

IT Services

Q4FY11 Result Preview

The Indian IT sector regained its confidence after positive economic signals from the US and good financials reported by technology vendors such as Accenture and Oracle recently. For Q4FY11 Indian IT vendors would continue to show robust revenue growth after a seasonally weak Q3. EBITDA margins are expected to improve marginally, supported by rupee depreciation. We remain positive on the IT sector.

KEY EVENTS

- Tech vendors such as Oracle and Accenture reported good results last month. Accenture raised its revenue and earnings guidance. Cognizant guided to at least 26% revenue growth YoY in CY11.
- Fall in unemployment rate and increased strength in economic indicators in the US instills confidence for better growth of IT vendors.

KEY TRIGGERS

- Infosys' revenue guidance will be an important indicator for the sector. We expect Infosys to guide to 18-20% YoY growth in USD revenue for FY12.
- Hiring outlook for FY12 of IT companies is crucial. Freshers-to-laterals hiring ratio would be an important margin level for FY12 to improve the employee pyramid.

Q4FY11 EXPECTATIONS

4-5% QoQ USD revenue growth in Q4FY11: We expect volume-led revenue growth of 4-5% for large Indian IT vendors. Pricing would be stable with upward bias. In Q4FY11, on an average, rupee depreciated ~1% QoQ vs. USD. This will positively impact revenue in rupee terms. Quarter-end rates did not move much. So companies like HCL Tech, Patni and Hexaware, who report INR revenue at quarter-end rates, will not have extra support.

Positive trigger for margins: EBITDA margin for all Indian IT vendors is expected to improve marginally, partially due to rupee depreciation and due to increase in utilization in certain cases. However, a few companies like Persistent will show margin decline due to salary increases.

Better clarity on clients' budget and offshoring: Clients would settle well with the budgeting cycle and a have fair idea for spending on offshoring for this year. It would be important to watch out for IT vendors' management commentary on this.

BFSI to continue with its outperformance: BFSI will continue to be the growth driver. However, we expect some early indicators of growth from the manufacturing segment. Package implementation and IMS are expected to lead growth among service lines.

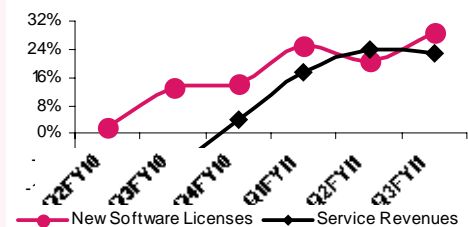
05 Apr 2011

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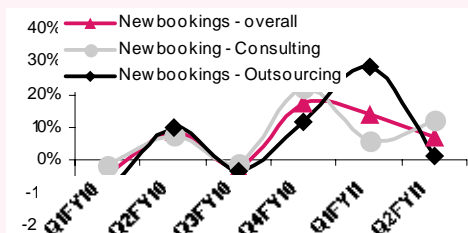
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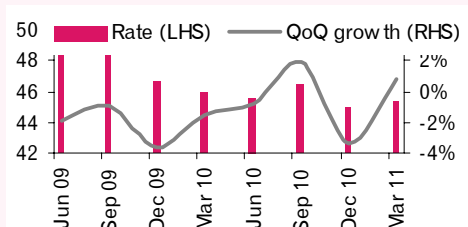
Oracle revenues (YoY growth)



Accenture new bookings (YoY growth)



USD/INR rate



Infosys' guidance for FY12

During the Q3FY11 earnings conference call, Management already indicated FY12 revenue growth of high teens. We expect Infosys to continue with its conservative stance and guide to 18-20% YoY revenue growth in FY12.

Exhibit 1 - Infosys annual guidance history

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011*
Revenue (initial guidance - upper, USD mn)	963	1,392	2,070	2,800	4,020	5,050	4,520	5,670
Revenue (actual)	1,062	1,591	2,154	3,087	4,173	4,664	4,803	6,101
YoY growth (%)	40.9%	49.9%	35.4%	43.3%	35.2%	11.8%	3.0%	27.0%
Outperformance from initial guidance - upper (%)	10.3%	14.3%	4.1%	10.3%	3.8%	-7.6%	6.3%	7.6%
Incremental Revenue (USD mn)	308	529	563	933	1,086	491	138	1,299
% Rev from top 10 clients	36.9%	33.7%	30.8%	31.4%	31.4%	27.7%	26.2%	26.1%
Revenue from top 10 clients	392	536	663	969	1,310	1,292	1,258	1,592
Incremental revenue from top 10 clients (USD mn)		144	127	306	341	-18	-34	334
Incremental revenue from top 10 clients as % of overall		27.3%	22.5%	32.8%	31.4%	-3.7%	-24.3%	25.7%
% of new business	6.8%	4.6%	5.1%	4.7%	3.0%	2.4%	2.7%	-
New business (USD mn)	72.2	73.2	109.9	145.1	125.2	111.9	129.7	-
New business as % of incremental revenue	23%	14%	20%	16%	12%	23%	94%	-
Average no. of clients	360	430	452	483	524	579	569	600
Revenue per client (USDmn)	2.9	3.7	4.8	6.4	8.0	8.1	8.4	10.2
YoY growth (%)		25.5%	28.8%	34.1%	24.6%	1.2%	4.8%	20.5%

