

Span Capital Services

India Technology Research: Sector Outlook

SCS
4-10-01

Key Data

Company	Price (x)			PE at FY02 Earnings			EPS			52 week High	52 week Low
	curr price	buy at	sell at	curr price	buy at	Sell at	FY00	FY01	FY02		
Large cap											
Wipro (v)	921	700	1600	26	20	45	13	29	35	3487	763
Infosys	2198	1800	3500	17	14	27	44	95	128	6988	2156
HCL Tech (1)	130	130	300	7	7	15	8	17	20	902	103
Satyam	116	90	240	8	6	17	4	10	14	715	111
Mid cap											
Hughes	190	150	325	8	7	14	11	19	23	1762	159
Digital	215	180	400	9	8	17	6	17	23	748	206
Polaris (vi)	53	50	175	4	4	13	5	12	14	800	50
NIIT (2)	101	65	180	5	3	9	58	27	20	2525	86
Small cap											
Silverline	24	15	40	2	1	4	8	15	11	667	23
SSI (1)	93	70	150	3	2	5	42	41	29	3691	86
Tata Infotech	97	50	140	6	3	8	7	14	17	353	82
Aptech (3)	34	30	90	3	3	8	27	12	na	970	32
Visualsoft	73	60	300	4	3	17	14	31	18	1181	63
Mastek (1)	59	55	150	8	7	20	21	6	8	1485	56
Mascot	70	50	150	4	3	10	0	14	16	599	60
Rolta (3)	37	-	-	6	-	-	14	6	na	412	33
Aftek (1)	98	50	200	4	2	8	14	41	26	881	73
Orient	22	-	-	8	-	-	8	17	3	289	20
Kale	23	15	40	na	na	na	0	-6	-10	239	20
Geometric	56	40	150	11	8	30	-2	7	5	997	52
Cybetech	8	9	25	19	21	58	7	2	0	296	6
Melstar	13	8	25	4	2	7	7	7	4	161	13
Onward (1)	29	-	-	115	-	-	11	12	0	375	26
Cybermate	4	-	-	1	-	-	2	9	6	183	3
Danlaw	20	-	-	11	-	-	2	8	2	954	21
Sagarsoft	14	-	-	3	-	-	4	8	5	80	7
Amex	5	-	-	4	-	-	8	1	na	31	5
Sankhya	8	-	-	5	-	-	1	2	2	450	7

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India Technology Research

Sector View

Outlook: Our buy/sell indications are based upon fundamentals, management quality and growth factors. See annexure for IT Sector Comparison matrix.

Wipro Limited		52 week High/Low: 3487/763	Mkt. Cap: USD4.6bn/Rs214bn						
<i>Current Price: Rs921 (26xFY02E)</i>		<i>Buy at: Rs700 (20xFY02E)</i>	<i>Sell at: Rs1600(45Xfy02E)</i>						
View: We believe, Wipro commands the highest valuations in the sector because of superior management and strong R&D focus. The big gap between quality of services and pricing, if bridged, will provide a boost to profitability. Wipro's lower utilization rates and exposure to telecom clients(30% revenue share) though are the main concerns. With the global slowdown in Telecom space (Nortel, Cisco, Lucent and Altel are among the top 10 clients) incremental business will be difficult to come by. The company also faced negative volumes growth in Q4FY01.									
Mkt Cap (USD mn)	4555	Mar Yr End	Op Rev	Net Profit	OPMs	EPS	PE	Mk cap/ Sales	Recv Days
No of shares	232	FY00	10266	3006	35%	13	71	21	69
RoE	33%	FY01	17541	6663	38%	29	32	12	72
No of Employees	10147	FY02E	26128	8191	38%	35	26	8	75
Cash	8842								
Infosys Technologies		52 week High/Low: 6988/2156	Mkt Cap: USD3.1bn/Rs145bn						
<i>Current Price: Rs2198 (17XFY02E)</i>		<i>Buy at: Rs1800 (14XFY02E)</i>	<i>Sell at: Rs3500 (27XFY02E)</i>						
View: With the top rated management in Asia, Infosys has been a consistent performer. Inclusion of the stock in Nasdaq 100 could be a big positive. We believe strong focus on quality, superior execution capabilities and possibility of new revenue stream inclusion will make the company outperform the sector. High bench (70% of employees hired last year) and flat sequential performance going forward though are our main concerns.									
Mkt Cap (USD mn)	3094	Mar Yr End	Op Rev	Net Profit	OPMs	EPS	PE	Mk cap/ Sales	Recv Days
No of shares	66	FY00	8823	2935	39%	44.4	50	16	56
RoE	45%	FY01	19005	6288	40%	95	23	8	58
No of Employees	9831	FY02E	26685	8441	40%	128	17	5	63
Cash	5777								
HCL Technologies		52 week High/Low:902/103	Mkt Cap: USD787mn/Rs37bn						
<i>Current Price: Rs130 (7XFY02E)</i>		<i>Buy at: Rs130 (7XFY02E)</i>	<i>Sell at: Rs300 (15xFY02E)</i>						
View: HCL has a complex business structure with 16 subsidiaries. HCL's growth rate has been lower than its peer group and the growth has further slowed down in Q4FY01. High exposure to troubled Telecom space is making incremental revenues difficult to come by. Though the project size with clients like Cisco has been maintained but the growth has been affected. Strong order book position of USD600mn to be executed over next five years, strong ODC client relationships (11% sequential growth) and setting up of 5 client dedicated ODCs amidst poor market conditions are the key positives.									
Mkt Cap (USD mn)	787	Jun Yr End	Op Rev	Net Profit	OPMs	EPS	PE	Mk cap/ Sales	Recv Days
No of shares	285	FY00	9410	2399	23%	8	15	4	73
RoE	26%	FY01	14051	4801	31%	17	7.7	3	66
No of Employees	4652	FY02E	18047	5649	28%	20	7	2	87
Cash	12947								

