



## Patni Computer Systems

		Rs461	Neutral							
BSE SENSEX	S&P CNX									
17,463	5,226									
Bloomberg	PATNIIN									
Equity Shares (m)	130.4									
52-Week Range (Rs)	552/391									
1,6,12 Rel. Perf. (%)	13/19/1									
M.Cap. (Rs b)	60.1									
M.Cap. (US\$ b)	1.3									
YEAR	NET SALES	PAT	EPS	EPS	P/E	P/BV	ROE	ROCE	EYI	EYI
END	(RS M)	(RS M)	(RS)	GR. (%)	(X)	(X)	(%)	(%)	SALES	EBITDA
12/09A	31,620	4,660	36.1	26.3	12.8	1.8	15.7	15.2	1.3	6.3
12/10A	31,689	5,679	42.2	17.0	10.6	2.0	17.9	17.4	1.5	7.5
12/11E	36,493	5,156	38.3	-9.2	11.7	1.8	16.1	15.6	1.1	6.1
12/12E	42,709	6,087	45.3	18.1	9.9	1.5	16.4	15.9	0.8	4.5

Patni Computer's 4QCY10 revenue was marginally below our estimate, but PAT outperformed due to forex gains and tax write-backs. Operating margin was lower than our estimate due to lower utilization and rupee appreciation.

### Key highlights

- Revenue growth of 2.4% QoQ to US\$183m (v/s our estimate of US\$184m and the company guidance of US\$180-181m) was entirely volume-driven. BPO (9.9% of revenue; +23.5% QoQ growth, contributing US\$3.4m of the US\$4.1m incremental revenue) continued to be the primary growth driver (+30.6% in 3Q and +33% in 2Q). Manufacturing (+4.7% QoQ) and Insurance (+5.5% QoQ) were the key growth verticals. Communication, Media and Utilities (9.7% of revenue) was a significant underperformer, declining 10.5% QoQ.
- Operating margin declined 160bp QoQ to 13.7% (v/s our estimate of 30bp decline) on: (a) 160bp QoQ drop in utilization to 72.4% (v/s our estimate of 75%); and (b) impact of rupee appreciation v/s the US dollar. Even after adjusting for tax write-back of US\$7.5m, PAT grew 11.5% QoQ to Rs1.43b (v/s our estimate of Rs1.25b), driven by forex gain of US\$8.1m.
- Unlike its top-tier peers, realization was flat QoQ, and up marginally by 0.2% for the full year. The company is not seeing any increases in pricing yet, but expressed confidence in attaining better realization in CY11 over CY10.
- Patni has discontinued giving guidance to align its practices with the new promoter, iGate. But it reiterated the likelihood of 3-4% sequential revenue growth from 1QCY11 and margin sustenance in the 15-17% band on productivity gains (FPP up 4.4% to 46.8% in CY10).

Our operating estimates are largely unchanged post the results. However, we have revised our EPS estimate for CY11 down by 7% on higher taxation guidance (28% v/s 26% we were modeling earlier). We expect Patni to register revenue CAGR of 17.3% and EPS CAGR of 3.5% over CY10-12 (lower EPS CAGR on increased effective tax rate from CY11). Maintain **Neutral**, with a target price of Rs500 (11x CY12E EPS).

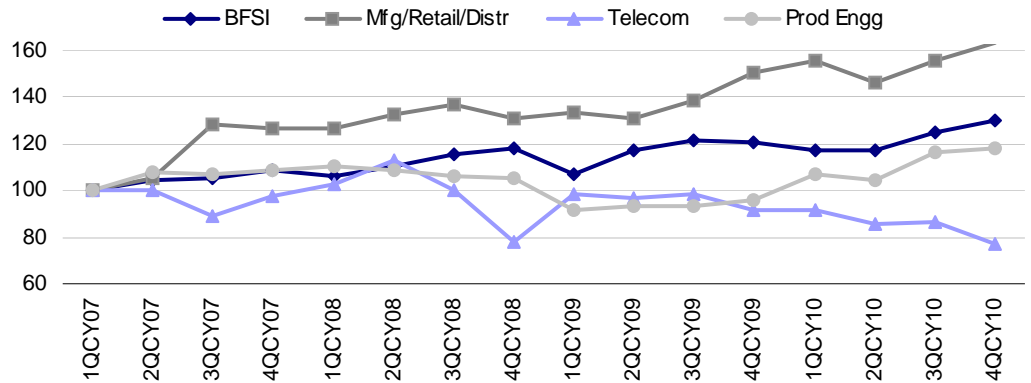
### QUARTERLY PERFORMANCE (US GAAP)