*Estimated

Source: PINC Research, Company

- We have seen the highest incremental revenue in FY11 in absolute USD mn added. As percentage outperformance from the initial guidance, we have seen peaks in FY05.
- New business contributed the highest to incremental revenue in FY10. Emphasis on acquiring new businesses was a post-slowdown phenomenon.
- In FY11, as a strategy, large IT vendors started to extract more from clients and we have seen significant growth in revenue per client in FY11. We expect the trend to continue under the current environment where thrust on outsourcing has increased.

Some guidance or indication for the next fiscal from technology vendors:

TCS –Management indicated revenue growth of at least 25% YoY for FY12.

Cognizant –Management guided to at least 26%YoY revenue growth for CY11.

Accenture –Management increased revenue guidance for FY11.

Accenture upgraded revenue and EPS guidance for FY11 after a good Q2FY11. For FY11, it Accenture increased revenue guidance to 11-14% YoY (from 8-11% YoY earlier) and EPS guidance to USD3.22-3.3 (from USD3.08-3.16 earlier).

Exhibit 2 - Accenture's guidance- upgrade continues

	4QFY09	1QFY10	2QFY10	3QFY10	4QFY10	1QFY11	2QFY11
Guidance for	1QFY10	2QFY10	3QFY10	4QFY10	1QFY11	2QFY11	3QFY11
Quarterly (USDmn)							
Revenue - lower	5,300	5,100	5,500	5,150	5,600	5,600	6,300
Revenue - upper	5,500	5,300	5,700	5,350	5,800	5,800	6,500
Actual Revenue	5,146	5,383	5,176	5,571	5,420	6,046	6,054
<i>Outperformance from lower (%)</i>	#DIV/0!	1.6%	1.5%	1.3%	5.2%	8.0%	8.1%
<i>Outperformance from upper (%)</i>		-2.1%	-2.3%	-2.3%	1.3%	4.2%	4.4%
Yearly guidance for	FY10	FY10	FY10	FY10	FY11	FY11	FY11
Revenue growth - lower	-3%	-3%	-3%	-3%	7%	8%	11%
Revenue growth - upper	1%	1%	1%	1%	10%	11%	14%
Dil EPS - lower	2.64	2.67	2.61	2.61	3	3.08	3.22
Dil EPS - upper	2.72	2.75	2.69	2.69	3.08	3.16	3.3

Source: PINC Research, Company

Accenture's new bookings were strong at USD6.98bn with the highest-ever consulting bookings of USD3.8bn in this quarter.

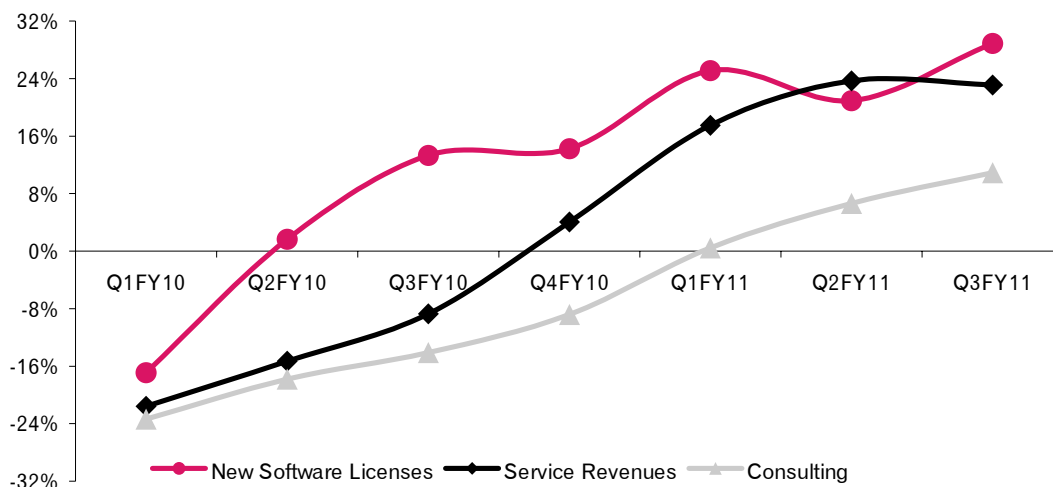
Exhibit 3 - Accenture's strong new order bookings; highest-ever bookings in consulting

