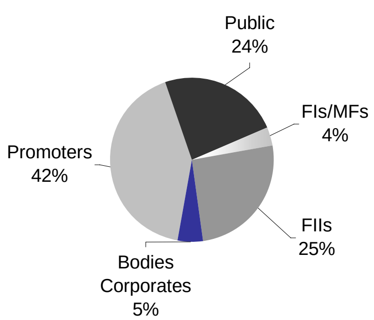
CMP Rs 177 | **HOLD** | **Target Rs 195**

Sensex	17127
Nifty	5084
BSE Code	500366
NSE Code	ROLTA
Bloomberg Code	RLTA IN
Reuters Code	ROLT.BO
Out Standing Eq (No.of Shares)	161.02 mn
Mkt Cap	Rs.28501 mn
52 wk Hi / Low	Rs.269 / 41
Avg Daily Vol(Wkly)	894465
Face Value	Rs. 10

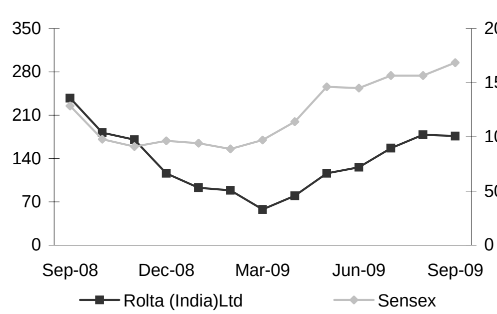
Share Holding Pattern



Stock Performance (%)

	3Mths	6Mths	1Year
Absolute	34	224	-25
Relative	18	145	-61

Price Movements



Rolta India Ltd (RTIL) is a mid size IT Company, with unique business mix and focused capabilities in the Geospatial Information Solutions (GIS) and Engineering design service (EDS) space. RTIL, over the years have acquired assets which has enhanced its skills on the IT side of the business while complementing its core strengths is the GIS and engineering design capabilities. Leveraging on RTIL's longstanding experience in the offering segment and IT capabilities of the acquired entities, RTIL has moved up, from plain service offerings, to middleware application solution with Business Intelligence capabilities.

We believe at the CMP, improvement in outlook has already been factored on FY10P/E, while FY11P/E of 12x presents a head room for price improvement. We initiate coverage on RTIL with a HOLD rating and a price target of Rs 195.

Consistently moving up the value chain

RTIL is evolving as an IP led service provider with vertical oriented solutions, from its earlier plain services offerings in the GIS and EDS domain, in much the same way as it transformed itself from a plain Vanilla CAD/CAM company into its "current form" as a GIS and EDS provider. Presently services continue to remain RTIL's leading business offerings, while it is aggressively expanding a parallel stream of solutions in its offering space.

Defensive market segments

RTIL's end business coming from defense, government & security segment, relatively shields it to a large extent from economic downturn. One of the biggest sector in which RTIL operates is Defense (approx. 25% revenue), which remains reasonably immune to any slowdown, however exposure to Oil refining and power segment, through engineering design services, exposes RTIL to economic vulnerability.

Sharp increase in order intake

After successive decline in order inflow in last four quarters, RTIL witnessed 33% sequential increase in order intake in the quarter ending June 09 majorly driven by engineering design services (up 144% QoQ) from deal wins in Middle East & India, in power & Oil segment, thereby improving the outlook. However, it needs to be seen, if the trend in the order intake continues in the coming quarters, to suggest any possible rebound in financial performance.

Financial Snapshot				**(Rs in mn)**
Particulars	**FY2008**	**FY2009E**	**FY2010E**	**FY2011E**
Revenue	10722	13728	14573	17838
EBIDTA (%)	36.3	33.8	33.4	34.4
PAT	2306	2938	1662	2456
PAT(%)	21.5	21.4	11.4	13.8
EPS	14.3	18.3	10.3	15.3
ROCE (%)	20.9	16.4	10.4	13.4
ROE (%)	19.4	20.3	10.7	14.1
P/E x	12	10	17	12
EV/EBIDTA x	31	23	19	16

Source: Company,India Capital Markets Research

Jisha Nair
jisha.nair@indiacapitalmarkets.in

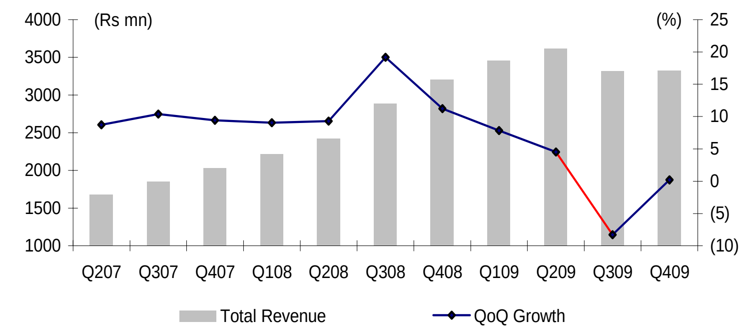
TEL +91-22-6777 6777

Investment Rationale

"Challenges" in business environment - Seems abating

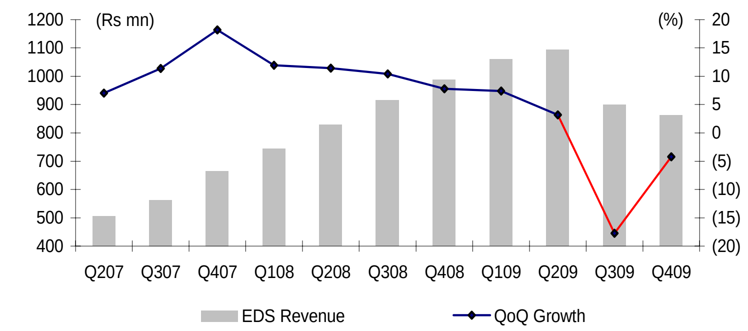
Oil & Gas segment borne the major brunt of the economic downturn in 2009. Economic environment, reduced liquidity and increased risk aversion resulted in a draw down on the capex plans of the oil and gas companies in 2009. This was clearly witnessed in RTIL's slower growth momentum as it witnessed delay and ramp down in its EDS business, majorly from its oil & gas clients (contributes a major portion (nearly above 50%) of the total EDS business).

