

## Tech Mahindra

|                    |                     |
|--------------------|---------------------|
| STOCK INFO.        | BLOOMBERG           |
| BSE Sensex: 10,680 | TECHM IN            |
| S&P CNX: 3,131     | REUTERS CODE<br>N.A |

31 July 2006

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IPO Price Band: Rs315-Rs365

| Y/E MARCH         | 2004  | 2005  | 2006   |
|-------------------|-------|-------|--------|
| Sales (Rs m)      | 7,417 | 9,456 | 12,427 |
| EBITDA (Rs m)     | 798   | 1,350 | 2,679  |
| NP                | 637   | 1,024 | 2,354  |
| EPS (Rs)          | 6.3   | 10.1  | 22.6   |
| EPS Growth (%)    | -61.1 | 60.2  | 124.9  |
| BV/Share (Rs)     | 40.1  | 47.8  | 54.7   |
| P/E (x) # (Rs315) | 50.2  | 31.3  | 13.9   |
| P/E (x) # (Rs365) | 58.1  | 36.3  | 16.1   |
| EV/EBITDA (x)     | 45.9  | 26.5  | 13.9   |
| EV/Sales (x)      | 4.9   | 3.8   | 3.0    |
| RoE (%)           | 15.7  | 21.1  | 38.2   |
| RoCE (%)          | 15.7  | 21.1  | 38.2   |

#### KEY FINANCIALS

|                            |       |
|----------------------------|-------|
| Shares Outstanding (m)     | 115.9 |
| Market Cap. (Rs b) - Rs315 | 36.5  |
| Market Cap. (US\$b)        | 0.8   |
| Market Cap. (Rs b) - Rs365 | 42.3  |
| Market Cap. (US\$ b)       | 0.9   |

#### IPO DETAILS

|                    |                                    |
|--------------------|------------------------------------|
| <b>Issue Size:</b> | 12.75m shares with FV of Rs10 each |
| <b>Price Band:</b> | Rs315 to Rs365 per share           |
| <b>Issue Date:</b> | 1 August 2006 to 4 August 2006     |

| SHAREHOLDING PATTERN (%) | PRE-IPO | POST-IPO |
|--------------------------|---------|----------|
| Promoters                |         |          |
| M&M                      | 51.1    | 46.4     |
| BT                       | 38.6    | 32.6     |
| Promoter Group           | 8.8     | 8.6      |
| Others                   | 1.5     | 12.5     |

#### Deep domain expertise in high IT spend Telecom market:

Software and IT services spending by Telecom Service Providers (TSPs) is expected to grow at 5.8% CAGR to touch US\$38b by 2009. TechMahindra has significant domain expertise in both TSP and TEM (Telecom Equipment Manufacturers) spaces due to its long association with British Telecom (BT), which would help capture a significant chunk of the outsourced work.

#### Expertise gained with BT to help penetrate TSP market:

TechMahindra has partnered with BT on several transformational initiatives including CRM solutions, network design and optimization solutions. TechMahindra has perfected the offshore delivery model from its experience with BT, which it would be able to showcase to potential and existing clients for increased offshoring.

#### Marquee client base beyond BT with high mining potential:

TechMahindra's clientele includes Alcatel, AT&T and Motorola, which are companies with billion-dollar IT budgets. The scope for account mining is therefore, huge.

#### Improved growth rates in Axes post integration with TechMahindra:

Post the acquisition of Axes in November 2005, revenue run rate from TEM has now increased from US\$5-7m p.a. to US\$40m. Growth rate from Axes has increased considerably in the first six months post integration, which is indicative of strong growth in the coming quarters.

#### High client concentration, dependence on single domain are key risk factors:

Given the nature of the business environment we expect client concentration to remain high. Loss of a single client could impact revenues. The company is dependent on a single line of business (viz. telecom) for revenue. Any downturn in the sector could therefore impact revenues.

