



# BNR Capital Services

## NEWS LETTER

Volume No. 7 Issue No. 04

13 December 2008

### SECTOR

**Computer-Education**  
*School learning and ICT segment continues to grow*

### THE WEEK THAT WAS

Foreign fund flows help market regain vigour

### MARKET FORECAST

Market may hold firm on a likely second stimulus package

### Market Scan

### Market Talk

M  
A  
R  
K  
E  
T  
S

R  
E  
S  
E  
A  
R  
C  
H

### COMPANY RESEARCH

**DIC India:** *Inks a decent growth story*

### RESULT ANALYSIS

**3i-Infotech:** *Raises guidance*

*ABG Shipyard delivers new anchor handling tug supply vessel*

*Kunststoffe Industries to hold board meeting*

*Nava Bharat Ventures' board approves buy-back of shares*

*This was approved at the board meeting held on 12 December 2008.*

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W  
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### Mutual Fund Scoreboard

## Computer-Education: School learning and ICT segment continues to grow

The India Computer Education Industry is going through a wave of change with the government's opening up the sector for private sector participation. The Governments at the Central and State levels are coming out with tenders for computerization of the public schools and are pressing for computer education at the school level so as make the new generation upbeat to the current global scenario. The quarter gone by has seen continued good performance by the private sector players.

In the 11<sup>th</sup> plan, the government has budgeted Rs 411 billion to set up ICT labs for computer-aided learning and Edu-sat centers for distance learning programs. The government has also proposed Rs 310 billion for the National Skill Development Program in the plan period, for training through virtual centers.

The India education space could be one of the largest markets in Asia with a population of over 1.13 billion. With the government planning to spend around 5% of GDP in the next 5 years on education, the market could be any where worth US\$ 50-55 billion.

The budget 2008 proposes to increase the allocation for education sector by 20% from Rs 28674 crore in 2007-08 to Rs 34400 crore in 2008-09. Out of this amount, Sarva Shiksha Abhiyan (SSA) will be provided Rs.13100 crore and secondary education will be provided Rs 4554 crore.

The budget 2008 also proposes to start a Model School programme, with the aim of establishing 6,000 high quality model schools, starting in 2008-09 and proposes to provide Rs 650 crore for the new scheme.

For the quarter ended September 2008, aggregating standalone financial of 6 Computer – Education Companies, the operating revenues grew 55% at Rs 362.24 crore with operating margins improving 390bps at 28.1% and the resultant operating profits surged 80% at Rs 101.45 crore. The June quarter is slower quarter for the industry. Other Income surged 215% at Rs 26 crore, which includes profit of Rs 9.57 crore on sale of land, interest cost increased 33% at Rs 6.18 crore, depreciation charge increased 41% at Rs 89.02 crore and tax increased 130% at Rs 27.47 crore. The resultant PAT surged 145% at Rs 61.55 crore.

### NIIT

For the quarter ended September 2008, on consolidated basis, NIIT reported 15% growth in net operating revenues at Rs 309.50 crore. Individual Learning Solutions revenues grew 26% at Rs 122.40 crore contributing 40% of the net revenues; School Learning Solutions revenues grew 32% at Rs 32 crore contributing 10%; Corporate Learning Solutions revenues were up 3% at Rs 144.70 crore contributing 47% of the revenues and Finance & Management Training revenues surged 37% at Rs 10.40 crore. The Corporate Learning Solutions segment was impacted due to slowdown in the US operations. OPM for the quarter, dipped 10bps at 13.1% and the resultant PAT grew 41% at Rs 29.70 crore.

In Individual Learning Solutions, NIIT's total enrolments were up 21.1% in the quarter ended September 2008, taking the total number of enrolments to 153262 at the end of September 2008. In the School Learning Solutions segment, fresh order addition was Rs 3.6 crore in the quarter ended September 2008. Thus, the total order book position as on September 2008 stood at Rs 281 crore, out of that 32% are executable in next



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twelve months. In the Corporate Learning Solutions segment, fresh order intake during the quarter was US\$ 39.4 million. Pending order book position stood at US\$ 93.3 million of which, 65% are executable in next twelve months. In the Finance & Management Training, NIIT's Fresh order intake during the quarter was Rs 10.4 crore. Pending order book position stood at Rs 7.9 crore fully executable in next twelve months.