Revenue growth momentum witnessed a decline in FY09



Source: Company, India Capital Markets Research

EDS business - adversely affected due to project ramp downs in FY09

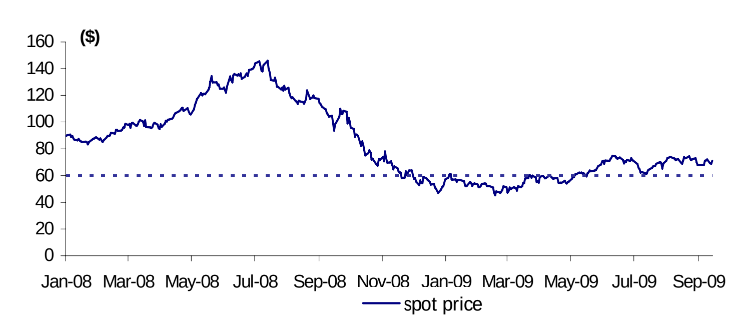


Source: Company, India Capital Markets Research

With capital induction into the world economy, corporate spending has witnessed an uptrend. The stimulus packages are expected to take effect by 2010, consequently, the demand for petroleum products are expected to rebound in 2010. This is clearly reflected in the sharp recovery in oil prices. Industry sources reveal that oil prices between $60 and $80 makes most big projects viable, and if price stabilizes between $60 and $80, it could possibly translate in an upward revision of capex plans. Oil market sentiment has improved as compared with March and April, when the oil price was below $40, though it still remains negative.

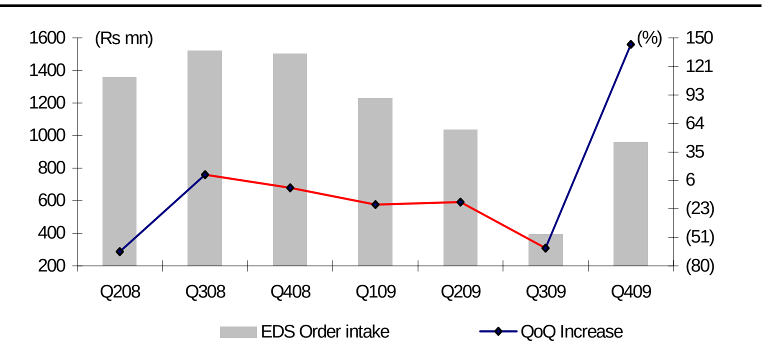
After successive decline in order inflow in last four quarters, RTIL witnessed 33% sequential increase in order intake in Q409, majorly driven by EDS (up 144% QoQ) from deal wins in Middle East & India in power & Oil segment, thereby improving the outlook. The incremental orders were partly due to RTIL's newly launched solutions. Management has indicated of order intake being stronger for the month of July as well as August. Though it needs to be seen if the trend in the order intake continues, going forward.

Crude Price - Above $60 mark after almost an year of sub $60 levels



Source :Bloomberg

Order intake - EDS reported a sharp spike in Q409

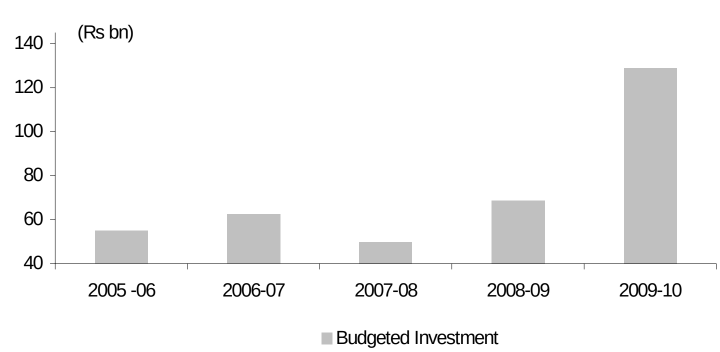


Source: Company, India Capital Markets Research

Strength to sustain in the GIS segment

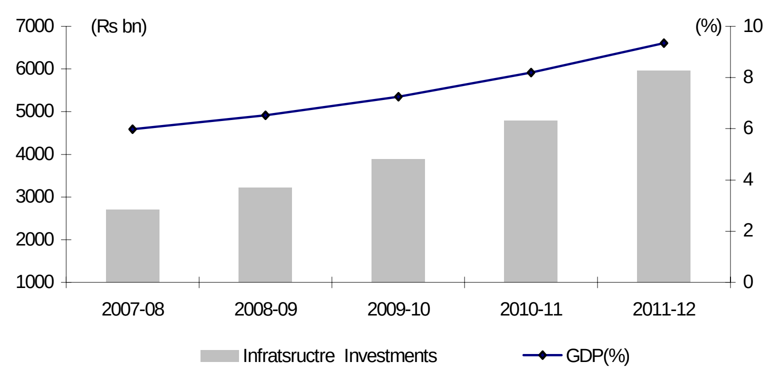
The potential for GIS stands large in India, given the increasing thrust on E-governance, Infrastructure development etc. The two major driving forces for GIS in India are – "India has just opened up for digital mapping" and "the central and state governments are the major users of geospatial applications" since most of the basic infrastructure is owned and managed by them. RTIL's domestic focus for its GIS business not only presents a large market opportunity but also makes it relatively a defensive segment. It has over 70% market share in the overall Indian GIS market with a leadership position in the defense GIS work, (Over 95% share).

Increasing budgeted allocation for Urban Development



Source: Ministry of Finance,GoI, India Capital Markets Research

Projected Investment in Infra -Eleventh Five Year Plan

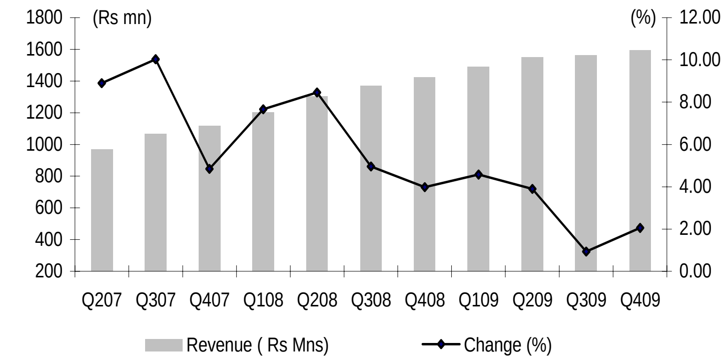


Source: Planning Commsion, GoI

Be it a highway, dam or a power plant—all these projects make use of a combination of CAD and GIS services. The extensive use of GIS is palpable in various fields like laying of pipelines, building roads, laying transmission grids, etc. Several large private sector organizations have also started extensive usage of GIS in utility mapping & asset management, pipelines and refineries, integration with CRM etc. GIS is also looked upon as an effective decision-support tool that can be used for effective planning and execution in infrastructure development projects. Although this trend is still nascent, a "substantial market" is emerging. The prospect of "GIS services" as a market is huge looking at the investments that are going into building infrastructure and increasing focus of the government in urban development.