Satyam Computers	52 week High/Low: 715/111	Mkt Cap: USD776mn/Rs36bn																																									
<i>Current Price: Rs116 (8xFY02E)</i>	<i>Buy at: Rs90(6xFY02E)</i>	<i>Sell at: Rs240 (17xFY02E)</i>																																									
View: Satyam historically has not been able to generate free cash flows. With ADR funds though the company has become near debt free. On software services value chain Satyam is placed below the industry leaders with 18% revenues coming from GE (up from 15% in Q4FY01). Lower utilization rates in Bangalore and Pune facilities and high debtor days are a reason for worry. Cash position of Rs7870mnFY02E, possibility of stake dilution in Sify and interest of Global giants in the company are a few positives.																																											
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Hughes Software	52 week High/Low:1762/159	Mkt Cap: USD134mn/Rs6.3bn																																									
<i>Current Price: Rs190 (8xFY02E)</i>	<i>Buy at: Rs150(7xFY02E)</i>	<i>Sell: Rs325 (14xFY02E)</i>																																									
View: Hughes has a high dependence upon the R&D (discretionary) spending of clients. Dependence upon such budgets and the poor performance of key clients (Telcos) makes Hughes vulnerable. Scaled down guidance by the management reiterates the fact. Possibility of buy back/ parent increasing its stake though are the positives.																																											
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Digital Globalsoft	52 week High/Low: 748/206	Mkt Cap: USD150mn/Rs7bn																																									
<i>Current Price: Rs215 (9xFY02E)</i>	<i>Buy at: Rs180 (8xFY02E)</i>	<i>Sell at: Rs400 (17xFY02E)</i>																																									
View: The uncertainties over HP's acquisition of Compaq have pulled the stock down. Concerns are over HP's and Compaq's integration issues and HP's wholly owned Indian offshore services subsidiary. Strong relationship with the Key client (Compaq:85% revenue share), MNC parentage and strong management makes Digital attractive. We believe with ramped up resources and smaller base Digital will be able to achieve its stated 50% top line growth target albeit with depressed margins.																																											
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Polaris Software	52 week High/Low: 800/50	Mkt Cap: USD58mn/Rs2.7bn																																									
<i>Current Price: Rs53 (4xFY02E)</i>	<i>Buy at: Rs50 (4xFY02E)</i>	<i>Sell at: Rs175 (13xFY02E)</i>																																									
View: The company we believe is facing difficulties in bringing new clients. Its key Client Citi group having 30% revenue shares has many such relationships with competitors also. The company off-late has also witnessed a decline in revenues of subsidiaries. Vertical expertise (BFSI segment) and sound management are the positives.																																											
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NIIT Ltd.	52 week High/Low: 2525/86	Mkt Cap: USD83mn/Rs3.9bn																																									
<i>Current Price: Rs101(5xFY02E)</i>	<i>Buy at: Rs65(3xFY02E)</i>	<i>Sell at: Rs180 (9xFY02E)</i>																																									
View: The worst affected business segment has been IT training and we believe it will be the last one to recover. NIIT too has seen a severe downturn in its training as well as software division. Company's software development capabilities also figure low in value pyramid. This combined with conflicting interests with group companies remains a concern.																																											
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Silverline Technologies	52 week High/Low: 667/23	Mkt Cap: USD44mn/Rs2bn																																									
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View: Concerns are over management quality, subsidiary operations and acquisitions. Funds raised through GDR have all but utilized in a complex set of operations. Silverline recently has laid off many employees.																																											
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SSI	52 week High/Low:3691/86	Mkt Cap: USD27mn/Rs1.3bn																																									
<i>Current Price: Rs93 (3xFY02E)</i>	<i>Buy at: Rs70 (2xFY02E)</i>	<i>Sell at: Rs150 (5xFY02E)</i>																																									
View: Training business has been severally affected. SSI's presence in short term courses (80% training revenues) makes it more vulnerable. Additionally high debtors days in training business (70 days), even though most of the courses are short term, is a concern. Though software business was ramped up rapidly but with slowdown setting in growth looks difficult. Company's acquisitions also are not adding any value with Albion Orion having -9.4% EBITDA margin in Q4FY01. Though the company has about Rs2bn cash but bulk of it would be utilized in capex even though the company states that it is moving towards variable cost structure. Q4FY01 performance too has been dismal.																																											
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FY01	4105	558	25%	41	2	0.3	81																																				
FY02E	3785	389	19%	29	3	0.3	81																																				
Tata Infotech	52 week High/Low: 353/82	Mkt Cap: USD38mn/Rs1.8bn																																									
<i>Current Price: Rs97 (6xFY02E)</i>	<i>Buy at: Rs50 (3xFY02E)</i>	<i>Sell at: Rs140(8xFY02E)</i>																																									
View: Though a heavy weight in the sector but SI business combined with low liquidity makes it unattractive. The company currently is going under restructuring exercise but the exercise has been 'on' since last few years.																																											