NIIT has entered into a joint venture cum shareholders agreement with Genpact to set up NIIT Institute of Process Excellence to offer training programs in areas such as business processes, language skills and business communication. NIIT would hold 75% of the JV and would invest Rs 25 crore initially. Training facilities in Indian cities like Gurgaon, Hyderabad, Kolkata, Bangalore, Chennai, Mumbai and Pune will be set up in the first year of operations, followed by Dalian, Changchun, Shanghai and Xian in China, and Manila in the Philippines in the next phase. Genpact and NIIT expect the new institute to have over 250 learning centers by 2012. For FY09, the company expects revenues of Rs 8 crore for the JV.

For FY09, the company has lowered its guidance and now has guided for the individual learning business would grow at 20-25% with OPM improvement of 100-200bps, school learning business would grow by 30-40% plus with OPM improvement of 100-200bps, and Finance and Management segment to have been lowered to Rs 45-48 crore from Rs 70-80 crore with OPM at 5% against earlier of 10% plus.

## **Educomp Solutions**

Educomp Solutions now has presence in 9 cities through 11 K-12 schools covering 14000 students and it will increase to 22-24 schools before start of academic year 2009-10. By 2012, the company expects to start 150 schools. Educomp's Millennium Learning System, including its comprehensive school management services has been licensed by DPS Patna, DPS Pune and DPS Ludhiana. The company has acquired 51% stake in Takshila Management Services with 3 schools coming up in Tier III cities Hoshiarpur (Punjab), Ahmednagar (Maharashtra) and Gaya (Bihar) by June 2009.

In the Raffles JV, the company has already plans to start 3 more colleges one each in Delhi, Bangalore and Chennai along with one in Mumbai. The revenues would start coming in FY10.

Educomp Solutions has been awarded a work order from Commissioner of Public Instruction; Government of Karnataka for implementation of Computer aided Education in 708 PU colleges in Karnataka. The order is valued at Rs 50.27 crore to be executed over 5 years. Educomp has also bagged an order for 347 Government hostels from Commissioner Tribal Welfare; Government of Chattisgarh for implementation of Computer aided Education Programme. With the above orders, the total number of schools in the Educomp portfolio has gone upto to 9970 schools.

For the quarter ended September 2008, on standalone basis, Educomp reported 118% growth in net operating revenues at Rs 98.13 crore. Smart Class revenues grew 164% at Rs 68.62 crore contributing 70% of the net revenues; ICT Solutions revenues grew 8% at Rs 12.06 crore; Retail & Consulting

revenues grew 682% at Rs 10.78 crore and professional development revenues grew 4% at Rs 6.68 crore. OPM for the quarter improved 1310bps at 64%. Forex losses on restatement of FCCBs were Rs 12.09 crore against forex gain of Rs 30 lakh in the corresponding period previous year. The resultant PAT was up 86% at Rs 25.39 crore.

In the Smart Class segment, Educomp has signed 231 more schools in the quarter ended September 2008, taking the total to 1267 schools. The total number of students has reached 1.43 million. The current order book stands at Rs 983 crore. For FY09, the company has guided for cumulative number of schools to increase to 1700. In ICT Solutions, Educomp has added 1626 schools in the quarter ended September 2008, taking the total to 8915 schools. For FY09, the company has guided for cumulative number of schools at 12000-15000 schools.

For FY09, on standalone basis, Educomp Solutions has guided for revenues at Rs 540-550 crore growth of 106-110% with PAT guidance of Rs 135-140 crore a growth of 92.7-100% over FY08. The EPS on diluted equity of Rs 18.30 crore works out to Rs 73.8-76.5. The guidance would not be impact by MTM losses on FCCBs, which for the first half was Rs 19.69 crore.

## **Everonn Systems India**

For the quarter ended September 2008, on standalone basis, Everonn reported 49% growth in net operating revenues at Rs 33.95 crore. ICT segment contributed Rs 13.07 crore i.e. 39% of the revenues down from about 67% in the corresponding quarter in the previous year and ViTELS contributed Rs 20.88 crore of the revenues. OPM for the quarter improved 1620bps at 48.5% and the resultant PAT surged 210% at Rs 8.03 crore.

At the end of September 2008, in the ICT segment, Everonn is present in 4442 schools (4362 in sequential quarter) government schools. During the quarter it added 80 schools. For FY09, the Company has set target of 5500 schools.