**Valuations:** We expect revenue and earnings growth to be robust in FY07E, following which growth would be slightly muted in FY08E due to slower growth in BT. At the issue price band of Rs315-365 per share, TechMahindra quotes at a P/E of 15.0-17.4x for FY06, 11-12.8x for FY07E and 9.3-10.8x for FY08E which looks attractive. **Subscribe.**

## Investment positives

### Deep domain expertise in high IT spend Telecom market

According to Datamonitor, the global wireless telecom services industry is expected to grow at 11.8% CAGR to reach US\$969b by 2009. Global fixed line telecom services are expected to grow at a CAGR of 4.6% to touch US\$696b by 2009. TSP typically have high IT spends given the high technology services needed for the industry. According to Ovum Research (a global telecom and IT services research agency), software and IT services spending by Telecom Service Providers (TSPs) is expected to grow at 5.8% CAGR to touch US\$38b by 2009.

Telecom Equipment Manufacturers (TEMs), who provide equipment to TSPs, are expected to grow at a CAGR of 3.06% to touch US\$347b over 2004-2009. Industry sources suggest that TEMs have high R&D spends (est. 10-15% of revenue), of which around 3-4% is estimated to be spent on IT services and software.

TechMahindra has significant domain expertise in both TSP and TEM spaces due to its long association with BT, which would help it to capture a significant chunk of the outsourced work. In addition, the company has over 70 domain expertises who focus on cutting edge research in the telecom space, which offers a significant advantage in gaining entry into new deals. TechMahindra derives 100% of its revenue from the telecom domain, with over 90% of revenue from TSPs.

TELECOM REVENUE CONTRIBUTION OF LEADING IT VENDORS (RS M)

| COMPANY        | JUN-04 | SEP-04 | DEC-04 | MAR-05 | JUN-05 | SEP-05 | DEC-05 | MAR-06 | JUN-06 |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Infosys        | 2,716  | 3,236  | 3,395  | 3,855  | 3,563  | 3,831  | 4,001  | 4,277  | 5,337  |
| % change QoQ   | -1.3   | 19.2   | 4.9    | 13.6   | -7.6   | 7.5    | 4.4    | 6.9    | 24.8   |
| % contribution | 17.9   | 18.5   | 18.1   | 19.4   | 17.2   | 16.7   | 15.8   | 16.3   | 17.7   |
| Wipro          | 4,360  | 4,920  | 5,099  | 5,332  | 5,592  | 6,193  | 7,163  | 7,806  | 8,159  |
| % change QoQ   |        | 12.8   | 3.6    | 4.6    | 4.9    | 10.8   | 15.7   | 9.0    | 4.5    |
| % contribution | 8.8    | 9.2    | 8.5    | 8.4    | 8.8    | 9.1    | 9.4    | 9.1    | 9.1    |
| TCS            | 3,798  | 4,205  | 4,100  | 3,815  | 3,956  | 4,309  | 5,317  | 5,324  | 6,838  |
| % change QoQ   | 10.9   | 10.7   | -2.5   | -6.9   | 3.7    | 8.9    | 23.4   | 0.1    | 28.4   |
| % contribution | 17.8   | 17.3   | 15.9   | 14.8   | 14.6   | 14.6   | 15.4   | 14.3   | 16.5   |
| TechMahindra   | 2,200  | 2,551  | 2,335  | 2,370  | 2,419  | 2,469  | 3,326  | 4,212  | 5,871  |
| % change QoQ   |        | 16.0   | -8.5   | 1.5    | 2.1    | 2.1    | 34.7   | 26.6   | 39.4   |

Source: Company/ Motilal Oswal Securities

### Expertise gained with BT to help penetrate TSP market

BT is presently the largest client for TechMahindra, contributing to 59% of revenue in 1QFY07 (down from 68.4% in FY06, 80.5% in FY05). TechMahindra has partnered with BT on several transformational initiatives including CRM solutions, network design and optimization solutions. TechMahindra is also part of BT's cutting edge 21<sup>st</sup> Century Network (21CN), a converged network that will carry both voice and data, which would add to TechMahindra's expertise. Additionally, TechMahindra has perfected the offshore delivery model from its experience with BT, which it would be able to showcase to potential and existing clients for increased offshoring.