<table border="1"> <tr><td>Mkt Cap (USD mn)</td><td>39</td></tr> <tr><td>No of shares</td><td>18</td></tr> <tr><td>RoE</td><td>13%</td></tr> <tr><td>No of Employees</td><td>4250</td></tr> <tr><td>Cash</td><td>92</td></tr> </table>	Mkt Cap (USD mn)	39	No of shares	18	RoE	13%	No of Employees	4250	Cash	92	<table border="1"> <thead> <tr> <th>Mar Yr End</th> <th>Op Rev</th> <th>Net Profit</th> <th>OPMs</th> <th>EPS</th> <th>PE</th> <th>Mk cap/ Sales</th> <th>Recv Days</th> </tr> </thead> <tbody> <tr><td>FY00</td><td>3925</td><td>121</td><td>5%</td><td>7</td><td>15</td><td>0.5</td><td>97</td></tr> <tr><td>FY01</td><td>4217</td><td>265</td><td>9%</td><td>14</td><td>7</td><td>0.4</td><td>115</td></tr> <tr><td>FY02E</td><td>5152</td><td>315</td><td>10%</td><td>17</td><td>6</td><td>0.4</td><td>111</td></tr> </tbody> </table>	Mar Yr End	Op Rev	Net Profit	OPMs	EPS	PE	Mk cap/ Sales	Recv Days	FY00	3925	121	5%	7	15	0.5	97	FY01	4217	265	9%	14	7	0.4	115	FY02E	5152	315	10%	17	6	0.4	111
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Aptech	52 week High/Low: 970/32	Mkt Cap: USD22mn/Rs1bn																																										
<i>Current Price: Rs34 (3xCY01E)</i>	<i>Buy at: Rs30 (3xCY01E)</i>	<i>Sell at: Rs90 (8CY01E)</i>																																										
View: Training business has taken a hit and will be the last one to recover. Company's cash position and brand and distribution strength gets nullified to a certain extent due to management concerns, ongoing restructuring and unproven software capabilities.																																												
<table border="1"> <tr><td>Mkt Cap (USD mn)</td><td>23</td></tr> <tr><td>No of shares</td><td>30</td></tr> <tr><td>RoE</td><td>5%</td></tr> <tr><td>No of Employees</td><td>1663</td></tr> <tr><td>Cash</td><td>1720</td></tr> </table>	Mkt Cap (USD mn)	23	No of shares	30	RoE	5%	No of Employees	1663	Cash	1720	<table border="1"> <thead> <tr> <th>Dec Yr End</th> <th>Op Rev</th> <th>Net Profit</th> <th>OPMs</th> <th>EPS</th> <th>PE</th> <th>Mk cap/ Sales</th> <th>Recv Days</th> </tr> </thead> <tbody> <tr><td>FY00</td><td>4663</td><td>815</td><td>26%</td><td>27</td><td>1</td><td>0.2</td><td>96</td></tr> <tr><td>FY01</td><td>3999</td><td>363</td><td>17%</td><td>12</td><td>3</td><td>0.3</td><td>127</td></tr> <tr><td>FY02E</td><td>na</td><td>na</td><td>na</td><td>na</td><td>na</td><td>na</td><td>na</td></tr> </tbody> </table>	Dec Yr End	Op Rev	Net Profit	OPMs	EPS	PE	Mk cap/ Sales	Recv Days	FY00	4663	815	26%	27	1	0.2	96	FY01	3999	363	17%	12	3	0.3	127	FY02E	na	na	na	na	na	na	na	
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FY02E	na	na	na	na	na	na	na																																					
Visualsoft	52 week High/Low: 1181/63	Mkt Cap: USD31mn/Rs1.4bn																																										
<i>Current Price: Rs73 (4xFY02E)</i>	<i>Buy at: Rs60 (3xFY02E)</i>	<i>Sell at:Rs 300 (17xFY02E)</i>																																										
View: The product sector centric company was severely affected by the slowdown. Most of its product were on the discretionary spending list of the clients and hence were the first one to get affected. The company over the time has developed good capabilities and has the flexibility to shift its revenue mix according to the demand. Good management, product profile, attractive valuations are balanced by uncertainties in global markets.																																												
<table border="1"> <tr><td>Mkt Cap (USD mn)</td><td>31</td></tr> <tr><td>No of shares</td><td>20</td></tr> <tr><td>RoE</td><td>43%</td></tr> <tr><td>No of Employees</td><td>553</td></tr> <tr><td>Cash</td><td>631</td></tr> </table>	Mkt Cap (USD mn)	31	No of shares	20	RoE	43%	No of Employees	553	Cash	631	<table border="1"> <thead> <tr> <th>Mar Yr End</th> <th>Op Rev</th> <th>Net Profit</th> <th>OPMs</th> <th>EPS</th> <th>PE</th> <th>Mk cap/ Sales</th> <th>Recv Days</th> </tr> </thead> <tbody> <tr><td>FY00</td><td>680</td><td>284</td><td>44%</td><td>14</td><td>5</td><td>2</td><td>149</td></tr> <tr><td>FY01</td><td>1314</td><td>618</td><td>49%</td><td>31</td><td>2</td><td>1</td><td>115</td></tr> <tr><td>FY02E</td><td>1137</td><td>349</td><td>34%</td><td>18</td><td>4</td><td>1</td><td>140</td></tr> </tbody> </table>	Mar Yr End	Op Rev	Net Profit	OPMs	EPS	PE	Mk cap/ Sales	Recv Days	FY00	680	284	44%	14	5	2	149	FY01	1314	618	49%	31	2	1	115	FY02E	1137	349	34%	18	4	1	140	
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Mastek	52 week High/Low: 1485/56	Mkt Cap: USD17mn/Rs816mn																																										
<i>Current Price: 59 (8xFY02E)</i>	<i>Buy at: 55 (7xFY02E)</i>	<i>Sell at : Rs150 (20xFY02E)</i>																																										
View: Sound management and good capabilities. Mastek was one of the first Indian companies to get affected by slowdown due to high dot com exposure. Client mix since then has stabilized. Due to a unique operating structure, good management, decent size and capabilities the company stands to gain enormously in case of an economy turnaround.																																												
<table border="1"> <tr><td>Mkt Cap (USD mn)</td><td>17</td></tr> <tr><td>No of shares</td><td>14</td></tr> <tr><td>RoE</td><td>34%</td></tr> <tr><td>No of Employees</td><td>1200</td></tr> <tr><td>Cash</td><td>0</td></tr> </table>	Mkt Cap (USD mn)	17	No of shares	14	RoE	34%	No of Employees	1200	Cash	0	<table border="1"> <thead> <tr> <th>Jun Yr End</th> <th>Op Rev</th> <th>Net Profit</th> <th>OPMs</th> <th>EPS</th> <th>PE</th> <th>Mk cap/ Sales</th> <th>Recv Days</th> </tr> </thead> <tbody> <tr><td>FY00</td><td>2523</td><td>290</td><td>18%</td><td>21</td><td>3</td><td>0.4</td><td>75</td></tr> <tr><td>FY01</td><td>2608</td><td>84</td><td>12%</td><td>6</td><td>10</td><td>0.3</td><td>75</td></tr> <tr><td>FY02E</td><td>2869</td><td>106</td><td>13%</td><td>8</td><td>8</td><td>0.3</td><td>90</td></tr> </tbody> </table>	Jun Yr End	Op Rev	Net Profit	OPMs	EPS	PE	Mk cap/ Sales	Recv Days	FY00	2523	290	18%	21	3	0.4	75	FY01	2608	84	12%	6	10	0.3	75	FY02E	2869	106	13%	8	8	0.3	90	
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Mascot	52 week High/Low: 599/60	Mkt Cap: USD40mn/Rs1.9bn																																										
