

Rolta readying \$125 m warchest

Sees intellectual property solutions contributing 20% to sales from 8% now

Amit Tripathi. Mumbai

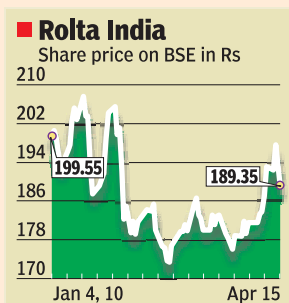
Rolta India, the geospatial information solution (GIS) firm, aims to earn 20% of its revenues from intellectual property (IP) based solutions. IP's contribution in the firm's revenues currently is around 8%.

Its third quarter (January-March) FY10 revenue grew 5.1% to Rs 400.5 crore and net profit grew 6.9% to Rs 67.1 crore as against the previous fiscal's comparable figures.

The order-book for the firm at the end of the third quarter stood at Rs 1,770 crore.

Rolta will have a total capital expenditure of about Rs 350 crore by the end of the current fiscal ending June.

OneGIS which Rolta recently acquired in the US has one IP. The acquisition provides Rolta capability in mobile GIS which is targeted at field force automation usages. Rolta currently earns about 75% of its revenue from GIS and engineering design services.



The firm has secured a nod to raise \$125 million to fund some of its future acquisitions for which evaluations are on. "The acquisitions will be small ones with the aim to gain more IP and consultancy capability," said Hiranya Asher, chief financial officer of Rolta India.

"The IP in our GIS business has seen lot of traction since last year. The business has a high component of IP-driven solutions of around 17%," said Asher. In the current quarter, the firm will make spend money for replacing hardware, buying software and on the firm's Gurgaon facility. With more IP the firm expects billing rate to increase, raising margins as well. Rolta had an operating margin of 37.8% in Q3.

t_amit@dnaindia.net