	Q4FY09	Q1FY10	Q2FY10	Q3FY10	Q4FY10	Q1FY11	Q2FY11
New bookings	5.54	5.53	6.52	6.43	6.5	6.31	6.98
<i>Consulting</i>	2.87	3.51	3.39	3.18	3.5	3.72	3.8
<i>Outsourcing</i>	2.68	2.02	3.13	3.25	3	2.59	3.18
ratio%							
Consulting	51.8%	63.5%	52.0%	49.5%	53.8%	59.0%	54.4%
Outsourcing	48.2%	36.5%	48.0%	50.5%	46.2%	41.0%	45.6%
QoQ%							
New bookings	-15.7%	-0.2%	17.9%	-1.4%	1.1%	-2.9%	10.6%
Consulting	-10.6%	22.3%	-3.4%	-6.2%	10.1%	6.3%	2.2%
Outsourcing	-20.2%	-24.6%	55.0%	3.8%	-7.7%	-13.7%	22.8%
YoY%							
New bookings - overall	-27.8%	-4.7%	9.0%	-2.1%	17.3%	14.1%	7.1%
New booking - Consulting	-20.9%	-1.4%	8.0%	-0.9%	22.0%	6.0%	12.1%
New bookings - Outsourcing	-33.7%	-9.8%	10.2%	-3.3%	11.9%	28.2%	1.6%

Source: PINC Research, Company

Oracle reported a good set of results signaling healthy growth in discretionary IT spending. Growth was broad based across geographies, with revenue growth of 30% or higher in Q3FY11. Sales of software new license grew 29% YoY and this should lead to opportunities in ERP packages both on the implementation and maintenance side.

Exhibit 4 - Strong set of financials from Oracle (YoY growth)

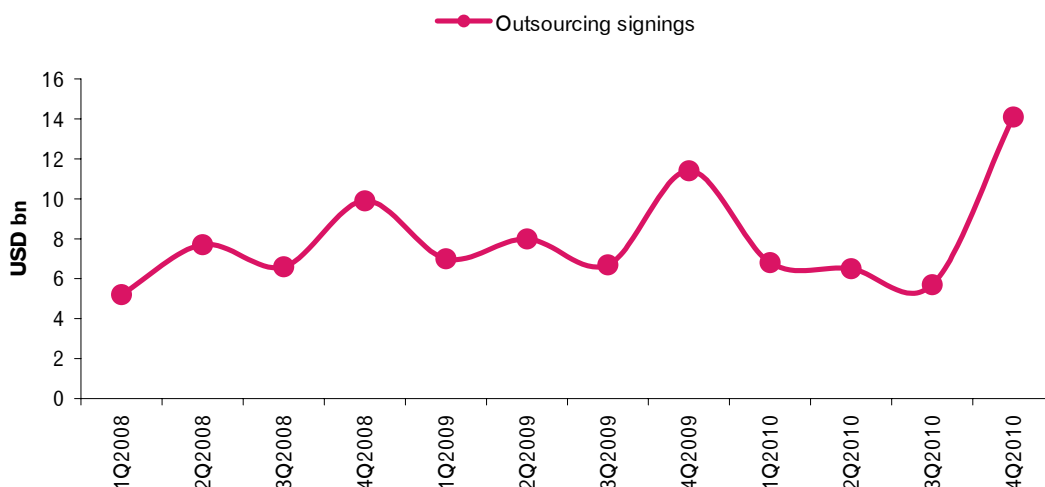


Source: PINC Research, Company

Oracle's CEO commented on cloud computing – "In Q3FY11, Oracle signed several large hardware and software deals with some of its biggest names in cloud computing".

IBM showed an increased thrust toward outsourcing. Its outsourcing signings for services have been the highest growth in the recent past. This bodes well for outsourcing companies and signals that clients are increasingly looking to outsource more.