#### REVENUE FROM BT

|                 | Q1FY05 | Q2FY05 | Q3FY05 | Q4FY05 | Q1FY06 | Q2FY06 | Q3FY06 | Q4FY06 | Q1FY07 |
|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue (Rs M)  | 1,826  | 2,066  | 1,821  | 1,896  | 1,742  | 1,630  | 2,262  | 2,864  | 3,464  |
| as % to revenue | 83.0   | 81.0   | 78.0   | 80.0   | 72.0   | 66.0   | 68.0   | 68.0   | 59.0   |
| QOQ Growth (%)  |        | 13.2   | -11.9  | 4.1    | -8.1   | -6.4   | 38.8   | 26.6   | 20.9   |

Source: Company/ Motilal Oswal Securities

### Marquee client base with high mining potential beyond BT

In addition to BT, TechMahindra's client roster includes telecom giants such as Alcatel, AT&T and Motorola. AT&T is one of the largest clients for TechMahindra, with revenue run rate of US\$11m per quarter by the end of 1QFY07, up from US\$2.5m in 1QFY05. The management is confident of increasing the quarterly run rate further from these levels. We expect that the AT&T account offers immense scope for client mining considering the high IT spends of the company (estimated at over US\$1b in CY2005 @ 2.5% of revenue). We expect AT&T to contribute significantly to overall growth in FY07.

Alcatel is another marquee client that offers scope for client mining. TechMahindra currently services only the US subsidiary of Alcatel; the relationship can be used to gain penetration into Alcatel's various subsidiaries around the world. The recent merger of Alcatel and Lucent implies that this account now has a greater IT spend (US\$2.9b in FY2005) that could be targeted by TechMahindra.

| CLIENT  | IT BUDGET (US\$M) |
|---|-------------------|
| AT&T  | 1,000             |
| Lucent - Alcatel                                | 2,900             |
| TechMahindra's revenue excl. BT and Axes (FY06) | 88                |

Source: Company/ Motilal Oswal Securities

### Improved growth rates in Axes post integration with TechMahindra

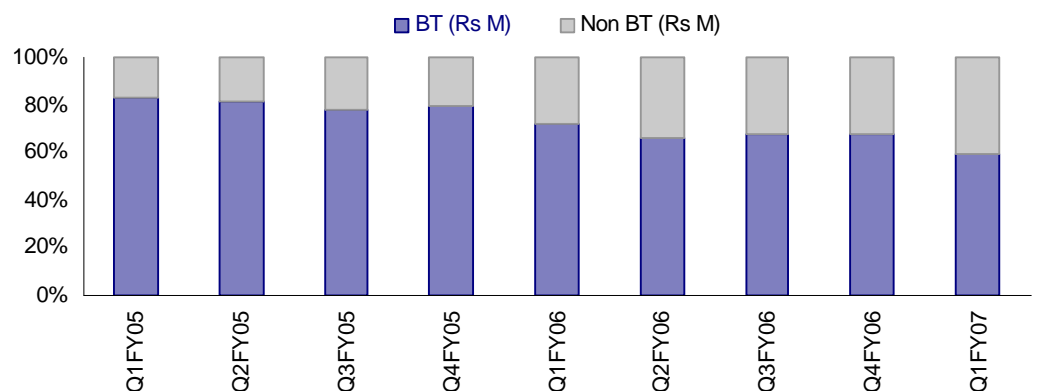
TechMahindra acquired Axes Technologies in November 2005 in order to increase its offerings in the TEM space. Axes specializes in product engineering and life cycle services relating to telecom equipment in the areas of transmission, switching and access. Post the acquisition of Axes in November 2005, revenue run rate from TEM has now increased from US\$5-7m p.a. to US\$40m. Post integration with TechMahindra in November 2005, Axes reported US\$10m in revenue. Axes is estimated to have reported revenue of US\$30m for the full year in FY06.

Prior to the acquisition, Axes had been reporting low single digit growth rates, albeit with margins comparable to that of TechMahindra's. Growth rate from Axes has increased considerably in the first six months post integration, which is indicative of strong growth in the coming quarters. The Axes acquisition also strengthened the relationship with Alcatel and Motorola, thereby offering greater scope for increased business from these accounts.

