deals during the quarter, with some deals being US$100m+. Importantly, deal sizes have moved up from US$30m-50m earlier to US$80m-100m. Infosys is currently pursuing 12 deals of US$50m-250m and has historically had a win rate of 33%.
- The demand environment generally remains strong, and we dont see any reason why Infosys should be an anamoly. Even Accenture, which is four times as big as Infosys in terms of revenue, has guided a healthy 12.5% revenue growth at the mid-point (14% at the higher end) for the year ending August 2011.
- Some of the deal deferrals from 4QFY11 should aid growth in 2QFY12.

Margin guidance conservative; we see multiple upside drivers

Infosys' margin guidance embeds a worst-case scenario, which does not factor in gains from pricing, productivity improvement, scale benefits, subsidiary performance, fixed bids, etc

We see Infosys' margin guidance as being especially conservative, with full impact of headwinds like currency, lower utilization and wage inflation being assumed, but no help being embedded from offsets like pricing increases, productivity improvement, scale benefits, improving subsidiary performance, increasing share of fixed bid/offshore contracts, and better business mix. The only offset that it has built in is employee pyramid management through higher influx of freshers. Our detailed discussion on why we believe the margin guidance to be conservative follows

EBITDA margin declined 140bp QoQ in 4QFY11



Source: Company/MOSL

FY12 margins may not be significantly different from FY11

Better utilization (positive impact of 50-75bp), higher realization (positive impact of at least 75bp) and scale benefits (positive impact of 75-100bp) in themselves should offset 225bp of the 325bp margin decline guided by Infosys. With a little help from further pricing increases, slightly better offshore/fixed bid mix, incremental improvements in subsidiary performance and productivity improvements in fixed bid projects (which constitute ~41% of revenue), FY12 margins may actually be no different from FY11.

The drags

Infosys has guided a contraction of ~325bp in FY12 operating margin, on account of the following: [1] unfavorable currency movements - a potential 100bp headwind to margins, and [2] wage inflation, which could drag margins down by another 100bp, after considering the cushion provided by employee pyramid management.

- **Currency - any guess is as good as ours**

The management has guided that unfavorable currency movement would result in a 100bp negative impact on FY12 margin. We would not like to hazard a guess on currency movements during the year. Continued appreciation of the Rupee eats into the industry competitiveness and is something that the industry will have to deal with. That being said, if the exchange rate remains at the current Rs45/US$, there will be an upside of Rs2.7 to our FY12 EPS estimate.

- **Wage inflation - employee pyramid management to help**

The net impact of wage inflation on Infosys' FY12 margin would be 100bp, with employee pyramid management helping to offset the 300bp impact of a 10-12% offshore and 2-3% onsite wage hike by 200bp.

The offsets

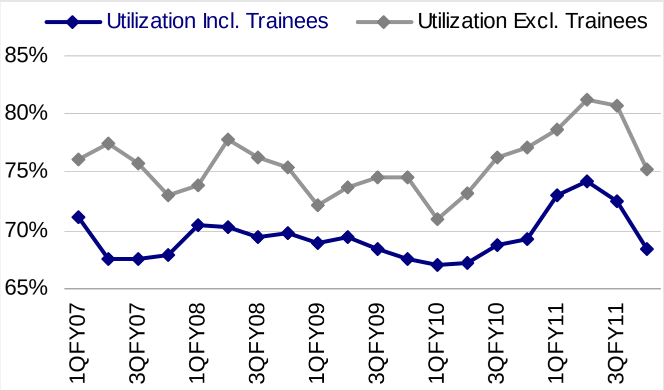
We expect wage inflation pressures to be offset by: [1] higher utilization on better than guided growth, [2] higher realization - while Infosys' commentary has remained guarded on pricing uptick, it has witnessed an increase in realization in each of the last three quarters, and [3] operational leverage - driven by scale benefits from potential volume growth of 18-20%.