<i>Current Price: Rs70 (4xFY02E)</i>	<i>Buy at: Rs50 (3xFY02E)</i>	<i>Sell at: Rs150 (10xFY02E)</i>																																										
View: Mascot, the offshore development arm of Igate group. Igate's marketing skills and relationship with clients are the key strengths. High onsite component and staffing services has kept the margins down. Going forward possibility of company gaining big contracts through Igate connection is a positive.																																												
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Rohta India	52 week High/Low: 412/33	Mkt Cap: USD50mn/Rs2.3bn																																									
Current Price: 37 (6xCY01E)																																											
View: Majority of sales consists of Hardware and Systems Intertion. Interdivision Sales and Amortized expenses if accounted for, takes the operating performance fairly down.																																											
<table border="1"> <tr><td>Mkt Cap (USD mn)</td><td>49</td></tr> <tr><td>No of shares</td><td>64</td></tr> <tr><td>RoE</td><td>9%</td></tr> <tr><td>No of Employees</td><td>1750</td></tr> <tr><td>Cash</td><td>73</td></tr> </table>	Mkt Cap (USD mn)	49	No of shares	64	RoE	9%	No of Employees	1750	Cash	73	<table border="1"> <thead> <tr> <th>Dec Yr End</th> <th>Op Rev</th> <th>Net Profit</th> <th>OPMs</th> <th>EPS</th> <th>PE</th> <th>Mk cap/ Sales</th> <th>Recv Days</th> </tr> </thead> <tbody> <tr><td>FY00</td><td>2545</td><td>909</td><td>54%</td><td>14</td><td>3</td><td>1</td><td>233</td></tr> <tr><td>FY01</td><td>2494</td><td>410</td><td>39%</td><td>6</td><td>6</td><td>1</td><td>320</td></tr> <tr><td>FY02E</td><td>na</td><td>na</td><td>20%</td><td>na</td><td>na</td><td>na</td><td>na</td></tr> </tbody> </table>	Dec Yr End	Op Rev	Net Profit	OPMs	EPS	PE	Mk cap/ Sales	Recv Days	FY00	2545	909	54%	14	3	1	233	FY01	2494	410	39%	6	6	1	320	FY02E	na	na	20%	na	na	na	na
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Aftek Infosys	52 week High/Low:2237/73	Mkt Cap: USD13mn/Rs588mn																																									
Current Price: Rs98 (4xFY02E) Buy at: Rs50 (2xFY02E) Sell at: Rs200 (8xFY02E)																																											
View: Relationship with Computer Associates and the company's ability to sell its flagship product Powersafe to ICICI and Charles Schwab gives a positive indication. Company's cash position Rs400mn+ combined with product/services gives a balanced picture.																																											
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Orient Info	52 week High/Low: 289/20	Mkt Cap: USD6mn/Rs261mn																																									
Current Price: Rs22 (8xFY02E)																																											
View: Orient has a high exosure to middle east clients. The company is on a lower end of value chain. Operating performance too has been disappointing.																																											
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Kale Consultants	52 week High/Low: 239/20	Mkt Cap: USD6mn/Rs264mn																																									
Current Price: 23 (PE: NA) Buy at: Rs15 (PE:NA) Sell at: Rs40 (PE:NA)																																											
View: Though the company has recentally won a contract with a leading Asian Airlines but company's inability to perform in the last financial year raises concerns. Kale Consultants is also pressed for finances.																																											
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Geometric Software		52 week High/Low: 997/52	Mkt Cap: USD6mn/Rs294mn						
<i>Current Price: Rs56 (11xFY02E)</i>		<i>Buy at: Rs40 (8xFY02E)</i>	<i>Sell at: Rs150 (30xFY02E)</i>						
View: A company promoted by an old Indian business house and an operating niche of CAD/CAM services/products. Geometric though wasn't able to show good operating performance even during the boom period. Trustworthy management, capabilities and employee profile combined with cash position and low valuations are the positives.									
Mkt Cap (USD mn)	6	Mar Yr End	Op Rev	Net Profit	OPMs	EPS	PE	Mk cap/ Sales	Recv Days
No of shares	5	FY00	319	-11	28%	-2	na	0.9	93
RoE	7%	FY01	402	35	13%	7	8	0.7	48
No of Employees	358	FY02E	350	26	11%	5	11	0.8	50
Cash	210								
Cybertech								52 week High/Low: 296/6	Mkt Cap: USD4mn/185mn
<i>Current Price: 8 (19xFY02E)</i>		<i>Buy at : Rs9(21xFY02E)</i>	<i>Sell at: Rs25 (58xFY02E)</i>						
View: Cybertech has high receivable days, low utilization and poor operating parameters. The company has huge unutilized facility and cash reserves that might come handy in case of turnaround. An attractive option for somebody looking for an acquisition.									
Mkt Cap (USD mn)	4	Mar Yr End	Op Rev	Net Profit	OPMs	EPS	PE	Mk cap/ Sales	Recv Days
No of shares	23	FY00	297	170	52%	7.3	1	0.7	182
RoE	5%	FY01	250	45	21%	1.9	5	0.8	190
No of Employees	675	FY02E	200	10	14%	0.4	21	1.0	193
Cash	243								
Melstar Info		52 week High/Low: 161/13	Mkt Cap: USD4mn/180mn						
<i>Current Price: 13 (4xFY02E)</i>		<i>Buy at: Rs8 (2xFY02E)</i>	<i>Sell at:Rs25(7xFY02E)</i>						
View: Company's exposure to SI business, break off with a key client and lower billing rates (indicating inferior negotiating power) are the concerns.									
Mkt Cap (USD mn)	4	Mar Yr End	Op Rev	Net Profit	OPMs	EPS	PE	Mk cap/ Sales	Recv Days
No of shares	14	FY00	357	101	22%	7	2	0.5	117
RoE	12%	FY01	660	91	15%	7	2	0.3	108
No of Employees	502	FY02E	590	50	12%	4	4	0.3	115
Cash	30								
Onward Tech		52 week High/Low: 375/26	Mkt Cap: USD2mn/115						
Current Price: 29 (PE: NA)									
View: Onward has a high exposure to domestic market. Profitabilty has been poor and the company has high receivable days.									
Mkt Cap (USD mn)	2	Jun Yr End	Op Rev	Net Profit	OPMs	EPS	PE	Mk cap/ Sales	Recv Days
No of shares	4	FY00	435	43	22%	11	2	0.2	170
RoE	9%	FY01	532	48	22%	12	2	0.2	175
No of Employees	530	FY02E	477	1	15%	0	99	0.2	180
Cash	70								