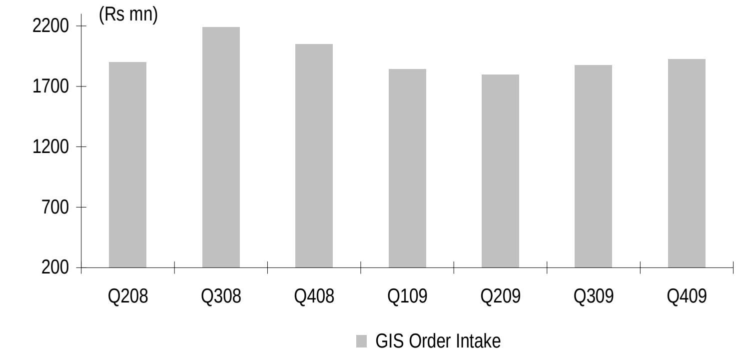
One of the biggest sector in which RTIL operates is defense (approx. 25% of total revenue), which remains reasonably immune to any slowdown. RTIL's end business in GIS coming from defensive segment, relatively shielded it to a greater extent from economic downturn. Despite fall in demand from the private sectors and "FY09" being the election year, RTIL managed to post decent revenue performance.

GIS - Managed without witnessing a degrowth



Source: Company, India Capital Markets Research

GIS Order intake - Relatively stable

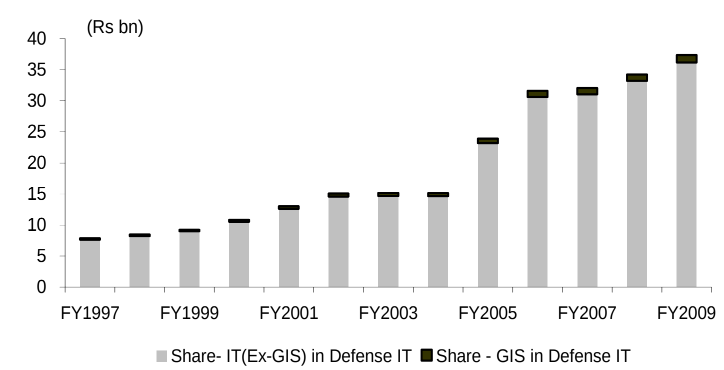


Source: Company, India Capital Markets Research

Improved positioning in the Defense & Security segment – JV with Thales Ltd

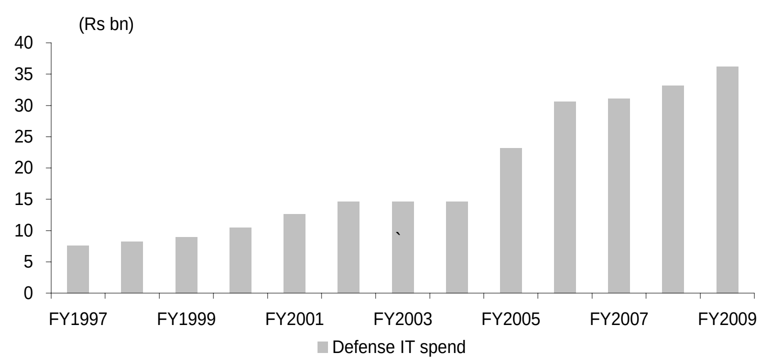
RTIL 's JV with France based Thales Ltd, Rolta Thales Ltd (RTHL) was formed to leverage on broad spectrum of technologies& solutions from Thales and RTIL's position in the Indian defense market. Technology from Thales is being continuously customized & enhanced by RTHL to develop applications specifically addressing the needs of Indian defense forces. Baby steps taken by RTIL with handholding by global majors like Thales has broadened RTIL's revenue source from defense - from Rs1.5-2 bn (defense GIS spend) to nearly Rs 40bn, (defense IT spend).

Expanded revenue source - Defense IT brings large opportunity



Source: Industry, India Capital Markets Research

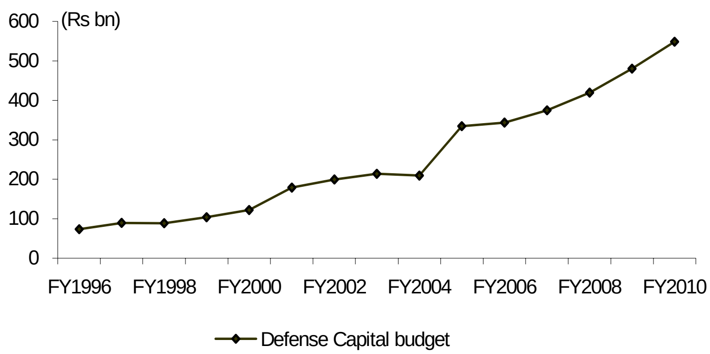
IT defense spend - Large market



Source: Industry, India Capital Markets Research

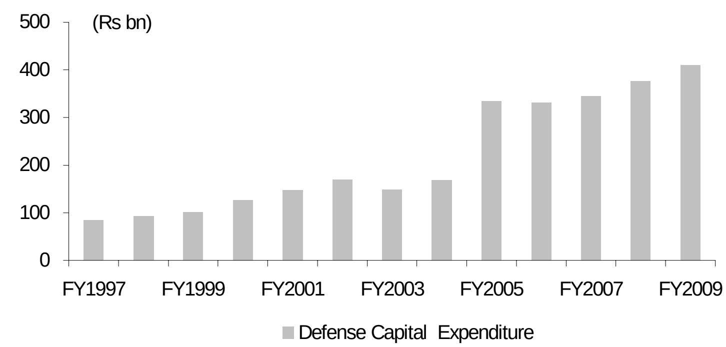
RTIL has launched innovative combat solutions for mechanized forces of battle, which can be quickly deployed in various formations. It also aims to get into manufacturing of defence equipments, for which it has secured manufacturing licenses. Combined together, these exceptional strengths can drive RTIL to become a potent vendor in addressing requirements of the complete “sensor to shooter” chain. A 1500 seater facility in Delhi NCR region is underway, to showcase RTIL’s solutions for defense, government & security verticals through extensive demo rooms and large battle labs. This facility will address the business development & sales requirement for RTIL’s defense, security & government projects. RTIL has already started to display its proof-of-concept with the defense ministry. However, we haven’t factored any revenue coming from such initiatives.