- **Utilization - expect it to be higher than guidance**

In FY11, Infosys' utilization ex-trainees had jumped to 78.9% from a 4-year average of 74.9%. Utilization including trainees had jumped to 72% v/s an average of 68.8% over FY07-10. 4QFY11 levels of 75.2% (ex-trainees) and 68.4% (including trainees) were more consistent with the long-term averages. We agree that Infosys was running a little hot with utilization ex-trainees at ~81% in the last two quarters. Slightly lower utilization makes sense for the following reasons:

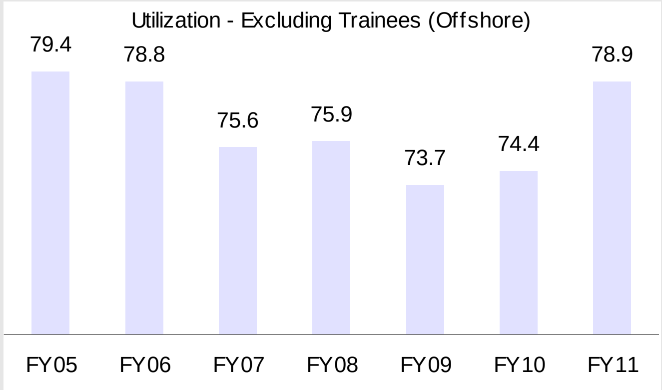
1. Infosys' peak utilization during FY11 after accounting for travel, leave, training, etc works out to 86-87%, leaving little room for error.
2. High utilization eventually leads to some disruption in service and delivery levels, especially at a time when the industry is dealing with high attrition. It also limits the ability of an organization to capture any unforeseen demand.
3. The opportunity cost of not having an employee on board and available is significantly higher than the loss because of the employee having to remain on the bench for longer.

4QFY11 utilization lower than recent highs



Management is comfortable at three percentage-point higher utilization than 4QFY11 level

FY11 utilization level was discomfortingly high (%)



For FY12, the management has guided a moderation in utilization from FY11 level

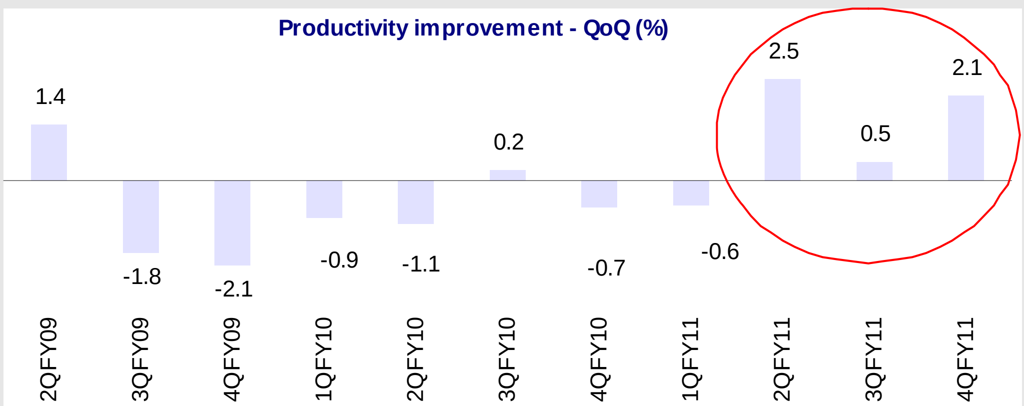
Source: Company/MOSL

While Infosys has guided to a lower utilization level for FY12 v/s FY11, we believe that the utilization will actually be higher. This is in turn driven by our belief that revenue growth for the year will be higher than the company's guided range of 18-20%. Higher revenue growth should lead to better absorption of resources, resulting in ~50-75bp addition to Infosys' margin guidance for the year. The management has also stated that it would be comfortable operating at a utilization rate of up to 78%.

- **Realization - 3% increase assuming pricing/mix at levels similar to 4QFY11**

If realization remains at 4QFY11 levels all through FY12, in line with Infosys' guidance, FY12 realization would be 3% higher than FY11. A large part of this increase (2%) is cross currency related, where the margin fall through wouldbe limited. However, we still believe that the eventual impact of a 3% blended realization increase would be at least a 75bp addition to Infosys' FY12 margin. In addition, as we have shown later in the report, pricing tends to be much better than Infosys' guidance whenever revenue growth has exceeded their guidance. Also, to provide some context, Infosys has been indicating no more than a stable pricing scenario over the past few quarters as well but saw pricing increases of 2.5%, 0.5% and 2.1% QoQ during 2Q, 3Q and 4QFY11 respectively.

