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# India : IT Services

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## Q4FY07 Results Preview

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April 5, 2007

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# Investment summary

- ↻ **Importance of Q4FY07 Results : Guidance, US Slowdown ?, FBT Impact, Rupee Appreciation**
  - **Influencing factors indicate lower FY08 PAT Guidance:** Perils of US Slowdown, Impact of FBT on ESOPs, Rupee Appreciation and 2nd year of greater-than-inflation salary hikes at the fresher levels
  - In certain cases, break-even point of subsidiaries/ acquisitions is delayed further
- ↻ **Q4FY06 Financials:**
  - **Revenue performance :** Topline growth of 7.4% QoQ (Top 6) led by volume growth
  - **Operating profit:** Average appreciation of rupee (1.8% QoQ), lower billable days (though higher than Dec quarter and salary hikes (for Wipro) to impact OPM (%). We expect a 4.3% QoQ growth, lower than topline growth (Top 6)
  - **PAT:** Gains from hedged positions to partly offset translation losses. Nonetheless, PAT to have lower than topline growth at 4.6% and 44.3% QoQ and YoY growth respectively (Top 6)
- ↻ **P/E: Volatility to decipher valuations**
  - Implications from US slowdown ? : Decline in discretionary IT spend, pricing uptrend to take a set-back
  - ↑ in effective tax rate: No deferred tax credit in FY09, removal of tax breaks in FY10
  - Shock absorbers: Higher thrust towards offshorisation, ↑ in subsidiary NPMs, employment of non-engineering talent
- ↻ **Valuations at 21-23x FY08E P/E for Top 3, FY08E earnings growth critical for current P/E sustenance**
  - Implied QoQ growth in FY08 consensus estimates at 5.6-7.0% (Top4), with back-ended growth for select players
  - Players better placed for FY09 consensus estimates – TCS, Satyam
- ↻ **Players with high QoQ performance (Q4FY07) : TCS, Satyam**
- ↻ **Our Ratings:**
  - Sector Outperformer : TCS, Satyam, HCL Tech, Infotech, NIIT Tech
  - Sector Neutral : Infosys, Wipro, Tech Mahindra, Patni, Hexaware

*Note: FY08 Rupee-Dollar rate assumed at Rs 44.1*

Note : All RECOs are relative to sector

# FY08 Guidance Evaluation

## FBT on ESOPs

- FBT impact on PAT could range between 2-4%
- Uncertainty on: Incidence of taxation Nonetheless, would ↑ employee costs
- TCS better placed as no ESOPs
- Companies with comparatively higher negative implications:
  - RSUs: Wipro, Satyam, HCL Tech
  - Recently listed: Tech Mahindra, MindTree

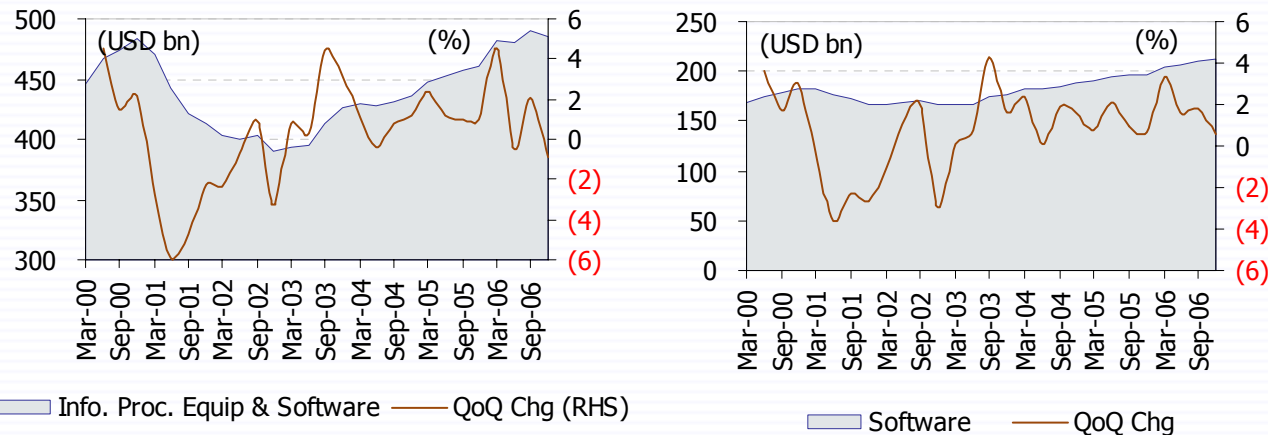
## US Slowdown

- Our takeaway from latest quarterly round-up: Companies have yet not experienced any business pressures / increase in sales cycle
- Nonetheless they were cautious
- Implications from US slowdown:
  - Discretionary spend would reduce
  - Pricing uptrend?
  - QoQ run-rate would be lower amidst an appreciating rupee