In ViTELS segment, Everonn Systems added 123 colleges and is now present in 362 colleges (239 in sequential quarter) and added 156 schools and is now present in 388 schools (232 in sequential quarter). For FY09, the Company targets to have 600 schools, 500 colleges and 50 retail centers.

## **Outlook**

The Computer – Education sector has huge untapped potentials in the Indian IT Education & Training and ICT sector. The Government is focused on improving literacy and quality of Education. The spending on education is expected to rise 12-fold per household between FY1995-2025E due to rise in income levels of the Indian middle class. However, the sector is unorganized with regional content and a large number of regional players with large dependence on government spending and lack of quality education in rural areas. Any delay in the government programme and red-tapism can delay the growth.

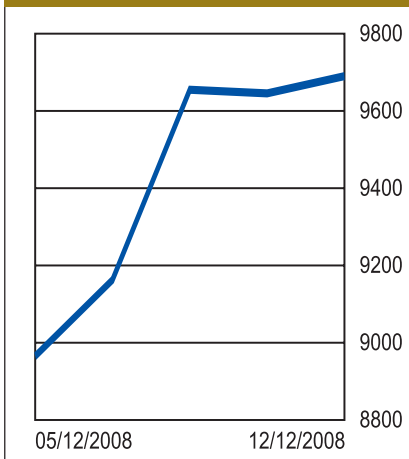
The September quarter has seen another good performance for the sector. However, with the global turmoil one thing is clear that the professional training segment and the corporate training segment would be hit. However, the school learning and ICT segments are set to grow at the traditional pace.



### MARKET SCAN

12-Dec-08	±	Adv.	Dec.
BSE 9690.07	44.61	1504	807
NSE 2921.35	1.2	796	371

### BSE SENSEX



### TOP GAINERS / LOSERS

	12-DEC-08	28-NOV-08	VAR(%)
<b>GAINERS</b>			
NDTV	117.55	74.20	58.4
IRB INFRA	106.45	68.10	56.3
JAIPRA	84.25	56.05	50.3
UNITECH LTD	34.30	23.10	48.5
TATA STEEL	217.90	150.95	44.4
<b>LOSERS</b>			
ROLTA (I)	124.65	170.45	-26.9
HCL TECHNO	107.15	137.30	-22.0
BHUSH STEEL	320.20	395.40	-19.0
GTL INFRAST	36.05	44.35	-18.7
FINANC.TEC.	480.95	587.60	-18.2

*Figures in Rs*

DATE	PURCHASES (RS CR)	SALES (RS CR)	NET (RS CR)
<b>FII (Equity)</b>			
This Fortnight (12/11)	16199	14587	1613
This Month (Dec 11)	14920	12872	2049
Jan '99 to Till Date	2992930	2903801	87387
<b>MF (Equity)</b>			
This Fortnight (12/11)	4284	4274	9
This Month (Dec 11)	3322	3918	-596
Feb '00 to Till Date	747918	717248	31161

### Foreign fund flows help market regain vigour

A strong booster dose by the government, in the form of a fiscal stimulus package for the economy and rate cut by the central bank, aided a recovery on the bourses last week. Besides the stimulus, after trading hours on Friday, 5 December 2008, the government had lowered petrol prices by Rs 5 per litre and diesel by Rs 2 per litre - the first reduction since February 2007 - following over \$100 a barrel slump in world oil prices from record highs in mid-July 2008. The fuel price cut will bring down inflation further and will provide further room for the Reserve Bank of India (RBI) to cut rates.

Inflation based on the wholesale price index rose 8% in the year through 29 November 2008, lower than previous week's annual rise of 8.4%, data released by the government on 11 December 2008, showed. Inflation had surged into double digits in early June this year after an increase in state-set retail fuel prices, and peaked at 12.91% on, 2 August 2008, the highest reading since annual numbers in the current data series became available in April 1995.

The BSE 30-share Sensex rose 724.87 points or 8.09% to 9,690.07 in the week ended Friday, 12 December 2008. The S&P CNX Nifty rose 206.95 points or 7.62% to 2921.35 in the week.

The BSE Mid-Cap gained 157.53 points or 5.45% to 3,050.48 and the BSE Small-Cap index rose 207.42 points or 6.24% to 3,530.96 in the week. Both these indices underperformed the Sensex.

The market sentiment improved following resumption of buying by foreign funds this month. Foreign institutional investors bought shares worth Rs 2048.70 crore in December till 11 December 2008. They are net sellers of Rs 52688.50 crore in calendar year 2008 so far.