Despite muted commentary on pricing, productivity increased for the third consecutive quarter

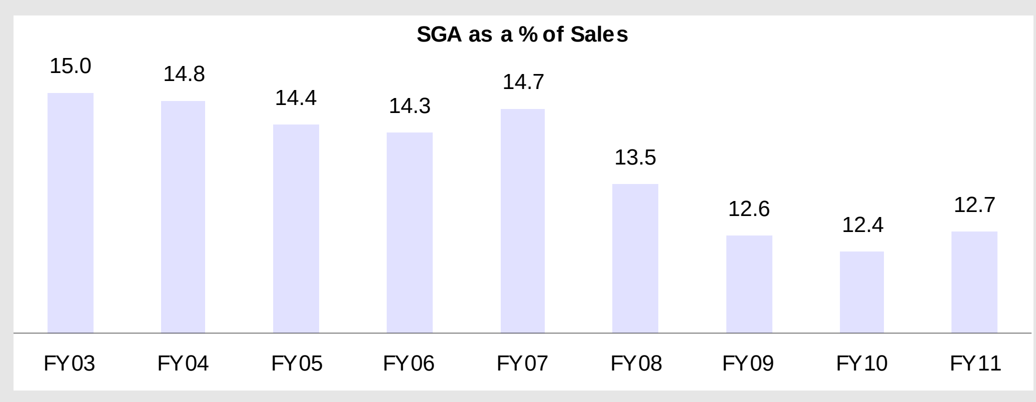


Source: Company/MOSL

Scale benefits - to continue providing margin cushion

A 16% volume growth in FY12 (Infosys' estimate; our estimate is higher) should provide better absorption of fixed costs and thus drive some operating leverage. Even if we assume fixed costs as being 10% of aggregate costs for Infosys (after adjusting some parts of the semi variable costs to fixed), a 16% growth should push operating margin up by ~100bp. We expect volume growth to be higher than 16%, which should drive a modestly higher leverage in margins, as well.

Scale benefits will continue to provide some margin cushion



Source: Company/MOSL

Focus on management action rather than management commentary

Performance on pricing and utilization has been much better than guidance when growth has been higher than expected - the two underpinnings of higher margin expectation for FY12, as well

We believe that investors should focus more on what Infosys is doing rather than on what the management is saying. Though commentary on demand continues to be peppered with caution about the uncertain global macro scenario, we believe that Infosys' internal growth and margin expectations are higher than the management guidance. We derive comfort from the following:

- Infosys is recruiting 45,000 employees on a gross basis in FY12 in a scenario of declining attrition (expected at ~13% in FY12), which implies volume growth of 19% v/s 16% guided at the mid-point (after assuming decline in utilization from ~78% in FY11 to ~75% in FY12).
- Infosys is guiding to a much lower utilization levels in FY12 (~75% now as against prior comfort level of high 70's/low 80's earlier and a level of 78.9% in FY11). This does not fit in with a scenario of declining attrition and demand uncertainty. To us, its comfort with lower utilization implies that the company wants to be prepared to take advantage of any upside surprises in demand. We believe that the management anticipates higher probability of demand surprising on the upside than on the downside.
- Infosys has a track record of surpassing its guidance. We juxtaposed its guidance on various parameters related to growth and margins over the last two years v/s actual performance. We found that the actual performance has been markedly different than the guidance in the case of a significant number of metrics. Especially, pricing and utilization have been much better than guidance when growth has been higher than expected, the two underpinnings of our better margin expectation for FY12 as well.