### Lower contribution from BT, fresher composition to help contain margin erosion

The BT account is a mature account, which is estimated to have lower billing rates as compared to new accounts. With decreasing contribution from BT (down from 83% in 1QFY05 to 59% in 1QFY07) and increasing proportion of newer clients, we expect that billing rates would slowly start moving up.

REVENUE CONTRIBUTION FROM BT CONTINUES TO DECLINE

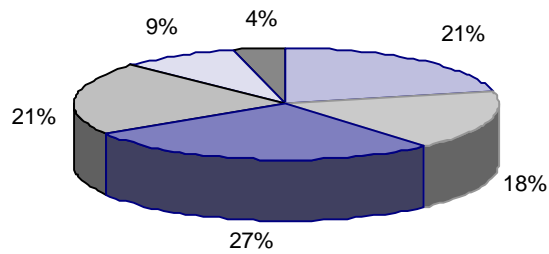


Source: Company/ Motilal Oswal Securities

Currently, 61% of TechMahindra’s workforce has over three years of experience. Fresher composition is also low at 21% of total employee base in FY2006. This offers sufficient headroom for lower average cost per employee by flattening the employee pyramid. Given that offshore composition is high at 66% of revenue and SG&A costs are expected to increase from 15% in 1QFY07, fresher composition is the strongest lever that the company possesses in order to contain margin erosion.

FRESHER COMPOSITION (FY06) OFFERS ROOM FOR IMPROVEMENT

■ < 1 yr ■ 1 to 3 yrs ■ 3 to 6 yrs ■ 6 to 10 yrs ■ 10 to 15 yrs ■ >15 yrs



Source: Company/ Motilal Oswal Securities

## Concerns

### Biggest customer growing slowest

BT continues to be the single largest contributor to revenue for TechMahindra. The BT account grew by a mere 11.8% YoY in FY06 as opposed to 89% YoY growth in non BT revenue. While growth from BT has been strong over the past 3 quarters (refer table in Page 2), any slowdown in growth from BT could impact overall revenue growth.

### Client concentration likely to remain high

Client concentration is very high with top 10 clients contributing to 92% of revenue in 4QFY06. Given the nature of the business environment we expect client concentration to remain high. In such a case, loss of a single client could impact revenues significantly.

CLIENT CONCENTRATION (%)

|                | Q1FY05 | Q2FY05 | Q3FY05 | Q4FY05 | Q1FY06 | Q2FY06 | Q3FY06 | Q4FY06 |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Top client     | 83     | 81     | 78     | 80     | 72     | 66     | 68     | 68     |
| Top 5 clients  | 90     | 88     | 85     | 86     | 85     | 85     | 84     | 87     |
| Top 10 clients | 94     | 93     | 90     | 90     | 88     | 89     | 90     | 92     |

Source: Company/ Motilal Oswal Securities

### Dependence on single vertical for revenue

The company is currently dependent on a single line of business (viz. telecom) for revenue. Any downturn in the sector could therefore impact revenues significantly.

## Valuations

In 1QFY07, BT has grown by 21%QoQ, thereby pushing up the revenue base from that account. We believe that Non BT clients have grown at 47.4%QoQ, which also expanded the revenue base. Consequently, we expect strong revenue and earnings growth in FY07. In FY08, we have assumed marginal growth in BT. At the issue price band of Rs315-365 per share, TechMahindra quotes at a PE of 15.0-17.4x for FY06, 11-12.8x for FY07E and 9.3-10.8x for FY08E which looks attractive. **Subscribe.**

### EARNINGS ESTIMATES (RS M)

|            | FY06   | FY07E  | FY08E  |
|------------|--------|--------|--------|
| Sales      | 12,426 | 20,093 | 24,020 |
| %YoY       | 31.4   | 61.7   | 19.5   |
| Net profit | 2,354  | 3,304  | 3,908  |
| %YoY       | 129.9  | 40.3   | 18.3   |
| EPS        | 20.9   | 28.5   | 33.7   |