Exhibit 5 - IBM outsourcing signings for services have increased in recent quarter



Source: PINC Research, Company

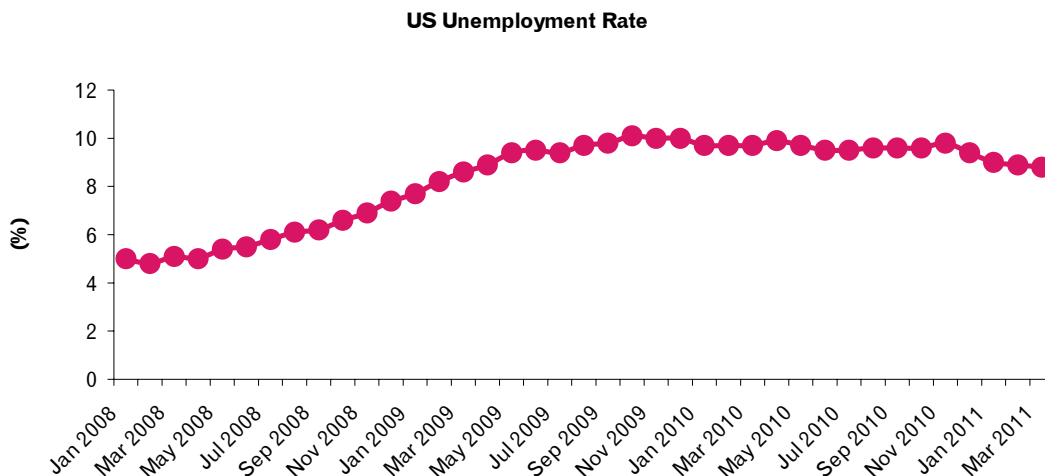
Deal signing announcements in Q4FY11 by Indian IT vendors

Exhibit 6 - Deal signings announced in Q4FY11 by Indian tech vendors		
Company	Date	Client and deal details
TCS	9-Feb-11	UAE's telecom service provider "du" selects TCS for five year contract for IT managed services
TCS	25-Feb-11	Nedbank Investor Services, South Africa selects TCS BaNCS securities for custodial operations
TCS	3-Mar-11	Law Society of England has selected TCS as strategic technology partner
TCS	15-Mar-11	Royal Haskoning (Amsterdam) selects TCS for end-to-end IT infrastructure multi-year multi-million dollar deal
TCS	24-Mar-11	Shanghai Bank chooses TCS BaNCS for core banking
TCS	28-Mar-11	CUA, Australia's largest customer-owned financial institution, selects BaNCS for core banking system overhaul
TCS	1-Apr-11	Multi-year multi-million dollar deal with Air Liquide (USA) for application development and maintenance services
Wipro	1-Apr-11	Acquires SAIC global oil and gas IT business for USD150mn. It gives annual revenue of USD200mn.
HCL Tech	27-Jan-11	Lippo Group, one of Indonesia's largest conglomerates, signed MoU to offer IT services
MindTree	23-Feb-11	MindTree signs two multi-million dollar, multi-year IT infrastructure management services deals. One with leading ICT service-providers in Europe and other with a leading bank in the US. The combined deal size is USD70mn in next years.
MindTree	16-Mar-11	2e2 (UK) selects MindTree as its offshore partner for application outsourcing.
Persistent	2-Feb-11	Signs agreement to acquire Infospectrum's OPD business (USD6mn revenue) for all cash consideration of USD6mn. Margins are comparable to Persistent's margin.
Persistent	23-Feb-11	Signed contract with Aspen Holdings, leading pharmaceutical company in South Africa, for PaxPro Brand Asset Lifecycle Management solution to enable faster approval cycles and time-to-market.