Indian Defense market - Huge opportunity



Source: Ministry of Finance,GoI, India Capital Markets Research

Defense Capital Expenditure - On Rise



Source: Ministry of Finance,GoI, India Capital Markets Research

Defense and Homeland security Industry presents market growth opportunities, which can take RTIL to a different scale of growth. The defense modernization drive of Indian armed forces is clearly reflected in the increasing defense capital budget. However it needs to be seen, how RTIL, scales up this segment of business given the nature of the business, hurdles in deeper penetration in defense deals etc & Lack of experience in the said segment. However RTIL can address increased offshore business through its JV arising out of “offset “opportunity, from its JV partner, Thales. According to junior defence minister Pallam Raju, India plans to spend 30 billion dollars on military contracts by 2014, and also a separate 10 billion dollar homeland security upgrade to be completed before 2016.

Offset opportunity – Next big Trigger

The security scenario post 26/11 and the recent developments in the disturbed neighborhood of India, has led to increased outlay for defense related activity. The increased allocation is for the ongoing acquisition of aircrafts and systems, modernization programs & development projects etc

Today the Indian defense market is seen as a windfall opportunity by Indian & foreign defense companies. India nearly imports 70% of its defense procurement and with Institute for Defense Studies estimating; approximately 2% of India's GDP being spent on defense, makes it the third largest importer of security in the world. As a result it has attracted interest from some of the world's biggest companies, who have entered into partnership with Indian companies, as Indian companies right now don't have the technical capability to address the requirement.

As per the offset policy, all global defense vendors doing business with India are required to reinvest in India at least 30 percent of any defense procurement contract worth more than Rs. 300 crores. Due to strong domain expertise and its partnership with Thales, RTIL could be a primary beneficiary of the current Indian defense modernization program valued at more than $50 billion. It is estimated that India will buy approximately $100bn-worth of military equipment over the next five years. Conservatively, if 70% of this is spent on buying foreign equipment, the offset opportunity for Indian business is approximately $21bn.

Nuclear opportunity –Distant, though sizeable

RTIL's (50:50) JV with Stone & Webster, Stone & Webster Rolta Ltd (SWRL) focuses on areas such as nuclear power engineering etc. SWRL seeks to capitalize on the opportunities arising out of nuclear projects in India, as parent company of its JV partner has 25% stake in Westinghouse, one of the "only three" nuclear reactor manufacturer in the world. This JV brings in the capability for setting up, right from conception to completion, of technology-intensive projects such as nuclear power plants, refineries and power plants however RTIL's focus will be on the engineering and design part of the projects. As per RTIL, the opportunity for design and safety for nuclear plants in India stands at nearly $5bn over next ten years. With presence of only 2-3 companies with designing capabilities, RTIL looks forward to address at least 1/3 of the opportunity, of around $1.5 -$2bn.

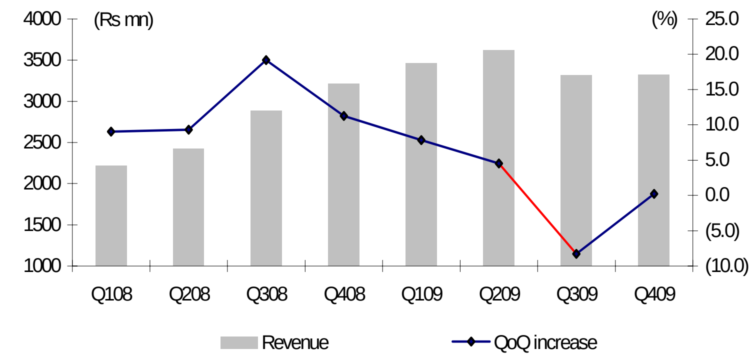
However, these are distant and long drawn possibilities as plethora of challenges stands ahead of India's nuclear power plans. National security concern, regulatory risks, high costs, lack of clarity in policies, and above all the global economic meltdown suggest that India's nuclear renaissance will be a long, drawn-out process. With the current fuel being delivered, we can expect Indian nuclear power plants which have been running at 40% capacity to be back at 80%- 90% loading however brown field and greenfield projects are expected to be executed and operated only after next four to five years.

Financial Overview

Revenue decline in FY09 –arrested by strong order book in beginning of year

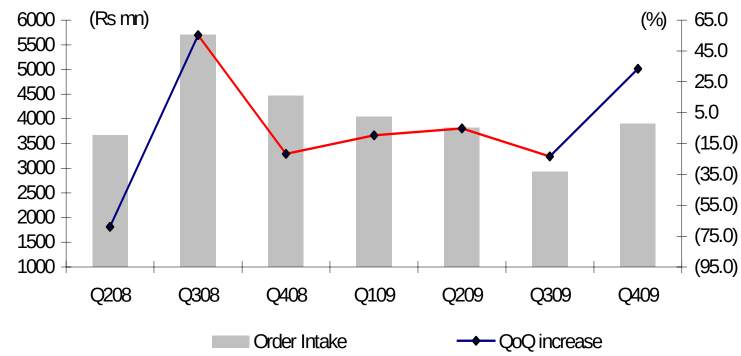
Due to macro uncertainty, RTIL witnessed project ramp-downs and delays from clients in Oil & Gas segment for its EDS business. However the impact of decline in RTIL's order intake was relatively less on its revenue run rate given the excess order book position in the beginning of the year. This together with cross-currency tailwinds arrested further decline in revenue performance. Despite decline in order intake, in last "five out of eight" quarters, RTIL reported a growth in top line all through out, except Q309.