## Rupee Appreciation

- Q4FY07 Average rupee appreciation against USD at 1.8% QoQ and quarter end appreciation against USD at 1.4% QoQ
- **Infosys guidance holds the key**
- Rupee appreciation to influence guidance for FY08
  - Sustainable growth at topline in USD terms expected at 25-30%
  - PAT guidance, could likely be in 23-25% in rupee terms. Consensus estimate at ~ 30% YoY growth

## US Private Fixed Investment



Source: ENAM Research

# FY08E: Implied QoQ run-rate

## Consensus revenue and EPS expectations

	Revenues				Implied QoQ growth (%)		
	FY06	FY07E	FY08E	FY09	FY06/07	FY07/08	FY08/09
TCS	132,550	182,396	242,663	308,368	8.3	7.4	6.2
Infosys	95,216	139,378	188,107	245,066	10.0	7.8	6.8
Wipro	106,107	136,029	185,513	243,374	6.4	8.1	7.0
Satyam	46,343	64,494	84,742	108,090	8.6	7.1	6.3
HCL Tech	44,007	61,099	77,815	92,576	8.5	6.2	4.4
Tech Mah	12,427	28,168	44,161	64,001	22.7	11.9	9.7
Patni	20,242	25,338	30,295	38,167	5.8	4.6	5.9
Infotech	3,625	4,839	7,418	9,143	7.5	11.3	5.4
Sasken	3,081	4,813	6,844	9,139	11.8	9.2	7.5
Hexaware	6,787	8,500	11,419	14,191	5.8	7.7	5.6
KPIT	3,182	4,573	6,120	7,903	9.5	7.6	6.6
NIIT Tech	6,075	8,607	10,559	13,097	9.1	5.2	5.5
Aztec	1,982	2,755	3,735	5,051	8.6	7.9	7.8

Players  
better placed :  
TCS, Infosys

	EPS				Implied QoQ growth (%)		
	FY06	FY07	FY08	FY09	FY06/07	FY07/08	FY08/09
TCS	29.9	42.5	55.4	66.4	9.3	6.8	4.6
Infosys	44.7	66.9	87.2	109.5	10.6	6.9	5.9
Wipro	14.2	19.8	25.2	31.0	8.6	6.3	5.2
Satyam	16.0	20.6	25.6	31.3	6.6	5.6	5.2
HCL Tech	11.3	16.7	20.1	26.8	10.2	4.8	7.5
Tech Mah	18.3	46.9	66.5	104.5	26.5	9.1	11.9
Patni	21.8	21.4	30.0	33.5	(0.5)	8.8	2.8
Infotech	11.0	16.3	23.9	29.4	10.3	10.0	5.3
Sasken	10.8	18.2	32.0	42.6	14.0	15.1	7.4
Hexaware	7.5	9.4	11.7	14.3	6.0	5.5	5.2
KPIT	4.4	6.7	9.0	11.8	10.9	7.7	6.9
NIIT Tech	16.9	27.5	34.7	44.7	13.0	5.9	6.5
Aztec	7.5	11.2	15.0	17.8	10.5	7.6	4.4

Players  
better placed :  
TCS, Satyam,  
Wipro

Source: Bloomberg, ENAM Research

# Q4FY07E Result expectations

## Revenues: Progress on large deals / volume growth

- Top 4 companies to record 7.0-8.5% QoQ and 37-49% YoY growth (includes acquisitions) led by:
  - Volume growth and progress on large deals
  - Expect blended volume growth of 7.5-8.0%
  - New service offerings leading the pricing uptrend
  - Currency – Avg. INR appreciation (~1.8% QoQ) to impact revenue growth rates QoQ