Source: PINC Research, Company

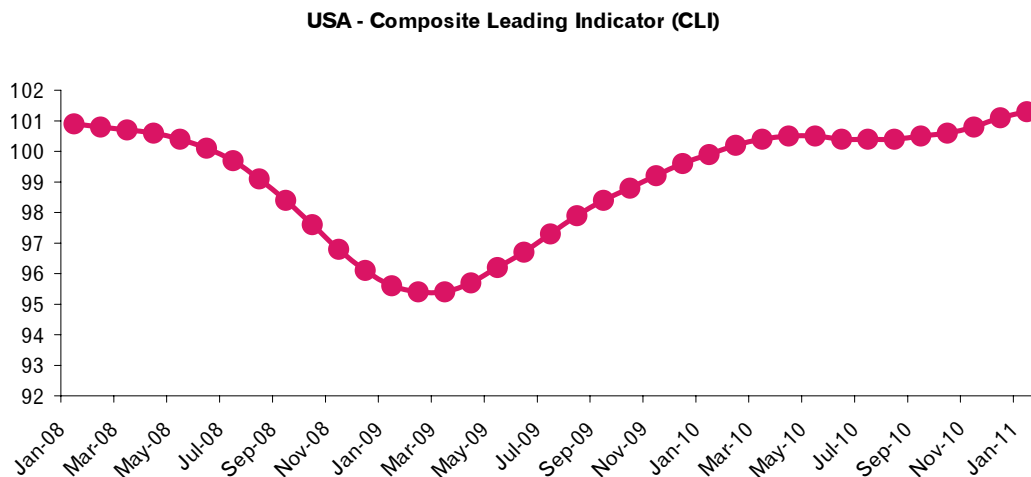
Key macro indicators in the US

Exhibit 7 - Unemployment rate easing in the US



Source: PINC Research, US Bureau of Labor Statistics

Exhibit 8 - Positive signal on CLI continued

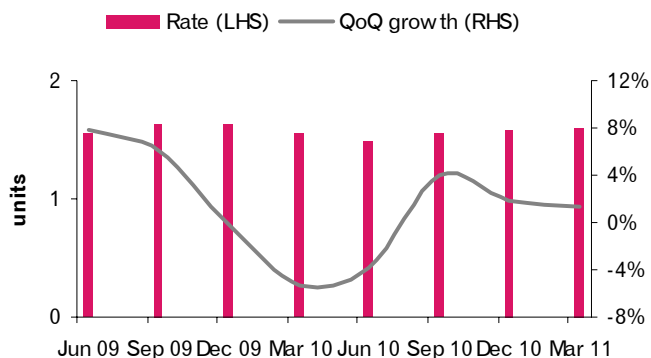


Source: PINC Research, OECD

Positive impact of rupee depreciation

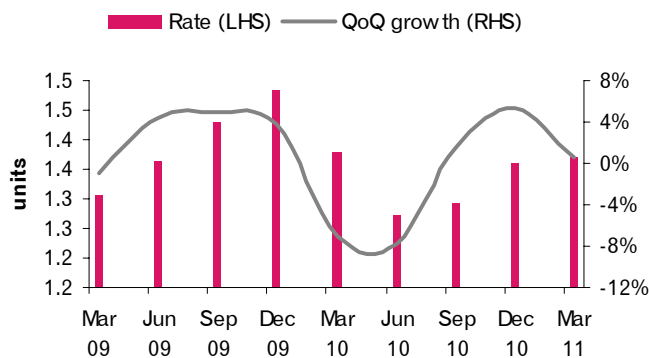
IT companies will have a positive impact of ~0.8%QoQ in INR revenue due to rupee depreciation against USD in Q4FY11. The depreciation will positively impact operating margin by ~30-40bpsQoQ. Cross currency movement of GBP, EUR and AUD against the USD will not have a large impact in this quarter as there had not been significant movement of currencies. There will be a slight positive impact of ~0.2%QoQ on USD revenue.

Exhibit 9 - GBP strengthened 1.4%QoQ vs. USD (avg)



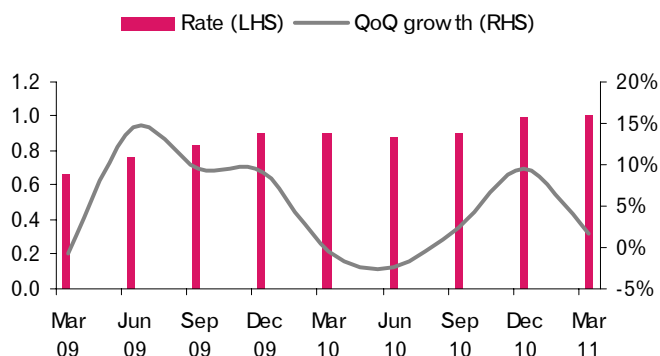
Source: PINC Research, Bloomberg

Exhibit 10 - EUR strengthened 0.6%QoQ vs. USD (avg)



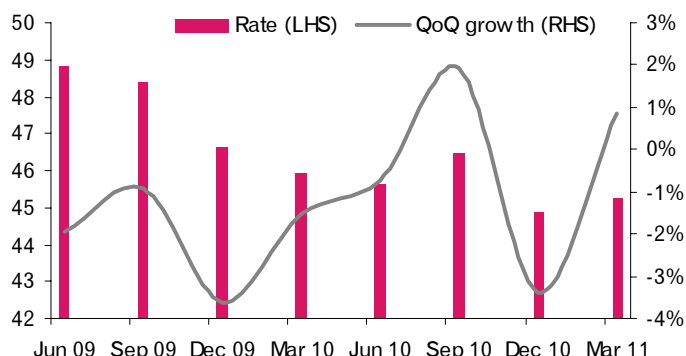
Source: PINC Research, Bloomberg

Exhibit 11 - AUD strengthened 1.6%QoQ vs. USD (avg)