Decline in revenue growth - Lesser than decline in order intake



Source: Company, India Capital Markets Research

Trend : Order intake

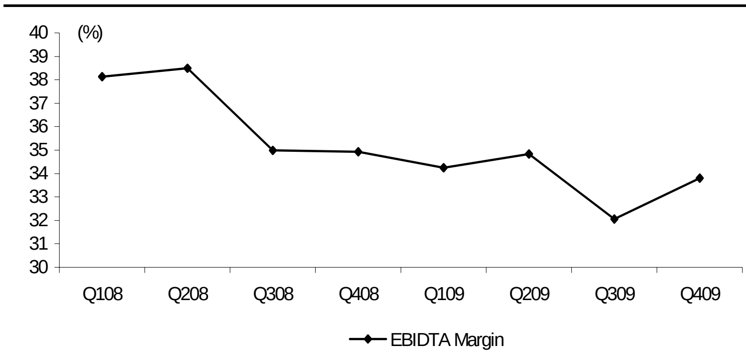


Source: Company, India Capital Markets Research

Operational margins on a decline – Integration cost & partly due to change in accounting policy

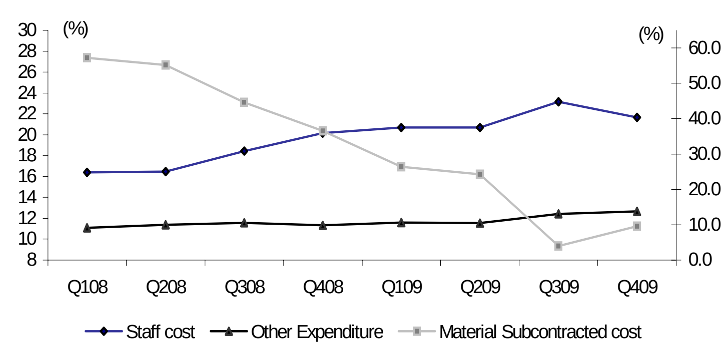
Despite fall in top line growth, RTIL managed to bring down its material subcontracting cost in a narrow range, given its cost cutting initiatives. Such drives were also evident in acts like decline in employee count for the year. However RTIL witnessed integration cost burden which exerted additional pressure on the margins. Incremental overseas employee cost and relatively fall in revenue of its acquired entity played a "spoil sport" on the margins. This coupled with change in accounting reporting in accordance to the latest amendment on AS11, further burdened RTIL's operational financial performance.

Trend : EBIDTA margins



Source: Company, India Capital Markets Research

Trend: Software Development Cost constituents

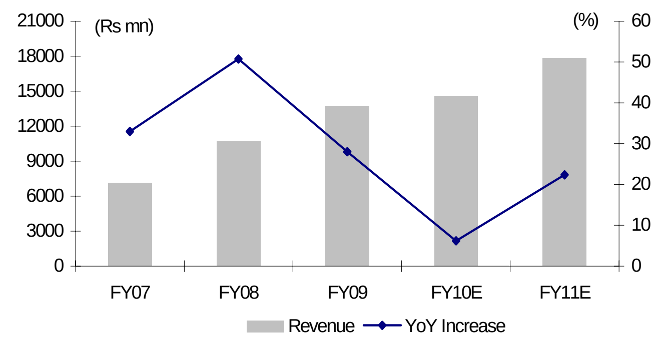


Source: Company, India Capital Markets Research

Growth momentum to decline in FY2010, before a sharp uptick in FY2011

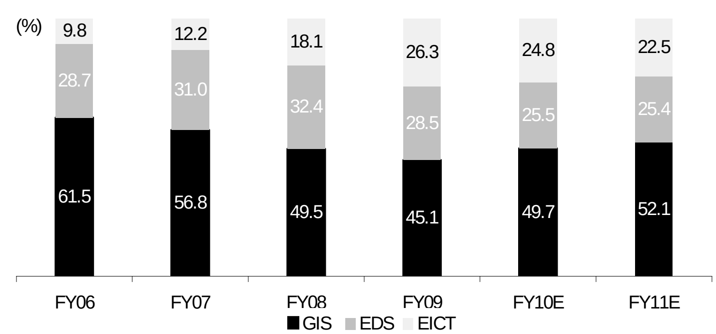
RTIL witnessed a slower growth momentum in FY09, as fallout of worsening macroeconomic environment. RTIL's EDS, being a capex oriented services as well as Enterprise Information Communication Technology (EICT) having client focus in US, certainly faced the pressures of slowing economy. Despite falling business scenario, RTIL managed to report a growth, due to its strong order book position, in the beginning of the year. However RTIL witnessed a decline in order intake all through last year before seeing a sharp jump in Q409. Since the order implementation comes with 3-6 month lag, we believe implementation should begin by H2FY10, bringing near term revenue growth outlook to be timid, however FY11 is expected to post a sharp uptick in revenue growth. We expect RTIL to post revenue CAGR of 14% over FY09-FY11E.

Revenue growth momentum to further dip in FY10



Source: Company, India Capital Markets Research

Trend : Segmental break up

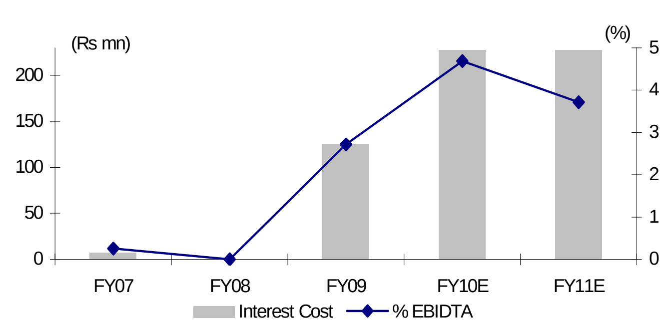


Source: Company, India Capital Markets Research

Risen debt level a major cause for concern

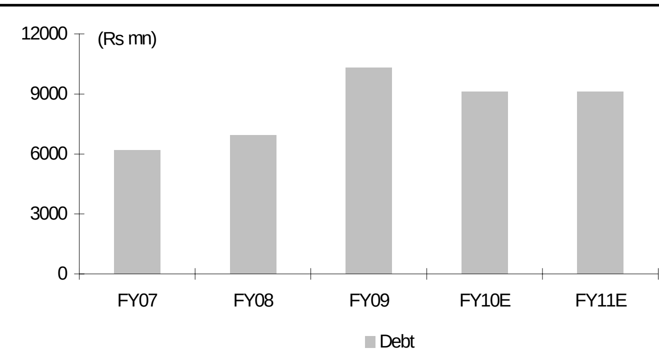
RTIL's spend on SEZ and development centre, and with FCCB bomb imploding coupled with fall in cash flows due to decline in business, led RTIL to raise debt worth Rs 6 bn in FY09. This along with outstanding debt of FCCB brings debt level to Rs10bn in FY09. This poses a serious concern on company's debt servicing capacity. Given our forecast drop in net earnings for FY2010, RTIL could witness challenges in building up its cash reserve for redeeming those debts. Though all the debt stands for repayment post FY2012, we have factored a part repayment of debt in FY2010.