Y/E DECEMBER	(Rs Million)									
	CY09				CY10				CY09	CY10
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Revenues</b>	<b>7,955</b>	<b>7,729</b>	<b>8,040</b>	<b>7,896</b>	<b>7,745</b>	<b>7,776</b>	<b>7,967</b>	<b>8,200</b>	<b>31,620</b>	<b>31,689</b>
<i>Q-o-Q Change (%)</i>	-7.2	-2.8	4.0	-1.8	-1.9	0.4	2.4	2.9	-1.2	0.2
Direct Expenses	5,143	4,851	4,922	4,697	4,596	4,855	5,071	5,293	19,612	19,814
Sales, General & Admin. Expenses	1,380	1,229	1,456	1,524	1,457	1,354	1,391	1,507	5,589	5,708
<b>Operating Profit</b>	<b>1,432</b>	<b>1,649</b>	<b>1,662</b>	<b>1,675</b>	<b>1,693</b>	<b>1,568</b>	<b>1,505</b>	<b>1,400</b>	<b>6,418</b>	<b>6,166</b>
<i>Margins (%)</i>	18.0	21.3	20.7	21.2	21.9	20.2	18.9	17.1	20.3	19.5
Other Income	-202	339	74	272	413	520	329	616	482	1,876
Depreciation	288	294	308	278	280	304	285	281	1,169	1,150
<b>PBT bef. Extra-ordinary</b>	<b>941</b>	<b>1,694</b>	<b>1,428</b>	<b>1,669</b>	<b>1,825</b>	<b>1,784</b>	<b>1,549</b>	<b>1,735</b>	<b>5,732</b>	<b>6,892</b>
Provision for Tax	180	326	260	305	328	310	268	307	1,072	1,213
<i>Rate (%)</i>	19.1	19.2	18.2	18.3	18.0	17.4	17.3	17.7	18.7	17.6
<b>Net Income bef. Extra-ordinary</b>	<b>761</b>	<b>1,368</b>	<b>1,168</b>	<b>1,363</b>	<b>1,497</b>	<b>1,473</b>	<b>1,281</b>	<b>1,428</b>	<b>4,660</b>	<b>5,679</b>
<i>Q-o-Q Change (%)</i>	-2.5	79.9	-14.7	16.8	9.8	-1.6	-13.1	11.5	27.0	21.9
Extra-ordinary items	0	0	-548	-515	0	0	0	-336	0	0
<b>Net Income aft. Extra-ordinary</b>	<b>761</b>	<b>1,368</b>	<b>1,716</b>	<b>1,879</b>	<b>1,497</b>	<b>1,473</b>	<b>1,281</b>	<b>1,765</b>	<b>4,660</b>	<b>5,679</b>
<i>Q-o-Q Change (%)</i>	-2.5	79.9	25.4	9.5	-20.3	-1.6	-13.1	37.8	2.6	21.9
<b>Diluted EPS (Rs)</b>	<b>5.9</b>	<b>10.6</b>	<b>9.1</b>	<b>10.6</b>	<b>11.2</b>	<b>11.0</b>	<b>9.6</b>	<b>10.6</b>	<b>36.3</b>	<b>42.2</b>
<b>US\$ Revenues</b>	<b>156</b>	<b>162</b>	<b>167</b>	<b>170</b>	<b>172.3</b>	<b>167.6</b>	<b>179</b>	<b>183</b>	<b>656</b>	<b>702</b>
<i>% Chg (QoQ)</i>	-11.4	3.5	3.3	1.8	1.3	-2.8	6.7	2.3	-8.8	7.0