Source: PINC Research, Bloomberg

Exhibit 12 - INR depreciated 0.8% QoQ vs. USD (avg)



Source: PINC Research, Bloomberg

Exhibit 13 - USD / INR movement – no sharp volatility in Q4FY11

USD/INR	Dec 08	Mar 09	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11
Avg rate	48.8	49.8	48.8	48.4	46.6	45.9	45.6	46.5	44.9	45.3
QoQ growth (RHS)	11.4%	2.1%	-2.0%	-0.9%	-3.6%	-1.5%	-0.7%	1.9%	-3.4%	0.8%
Qtr end rate	48.8	50.7	47.9	48.1	46.5	44.9	46.5	44.9	44.7	44.6
QoQ growth (RHS)	3.9%	3.9%	-5.6%	0.4%	-3.3%	-3.5%	3.4%	-3.2%	-0.5%	-0.3%

Source: PINC Research, Bloomberg

The quarter-end USD/INR rate is flattish compared with the previous quarter. This will not impact INR revenue for companies like HCL Tech, Patni and Hexaware etc who use quarter-end rates for translation of USD financials to INR.

Exhibit 14 - Hedging details

Hedges (USD mn)	Q1FY09	Q2FY09	Q3FY09	Q4FY09	Q1FY10	Q2FY10	Q3FY10	Q4FY10	Q1FY11	Q2FY11	Q3FY11
Infosys	811	932	576	451	587	643	574	467	600	497	585
TCS	1,680	1,019	1,250	1,235	1,230	970	859	690	455	552	451
Wipro	2,600	2,100	1,800	1,060	1,200	1,400	1,300	1,700	1,600	1,500	1,500
HCL Tech	2,000	1,900	1,580	1,300	813	725	645	468	362	300	256
Geometric	72	80	60	54	99	84	76	86	109	101	160
Hexaware	196	213	171	139	125	103	71	50	93	138	130
MindTree	196	185	192	185	207	189	157	228	200	171	157
NIIT Tech	222	242	189	188	187	138	119	99	73	46	35
Patni	403	443	395	373	320	287	320	360	398	384	300
Persistent		-	-	-	-	-	-	77	77	72	80
Sasken	50	70	65	52	59	47	47	48	45	43	45
Mphasis	244	243	375	365	475	652	600	598	564	536	480

Source: PINC Research, Company

We have seen a consistent decline in dollar hedging over the past two years. The past few quarters have seen stable amount of hedging covering three to six months of exposure for most companies. Quarter-end USD/INR rate movement was just 0.3% as the rupee closed slightly stronger compared with USD.

Exhibit 15 - Quarterly estimates

Rs mn	Q4FY10	Q3FY11	Q4FY11	QoQ%	YoY%
Infosys					
Revenue	59440	71,060	74,494	4.8%	25.3%
EBITDA	20200	23,630	25,427	7.6%	25.9%
EBITDA margin (%)	34.0%	33.3%	34.1%	88 bps	15 bps
Net Profit	16150	17,800	19,105	7.3%	18.3%
EPS (Rs)	28.3	31.2	33.4	7.3%	18.3%
TCS					
Revenue	77,365	96,634	101,952	5.5%	31.3%
EBIT margin (%)	21,280	27,133	28,588	5.4%	34.3%
EBIT margin (%)	27.5%	28.1%	28.0%	-4 bps	53 bps
Net Profit	19,312	23,302	24,191	3.8%	25.3%
EPS (Rs)	9.9	11.9	12.4	3.8%	25.3%
Wipro					
Revenue	69,772	78,202	82,346	5.3%	18.0%
EBIT	13,307	14,266	15,525	8.8%	16.7%
EBIT margin (%)	19.1%	18.2%	18.9%	61 bps	-22 bps
Net Profit	12,091	13,188	13,551	2.8%	12.1%
EPS (Rs)	4.9	5.4	5.5	2.8%	12.1%
HCL Tech					
Revenue	30,757	38,625	40,260	4.2%	30.9%
EBITDA	6,073	6,305	6,965	10.5%	14.7%
EBITDA margin (%)	19.7%	16.3%	17.3%	98 bps	-245 bps
Net Profit	3,439	3,971	4,278	7.7%	24.4%
EPS (Rs)	5.0	5.7	6.1	7.7%	23.4%
MindTree					
Revenue	3,444	3,848	3,928	2.7%	14.1%
EBITDA	632	449	564	25.5%	-10.9%
EBITDA margin (%)	18.4%	11.7%	14.3%	268 bps	-402 bps
Net Profit	545	305	375	23.1%	-31.1%
EPS (Rs)	13.4	7.5	9.2	23.1%	-31.6%
MphasiS					
Revenue	12,205	12,335	12,926	4.8%	5.9%
EBITDA	3,150	2,574	2,805	9.0%	-11.0%
EBITDA margin (%)	25.8%	20.9%	21.7%	83 bps	-411 bps
Net Profit	2,672	2,267	2,267	0.0%	-15.2%
EPS (Rs)	12.7	10.8	10.8	0.0%	-15.0%