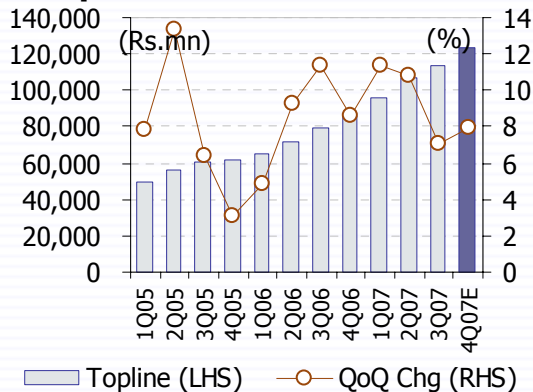
## Operating Dynamics: Mixed

- Rupee appreciation of ~1.8% to impact OPM by 50-70 bps
- Top 4 companies to stage mixed performance due to confluence of differing events:
  - Infosys – Break-even for China and Consulting to be delayed
  - TCS – Improvement observed from large deals, offshore business transition. Currency appreciation would predominate
  - Wipro – Onsite Salary hikes, lower utilization rates
  - Satyam – Attrition

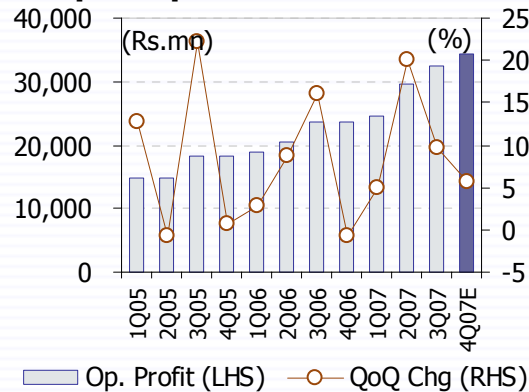
## PAT: TCS, Satyam to lead

- Top 4 companies to record 3.7-8.0% QoQ and 28-51% YoY growth; lower than topline growth:
  - Rupee appreciation to impact NPM
  - RSU charge to impact net realizations in select vendors – Wipro, Satyam, HCL Tech
  - Forex gains on hedged positions to partly offset translation losses. Companies with favorable hedged positions include TCS, Satyam and HCL Tech

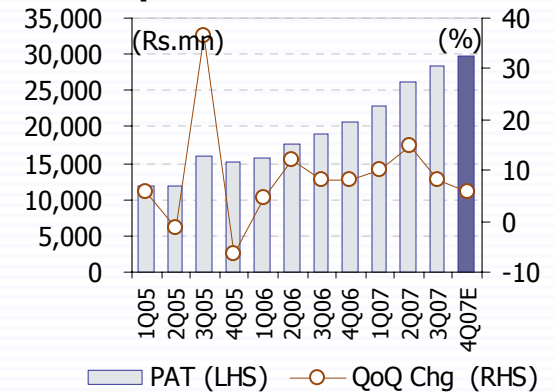
### Top 4: Revenue Performance



### Top 4: Op. Profit Performance



### Top 4: PAT Performance



Source: Companies, ENAM Research

# Rupee appreciation: the negating factor

## ➤ The Quarter gone by ....

### Depreciation / (Appreciation)

	Qtr Avg.			Qtr End		
	Q4FY07	QoQ	YoY	Q3FY07	QoQ	YoY
Re Vs USD	44.2	(1.8)	1.3	43.6	(1.4)	(2.3)
Re Vs GBP	86.3	0.1	10.8	85.5	(1.6)	9.9
Re Vs Euro	57.9	(0.2)	8.7	58.1	(0.2)	7.3
Re Vs 100 Yen	37.0	(3.2)	0.7	37.0	(0.6)	(2.7)

Source: RBI, ENAM Research

- Reported OPM % to be lower. Guidance based on:
  - ▶ Infosys – Rs 44.10 per USD
  - ▶ Satyam – Rs 44.30 per USD
- Players with high GBP based revenues (such as Tech Mahindra) stand to gain v/s peers
- Translation losses would be partially offset by forex gains from hedged positions

## ➤ Our Assumptions ....

- Revised INR-USD exchange rate assumptions stand unfavorable for IT Sector

	FY06	FY07E	FY08E	FY09E
FY Average	44.3	45.1	44.1	42.4

Source: ENAM Research

## ➤ Implications for players - Hedged Positions

- Players to gain from increase in hedged positions in Q3FY07 over Q2FY07 – TCS, Satyam, HCL Tech

### Hedging status

(USD mn)	Sep-06	Dec-06	Chg (%)	Mar-07E Sales @Rs43	Mar-07E (sales days)
Infosys	375	361	(14)	908	36
TCS	1,140	1,250	110	1,226	93
Wipro	377	188	(189)	726	24
Satyam	158	254	96	402	57
HCL Tech	451	515	64	361	130