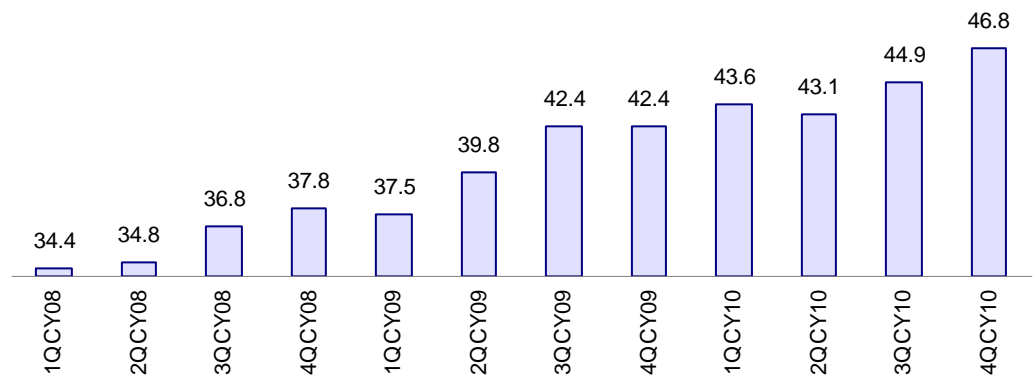
**BPO remains the growth driver, Communication, Media and Utilities sluggish**

BPO grew 23.5% QoQ and contributed US\$3.4m of the total US\$4.1m incremental revenue during the quarter. BPO has now been the growth driver for the third consecutive quarter, having grown 30.6% in 3Q and 33% in 2Q. Communication, Media and Utilities declined 10.6% sequentially, and has been a lagging vertical for the company for the past three years. Patni does more of system integration (SI) related work in the Telecom vertical, and the management cited closure of some projects as a reason for the sharp decline.

**Revenue (Indexed at 100) - Continued Underperformance in Comm., Media and Utilities**



**Increase in Proportion of Fixed Price Contracts can drive Productivity Gains**



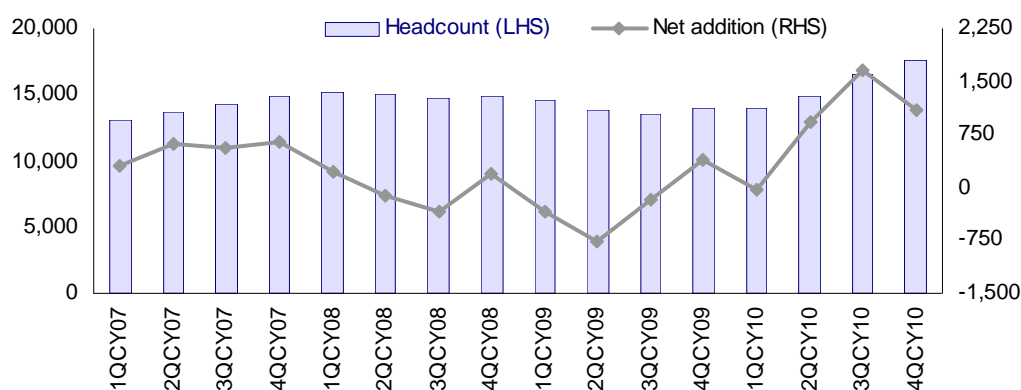
Source: Company/MOSL

Patni bagged two large deals during the quarter, each with TCV of at least US\$30m, and is pursuing 3-4 similar deals in its pipeline. The management indicated increased client spending on larger deals and reiterated the likelihood of 3-4% sequential revenue growth from 1QCY11. Despite only a marginal improvement in pricing realization in CY10 (0.2%) and sporadic instances of discretionary spend in the current environment; Patni expects realization in CY11 to improve on better discretionary spends and productivity gains.

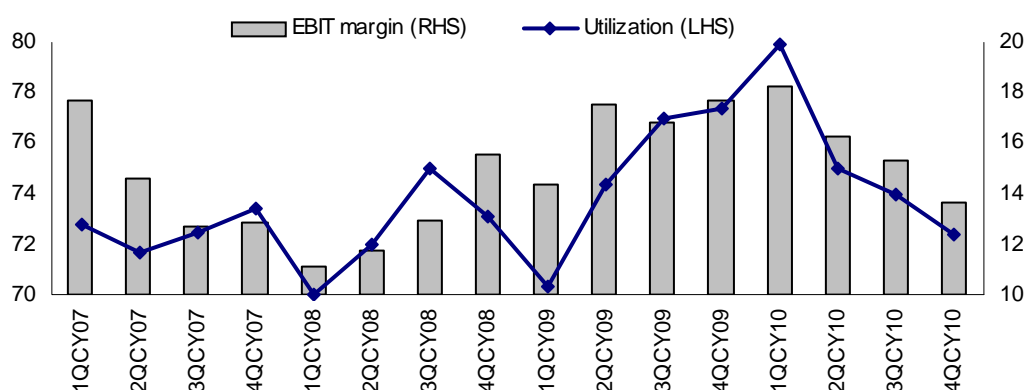
### Margins to sustain 15-17% band on productivity gains