Cybermate Infotek		52 week High/Low: 183/3	Mkt Cap: USD1mn/38mn
Current Price: 4 (1xFY02E)			
View: Operates in SI and s/w development areas. High inventories and debtors days a concern. The company has not been able to show growth.			
Mkt Cap (USD mn)	1	Mar Yr End	Op Rev
No of shares	9		Net Profit
RoE	15%		OPMs
No of Employees	180		EPS
Cash	20		PE
			Mk cap/ Sales
			Recv Days
		FY00	72
		FY01	313
		FY02E	250
			23
			84
			52
			43%
			2
			1.7
			0.5
			199
			39%
			9
			0.4
			0.1
			179
			28%
			6
			0.7
			0.2
			200

Danlaw Technologies		52 week High/Low: 954/21	Mkt Cap: USD1mn/64mn
Current Price: 20 (PE 12)			
View: Though the company has a strong lineage in terms of parentage but its inability to bring in business sparks some concerns. Danlaw has been doing somelow end projects for a cluster of clients. Sustainability though is doubtful.			
Mkt Cap (USD mn)	2	Mar Yr End	Op Rev
No of shares	3		Net Profit
RoE	8%		OPMs
No of Employees	180		EPS
Cash	5		PE
			Mk cap/ Sales
			Recv Days
		FY00	13
		FY01	71
		FY02E	57
			6
			26
			6
			-39%
			2
			12
			6
			677
			39%
			8
			3
			1
			150
			10%
			2
			12
			1
			150