Source: PINC Research

Exhibit 16 - Quarterly estimates

Rs mn	Q4FY11	Q3FY11	Q4FY11	QoQ%	YoY%
Patni					
Revenue	7,745	8,210	8,407	2.5%	8.5%
EBITDA	1,620	1,468	1,429	8.1%	-11.8%
EBITDA margin (%)	20.9%	17.9%	17.0%	-88 bps	-392 bps
Net Profit	1,497	1,766	1,347	-23.4%	-10.0%
EPS (Rs)	11.2	13.1	10.0	-23.4%	-10.9%
NIIT Tech					
Revenue	2,392	3,006	3,078	2.4%	28.7%
EBITDA	529	623	668	7.3%	26.3%
EBITDA margin (%)	22.1%	20.7%	21.7%	98 bps	-41 bps
Net Profit	413	479	511	6.8%	23.8%
EPS (Rs)	7.0	8.1	8.6	6.8%	22.8%
Geometric					
Revenue	1,271	1,632	1,721	5.4%	35.4%
EBITDA	186	201	231	15.2%	24.4%
EBITDA margin (%)	14.6%	12.3%	13.4%	114 bps	-119 bps
Net Profit	118	153	153	0.1%	30.0%
EPS (Rs)	1.9	2.4	2.4	0.1%	28.1%
Sasken					
Revenue	1,538	1,383	1,401	1.3%	-8.9%
EBITDA	272	269	267	-0.7%	-2.0%
EBITDA margin (%)	17.7%	19.4%	19.1%	-39 bps	135 bps
Net Profit	218	157	162	3.3%	-25.5%
EPS (Rs)	7.4	5.5	5.7	3.3%	-23.3%
Persistent Systems					
Revenue		1,949	2,042	4.8%	-
EBITDA		428	396	-7.4%	-
EBITDA margin (%)	#DIV/0!	21.9%	19.4%	-255 bps	-
Net Profit		362	339	-6.4%	-
EPS (Rs)		9.1	8.5	-6.4%	-
Hexaware					
Revenue	2,220	2,959	3,151	5.2%	42.0%
EBITDA	183	298	397	15.1%	117.0%
EBITDA margin (%)	8.2%	10.1%	12.6%	108 bps	436 bps
Net Profit	117	345	371	-6.4%	217.0%
EPS (Rs)	0.4	1.3	1.3	-4.9%	221.8%

Source: PINC Research

Exhibit 17 - Quarterly assumptions

	Revenues	Margins & PAT	Operational metrics
Infosys	<ul style="list-style-type: none"> • Volume growth of 4% against guidance of 1-2%QoQ • Pricing is expected to be flat • Rupee terms revenue growth to be higher due to rupee depreciation of -1%QoQ 	<ul style="list-style-type: none"> • No salary hike in this quarter • Margins will increase due to of rupee depreciation and scale efficiencies 	<ul style="list-style-type: none"> • Expectation of revenue guidance of 19-21%YoY for FY12. • Higher revenue from discretionary IT - package implementation and consulting. • Likely to add more freshers in FY12.
TCS	<ul style="list-style-type: none"> • Volume driven growth of 4.4%QoQ in USD revenue • Pricing is expected to be flat • Rupee terms revenue growth of 5.1%QoQ due to rupee depreciation 	<ul style="list-style-type: none"> • The margins are expected to dip led by lower utilisation • SG&A is likely to increase a bit which will negate the positive impact of rupee depreciation 	<ul style="list-style-type: none"> • Watch out for hiring guidance for FY12 • US and BFSI is expected to drive growth • Utilisation likely to go down in this quarter
Wipro	<ul style="list-style-type: none"> • IT services expected to grow 4%QoQ, in the middle range of their guidance 4-5%QoQ growth • Pricing is expected to be flat • Higher growth rates in products business 	<ul style="list-style-type: none"> • Operating margin to improve slightly due to rupee depreciation • Tax rates to be slightly higher than the previous quarter 	<ul style="list-style-type: none"> • Hi-tech might show positive surprise but telecom expected to be sluggish • Discretionary IT spend uptick will continues
HCL Tech	<ul style="list-style-type: none"> • Revenue growth of 4%QoQ in USD terms • The pricing will remain flat • Rupee revenue will be similar to USD revenue as there was not much movement in quarter end exchange rates 	<ul style="list-style-type: none"> • Margins to improve slightly by improving utilisation and due to rupee depreciation • Lower cash flow hedge loss of Rs100mn 	<ul style="list-style-type: none"> • Discretionary IT spend will in good growth in PI • Lateral hiring expected to slow down compared to freshers
Mphasis	<ul style="list-style-type: none"> • Improvement in revenue after 8.5%QoQ decline in previous quarter. We expect 4.8%QoQ rupee revenue growth. • Pricing assumed to be stable 	<ul style="list-style-type: none"> • Margin expected to marginally increase due to rupee depreciation and improvement in the utilisation rate 	<ul style="list-style-type: none"> • HP channel revenue to stabilise • Direct channel revenue to grow robust
MindTree	<ul style="list-style-type: none"> • Volume-led slower growth of ~2.5%QoQ for USD revenue, due to ramp down in NIW business • Pricing assumed to be stable 	<ul style="list-style-type: none"> • Margin expected to increase due to rupee depreciation and no losses in the product business • Assumed tax rate of 12% 	<ul style="list-style-type: none"> • Expect better outlook for discretionary IT services and R&D services for the next financial year • Utilisation is expected to increase • Management's commentary on Mr Ashok Soota' stake sale and his replacement in the board will be important