Operating margin declined 160bp QoQ to 13.7% (v/s our estimate of 30bp decline), below the company's targeted band of 15-17% on: (a) 160bp sequential drop in utilization to 72.4% (v/s our estimate of 75%); and (b) impact of rupee appreciation v/s the US dollar. However, productivity gains should help restore margins, going forward. The company has increased its proportion of fixed price contracts by 12.2% to 46.8% over the last three years. Patni's margins in fixed SLA (longer term) contracts are 4-5% higher than T&M, whereas in fixed price development work, margins are ~2% higher than T&M.

### Net Additions Remained Strong; High Fresher Hiring Led to Drop in Utilization



### Decline in EBIT on Utilization Drop and Forex; 15-17% OPM Guidance Maintained

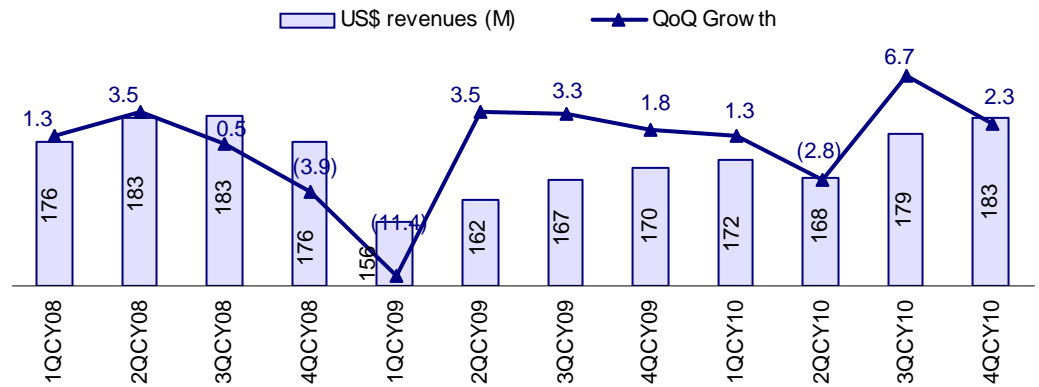


Source: Company/MOSL

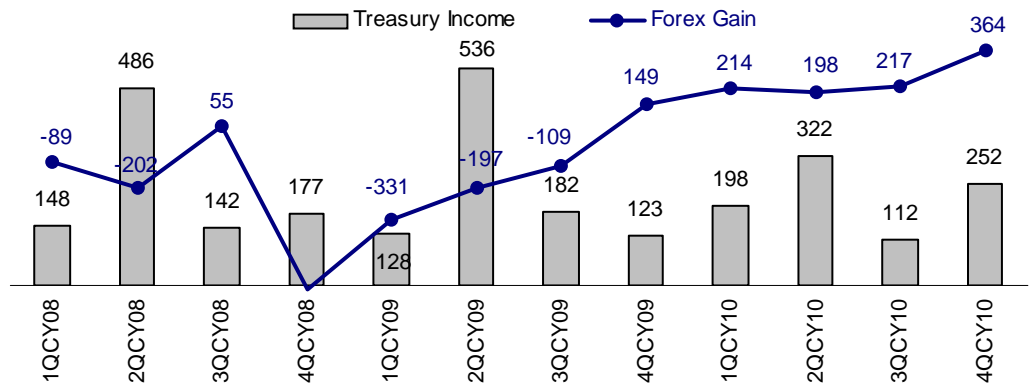
### Key metrics

- 4QCY10 revenue was US\$183m (up 2.4% QoQ v/s our estimate of US\$184m and management guidance of US\$180m-181m), entirely volume-driven. In rupee terms, revenue grew 2.9% QoQ to Rs8.2b (v/s our estimate of Rs8.3b).
- EBITDA margin declined 180bp QoQ to 17.1% (v/s our estimate of 40bp decline to 18.5%) due to 160bp decline in utilization (ex trainees) and rupee appreciation.
- Other income was higher at Rs616m (v/s our estimate of Rs281m) on Rs364m forex gains (v/s our estimate of Rs67m).
- There was a one-time tax write-back of Rs336m during the quarter, adjusting for which the tax rate was 17.7% (v/s our estimate of 18%). Management guided for a tax rate of 28% in CY11.
- Adjusting for the one-time tax write-back, PAT was Rs1.43b (v/s our estimate of Rs1.25b), up 11.5% QoQ.