Sagarsoft		52 week High/Low: 80/7	Mkt Cap: USD2mn/Rs78mn
Current Price: 14(3xFY02E)			
View: Sagarsoft a yderabad based company has its revenues coming from Training, Sowtware development and manpower sourcing. The performance though hasn't been encouraging.			
Mkt Cap (USD mn)	2	Mar Yr End	Op Rev
No of shares	6		Net Profit
RoE	20%		OPMs
No of Employees	130		EPS
Cash	13		PE
			Mk cap/ Sales
			Recv Days
		FY00	109
		FY01	247
		FY02E	176
			20
			47
			27
			14%
			4
			4
			0.7
			155
			22%
			8
			2
			0.3
			153
			15%
			5
			3
			0.4
			153

Amex		52 week High/Low: 141/5	Mkt Cap: USD1mn/Rs25mn
Current Price: 5 (4xFY02E)			
View: Onsite services and medical transcription services driven business model. Client concentration extremely high. Badly affected because of the slow down.			
Mkt Cap (USD mn)	1	Mar Yr End	Op Rev
No of shares	5		Net Profit
RoE	10%		OPMs
No of Employees	125		EPS
Cash	5		PE
			Mk cap/ Sales
			Recv Days
		FY00	145
		FY01	75
		FY02E	50
			39
			6
			-10
			30%
			8
			0.6
			0.2
			144
			14%
			1
			3.9
			0.3
			180
			na
			na
			0.5
			180

Sankhya		52 week High/Low: 450/7	Mkt Cap: USD1mn/Rs53mn
Current Price:8 (5xFY02E)			
View: Operating in a niche. Provides software and Online training services to Airlines.			
Mkt Cap (USD mn)	1	Mar Yr End	Op Rev
No of shares	7		Net Profit
RoE	12%		OPMs
No of Employees	80		EPS
Cash	1		PE
			Mk cap/ Sales
			Recv Days
		FY00	46
		FY01	65
		FY02E	55
			6
			15
			11
			26%
			1
			8.8
			1.2
			71
			27%
			2
			3.5
			0.8
			57
			23%
			2
			5
			1.0
			48

Company	Price (x)	Mkt Cap	MktCap in USDmn (viii)	3m avg daily vol	52 week High	52 week Low	Eq Cap	No of Shares	EPS			PE			Mkt Cap/Sales		
									FY00	FY01	FY02	FY00	FY01	FY02	FY00	FY01	FY02
				<i>in '000</i>													
Large Cap																	
Wipro (v)	921	214071	4555	595	3487	763	465	232	12.9	28.7	35.2	71.2	32.1	26.1	20.9	12.2	8.2
Infosys	2198	145416	3094	346	6988	2156	331	66	44.4	95.0	127.6	49.5	23.1	17.2	16.5	7.7	5.4
HCL Tech (1)	130	37002	787	401	902	103	569	285	8.4	16.9	19.8	15.4	7.7	6.6	3.9	2.6	2.1
Satyam	116	36487	776	6458	715	111	629	315	4.3	10.1	13.9	27.1	11.5	8.4	5.4	3.0	2.1
Mid Cap																	
Hughes	190	6321	134	86	1762	159	166	33	11.3	18.9	22.7	16.8	10.0	8.4	5.9	3.2	2.4
Digital	215	7031	150	1631	748	206	327	33	6.4	16.6	23.0	33.7	12.9	9.3	11.5	3.8	2.5
Polaris (vi)	53	2713	58	67	800	50	256	51	5.4	11.7	13.5	9.8	4.5	3.9	1.9	1.0	0.8
NIIT (2)	101	3904	83	623	2525	86	386	39	58.0	27.2	20.2	1.7	3.7	5.0	0.5	0.6	0.7
Small Cap																	
Silverline	24	2056	44	2530	667	23	857	86	8.2	15.3	10.5	2.9	1.6	2.3	1.1	0.8	0.9
SSI (1)	93	1253	27	782	3691	86	135	13	42.3	41.4	28.9	2.2	2.2	3.2	0.6	0.3	0.3
Tata Infotech	97	1783	38	6	353	82	184	18	6.6	14.4	17.1	14.7	6.7	5.7	0.5	0.4	0.3
Aptech (3)	34	1028	22	562	970	32	302	30	27.0	12.0	na	1.3	2.8	na	0.2	0.3	na
Visualsoft	73	1434	31	28	1181	63	197	20	14.4	31.4	17.8	5.1	2.3	4.1	2.1	1.1	1.3
Mascon (3)	20	418	9	48	1044	14	209	21	33.3	37.6	na	0.6	0.5	na	0.1	0.1	na
Mastek (1)	59	816	17	172	1485	56	69	14	21.0	6.1	7.6	2.8	9.7	7.7	0.3	0.3	0.3
Pentasoftware	22	398	8	15	425	21	181	18	45.8	70.0	55.8	0.5	0.3	0.4	0.1	0.1	0.1
Mascot	70	1890	40	24	599	60	108	27	0.1	13.9	15.7	na	5.0	4.4	2.6	0.6	0.4
Rolta (3)	37	2357	50	248	412	33	637	64	14.3	6.4	na	2.6	5.7	na	0.9	0.9	na
Aftek (1)	98	588	13	20	881	73	60	6	14.1	41.1	25.8	7.0	2.4	3.8	3.1	1.3	1.2
Orient	22	261	6	63	289	20	118	12	8.4	17.0	2.9	2.6	1.3	7.6	0.6	0.3	0.3
Kale	23	264	6	98	239	20	115	11	0.1	-6.3	-10.1	na	na	na	1.1	0.8	0.7
Geometric	56	294	6	7	997	52	52	5	-2.1	6.6	5.0	na	8.5	11.3	0.9	0.7	0.8
Cybetech	8	185	4	6	296	6	232	23	7.3	1.9	0.4	1.1	4.1	18.5	0.6	0.7	0.9
Melstar	13	180	4	14	161	13	138	14	7.3	6.5	3.6	1.8	2.0	3.6	0.5	0.3	0.3
Maars (3)	9	129	3	8	567	7	144	14	11.7	12.8	1.4	0.8	0.7	6.5	0.2	0.1	0.2
Onward (1)	29	115	2	17	375	26	40	4	10.7	12.2	0.3	2.7	2.4	115.2	0.3	0.2	0.2
Cybermate	4	38	1	8	183	3	94	9	2.4	8.9	5.5	1.7	0.4	0.7	0.5	0.1	0.2
Danlaw	20	64	1	1	954	21	32	3	1.9	8.0	1.9	10.7	2.5	10.7	5.1	0.9	1.1
Sagarsoft	14	78	2	3	80	7	56	6	3.6	8.5	4.9	3.8	1.7	2.9	0.7	0.3	0.4
Amex	5	25	1	7	31	5	50	5	7.7	1.3	na	0.6	3.9	na	0.2	0.3	0.5
Sankhya	8	53	1	3	450	7	67	7	0.9	2.3	1.6	8.8	3.5	4.9	1.2	0.8	1.0