Doubts as to how much stimulus the already stretched government budget will be able to finance, pulled the market sharply off the higher level in late trade on Monday, 8 December 2008. The BSE 30-share Sensex rose up 197.42 points or 2.2% to 9,162.62. The S&P CNX Nifty gained 69.60 points or 2.56% at 2784. Market remained closed on Tuesday, 9 December 2008 on account of Bakri-Id.

Frenzied buying in index pivots on speculation US lawmakers will approve a \$15 billion bailout of American auto companies, boosted the domestic bourses Wednesday, 10 December 2008. The BSE 30-share Sensex surged 492.28 points or 5.37% to 9,654.90. The S&P CNX Nifty advanced 144.25 points or 5.18% to 2928.25.

Hopes that the central bank may cut rates further and reports that the government is likely to come out with a second fiscal stimulus for the economy helped the key benchmark indices bounce back in the last one hour of trade on Thursday, 11 December 2008. The BSE 30-share Sensex slipped 9.44 points or 0.10% to 9,645.46. The S&P CNX Nifty fell 8.10 points at 2,920.15.

Shrugging off a dismal industrial production data and failure of the plan to rescue US auto makers, the market ended in the green on Friday, 12 December 2008. The BSE 30-share Sensex rose 44.61 points, or 0.46%, to 9,690.07. The S&P CNX Nifty rose 1.20 points, or 0.04%, to 2921.35.

India's industrial output fell 0.4% in October 2008 from a year earlier, sharply below the previous month's upwardly revised 5.5%, data showed on Friday, 12 December 2008. Industrial production had expanded 12.2% in October 2007.

Real estate shares rallied after the Reserve Bank of India (RBI) on Saturday, 6 December 2008, announced several measures, including a refinance facility for the National Housing Bank and priority sector status for housing loans up to Rs 20 lakh. India's top real estate developer by market capitalisation DLF galloped 36.11%, Unitech (up 11.36%), and Housing Development & Infrastructure (HDIL) (up 23.65%), rose.



### Market may hold firm on a likely second stimulus package

The market may extend gains on expectation of a second government fiscal stimulus package to shield the domestic economy from the global economic slowdown. The market sentiment has improved following resumption of buying by foreign funds this month.

Foreign institutional investors bought shares worth Rs 2048.70 crore in December till 11 December 2008. They are net sellers of Rs 52688.50 crore in calendar year 2008 so far.

The Union Commerce and Industry Minister, Kamal Nath, recently hinted at the government is working on another batch of stimulus measures to bolster the economy and boost sentiments among firms and markets. At a function organised by the Spanish Institute of Foreign Trade and Industry and FICCI on 11 December 2008. Nath maintained that the second stimulus would be aimed at generating employment and ensuring that the credit needs of the industry were fully met. In the next package, he said the government will look at engineering sector, greater refinance facility for exporters, textiles and farm sector.

The first stimulus package unveiled by the government on Sunday, 7 December 2008, involves Rs 20,000 crore

in additional government expenditure, an across-the-board 4% excise duty cut amounting to Rs 8,700 crore and benefits worth Rs 2,000 crore for exporters.

The Reserve Bank of India (RBI) on Saturday, 6 December 2008 cut the repo rate - the rate at which RBI lends to banks - by 100 basis points to 6.5% from 7.5% and reverse repo - the rate at which banks park excess funds with RBI - by 100 basis points to 5% from 6%, effective from 8 December 2008.

The rate of inflation slipped further on account of lower prices of food and other articles, paving the way for the Reserve Bank of India to concentrate on more measures to stimulate economic growth rather than containing the price spiral. Inflation based on the wholesale price index rose 8% in the year through 29 November 2008, lower than previous week's annual rise of 8.4%, data released by the government on 11 December 2008, showed.

Inflation had surged into double digits in early June this year after an increase in state-set retail fuel prices, and peaked at 12.91% on, 2 August 2008, the highest reading since annual numbers in the current data series became available in April 1995.