**Beats revenue guidance of US\$180m-181m; confident of 3-4% QoQ growth from 1QCY11**



**Higher Interest Income and Forex gains drive PAT outperformance (Rs m)**



Source: Company/MOSL

**Operating metrics and other highlights**

- Growth by Geography (QoQ): Americas: +4.7%; EMEA: -2%; APAC: -11.8%
- Growth by Service Line (QoQ): ADM: +2%; Package Implementation: -2.8%; Product Engineering: -0.1%; IMS: -7.2%; BPO: +23.5%
- Growth by Vertical (QoQ): BFSI: 4%; Manufacturing, Retail & Distribution: +5.4%; Telecom: -10.6%
- Patni added 19 new clients during the quarter, taking the total client count to 297
- LTM attrition rate at 25.2% remained high (v/s 25.9% in 3QCY10)
- Outstanding hedges worth US\$300m with rates ranging between Rs41.1-48.3 (average of ~Rs.47.5). OCI on the balance sheet stands at +US\$7.5m
- DSO was 71 days (v/s 79 in 3QCY10)

## A perspective on iGate's acquisition of promoter stake in Patni

### **Objective to grow faster through differentiated offerings; synergies of cross-selling and possible margin expansion**

- Achieving higher growth through differentiated offerings to the companies' key verticals and gaining scale (US\$1b+ entity) have been cited as the key drivers for the deal. The key synergies expected from the deal are: [1] opportunity to cross-sell to existing clients - with iGate's outcome-based model deemed fit for the Insurance vertical, Patni's key revenue driver (30.6% in 3QCY10); [2] Patni's Product Engineering Services portfolio (12.8% of revenue in 3QCY10), which has not been a forte for iGate, is expected to be amenable to iGate's Manufacturing clients (18% revenue contribution).
- Though the Patni management re-iterated its intent to operate at margins within the specified band (15-17%), the merged entity is also expected to improve its margin profile over the longer term through: [1] flattening of the pyramid on higher growth and higher revenues from outcome-based model; and [2] optimization of SGA costs on removal of any duplicity in the cost structure in the merged entity.

### **Little geographic diversification, but reduces client concentration risk for iGate**

- The acquisition provides limited geographic diversification. Both iGate and Patni are overwhelmingly North America (NA) focused, with Europe and Asia Pacific contributing just 14% of revenue for iGate and 20% for Patni. However, within NA, iGate derives a large proportion of revenue from Canada (34% of revenue v/s 86% of revenue from NA).
- Though both Patni and iGate are very dependant on the BFSI vertical (42% and 61% of revenue, respectively), Patni's strengths lie in the Insurance sub-segment of BFSI. In addition, Patni adds capabilities around Retail and Distribution verticals, which iGate lacks. Likewise, iGate has a small but emerging Healthcare practice, where Patni is absent.
- In terms of service offerings, Patni brings package implementation and product engineering services strength to iGate.
- Patni also adds better project management execution capabilities to the combined entity. Fixed price projects represented 46.8% of revenue for Patni in the September quarter.
- Apart from GE, there is no large customer common to the two companies. There is only one other smaller client based out of Europe to whom Patni and iGate are both current vendors.
- The acquisition reduces client concentration risk for iGate. The top client represented 35% of revenue for iGate, with the top-5 clients representing 71%, exposing iGate to significant client concentration risk. Patni is more diversified, with 297 active clients and top-5 customers contributing a lower 36% to revenue.

**Limited geographic diversification; will reduce iGate's client concentration risk**

Revenue from Verticals (%)		Patni	iGate	Revenue by Geography (%)		Patni	iGate
BFSI		42	61	North America		80	86
Manufacturing/Retail/Distribution		30	18	Europe		12	8
Communication/Media/Services		11	10	APAC		8	6
Others		17	11	<b>Total</b>		<b>100</b>	<b>100</b>
<b>Total</b>		<b>100</b>	<b>100</b>				
Revenue Concentration (%)				Client Concentration (%)			
Offshore		46	49	Top Client		11	35
Onsite		54	51	Top 5		36	71
				Top 10		49	84