Source: Motilal Oswal Securities

### VALUATION COMPARISON

| COMPANY               | PRICE<br>(RS) | EPS  |      |      | P/E  |      |      |
|-----------------------|---------------|------|------|------|------|------|------|
|                       |               | FY06 | FY07 | FY08 | FY06 | FY07 | FY08 |
| Sasken Communications | 268.3         | 9.1  | 20.2 | 33.6 | 29.5 | 13.3 | 8.0  |
| HCL Technologies      | 529.9         | 21.4 | 27.4 | 34.1 | 24.7 | 19.3 | 15.6 |
| Patni Computer        | 276.8         | 21.8 | 19.2 | 24.7 | 12.7 | 14.4 | 11.2 |
| Satyam Computer       | 737.3         | 30.3 | 40.3 | 48.1 | 24.4 | 18.3 | 15.3 |
| TechMahindra @Rs315   | 315.0         | 20.9 | 28.5 | 33.7 | 15.0 | 11.0 | 9.3  |
| TechMahindra @Rs365   | 365.0         | 20.9 | 28.5 | 33.7 | 17.4 | 12.8 | 10.8 |

Source: Motilal Oswal Securities

## IPO details

TechMahindra has fixed a price band of Rs315-365 per share for its forthcoming IPO of 12.6m shares of Rs10 each. Of these, fresh issue is of 3.19m shares while the balance is offer for sale by promoters Mahindra & Mahindra and British Telecom.

The issue opens on 1 Aug 2006 and closes on 4 Aug 2006. The total dilution of the equity will be 2.8%. The current issue will reduce the M&M's holding from 51.1% to 46.4% and that of BT from 38.6% to 32.6%. The other major shareholders are MBTM, an investment vehicle through which AT&T would own 8.57% stake post issue (down from 8.81% prior to the IPO).

| IPO DETAILS (RS M)                     |        |
|--|--------|
| Authorised share capital               | 1750   |
| Issued, subscribed and paid up capital | 126.8  |
| <b>Present issue</b>                   |        |
| 12,746,00 shares of Rs10 each          | 127.5  |
| <b>Fresh issue</b>                     |        |
| 3,186,480 shares of Rs10 each          | 31.9   |
| <b>Offer for sale</b>                  |        |
| 9,559,520 shares of Rs10 each          | 95.6   |
| <b>Employee reservation</b>            |        |
| 1,158,790 shares of Rs10 each          | 11.6   |
| <b>Net issue</b>                       |        |
| 11,587,210 shares of Rs10 each         | 115.9  |
| Equity capital after the issue         |        |
| 115,872,053 shares of Rs10 each        | 1158.7 |

Source: Company

| OFFER FOR SALE |               |
|----------------|---------------|
| SHAREHOLDER    | NO. OF SHARES |
| M&M            | 3,823,808     |
| BT             | 5,735,712     |

Source: Company



## Objects of the issue

TechMahindra intends to set up additional facilities in Pune to enhance its delivery infrastructure. The company has been granted land measuring 96,923 square meters at Hinjawadi Pune from the Maharashtra Industrial Development Corporation on a license basis. The company would be using the proceeds of the issue for the purpose of construction of buildings, purchasing hardware and technical infrastructure and furnishing the interiors of the structure.

### DETAILS OF USE OF PROCEEDS

| ITEM   | COST (RS M)  | FY06       | FY07       | FY08         |
|--|--------------|------------|------------|--------------|
| Land   | 108          | 108        | -          | -            |
| Civil & structural works                               | 550          | -          | 450        | 100          |
| Services including electrical, plumbing etc.           | 405          | -          | 125        | 280          |
| Interiors  | 400          | -          | 100        | 300          |
| Infrastructure including external dev., electrical etc | 209          | -          | 127        | 83           |
| Hardware and technical infrastructure                  | 230          | -          | -          | 230          |
| Miscellaneous and contingencies                        | 78           | -          | 40         | 38           |
| <b>Total</b>   | <b>1,981</b> | <b>108</b> | <b>842</b> | <b>1,031</b> |

Source: Company/ Motilal Oswal Securities

## Company profile

Formed in 1986 as a JV between M&M and BT, TechMahindra has been ranked the 8<sup>th</sup> largest software services exporter in India in the Nasscom strategic review 2006. TechMahindra is one of the few players in the Indian IT industry with a specialized focus on the telecommunications industry. The services offered include application development and maintenance, solution integration, product engineering and lifecycle management, consulting, assurance services and managed services.