Source: Companies, ENAM Research

# Result expectations

(%)	Topline			OPBDIT			PAT			EPS
	(Rs mn)	QoQ	YoY	(Rs mn)	QoQ	YoY	(Rs mn)	QoQ	YoY	(Rs.)
Infosys	39,055	6.9	48.8	12,540	4.8	50.5	10,192	3.7	51.4	18.3
<b>Guidance</b>	<b>Rs37,890mn – 37,980mn</b>			<b>@Rs44.10 exchange rate</b>			<b>EPS - Rs17.9</b>			
TCS	52,727	8.5	41.6	13,447	6.1	50.0	11,871	7.5	49.2	12.1
Wipro - Global IT	31,199	8.1	36.3							
<b>Guidance</b>	<b>Global IT Services – USD685mn</b>									
Wipro Consolidated	41,671	5.1	36.4	8,321	6.0	34.6	7,838	5.2	31.2	5.4
Satyam (standalone)	17,268	8.3	37.1	4,389	7.3	30.8	3,705	7.9	27.8	5.5
<b>Consolidated Guidance</b>	<b>Rs.17,280-17,360mn</b>			<b>@Rs.44.30 exchange rate</b>			<b>EPS – Rs.5.42</b>			
HCL Tech	15,521	5.9	38.3	3,553	(1.0)	43.0	2,656	2.3	37.7	3.9
Patni Computers	6,958	2.2	20.5	1,321	(10.7)	29.2	971	(14.4)	51.2	7.0
<b>Consolidated Guidance</b>	<b>~USD155mn</b>			<b>@Rs45.50 exchange rate</b>			<b>PAT – USD 22.5 – 23.0mn</b>			
Tech Mahindra	8,665	12.6	105.7	2,212	6.8	125.7	1,742	4.5	95.6	13.6
Hexaware	2,635	9.7	49.6	400	12.0	36.3	350	3.8	34.6	2.4
<b>Consolidated Guidance</b>	<b>~USD 59-60mn</b>						<b>PAT - USD7.8-8.0mn</b>			
Infotech Enterprises	1,574	10.0	46.0	329	1.9	65.6	200	6.3	20.3	4.4
Aztec Software	703	(1.5)	27.9	149	2.3	33.4	111	(0.7)	(6.1)	2.2
Sasken	1,535	17.2	96.7	256	32.1	83.8	146	23.2	132.7	5.1
KPIT Cummins	1,278	9.2	41.8	200	12.0	31.0	138	0.3	34.0	1.8
NIIT Tech	2,417	4.4	45.4	523	6.5	57.6	349	0.8	81.6	9.0
Top 3	122,981	7.9	42.4	34,308	5.6	46.1	29,900	5.6	44.7	
Top 6	145,459	7.4	40.7	39,182	4.3	45.2	33,528	4.6	44.3	
All Companies	197,581	7.0	42.0	48,760	4.9	44.0	40,978	4.6	40.8	

Note: Our Estimates for Satyam are on standalone basis. Consolidated Sales are expected to be higher by 4-6%; For aggregation purposes, the topline for Wipro was taken only for Global IT Services



# Company section

Companies (Rs mn)	Q4FY07E Expectations				Remarks/Key Factors (KF) influencing FY08E expectations
	Topline	PAT	EBITDA (%)	EPS (Rs.)	
Infosys	39,055	10,192	32.1	18.3	<ul style="list-style-type: none"> <li>■ FY08E guidance to be a key determining factor than Q4FY07E results. Expect rupee PAT guidance to be lower than 25%</li> <li>■ Reliance on discretionary ADM spend is comparatively higher</li> <li>■ Offshore salary hikes expected at 15-16% QoQ, expect employee pyramid structure to undergo changes (from 1:2:9 to 1:3:7 / 1:3:8) over long-term</li> <li>■ Subsidiary break-even – China and consulting to be delayed</li> <li>■ <b>KF</b> : Management pronouncement on US slowdown, Pricing uptake / stability, business pipeline in large deals</li> </ul>
TCS	52,727	11,871	25.5	12.1	<ul style="list-style-type: none"> <li>■ Expect positive announcements from large deal pipeline and their progress</li> <li>■ Rupee appreciation to impact achievement of OPM margins of 25.6% in FY07</li> <li>■ Onsite:offshore mix expected to be favorable (management targets ~200-300bps improvement over next 4 quarters)</li> <li>■ Reliance on large deals / GE (12-15% of topline) and higher share of domestic business offers a better cushion v/s other players against US slowdown</li> <li>■ <b>KF</b>: Business pipeline in large deals and their progress towards better profitability, pricing environment, benefits from acquisitions (especially FNS, Pearl)</li> </ul>
Wipro - Global IT	31,199				<ul style="list-style-type: none"> <li>■ Volumes in its core Telecom OEM segment to be lower than company average for next 2 quarters. Expect Oct-Dec 2007 quarter to be first complete quarter of volume resumption in this space. Could expect changes in deals being structured post consolidation by clients</li> <li>■ BFSI among domains and Europe among geographies to lead revenue growth</li> <li>■ Onsite Salary hikes to impact Q4FY07 margins</li> <li>■ Operating Leverage higher v/s peers driven by utilisation rates</li> <li>■ <b>KF</b>: Trend in telecom OEM space, Pricing Scenario</li> </ul>
Wipro – Consld.	41,671	7,838	20.0	5.4	