Guidance v/s actual performance

	FY10		
	Guidance	**Impact on OPM**	**Actual**
Revenue Growth/(Decline)	(-3 to -7%)	-	3%
Pricing	5.7% decline Y-o-Y (assuming 4Q pricing remaining through the full year)	Headwind of 3%	Actual Decline 3%...or a 1.5% impact on OPM
Utilization	Expected to go down	Headwind of 5% alongwith S&M	Actual utilization was higher at 74.4% vs 73.7% (vs. 70.9% in Q1FY10)
Re/$	50.72	Benefit of 4.5%	47.3 --> implying an actual benefit of just 75bps
S&M	Expected to go up	(negative impact)	SGA actually declined 20bps
Wage Inflation	Not to give any hikes in the year	-	None Given
Total Impact on OPM	(-300bp)		Actually increased by 90bps (Apart from the factors above, Offshore mix movement helped margins as well)

	FY11		
	Guidance	**Impact on OPM**	**Actual**
Revenue Growth/(Decline)	+16-18%		25.70%
Pricing	Increase of 1.4% (assuming Q4F10 pricing remaining stable through FY11)	Tailwind of ~70bps+	up 3.5% --> tailwind of 150bps+
Utilization	to go up by ~2% from 74.5% in FY10 --> comfortable with utilization of high 70's, low 80's	positive impact on margins by 100bps	78.9% --> implying positive impact should have been ~250bps
Re/$	Assumed 44.5 --> appreciation of 6.2%	negative Impact of 250bp	45.5 --> implying impact should not have been more than 150bp
S&M	No specific commentary	Minimal impact on account of employee pyramid management (~100bp)	SGA increased by 30bps
Wage Inflation	Offshore wage inflation of 14%, onsite of 2-3% --> expected to impact by 300bps standalone		In-line wage increase, but higher proportion of laterals within GA
Total Impact on OPM	(-150bp)		(-110bp) --> can be explained by higher lateral adds, and 3% shift in onsite:offshore mix in favor of onsite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Infosys Technologies
CMP: Rs2,911 TP: Rs3,400 Buy

See our update dated 4 May 2011

Keeping estimates unchanged; maintain Buy

We see the formulation of the new strategy and leadership changes by Infosys as steps in the right direction. Though the redefined vision does not necessarily signify anything revolutionary, the fact that Infosys is thinking ahead of the competition in identifying the trends that may shape the industry in the years to come and is positioning itself to take advantage of these tends early should help it to sustain its competitive advantage over peers.

We believe Infosys is far ahead of the curve and competition in terms of positioning for the future. The strategy of having one-third of revenue from each of Transformation and Innovation, and just one-third of revenue from Operations is the right one, even if it may entail some investments and some sacrifice on the margins in the near term. Eventually, if Infosys is successful, its margin profile will be far better than it is currently. Margins on initiatives like Cloud, Analytics, Social Media, Products and IP would be ~50% higher than the margins on traditional IT services.

Traditional IT services are fast getting commoditized, with the pricing and margins on Application Development and Maintenance (ADM) being significantly lower today than they were five years ago. Though companies can seek comfort in chasing volumes in commoditized services for now, made possible given the nascence of offshoring within IT services, the eventual winners will be companies that think and act ahead. Infosys is the value leader in the space and we would prefer it that way (instead of necessarily chasing low-end volumes, just for the sake of growth).

We are retaining our EPS estimates for FY12 and FY13 at Rs140.6 and Rs169.5, respectively. We believe there could be upside to our margin assumptions if we are right about the revenue growth trajectory for the company. We maintain our **Buy** rating, with a target price of Rs3,400 (20x FY13E EPS).

Financials and Valuation

Income Statement (Rs Million)

Y/E March	2008	2009	2010	2011	2012E	2013E
Sales	**166,920**	**216,930**	**227,420**	**275,010**	**333,234**	**394,154**
Change (%)	20.1	30.0	4.8	20.9	21.2	18.3
Software Develop. Exp.	92,070	117,650	120,710	150,620	186,666	222,767
Selling and Mktg. Exp.	9,160	11,040	11,840	15,320	20,085	22,861
Administration Exp.	13,310	16,290	16,260	19,510	23,648	27,591
EBITDA	**52,380**	**71,950**	**78,610**	**89,560**	**102,834**	**120,936**
% of Net Sales	31.4	33.2	34.6	32.6	30.9	30.7
Depreciation	5,980	7,610	9,050	8,540	9,432	10,514
Other Income	7,040	4,730	9,430	12,110	15,154	19,580
PBT	**53,440**	**69,070**	**78,990**	**93,130**	**108,556**	**130,002**
Tax	8,060	10,270	17,650	24,900	28,225	33,150
Rate (%)	15.1	14.9	22.3	26.7	26.0	25.5
Adjusted PAT	**45,380**	**58,800**	**61,340**	**68,230**	**80,332**	**96,851**
Extraordinary Items	-1,210	-1,080	-1,320	0	0	0
Reported PAT	46,590	59,880	62,660	68,230	80,332	96,851
Change (%)	20.8	28.5	4.6	8.9	17.7	20.6