	Operating Revenues			PAT before x-ord (ix)			OPM			NPM			RoCE	Recivables Days		
	FY00	FY01	FY02	FY00	FY01	FY02	FY00	FY01	FY02	FY00	FY01	FY02		FY00	FY01	FY02
Large Cap																
Wipro (v)	10266	17541	26128	3006	6663	8191	35%	38%	38%	29%	38%	31%	33%	69	72	75
Infosys	8823	19005	26685	2935	6288	8441	39%	40%	40%	33%	33%	32%	45%	56	58	63
HCL Tech (1)	9410	14051	18047	2399	4801	5649	23%	31%	28%	25%	34%	31%	26%	73	66	87
Satyam	6771	12200	17540	1349	3162	4365	37%	36%	33%	20%	26%	25%	32%	116	112	120
Mid Cap																
Hughes	1073	1985	2581	377	629	755	38%	35%	32%	35%	32%	29%	30%	101	90	90
Digital	613	1843	2763	209	543	752	22%	27%	29%	34%	29%	27%	37%	61	85	80
Polaris (vi)	1461	2655	3330	276	601	693	21%	24%	23%	19%	23%	21%	31%	121	97	112
NIIT (2)	7499	6551	5458	2241	1051	782	35%	16%	14%	30%	16%	17%	15%	70	72	75
Small Cap																
Silverline	1953	2727	2175	702	1315	900	39%	40%	38%	36%	48%	41%	11%	152	196	120
SSI (1)	1975	4105	3785	569	558	389	36%	25%	19%	29%	14%	10%	7%	74	81	81
Tata Infotech	3925	4217	5152	121	265	315	5%	9%	10%	3%	6%	6%	13%	97	115	111
Aptech (3)	4663	3999	na	815	363	na	26%	17%	na	17%	9%	na	5%	96	127	na
Visualsoft	680	1314	1137	284	618	349	44%	49%	34%	42%	47%	31%	43%	149	115	140
Mascon (3)	3419	3949	na	696	786	na	23%	23%	na	20%	20%	na	29%	101	149	na
Mastek (1)	2523	2608	2869	290	84	106	18%	12%	13%	11%	3%	4%	34%	75	75	90
Pentasoftware	4044	5835	6000	830	1266	1010	30%	38%	33%	21%	22%	17%	12%	112	101	101
Mascot	715	3403	4254	3	375	425	21%	17%	15%	0%	11%	10%	18%	186	100	70
Rolta (3)	2545	2494	na	909	410	na	54%	39%	20%	36%	16%	na	9%	233	320	na
Aftek (1)	191	449	480	85	247	155	42%	51%	38%	44%	55%	32%	24%	157	98	100
Orient	434	878	835	100	201	34	25%	26%	10%	23%	23%	4%	23%	125	125	139
Kale	240	346	354	1	-72	-116	11%	-23%	-35%	1%	-21%	-33%	-12%	195	114	120
Geometric	319	402	350	-11	35	26	28%	13%	11%	-3%	9%	7%	7%	93	48	50
Cybetech	297	250	200	170	45	10	52%	21%	14%	57%	18%	5%	5%	182	190	193
Melstar	357	660	590	101	91	50	22%	15%	12%	28%	14%	9%	12%	117	108	115
Maars (3)	859	999	750	169	184	20	25%	24%	24%	20%	18%	3%	18%	110	117	127
Onward (1)	435	532	477	43	48	1	22%	22%	15%	10%	9%	0%	9%	170	175	180
Cybermate	72	313	250	23	84	52	43%	39%	28%	24%	27%	20%	15%	199	179	200
Danlaw	13	71	57	6	26	6	-39%	39%	10%	-43%	28%	-16%	8%	677	150	150
Sagarsoft	109	247	176	20	47	27	14%	22%	15%	19%	15%	15%	20%	155	153	153
Amex	145	75	50	39	6	-10	30%	14%	-10%	27%	8%	-20%	10%	144	180	180
Sankhya	46	65	55	6	15	11	26%	27%	23%	13%	23%	20%	12%	71	57	48