Trend - Interest Cost



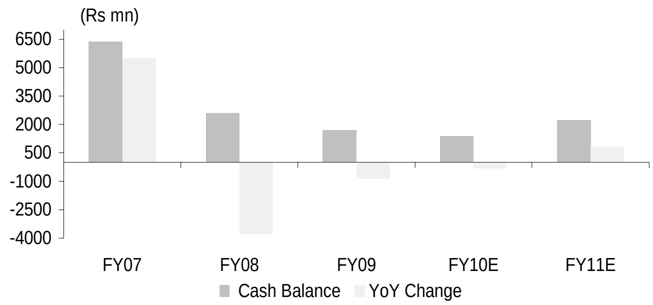
Source: Company, India Capital Markets Research

Trend : Debt Levels



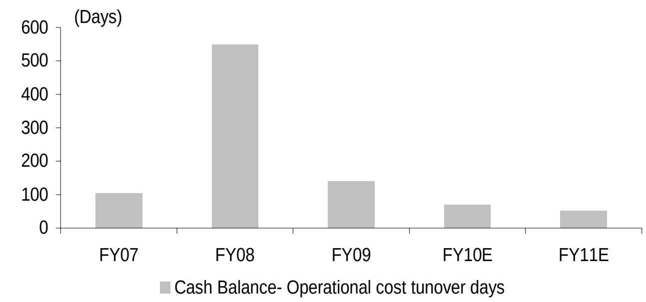
Source: Company, India Capital Markets Research

Cash balance & Trend in Cash flow for the Year



Source: Company, India Capital Markets Research

Cash Balance -Operational Cost turnover



Source: Company, India Capital Markets Research

Key Concerns

Slower than anticipated growth

Ameliorating economic outlook and higher crude prices, presents improving business outlook for RTIL. However further dip in the global economy or slower than anticipated growth, can possibly delay clients expansion plans resulting in decline in incremental orders or delay in implementation of pending order book.

Higher leverage - interest-rate risk

Interest rate risk is a major concern, given the debt position of RTIL. Given the increased leverage position of RTIL, rising interest rates would have an adverse affect on RTIL's profitability as well as cash flow.

FCCB & Debt Redemption

RTIL hold FCCB worth USD 111.69 mn as on FY09 on its book, convertible at RS 369 per share by FY2012. In the absence of conversion the liability on maturity would stand at USD 155.25 mn (39% premium). At the expected exchange rate, it works out to be nearly Rs 7.57bn, which is a major cause of concern. In the event of redemption, we believe RTIL; will have to refinance its debt, at higher costs, as cash flows would be inadequate.

Negative free cash flows

Our projection estimates negative free cash flow for RTIL, for FY2010E, since its investment in working capital, debt servicing etc. Though we estimate a positive cash flow for FY2011E, we believe it would be "one of" event, as FY2012E would mark possible redemption of FCCBs and the scheduled beginning of debt repayment. In coming years as well, we expect negative cash flows to continue though the quantum would decrease.

Working-capital intensive business

Higher share of business from government bodies & defense has made RTIL's business highly working capital intensive, given their longer payment cycle. Outstanding debtor on balance sheet nearly forms 25% of the overall balance sheet size, thereby adding strain on RTIL's cash flow. Given the economic scenario, incremental business is anticipated from government & defense bodies, thereby indicating such pressure on cash flows to continue.

Outlook & Valuations

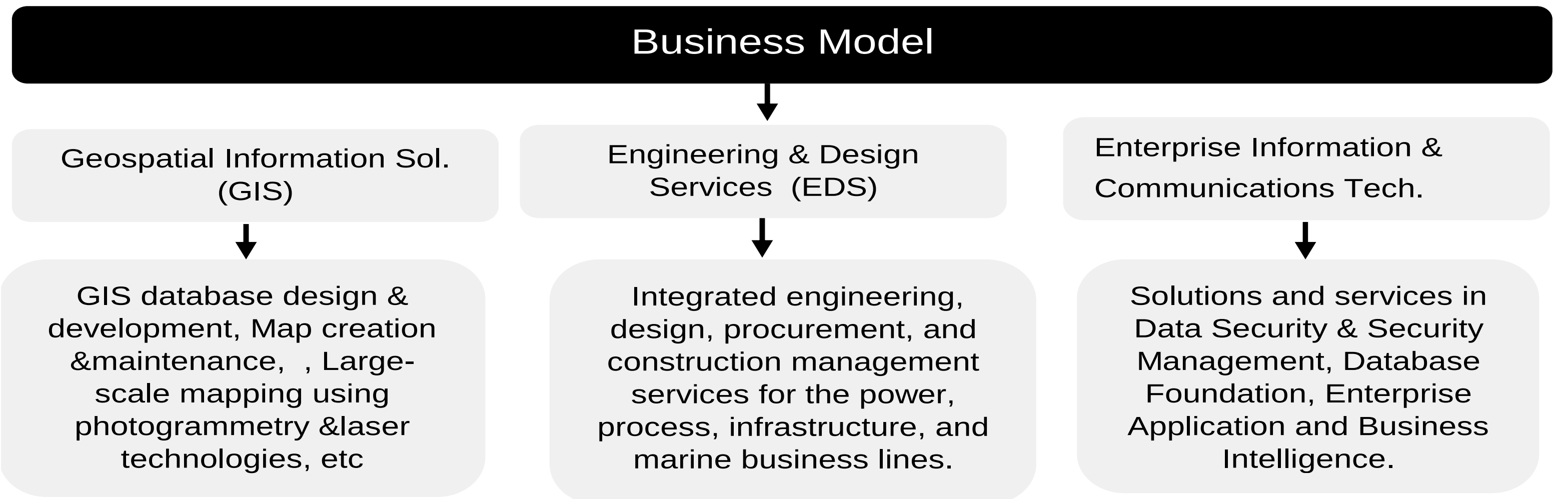
While on one hand global slowdown in FY09 had led to delay and cancellation of oil projects, client presence in US had sharpened the impact. However with oil price above $60, we believe decline in order intake has bottomed out and RTIL should see a gradual improvement in the outlook. This coupled with launch of solution led services; has led management in anticipating increased traction in the business, with focus on defense & government projects.