Source: Company/MOSL

**QoQ growth (%)**

	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10
<b>Client wise</b>								
Top client	-0.9	3.5	-0.1	-5.1	6.7	-6.9	5.7	6.0
Top 5 clients	-13.7	14.3	6.3	-1.7	-0.4	-5.2	7.0	3.2
Top 2-5 clients	-19.6	20.5	9.5	-0.1	-3.4	-4.3	7.6	1.9
Top 10 clients	-14.6	10.6	5.9	0.8	-3.1	-3.0	6.5	2.9
Top 6-10 clients	-17.0	1.2	4.9	8.0	-10.4	3.6	5.1	2.3
Non top 10 clients	-8.2	-2.7	0.6	2.8	5.8	-2.6	6.9	1.7
<b>Vertical wise</b>								
Insurance	-10.4	12.2	8.5	-0.5	-3.7	0.9	8.5	4.7
Manufacturing, Retail and Distribution	1.9	-1.8	5.9	8.6	2.9	-5.6	6.0	5.4
Financial Services	-6.5	5.1	-8.0	-0.7	-1.3	-1.1	2.2	2.3
Communications,Media & Utilities	26.4	-1.5	1.8	-7.3	0.4	-6.7	1.2	-10.6
Product Engineering Services	-13.1	2.2	-0.2	3.2	11.5	-2.2	11.3	1.1
<b>Service Line wise</b>								
Application Development & Maintenance	-10.7	3.2	3.4	3.0	-0.6	-5.9	5.0	2.0
Package software implementation	-9.4	3.5	-3.5	1.0	6.0	-4.2	-2.2	-2.8
Product Engineering Services	-10.6	2.6	1.4	2.7	9.4	-2.0	11.9	-0.1
Infrastructure Management Services	-37.9	39.0	31.8	-10.1	-4.5	5.0	6.7	-7.2
Business Process Outsourcing	-0.3	-12.9	-2.6	-2.3	3.4	33.0	30.6	23.5
<b>Geography wise</b>								
Americas	-10.9	4.8	4.3	1.4	0.2	-1.2	5.8	4.2
EMEA	-14.8	-2.0	-1.8	5.6	-3.1	-12.9	4.9	-2.0
APAC	-9.9	0.1	1.5	-1.8	25.2	0.1	21.9	-11.8

Source: Company/MOSL

## Patni Computer Systems: an investment profile

### Company description

Patni Computer Systems is one of India's top IT services and business solutions companies, with over 17,000 professionals, servicing clients across industries from sales offices in the Americas, Europe and the Asia-Pacific and global delivery centers in strategic locations across the world.

### Key investment arguments

- Significant strengthening of the senior management and relationship team has led to improvement in operational efficiencies.
- The company won two large deals in 3QCY10, (TCV over US\$30m), reflecting its ability to participate and win deals in the transformational space.

### Key investment risks

- Continued attrition could be a risk to delivery.
- Currency volatility in currencies like the US dollar, GBP and the yen.

### Recent developments

- Patni signed a five-year contract, with 2e2 to provide managed services integrated technology and operations services.
- Patni established its second delivery center in Gandhinagar, increasing its current capacity of 500 to 750.

### Valuation and view

- We expect Patni to register revenue CAGR of 17.3% and EPS CAGR of 3.5% over CY10-12.
- The stock trades at 11.7x CY11E and 9.9x CY12E earnings; maintain **Neutral**.

### Sector view

- Indian offshoring has been vindicated, with global clients and service providers making India their base for IT-enabled solutions. India still has less than 5% of the global IT markets. We are positive on the sector from a long-term perspective.
- Slowdown in developed economies, delays in decision making and currency appreciation remain key concerns.
- We reckon frontline Indian IT companies will be better placed to sail through near-term adversities. Niche IT/ITeS services companies with strong business models are also likely to be better placed to face uncertainties in the near term.

### Comparative valuations

		Patni	Mphasis	Tech Mah.
P/E (x)	CY10E	10.6	12.5	10.2
	CY11E	11.7	12.2	10.3
P/BV (x)	CY10E	2.0	4.1	1.9
	CY11E	1.8	3.2	1.6
EV/Sales (x)	CY10E	1.5	2.4	1.9
	CY11E	1.1	1.8	1.6
EV/EBITDA (x)	CY10E	7.5	9.5	4.7
	CY11E	6.1	8.1	4.2

### Shareholding Pattern (%)

	Dec-10	Sep-10	Dec-09
Promoter	45.7	45.9	46.5
Domestic Inst	4.5	4.0	7.0
Foreign	44.1	42.2	42.6
Others	5.7	7.9	3.8