Balance Sheet (Rs Million)

Y/E March	2008	2009	2010	2011	2012E	2013E
Share Capital	2,860	2,860	2,860	2,860	2,860	2,860
Reserves	135,090	179,680	227,630	256,900	310,165	380,286
Net Worth	137,950	182,540	230,490	259,760	313,025	383,146
Capital Employed	**137,950**	**182,540**	**230,490**	**259,760**	**313,025**	**383,146**
Gross Block	54,390	70,930	78,390	85,010	102,160	114,960
Less : Depreciation	19,860	24,160	28,930	32,660	46,272	56,786
Net Block	34,530	46,770	49,460	52,350	55,888	58,174
CWIP	13,240	6,770	4,090	5,250	4,350	4,350
Investments	720	0	37,120	1,440	10,780	10,780
Curr. Assets	**131,370**	**167,720**	**184,370**	**253,890**	**300,114**	**374,952**
Debtors	37,790	44,220	43,350	46,530	67,550	79,899
Cash & Bank Balance	69,500	96,950	105,560	150,950	191,851	245,925
Loans & Advances	22,890	25,290	33,460	53,200	37,563	45,978
Other Current Assets	1,190	1,260	2,000	3,210	3,150	3,150
Current Liab. & Prov	**41,910**	**38,720**	**44,550**	**53,170**	**58,107**	**65,110**
Current Liabilities	19,120	20,040	23,430	26,770	33,155	39,316
Provisions	22,790	18,680	21,120	26,400	24,952	25,794
Net Current Assets	**89,460**	**129,000**	**139,820**	**200,720**	**242,007**	**309,842**
Application of Funds	**137,950**	**182,540**	**230,490**	**259,760**	**313,025**	**383,146**

E: MOSL Estimates

Financials and Valuation

Ratios

Y/E March	2008	2009	2010	2011	2012E	2013E
Basic (Rs)						
EPS	**79.2**	**102.5**	**107.4**	**119.4**	**140.6**	**169.5**
Cash EPS	**89.8**	**116.1**	**123.1**	**134.2**	**156.9**	**187.7**
Book Value	241.2	319.1	403.0	454.1	547.2	669.8
DPS	33.2	23.5	25.1	60.3	40.0	40.0
Payout % (excl.div.tax)	41.9	22.9	23.3	50.5	28.4	23.6
Valuation (x)						
P/E	35.3	27.2	26.0	23.4	19.9	16.5
Cash P/E	31.1	24.0	22.7	20.8	17.8	14.9
EV/EBITDA	29.1	20.8	18.5	16.1	13.6	11.1
EV/Sales	9.1	6.9	6.4	5.3	4.2	3.4
Price/Book Value	11.6	8.7	6.9	6.1	5.1	4.2
Dividend Yield (%)	1.2	0.8	0.9	2.2	1.4	1.4
Profitability Ratios (%)						
RoE	36.2	36.7	29.7	27.8	28.0	27.8
RoCE	37.0	40.2	33.7	33.1	32.6	31.7
Turnover Ratios						
Debtors (Days)	83	74	70	62	74	74
Fixed Asset Turnover (x)	5.6	5.5	4.9	5.6	6.4	7.3

Cash Flow Statement (Rs Million)