We believe RTIL is a differentiated player in its niche business segment and has increased its pie size with consistent improvement in its service offerings. With its spate of partnership and in built IP; RTIL is well-positioned in the current environment, to pursue deals arising out of offset procurement policy as well as nuclear opportunity in India, thus enlarging targeted opportunity for the company.

We expect the company to grow its revenues and earnings at a CAGR of 14% and -9%, respectively, over FY09-11E. At CMP of Rs 175, the stock trades at a P/E of 17x and 12x for FY10E and FY11E earnings, respectively. We believe at the CMP, improvement in outlook has already been factored, while FY11P/E of 12x presents a head room for price improvement. We initiate coverage on RTIL with a HOLD rating and a price target of Rs 195.

About the Company

RTIL, founded in 1982, is India's biggest player in the GIS segment. RTIL focuses on niche services of engineering design and Geographical Information System. With larger exposure to the domestic market, it is relatively less impacted by the current slowdown in the US economy. RTIL after a series of alliances and acquisition has evolved from a mere CAD, CAM, GIS Company to one, offering integrated solutions in the infrastructure, security and defense space.



Source: India Capital Markets Research

Consistently moving up the value chain

RTIL has initiated the transformation of its business from service centric approach to solution centric approach. Over the years, it has consciously acquired external intellectual property, enabling the company to launch solutions in each line of business. RTIL which started out as a niche service provider in CAD, CAM & GIS services, with expertise gained from its partnership & acquisition, has moved up the ladder by defining its focus area as Infrastructure, security & defense and developing vertical oriented solutions. These solutions are capable of not only interacting with host of diverse databases & technology but also offers business intelligence solutions, offering insightful decision making tools to the end user. Solution led offering also helped RTIL to move from "Capex" to "Opex" origin services

Solution Profile

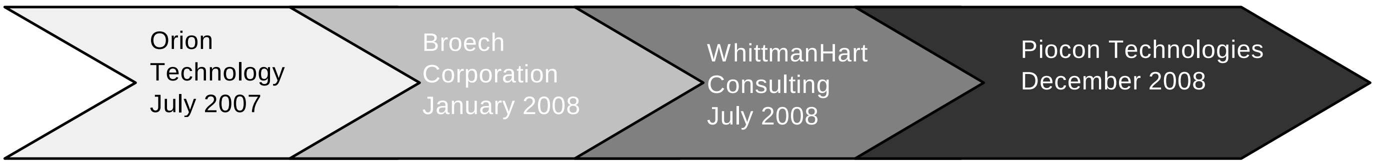
Rolta Geospatial Fusion	Rolta One View	Rolta SOA
GIS	EDS	EICT
Enables fusion of various disparate geospatial and non spatial database and software applications for generating near real time reports for insightful decision making.	Unique solution for addressing critical operational and reliability needs of oil refining companies. It has been developed by integrating RTIL's own domain expertise and acquired entity's business intelligence tool.	Provides agile service oriented architecture solutions. Makes information stored in disparate database and heterogeneous platform securely available and reusable across the enterprise.
Built on RTIL, Onpoint Technology Inc, Broech TUSC's capabilities	Built on RTIL, WhittmanHart Consulting, Piocon Technologies capabilities	Built on RTIL, Broech TUSC capabilities.

Source: India Capital Markets Research

Well Integrated Portfolio

RTIL has adopted "acquisition", as a strategy for steering its aggressive growth plans by building up its core strengths in its weaker areas. The objectives of the undertaken acquisition were to enhance its technical expertise, than mere revenue expansion. This has helped RTIL not only to add complementary markets but also to move up the value chain.

Acquisitions – Filled gap in service portfolio



Source : India Capital Markets Research

RTIL's most recent acquisition, Piocon Technologies is a Chicago based company offering services related to data integration across various IT platforms for refineries. This service can be cross sold to RTIL's existing customer in the engineering design segment in the Oil gas, petrochemicals and engineering sector. In early 2008, RTIL acquired Broech Corporation (TUSC), specializing in ERP applications using Oracle database. This helped RTIL to offer more integrated solutions to its clients as most of them were on Oracle platform. Further which it acquired a US based Business Intelligence vendor WhittmanHart consulting, which came as a natural extension of the earlier acquisition. While database technologies help to organize information in a form that can be retrieved and used easily, business intelligence software provides tools for intelligent decision making. Prior to this, in 2007, RTIL had acquired a firm in web-GIS systems called Orion Technology.

Partnership with Global Players – Broadened Business Source

RTIL's move to go for JV with global majors comes across as a winning initiative. RTIL has forged equity & non equity partnership in each of its serving segments with global majors like Thales & Intergraph (GIS), Stone & Webster (Engineering Services), Computer Associate (EICT), which allows it to provide high end premium services in the respective field.

RTIL gets the technology transferred from its established partners and indigenizes it for Indian markets. JV with Thales enables RTIL to get technology in military communications, digital soldier systems, digital vehicle systems, while JV with Shaw Stone & Webster brought in the capability for setting up technology-intensive projects such as nuclear power plants, refineries and power plants, right from conception to completion. These JV's has enabled RTIL to expand its overall offering to Defense sector from mere GIS mapping (Market size – Rs 1.5 -2bn) to other IT requirement of Defense (Market size – Rs 40bn) as well as better positioned it to address the huge potential business in engineering services arising out of setting up nuclear plants in India (Total market size –USD 5bn).

Rolta India Ltd.