Source: Companies, ENAM Research

# Company section

Companies	Q4FY07E Expectations				Remarks/Key Factors (KF) influencing FY08E expectations
(Rs mn)	Topline	PAT	EBITDA (%)	EPS (Rs.)	
Satyam	17,268	3,705	25.4	5.5	<ul style="list-style-type: none"> <li>Large deal pipeline and their progress towards better profitability</li> <li>Impact of RSUs, leave encashment outgo and salary hikes to be higher v/s peers</li> <li>Expect attrition to increase marginally in Q4FY07E</li> <li>Client mining in the USD 5mn and USD 10mn client base to remain good and lead revenue growth</li> <li><b>KF:</b> Pricing environment in recent large deal wins, attrition management, salary hikes v/s industry average / Top 3</li> </ul>
HCL Tech	15,521	2,656	22.9	3.9	<ul style="list-style-type: none"> <li>IMS to lead revenue and earnings growth (revenue growth at ~ 10% QoQ with EBIT margin at 12.8%)</li> <li>Revenue growth in software services and BPO expected at 5.2% QoQ</li> <li>Unrealized gains on treasury investments at end of Q2FY07 stand at Rs.677mn. The booking of these gains would impact our PAT estimates, hence reported PAT could differ from our estimates</li> <li><b>KF:</b> Progress on large deals that commence this quarter especially the transition from IMS to software services segment, impact on margins (if any) from large deals, utilization rates in software services, Attrition management</li> </ul>
Patni	6,958	971	19.0	7.0	<ul style="list-style-type: none"> <li>Maximum impact of rupee appreciation as US revenue concentration is high at ~78% in Q3CY07</li> <li>Non-GE business would lead revenue and earnings growth</li> <li><b>KF:</b> Attrition, employee additions, management's ability to sustain better utilization rates over 70% consistently, SG&amp;A leverage in system</li> </ul>

Source: Companies, ENAM Research

# Company section

Companies (Rs mn)	Q4FY07E Expectations				Remarks/Key Factors (KF) influencing FY08E expectations
	Topline	PAT	EBITDA (%)	EPS (Rs.)	
Tech Mahindra	8,665	1,742	25.5	13.6	<ul style="list-style-type: none"> <li>■ Progress on BT deal and business pipeline with other marquee clients</li> <li>■ Progress on large clients: AT&amp;T, Alcatel, Motorola, O2 and Microsoft</li> <li>■ Impact of FBT on ESOPs to dent net realisations</li> <li>■ <b>KF:</b> Additional deals such as the BT Global IT Services deal (may be lower than USD 1bn), employee additions for FY08E, progress on high growth segments – ITO, managed services</li> </ul>
Hexaware	2,635	350	15.2	2.4	<ul style="list-style-type: none"> <li>■ Utilisation trend and volume growth expectations</li> <li>■ Europe (especially Germany) will continue to lead earnings growth (Europe revenue share at 25.5%)</li> <li>■ Deal pipelines in the Enterprise and HR IT space</li> <li>■ Watch for improvement in onsite-offshore mix</li> <li>■ <b>KF:</b> Client ramp-ups, Salary hikes and attrition trend, Q2CY07 guidance, progress on other enterprise practices like Oracle, BI, data warehousing etc</li> </ul>