	Cash (iv)	FCF (xi)	FCF/ Profit	Employ ees	Gross Block/ employee	Salary/ Revenues	Rev/ Employee	Promoters Holding	Free Float	Major Clients (vii)
	FY01	FY01	FY01	FY01	FY01	FY01				
Large Cap										
Wipro (v)	8842	4030	60%	10147	0.9	41%	1.7	85%		Nortel, Tranco, GE, Lucent, Alcatel, Farmers, Cisco, Nokia, Seagate, Compaq
Infosys	5777	1621	26%	9831	0.6	38%	1.9	29%		Goldman Sachs, Northwestern Mutual, Aetna Health Care, Apple, NorTel, Lucent, AON Corp, AmEx, IKON, N V Belgacom
HCL Tech (1)	12947	3326	69%	4652	0.6	51%	3.0	71%		Cisco, KLA Ten, Halifax, Convergis, Am Gen, G-Tech, HP, Banker's Trust, Conexant, NSE
Satyam	7875	643	20%	8370	0.7	40%	1.5	26%	74%	GE, State Farm, NCR, Sony, Ford, Caterpillar, Renaissance, Selective, Fiserv, Enmed
Mid Cap										
Hughes	726	156	25%	1450	0.7	33%	1.4	56%	44%	HNS, Ericson Aheadco, Armillaire, NEC, ADC, GNP, Alcatel, Cisco, Nokia
Digital	500	-318	-59%	1188	0.5	41%	0.7	51%	49%	Compaq
Polaris (vi)	313	149	25%	2600	0.2	55%	1.0	46%	24%	Citi LA, Citibank, NEC, Marshall & Illsey (East Point)
NIIT (2)	2385	631	60%	5300	0.6	14%	1.2	47%	8%	British Airways, SEI Investments, NETg, Misys, Toshiba, NTT Data, Microsoft, Deutsche
Small Cap										
Silverline	351	20	2%	1800	1.0	52%	1.5	27%		First Data, Ford, GM, MSDW, JP Morgan, Healthcon, NDC, Verizon
SSI (1)	1397	-403	-72%	1000	3.1	23%	4.1	20%		Clearstream, Nasdaq (Japan, Europe), DBS, ML, Net Phoenix, Vol Broker, McDonalds,
Tata Infotech	92	-2	-1%	4250	0.3	25%	1.0	73%	20%	
Aptech (3)	1720	-435	-120%	1663	1.9	19%	2.4	27%	37%	Itron, Intertec, Schlumberger, TMP Worldwide, Reed, Harley, Davidson, Glaxo, Warner
Visualsoft	631	510	83%	553	0.9	38%	2.4	51%	14%	P&G, Panasonic,
Mascon (3)	44	-216	-27%	1600	0.6	61%	2.5	46%	39%	Ameritech, Hyprquest, AHX, DeliverMed, ABB, Citi, Enron, Cigna, E&Y, GE
Mastek (1)	0	-180	-213%	1200	0.6	60%	3.1	45%	14%	
Pentasoftware	1201	197	16%	2600	1.6	2%	2.2	50%	35%	
Mascot	60	-956	-255%	1873	0.6	59%	1.9			GE, HP, Agilent, Dresdner Bank, Circuit City, Dendrite, Cummins
Rolta (3)	73	44	11%	1750	1.6	17%	1.4	45%	39%	ALLTEL, US West, New England Power, Saudi Telecom, BHEL
Aftek (1)	476	-26	-11%	235	0.8	43%	1.9	52%	31%	Powersafe sale to ICICI and Charles Schwab
Orient	264	-53	-27%	401	0.8	69%	2.2	40%	35%	Emirates Airlines, IBM, Crystal Impex
Kale	34	-206	285%	660	0.7	43%	0.5	41%	27%	Citi Bank, Air India, Jet, Asiana Airlines, Continental
Geometric	210	44	127%	358	0.9	41%	1.1	56%	32%	Dassault Systemes, SDRC, Auto Desk, Spatial, Matrix One
Cybertech	243	69	153%	675	0.5	35%	0.4	63%	16%	
Melstar	30	-56	-61%	502	0.5	65%	1.3	35%	27%	COI Com'n UK, Informix, Speedy Duck, Container Hub
Maars (3)	59	127	69%	640	0.6	65%	1.6	46%	24%	
Onward (1)	70	2	4%	530	0.6	8%	1.0	50%		Spantek, Bank of Baroda, Punjab National Bank
Cybermate	20	10	12%	180	0.5	35%	1.2	42%	33%	
Danlaw	5	-14	-56%	180	0.2	48%	0.4	66%	19%	Ford, GM
Sagarsoft	13	-25	-53%	130	0.6	14%	1.7	60%	29%	Vanete, Magintec, Solsparc
Amex	5	-32	-504%	125	0.2	58%	1.6	49%	51%	
Sankhya	1	9	58%	80	0.8	25%	0.8	29%		

Notes

- I* (1) June Year end (2) Sep Year end (3) Dec Year end
- Ii* BoD- Buy on Declines
- Iii* All figures in million except per share data.
- Iv* Cash Position FY01 except for Satyam (FY02E) and SSI (Q3FY01)
- V* Wipro: Operating revenue taken for Software division and net profits for company as a whole
- Vi* Polaris: Post Bonus eq capital
- Vii* Top ten clients in order for Infosys, Satyam, Wipro, HCL Tech, Hughes and NIIT
- Viii* 1 USD = Rs 47
- Ix* Profit excluding one time extraordinary items
- x* BSE closing Prices as on
- xi* FCF: Free Cash Flow= Operating Cash Flow- Cap ex