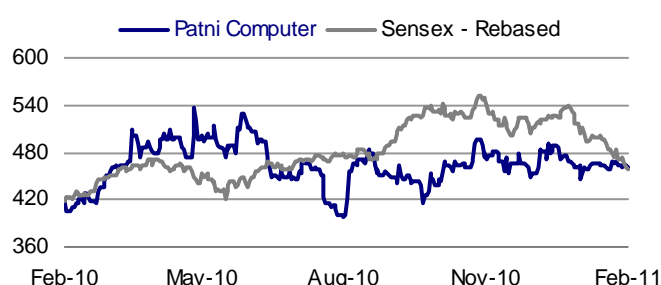
### EPS: MOSL forecast v/s Consensus (Rs)

	MOSL Forecast	Consensus Forecast	Variation (%)
CY11	38.3	40.1	-4.4
CY12	45.3	43.1	5.1

### Target price and recommendation

Current Price (Rs)	Target Price (Rs)	Upside (%)	Reco.
461	500	8.5	Neutral

### Stock performance (1 year)





## Financials and Valuation

INCOME STATEMENT		(Rs Million)				
Y/E DECEMBER	2008	2009	2010	2011E	2012E	
<b>Sales</b>	<b>31,991</b>	<b>31,620</b>	<b>31,689</b>	<b>36,493</b>	<b>42,709</b>	
Change (%)	18.7	-1.2	0.2	15.2	17.0	
Cost of Goods Sold	21,158	19,812	19,814	23,584	27,770	
<b>Gross Profit</b>	<b>10,833</b>	<b>12,008</b>	<b>11,875</b>	<b>12,909</b>	<b>14,938</b>	
SG&A Expenses	5,549	5,589	5,708	6,093	6,950	
<b>EBITDA</b>	<b>5,284</b>	<b>6,418</b>	<b>6,166</b>	<b>6,816</b>	<b>7,989</b>	
% of Net Sales	16.5	20.3	19.5	18.7	18.7	
Depreciation	1,147	1,169	1,150	1,221	1,345	
Other Income	106	482	1,876	1,338	1,581	
<b>PBT</b>	<b>4,243</b>	<b>5,732</b>	<b>6,892</b>	<b>6,932</b>	<b>8,226</b>	
Tax	572	1,072	1,213	1,777	2,139	
Rate (%)	13.5	18.7	17.6	25.6	26.0	
<b>PAT</b>	<b>3,671</b>	<b>4,660</b>	<b>5,679</b>	<b>5,156</b>	<b>6,087</b>	
Change (%)	-20.9	27.0	21.9	-9.2	18.1	
Extr-ord Items	-873.3	-1,063.3	-336.2	0.0	0.0	
<b>Net Income</b>	<b>4,544</b>	<b>5,723</b>	<b>6,016</b>	<b>5,156</b>	<b>6,087</b>	
Change (%)	-2.1	26.0	5.1	-14.3	18.1	

BALANCE SHEET		(Rs Million)				
Y/E DECEMBER	2008	2009	2010	2011E	2012E	
Share Capital	256	258	262	262	262	
Share Premium	11,965	12,492	12,492	12,492	12,492	
Other Reserves	13,569	21,004	16,945	21,641	27,267	
<b>Net Worth</b>	<b>25,790</b>	<b>33,754</b>	<b>29,700</b>	<b>34,395</b>	<b>40,022</b>	
Loans	617	975	868	1,000	1,170	
<b>Capital Employed</b>	<b>26,407</b>	<b>34,729</b>	<b>30,568</b>	<b>35,395</b>	<b>41,192</b>	
Gross Block	11,408	12,156	13,556	14,756	16,156	
Less : Depreciation	4,590	5,485	6,635	7,857	9,201	
<b>Net Block</b>	<b>6,818</b>	<b>6,671</b>	<b>6,920</b>	<b>6,899</b>	<b>6,954</b>	
Other assets	6,235	6,804	6,201	6,859	6,572	
Investments	11,091	16,983	9,131	10,044	11,049	
<b>Curr. Assets</b>	<b>9,985</b>	<b>9,836</b>	<b>14,410</b>	<b>19,105</b>	<b>25,527</b>	
Debtors	5,051	4,944	5,643	6,499	7,606	
Cash & Bank Balance	2,716	2,867	6,197	9,646	14,458	
Other Current Assets	2,218	2,025	2,570	2,959	3,464	
<b>Current Liab. &amp; Prov</b>	<b>8,034</b>	<b>5,940</b>	<b>6,491</b>	<b>7,931</b>	<b>9,353</b>	
Creditors	412	267	434	500	585	
Other liabilities	5,504	4,427	4,601	5,299	6,202	
Provisions	2,118	1,246	1,456	2,132	2,566	
<b>Net Current Assets</b>	<b>1,951</b>	<b>3,896</b>	<b>7,919</b>	<b>11,174</b>	<b>16,174</b>	
Deferred Tax	313	376	397	419	443	
<b>Application of Funds</b>	<b>26,407</b>	<b>34,729</b>	<b>30,568</b>	<b>35,395</b>	<b>41,192</b>	