#### FII DERIVATIVES

Fortnightly (12-Dec-08)			
	Buy	Sell	Net
<b>Index Futures</b>	10947.65	8378.28	2569.37
<b>Index Options</b>	3579.20	3615.51	-36.31
<b>Stock Futures</b>	5906.81	5565.28	341.53
<b>Stock Options</b>	185.27	118.85	66.42
This Month			
	Buy	Sell	Net
<b>Index Futures</b>	10947.65	8378.28	2569.37
<b>Index Options</b>	3579.20	3615.51	-36.31
<b>Stock Futures</b>	5906.81	5565.28	341.53
<b>Stock Options</b>	185.27	118.85	66.42

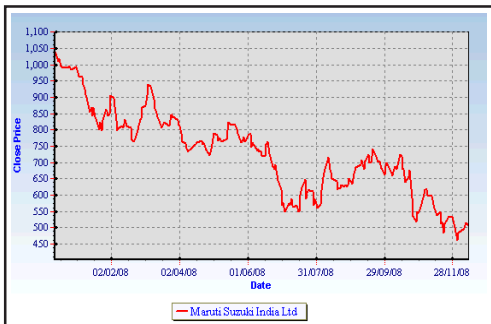
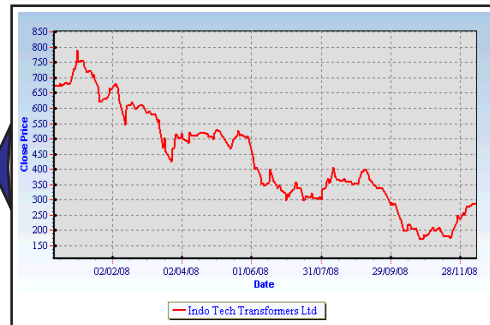
#### INDEX SUMMARY

	12-DEC-08	28-NOV-08	VARI(%)
SENSEX	9690.07	9092.72	6.6
NIFTY	2921.35	2755.10	6.0
BSE TECH	1990.45	2001.63	-0.6
BSE - 100	4915.48	4600.45	6.8
BSE -200	1134.05	1062.35	6.7
BSE -500	3516.44	3295.60	6.7
DOLLEX - 30	1637.28	1490.04	9.9
DOLLEX - 200	388.57	353.03	10.1
BSE - PSU	4718.51	4585.83	2.9
BSE AUTO	2377.29	2330.56	2.0
BSE BANKEX	5063.25	4645.40	9.0
BSE CAP. GOODS	6827.54	6387.32	6.9
BSE CONS DURA	1743.05	1793.57	-2.8
BSE FMCG	1945.50	1936.60	0.5
BSE HEALTHCARE	2809.43	2887.83	-2.7
BSE IT	2291.33	2558.94	-10.5
BSE METAL	5265.13	4383.38	20.1
BSE OIL & GAS	6145.35	5618.16	9.4



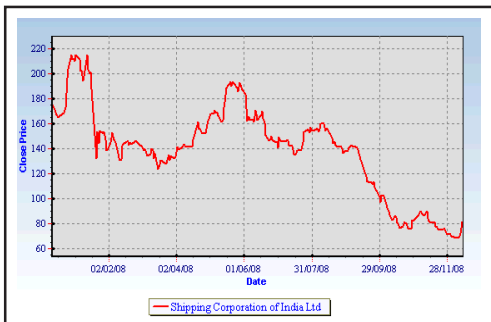
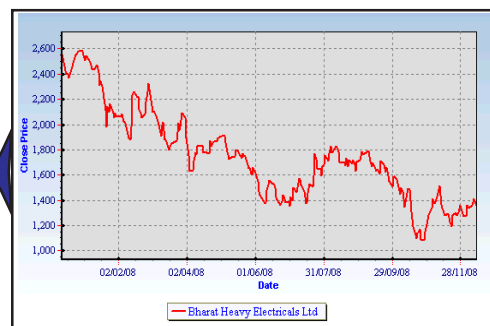
**Unitech:** Plans to mobilise up to Rs 2500 crores by selling some assets and equity to retire its debt