# Company section

Companies (Rs mn)	Q4FY07E Expectations				Remarks/Key Factors (KF) influencing FY08E expectations
	Topline	PAT	EBITDA (%)	EPS (Rs.)	
Infotech Enterprises	1,574	200	20.9	4.4	<ul style="list-style-type: none"> <li>Deal and earnings visibility in the EMI division (62% revenue share in Q3FY07)</li> <li>Decline in OPM expected on account of ploughing back of investments in business and rupee appreciation</li> <li><b>KF:</b> Offshore visibility in the EMI space, Pricing environment, employee additions in software services arm of GIS division (billing rate is high in this segment)</li> </ul>
Aztec Software	703	111	21.2	2.2	<ul style="list-style-type: none"> <li>Hive-off of Dendrite business to result in QoQ decline in topline and PAT</li> <li>Revenue visibility and client ramp-ups in FY08, planned employee additions in FY08</li> <li>Progress on new initiatives – especially wireless</li> <li><b>KF:</b> Ramp-ups in top 10 accounts</li> </ul>
Sasken	1,535	146	16.7	5.1	<ul style="list-style-type: none"> <li>Services business growth to be led by volumes in offshore services share</li> <li>Watch for royalty payments from handset shipments.</li> <li>Look for any new signings / design wins</li> <li><b>KF:</b> Management stance on product shipments and break-even in product business, any royalty signings especially in E-Series, employee additions in the services business</li> </ul>
NIIT Tech	2,417	349	21.6	9.0	<ul style="list-style-type: none"> <li>Higher exposure to GBP should lead to smaller currency impact than peers</li> <li>Marginal OPM expansion on account on BPO doing well</li> <li><b>KF:</b> Progress on JV with Adecco and new large BPO deal</li> </ul>
KPIT	1,278	138	15.6	1.8	<ul style="list-style-type: none"> <li>This should be a good quarter with 40bps OPM expansion led by SG&amp;A rationalization</li> <li>Tax write-backs last quarter led to higher PAT in Q3FY07. Resumption of normal tax rates this quarter to impact QoQ run-rate at PAT level</li> <li><b>KF:</b> FY08 guidance and application of cash recently raised (another acquisition announcement?)</li> </ul>

Source: Companies, ENAM Research

# Database – Introducing FY09 estimates

(Rs mn)	Revenues			EBITDA			PAT			EPS (Rs)		
	FY07E	FY08E	FY09E	FY07E	FY08E	FY09E	FY07E	FY08E	FY09E	FY07E	FY08E	FY09E
TCS	187,597	249,113	311,115	46,721	63,707	77,605	41,390	55,060	65,604	42.3	56.3	67.1
INFO	140,265	187,075	238,467	44,474	59,971	77,853	37,306	48,095	59,433	66.9	86.3	106.6
WPRO	147,757	192,965	240,019	29,860	41,947	51,979	28,353	37,566	45,670	19.6	25.9	31.5
SCS	62,463	82,875	105,471	15,608	20,884	25,871	13,963	17,327	21,339	20.7	25.7	31.6
HCLT	59,758	76,508	95,026	13,851	18,023	22,433	10,605	13,084	15,775	15.5	19.1	23.1
TECHM	29,210	46,531	59,172	7,331	10,416	13,667	6,246	7,896	10,106	46.0	68.1	78.7
PATNI	26,112	30,896	38,064	5,236	5,676	7,077	2,654	4,116	4,734	19.0	29.5	34.0
INFTC	5,488	7,393	9,664	1,154	1,628	2,210	787	1,117	1,460	17.2	24.4	31.9
SACT	4,932	6,822	-	827	1,382	-	470	832	-	16.5	29.1	-
HEXW	8,482	12,551	16,466	1,321	1,851	2,633	1,242	1,567	1,914	8.4	10.7	13.0
KPIT	4,612	6,137	7,677	709	1,025	1,300	502	724	956	6.7	9.7	12.8
NITEC	8,841	11,373	14,025	1,792	2,429	2,986	1,184	1,637	2,029	30.6	42.4	52.5
AZTEC	2,690	3,473	4,573	576	745	973	429	554	713	8.7	11.0	14.2

Source: Company, ENAM Research, Bloomberg; Note: Prices are as on April 05, 2007.