Source: PINC Research, Company

Exhibit 18 - Quarterly assumptions

	Revenues	Margins & PAT	Operational metrics
Patni	<ul style="list-style-type: none"> Revenue growth to show some increase compared to previous 2-3 quarters, due to deal wins. Expect USD revenue to grow 3%QoQ. Pricing assumed to be stable. 	<ul style="list-style-type: none"> Margin expected to increase due to rupee depreciation and some improvement in utilisation 	<ul style="list-style-type: none"> To watch out for integration process with i-Gate and comments on open offer Expect change in sales and marketing team, thrust on growth markets
NIIT Tech	<ul style="list-style-type: none"> Overall USD revenue growth in IT services of 2%QoQ due to higher hardware revenues in previous quarter. Expect hardware revenue to be Rs60mn compared to Rs145mn in Q3FY11. Pricing is expected to be stable 	<ul style="list-style-type: none"> Rupee depreciation will have a positive impact. Lower hardware revenue which is mostly pass through will result in higher overall margin Utilisation and offshoring will impact margins positively 	<ul style="list-style-type: none"> Outlook for the travel and transport segment will be important to watch out for, especially in the environment of trouble in the middle east which has impacted the crude oil prices
Geometric	<ul style="list-style-type: none"> Volume driven growth of 5.5%QoQ Pricing will remain stable 	<ul style="list-style-type: none"> No one time expenses as it was in Q3FY11 Rupee depreciation will provide positive impact on margins 	<ul style="list-style-type: none"> Automotive and Industrial to show traction Aerospace industry will throw more opportunities in the engineering segment
Persistent	<ul style="list-style-type: none"> USD revenue growth of 4.2%QoQ Improvement in realisations expected 	<ul style="list-style-type: none"> Salary increase to impact the EBITDA margin Some positive impact of rupee depreciation Overall EBITDA margin to decline 	<ul style="list-style-type: none"> High exposure to US will boost volumes To watch out for FY12 revenue growth outlook and prospects on cloud computing
Sasken	<ul style="list-style-type: none"> USD revenue growth of 3%QoQ Pricing assumed to be stable Software services to grow but products revenue to decline QoQ due to one time license sales in Q3FY11 	<ul style="list-style-type: none"> Margin expected to marginally decline due to lower product revenue (high margin business) but some support from rupee depreciation and increase in utilisation 	<ul style="list-style-type: none"> Attrition rate continue to remain high To watch out management's comment on guidance and clients outlook for the next year
Hexaware	<ul style="list-style-type: none"> Robust revenue growth of ~5.9%QoQ in dollar terms Pricing assumed to be stable 	<ul style="list-style-type: none"> Margin expected to improve due to scale efficiencies and rupee depreciation Expect utilisation to increase further Tax rate assumed to be 10% 	<ul style="list-style-type: none"> Watch out for new order bookings and hiring status for freshers PI will lead the growth pack

Source: PINC Research, Company

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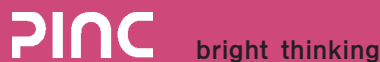
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