E:MOSSL Estimates

RATIOS						
Y/E DECEMBER	2008	2009	2010	2011E	2012E	
<b>Basic (Rs)</b>						
<b>Diluted EPS</b>	<b>28.6</b>	<b>36.1</b>	<b>42.2</b>	<b>38.3</b>	<b>45.3</b>	
Cash EPS	37.5	45.1	50.8	47.4	55.3	
Book Value	200.8	262.8	226.5	262.3	305.2	
DPS	3.5	3.5	76.8	3.5	3.5	
<b>Valuation (x)</b>						
P/E	16.1	12.7	10.6	11.7	9.9	
Cash P/E	12.3	10.2	9.1	9.7	8.3	
EV/EBITDA	8.7	6.3	7.5	6.1	4.5	
EV/Sales	1.4	1.3	1.5	1.1	0.8	
Price/Book Value	2.3	1.8	2.0	1.8	1.5	
<b>Profitability Ratios (%)</b>						
RoE	13.0	15.7	17.9	16.1	16.4	
RoCE	12.6	15.2	17.4	15.6	15.9	
<b>Turnover Ratios</b>						
Debtors (Days)	64	58	61	61	60	
Asset Turnover (x)	4.4	4.7	4.7	5.3	6.2	
<b>Leverage Ratio</b>						
Debt/Equity (x)	0.0	0.0	0.0	0.0	0.0	

CASH FLOW STATEMENT		(Rs Million) Million)				
Y/E DECEMBER	2008	2009	2010	2011E	2012E	
CF from Operations	5,607	6,830	7,145	6,355	7,408	
Cash for Working Capital	-3,198	1,794	693	-195	189	
<b>Net Operating CF</b>	<b>8,805</b>	<b>5,036</b>	<b>6,451</b>	<b>6,549</b>	<b>7,219</b>	
Net Purchase of FA	-243	-1,022	-1,400	-1,200	-1,400	
Net Purchase of Invest.	2,652	-6,462	8,455	-1,571	-717	
<b>Net Cash from Invest.</b>	<b>2,408</b>	<b>-7,484</b>	<b>7,055</b>	<b>-2,771</b>	<b>-2,117</b>	
Proceeds from Equity Rais	-9,048	2,694	4	0	0	
Proceeds from LTB/STB	-472	358	-107	132	170	
Dividend Payments	-450	-453	-10,074	-460	-460	
<b>Cash Flow from Fin.</b>	<b>-9,970</b>	<b>2,598</b>	<b>-10,177</b>	<b>-329</b>	<b>-290</b>	
Free Cash Flow	8,562	4,014	5,051	5,349	5,819	
<b>Net Cash Flow</b>	<b>1,244</b>	<b>151</b>	<b>3,330</b>	<b>3,449</b>	<b>4,812</b>	
<b>Opening Cash Balance</b>	<b>1,473</b>	<b>2,716</b>	<b>2,867</b>	<b>6,197</b>	<b>9,646</b>	
Add: Net Cash	1,244	151	3,330	3,449	4,812	
<b>Closing Cash Balance</b>	<b>2,716</b>	<b>2,867</b>	<b>6,197</b>	<b>9,646</b>	<b>14,458</b>	



**N O T E S**



For more copies or other information, contact

**Institutional:** Navin Agarwal. **Retail:** Manish Shah

Phone: (91-22) 39825500 Fax: (91-22) 22885038. E-mail: reports@motiloswal.com

**Motilal Oswal Securities Ltd, 3rd Floor, Hoechst House, Nariman Point, Mumbai 400 021**

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**Patni Computer Systems**

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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