Note: For Hexaware, Patni FY07 implies CY06 and so on due to December year end; June Y/E – HCLT

# Valuation Summary

	CMP (Rs)	Mcap (USD mn)	P/E (x)			EV/EBITDA (x)			RoE (%)			Target Price (Rs)	Potential upside (%)	Relative to Sector
			FY07	FY08E	FY09E	FY07	FY08E	FY09E	FY07	FY08E	FY09E			
TCS	1,194	27,172	29.1	21.2	17.8	24.9	17.2	13.5	54	46	38	1,351	13	Outperformer
INFO	1,992	26,176	30.1	23.1	18.7	23.9	17.0	12.6	44	41	37	2,157	8	Neutral
WPRO	551	18,497	28.5	21.3	17.5	25.2	17.2	13.4	31	32	30	596	8	Neutral
SCS	456	6,975	22.7	17.7	14.4	17.9	12.7	9.9	29	29	30	514	13	Outperformer
HCLT	288	4,352	16.2	15.0	12.5	11.2	9.9	7.7	25	27	28	325	13	Outperformer
TECHM	1,371	3,741	31.0	22.3	17.4	21.4	14.2	10.2	53	41	39	1,499	9	Neutral
PATNI	401	1,290	21.9	13.6	11.8	8.2	6.7	4.9	13	17	17	414	3	Neutral
INFTEC	353	379	21.0	14.5	11.1	13.8	9.4	6.7	31	32	32	391	11	Outperformer
SACT	482	318	29.5	16.5	-	13.8	8.2	-	11	17	-	-	-	Not rated
HEXW	167	512	23.7	15.6	12.8	17.7	10.9	7.6	23	19	19	171	2	Neutral
KPIT	129	223	19.5	13.3	10.0	13.8	7.6	6.4	28	21	21	-	-	Not rated
NITEC	422	383	14.2	9.9	8.0	9.3	6.3	5.1	37	40	38	551	31	Outperformer
AZTEC	119	122	14.6	10.7	8.3	8.9	6.1	4.5	24	25	25	110	-	Not rated

Source: Company, ENAM Research, Bloomberg; Note: Prices are as on April 05, 2007.

Note: Dec Y/E – Hexaware, Patni; June Y/E – HCLT

# Price performance: Tier I v/s Tier II

		1 Mth Chg (%)	3 Mth Chg (%)	6 Mth Chg (%)	1 Yr Chg (%)
Sensex	12,856	3.6	(7.2)	3.8	9.4
Nifty	3,752	4.9	(5.8)	5.2	6.9
BSE IT Index	4,822	1.9	(9.8)	9.5	16.9
CNX IT Index	5,088	2.7	(7.5)	12.4	15.1
<b>CMP (Rs.)</b>					
<b>TIER I</b>					
TCS	1,194	2.7	(5.4)	19.5	23.7
Infosys Technologies	1,992	(0.7)	(12.4)	6.8	27.9
Wipro	551	2.6	(7.9)	5.8	(1.2)
Satyam Computers	456	10.1	(9.2)	11.4	6.2
HCL Technologies	288	(5.7)	(6.7)	4.5	(10.2)
I-flex Solutions	2,112	13.5	7.1	47.2	50.5
Tech Mahindra	1,371	2.1	(16.4)	119.3	-
<b>TIER II</b>					
Patni Computers	401	(0.7)	(0.2)	3.0	(10.7)
Infotech Enterprises	353	2.6	6.6	67.6	83.9
Hexaware	167	14.8	(12.3)	2.1	(0.4)
NIIIT Tech	422	0.8	37.2	125.5	78.3
KPIT Cummins	129	12.4	(8.7)	46.7	65.2
Aztecsoft	119	0.3	(31.4)	(11.0)	(45.1)

Source: Bloomberg, ENAM Research; Note: Prices are as on April 05, 2007

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Disclosure of interest statement (As of Apr 05, 2007)	Infosys	TCS	Satyam	Wipro	HCL Tech	NIIT Tech	Sasken	Hexaware	Patni	Tech Mahindra	Infotech	Aztec	KPIT
1. Analyst ownership of the stock	No	No	No	No	No	No	No	No	No	No	No	No	No
2. Firm ownership of the stock	No	No	No	No	No	No	No	No	No	No	No	No	No
3. Directors ownership of the stock	Yes	Yes	No	No	No	No	Yes	No	No	No	No	No	Yes
4. Investment Banking mandate	No	No	No	No	No	No	No	No	No	No	No	No	No
5. Broking relationship	No	No	No	No	No	No	No	No	No	No	No	No	No

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