Income Statement (Rs.in Million.) (YE June)	FY2008	FY2009	FY2010E	FY2011E
Revenue	**10722**	**13728**	**14573**	**17838**
Total Expenditure	**6825**	**9093**	**9706**	**11703**
Inventory -Increase	(12)	110	117	143
Material Subcontracted cost	2572	1858	2053	2659
Staff cost	3201	5487	5608	6617
Other Expenditure	1064	1638	1928	2285
EBIDTA	**3897**	**4635**	**4867**	**6135**
Depreciation	1383	1867	2780	3144
Interest	0	126	328	308
Other Income	486	690	164	164
PBT	**3001**	**3333**	**1923**	**2847**
Exceptional Item	316	0	0	0
PBT after Exceptional item	**2685**	**3333**	**1923**	**2847**
Provison for Tax	388	402	269	399
PAT	**2297**	**2931**	**1654**	**2449**
Minority Interest	(9)	(7)	(7)	(7)
PAT (After Minority Interest)	**2306**	**2938**	**1662**	**2456**
EPS	14.3	18.3	10.3	15.3
FV	10	10	10	10

Balance Sheet (Rs.in Million.) (YE June)	FY2008	FY2009E	FY2010E	FY2011E
Shareholders Funds	**11857**	**14493**	**15589**	**17480**
Share Capital	1609	1610	1610	1610
Reserves & Surplus	10248	12883	13979	15870
Loan Funds	**6938**	**10298**	**9105**	**9105**
Secured Loan	0	4298	3800	3800
Unsecured Loan	6938	6000	5305	5305
Net Deferred Tax	395	395	395	395
Total Capital Employed	**19190**	**25186**	**25090**	**26981**
Gross Block	10583	18083	21383	24183
Acc. Depreciation	4090	5958	8737	11881
Net Block	6493	12126	12646	12302
Capital Work in Progress	1729	1906	1974	2045
Goodwill	2000	2000	2000	2000
Investments	2816	2062	1489	1489
Current Asset & Loans & Advances	**8991**	**9612**	**9696**	**12370**
Inventories	215	337	359	391
Debtors	5018	5830	6189	7575
Cash & Bank Balance	2598	1720	1297	2090
Other Current Assets	216	276	293	359
Loans & Advances	945	1449	1557	1955
Current Liability & Provision	**2840**	**2520**	**2715**	**3226**
Liabilities	1998	1504	1677	2004
Provision	841	1016	1038	1222
Net working capital	**6152**	**7092**	**6981**	**9144**
Total Capital Deployed	**19190**	**25186**	**25090**	**26981**

Ratio Analysis	FY2008	FY2009E	FY2010E	FY2011E
Cost Analysis (%)				
Material Subcontracted cost	24.0	13.5	14.1	14.9
Staff cost	29.9	40.0	38.5	37.1
Other Expenditure	9.9	11.9	13.2	12.8
Return Ratios (%)				
EBIDTA	36.3	33.8	33.4	34.4
PBT	28.0	24.3	13.2	16.0
PAT	21.5	21.4	11.4	13.8
RoCE	20.9	16.4	10.4	13.4
RoE	19.4	20.3	10.7	14.1
Growth Ratios (%)				
Revenue	50.7	28.0	6.2	22.4
EBIDTA	36.0	18.9	5.0	26.0
PAT	33.6	27.4	(43.5)	47.8
Per Share data				
EPS	14.3	18.3	10.3	15.3
CEPS	22.9	29.8	27.6	34.8
Cash & Bank	16.1	10.7	8.1	13.0
BV	73.7	90.0	96.8	108.6
Valuation Ratios (x)				
PE	12	10	17	12
CPE	8	6	6	5
EV/Market Cap	1.2	1.3	1.3	1.2
EV/Revenue	3.1	2.7	2.5	2.0
EV/EBIDTA	31	23	19	16
CMP/BV	2.4	2.0	1.8	1.6
Turnover Ratios				
Revenue/Total Assets (x)	0.5	0.5	0.5	0.6
Revenue/Net FA (x)	1.7	1.1	1.2	1.5
RoA- Du Pont Analysis (%)	10.5	10.6	6.0	8.1
Debtors turnover (days)	170.8	155.0	155.0	155.0
Work. Cap. (excl Cash) (days)	121.0	142.8	142.3	144.3
Loans & Advances Turnover Ratio (days)	32.2	38.5	39.0	40.0
Current Liability Turnover Ratio (days)	96.7	67.0	68.0	66.0
Other Key Ratios				
Debt-Equity Ratio	0.6	0.7	0.6	0.5
Debt- Assets Ratio	0.3	0.4	0.3	0.3
Current Ratio (x)	3.2	3.8	3.6	3.8
Quick Ratio (x)	3.1	3.7	3.4	3.7
Interest Cover (x)	-	27.5	6.9	10.3

Cash Flow	FY2008	FY2009E	FY2010E	FY2011E
Cash Flow from Operations	3591	2415	4286	4365
Cash Flow from Financing	(492)	2932	(2085)	(873)
Cash Flow from Investments	6891	6225	2624	2700
Total Cash Flow for the Year	(3792)	(878)	(423)	792
Opening Balance	6390	2598	1720	1297
Closing Balance	2598	1720	1297	2090

Source: Company,India Capital Markets Research

India Capital Markets Pvt Ltd		
Name	**E-Mail**	**Telephone Nos.**
Research		
Divyesh Parikh	divyesh.parikh@indiacapitalmarkets.in	+91-22 6777 6777 Ext-707
Krupesh Thakkar	krupesh.thakkar@indiacapitalmarkets.in	+91-22 6777 6777 Ext-832
Rohit Gala	rohit.gala@indiacapitalmarkets.in	+91-22 6777 6777 Ext-830
Jignesh Dhabalia	jignesh.dhabalia@indiacapitalmarkets.in	+91-22 6777 6777 Ext-831
Jisha Nair	jisha.nair@indiacapitalmarkets.in	+91-22 6777 6777 Ext-824
Amit Shah	amit.shah@indiacapitalmarkets.in	+91-22 6777 6777 Ext-825
Jitendra Gupta	jitendra.gupta@indiacapitalmarkets.in	+91-22 6777 6777 Ext-827
Shital Kadam	shital.kadam@indiacapitalmarkets.in	+91-22 6777 6777 Ext-823
Bhadresh Nayee	bhadresh.nayee@indiacapitalmarkets.in	+91-22 6777 6777 Ext-828
Imtiyaz Qureshi	imtiyaz.qureshi@indiacapitalmarkets.in	+91-22 6789 3530
Institutional Sales /Dealing		
Devang Shah	devang.shah@indiacapitalmarkets.in	+91-22 6777 6777
Hitendra Nayee	hitendra.nayee@indiacapitalmarkets.in	+91-22 6777 6888 Ext 722
Sameer Doshi	sameer.doshi@indiacapitalmarkets.in	+91-22 6777 6888 Ext 726
Jigar Kamdar	jigar.kamdar@indiacapitalmarkets.in	+91-22 6777 6888 Ext 725