Headquartered in Pune, TechMahindra currently operates out of 12 Independent Delivery Units (IDUs), including 9 in India and 1 in the UK. Its services clients over 40 countries, with significant presence in Europe - over 77% of its total revenue in FY2006 accrues from this geography. Within Europe, a significant portion of revenue is derived from UK.

The company's top clients include BT, AT&T and Alcatel. In addition to that, TechMahindra also services clients such as O<sub>2</sub>, Vodafone and Motorola.

A key aspect of TechMahindra's delivery model is the presence of Competency and Solutions Units (CSUs). TechMahindra boasts of a research team of over 70 specialists in the telecommunications domain, a number of them being PhDs, who are assigned to the CSUs. The primary function of this team is order develop cutting edge technology solutions for the telecom space. This is used by the company to bag new contracts and helps deliver efficient solutions to clients. The management claims that a significant portion of its contracts have been bagged in such a manner.

| INCOME STATEMENT         |              | (Rs Million) |              |              |               |  |
|--------------------------|--------------|--------------|--------------|--------------|---------------|--|
| Y/E MARCH                | 2002         | 2003         | 2004         | 2005         | 2006          |  |
| <b>Sales</b>             | <b>5,492</b> | <b>6,214</b> | <b>7,417</b> | <b>9,456</b> | <b>12,427</b> |  |
| Change (%)               |              | 13.2         | 19.4         | 27.5         | 31.4          |  |
| Employee Costs           | 1,378        | 1,400        | 2,449        | 3,976        | 5,624         |  |
| Travelling & Conveyance  | 28           | 78           | 99           | 118          | 109           |  |
| Other Operating Expenses | 2,123        | 2,780        | 4,071        | 4,012        | 4,016         |  |
| <b>EBITDA</b>            | <b>1,963</b> | <b>1,956</b> | <b>798</b>   | <b>1,350</b> | <b>2,679</b>  |  |
| % of Net Sales           | 35.7         | 31.5         | 10.8         | 14.3         | 21.6          |  |
| Depreciation             | 443          | 228          | 227          | 321          | 397           |  |
| Interest                 | 0            | 0            | 0            | 0            | 0             |  |
| Other Income             | 114          | 205          | 148          | 85           | 340           |  |
| <b>PBT</b>               | <b>1,634</b> | <b>1,932</b> | <b>720</b>   | <b>1,114</b> | <b>2,621</b>  |  |
| Tax                      | 358          | 301          | 83           | 91           | 268           |  |
| Rate (%)                 | 21.9         | 15.6         | 11.6         | 8.1          | 10.2          |  |
| <b>PAT</b>               | <b>1,277</b> | <b>1,631</b> | <b>637</b>   | <b>1,024</b> | <b>2,354</b>  |  |
| Minority Interest        | 0            | 0            | 0            | 0            | 0             |  |
| Extraordinary            | -186         | 1            | 0            | 0            | 0             |  |
| <b>Net Income</b>        | <b>1,462</b> | <b>1,630</b> | <b>637</b>   | <b>1,024</b> | <b>2,354</b>  |  |
| Change (%)               |              | 11.5         | -60.9        | 60.8         | 29.9          |  |