Y/E March	2008	2009	2010	2011	2012E	2013E
CF from Operations	52,300	67,420	70,880	75,560	89,824	107,365
Cash for Working Capital	-3,770	-12,020	-1,470	-14,300	-446	-13,761
Net Operating CF	**48,530**	**55,400**	**69,410**	**61,260**	**89,378**	**93,604**
Net Purchase of FA	-16,040	-13,380	-9,060	-12,590	-12,070	-12,800
Net Purchase of Invest.	-470	720	-37,030	35,680	-9,340	0
Net Cash from Invest.	**-16,510**	**-12,660**	**-46,090**	**23,090**	**-21,410**	**-12,800**
Proceeds from Equity	1,010	440	2,014	1,170	-337	0
Dividend Payments	-22,240	-15,730	-16,724	-40,130	-26,730	-26,730
Cash Flow from Fin.	**-21,230**	**-15,290**	**-14,710**	**-38,960**	**-27,067**	**-26,730**
Net Cash Flow	**10,790**	**27,450**	**8,610**	**45,390**	**40,901**	**54,074**
Opening Cash Bal.	58,710	69,500	96,950	105,560	150,950	191,851
Add: Net Cash	10,790	27,450	8,610	45,390	40,901	54,074
Closing Cash Bal.	**69,500**	**96,950**	**105,560**	**150,950**	**191,851**	**245,925**

E: MOSL Estimates

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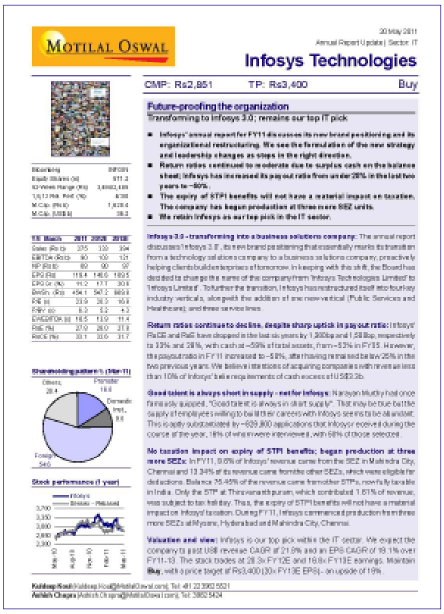
Infosys Technologies
CMP: Rs2,851 TP: Rs3,400 Buy
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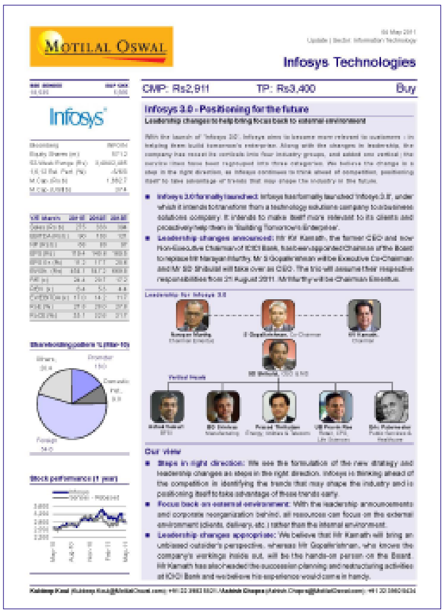
Infosys Technologies
CMP: Rs2,911 TP: Rs3,400 Buy
Infosys 3.0 - Positioning for the future

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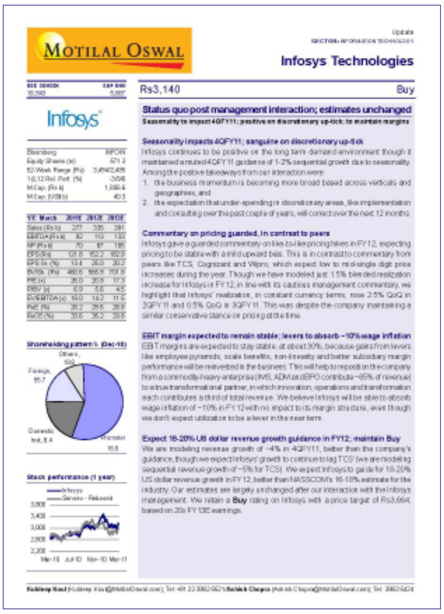
Infosys Technologies
Rs3,140 Buy
Status quo post management interaction; estimates unchanged

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Disclosure of Interest Statement	Information Technology
1. Analyst ownership of the stock	No
2. Group/Directors ownership of the stock	No
3. Broking relationship with company covered	No
4. Investment Banking relationship with company covered	No