| RATIOS                          |             |             |            |             |             |  |
|---------------------------------|-------------|-------------|------------|-------------|-------------|--|
| Y/E MARCH                       | 2002        | 2003        | 2004       | 2005        | 2006        |  |
| <b>Basic (Rs)</b>               |             |             |            |             |             |  |
| <b>EPS</b>                      | <b>12.6</b> | <b>16.1</b> | <b>6.3</b> | <b>10.1</b> | <b>22.6</b> |  |
| Cash EPS                        | 17.0        | 18.4        | 8.5        | 13.2        | 26.5        |  |
| Book Value                      | 33.7        | 37.9        | 40.1       | 47.8        | 54.7        |  |
| DPS                             | 2.8         | 11.6        | 3.7        | 2.2         | 9.2         |  |
| Payout %(Incl.Div.Taxes)        | 23.5        | 73.9        | 66.4       | 24.6        | 50.3        |  |
| <b>Valuation (x)</b>            |             |             |            |             |             |  |
| P/E                             | 28.9        | 22.6        | 58.1       | 36.3        | 16.1        |  |
| Cash P/E                        | 21.4        | 19.8        | 42.9       | 27.6        | 13.8        |  |
| EV/EBITDA                       | 18.2        | 18.3        | 45.9       | 26.5        | 13.9        |  |
| EV/Sales                        | 6.5         | 5.8         | 4.9        | 3.8         | 3.0         |  |
| Price/Book Value                | 10.8        | 9.6         | 9.1        | 7.6         | 6.7         |  |
| Dividend Yield (%)              | 0.8         | 3.2         | 10         | 0.6         | 2.5         |  |
| <b>Profitability Ratios (%)</b> |             |             |            |             |             |  |
| RoE                             | 37.5        | 42.6        | 15.7       | 21.1        | 38.2        |  |
| RoCE                            | 37.5        | 42.6        | 15.7       | 21.1        | 38.2        |  |
| <b>Turnover Ratios</b>          |             |             |            |             |             |  |
| Debtors (Days)                  | 91          | 94          | 125        | 85          | 129         |  |
| Fixed Asset Turnover (x)        | 2.9         | 3.2         | 3.4        | 3.3         | 2.7         |  |

| BALANCE SHEET                   |              | (Rs Million) |              |              |              |  |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--|
| Y/E MARCH                       | 2002         | 2003         | 2004         | 2005         | 2006         |  |
| <b>Sources</b>                  |              |              |              |              |              |  |
| Share Capital                   | 202          | 202          | 203          | 203          | 208          |  |
| Share Premium                   | 125          | 125          | 138          | 153          | 283          |  |
| Reserves                        | 3,081        | 3,502        | 3,727        | 4,505        | 5,664        |  |
| <b>Net Worth</b>                | <b>3,408</b> | <b>3,830</b> | <b>4,067</b> | <b>4,861</b> | <b>6,154</b> |  |
| <b>Capital Employed</b>         | <b>3,408</b> | <b>3,830</b> | <b>4,067</b> | <b>4,861</b> | <b>6,155</b> |  |
| <b>Block</b>                    |              |              |              |              |              |  |
| Gross Block                     | 1,862        | 1,952        | 2,189        | 2,867        | 4,580        |  |
| Less : Depreciation             | 694          | 901          | 844          | 1,156        | 1,880        |  |
| <b>Net Block</b>                | <b>1,169</b> | <b>1,051</b> | <b>1,346</b> | <b>1,710</b> | <b>2,700</b> |  |
| CWIP                            | 317          | 379          | 199          | 70           | 198          |  |
| Investments                     | 217          | 335          | 451          | 1,113        | 1,505        |  |
| <b>Curr. Assets</b>             | <b>2,658</b> | <b>2,975</b> | <b>3,228</b> | <b>3,740</b> | <b>5,578</b> |  |
| Debtors                         | 1,362        | 1,607        | 2,536        | 2,212        | 4,377        |  |
| Cash & Bank Balance             | 1,082        | 1,130        | 388          | 1,285        | 760          |  |
| Loans & Advances                | 214          | 238          | 304          | 243          | 441          |  |
| <b>Current Liab. &amp; Prov</b> | <b>954</b>   | <b>930</b>   | <b>1,241</b> | <b>1,906</b> | <b>3,938</b> |  |
| Creditors                       | 599          | 452          | 642          | 1,290        | 1,836        |  |
| Provisions                      | 355          | 478          | 599          | 615          | 2,102        |  |
| <b>Net Current Assets</b>       | <b>1,704</b> | <b>2,045</b> | <b>1,987</b> | <b>1,834</b> | <b>1,640</b> |  |
| Deferred tax liability          | 1            | 20           | 85           | 134          | 112          |  |
| <b>Application of Funds</b>     | <b>3,408</b> | <b>3,830</b> | <b>4,067</b> | <b>4,861</b> | <b>6,155</b> |  |

E: MOST Estimates



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**Disclosure of Interest Statement**

**Tech Mahindra**

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|---|----|
| 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 |

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