**Indo Tech Transformers:** GE will come out with an open offer at 30% premium



**Maruti Suzuki:** Will cut price of its passenger cars by 5%

**BHEL:** Has bagged gas turbine orders worth Rs 2000 crore from Oman



**Shipping Corp of India:** Has postponed its Rs 50bn expansion plans by at least six months

**Hind Oil exploration Company:** Has been awarded oil block in NELP VII

**Force Motors:** Will sell stake in JV to German partner

**Infosys Tech:** Its billing rates have gone down by 5%

**TCS:** Has lost a major export deal worth Rs 650 crore

**Mahindra And Mahindra:** has cut its production by around 20%

**Ranbaxy Labs:** Its US sales have fallen 45% in last 2 months

**Solar Explosives:** Has received 3 orders from Coal India worth 45 crore

*Note: The above all are just unconfirmed rumours floating around in the market*

### Indian ADR Prices (US \$)

As on 13 December 2008

SYMBOL	CLOSE	CHANGE	(%)CHNG	VOLUME
HDB	67.96	3.78	5.89	844900
IBN	17.73	0.83	4.91	3122681
INFY	24.22	0.24	1.00	1690631
MTE	3.31	0.15	4.75	43396
PTI	5.82	0.20	3.56	51258
RDY	9.58	0.18	1.91	101809
REDF	2.04	0.01	0.49	9600
SAY	12.66	0.44	3.60	1145700
SIFY	1.41	-0.02	-1.41	83030
SLT	6.22	0.12	1.97	539728
TTM	4.29	-0.08	-1.83	892006
VSL	21.71	0.41	1.92	433683
WIT	7.65	0.18	2.41	837505
WNS	7.99	-0.51	-6.00	12583

### WORLD INDICES

	DATE	CLOSE	CHG	%CHG
Nasdaq	13/12/08	1540.72	32.84	2.18
DJIA	13/12/08	8629.68	64.59	0.75
S&P 500	13/12/08	879.73	6.14	0.70
Nikkei 225	12/12/08	8235.87	-484.68	-5.56
FTSE 100	12/12/08	4280.35	-108.34	-2.47



### DIC India: Inks a decent growth story

Price Rs 114

DIC India (DIL), formerly known as Coates of India Limited, is a 71.75% subsidiary of DIC Asia Pacific Pte Ltd, Singapore, which in turn is a wholly-owned subsidiary of DIC Inc (Dainippon Ink & Chemicals Inc (DIC).), Japan the flagship company of the DIC group.

DIL is engaged in manufacturing printing inks including paste inks, liquid inks and metal coatings which are used as intermediaries in the publication and packaging industry. Its fully-owned subsidiary DIC Coatings manufactures industrial coatings.

#### Strong parent

DIC, along with its subsidiaries, are the world leaders in printing inks with a global market share of nearly 31%. DIC is one of the Japan's diversified chemical companies and the core of DIC Group having its presence in 60 countries worldwide. DIC is not only a leader in Graphic Arts but has a strong presence in printers' supplies, machinery, pigments and reprographic products.

The Group operations are currently divided into four principal segments viz., Graphic Arts Materials, Industrial Materials, High Performance and Applied Products and Electronics and Information Materials. DIC conducts both business-specific and corporate specific

#### Fantastic performance continue

For the quarter ended September 2008, the company

registered sales growth of 27% Rs 130.13 crore. OPM improved by 70 basis points to 7.7% taking OP up 40% to Rs 10.05 crore.

Other income fell 48% to Rs 55 lakh and interest cost fell 27% to Rs 1.48 crore. After providing for depreciation (down 2% to Rs 1.73 crore), PBT grew 66% to Rs 7.39 crore. PAT was up 68% to Rs 4.73 crore.

For the nine months ended September 2008, sales grew 20% to Rs 351.42 crore and OPM was up from 6.6% to 7.0%. This took OP up by 28% to Rs 24.62 crore. PBT was up 64% to Rs 19.05 crore and PAT was higher by 65% to Rs 12.29 crore.

#### Robust outlook

The company essentially caters to FMCG and Print media industries, volumes of which are less susceptible to any economic slowdown.

The company's business strategy is to consolidate the News inks business which showed an impressive growth during last year and to focus on Packaging Inks business which is expected to grow as a consequence of the growth in retail and FMCG sector. Setting up of the Liquid Ink Mother Plant at Noida will greatly help the company to maximize its centralized production facilities at most competitive cost.

Increase of Lamination Adhesives capacity would strengthen the marketing capability in terms of offering total portfolio of inks and adhesives to the Packaging Converters. By integrating individual technologies and functions from its Group's wide range of products, DIL will facilitate the development of new and high performance products in the commercial printing sectors.

All these actions would greatly help to minimize product related risks e.g. product replacement, obsolescence of the product/ technology and it would further help to improve marketing competence.

#### Valuation-while standalone P/E is impressive, consolidated P/E is all the more attractive

In FY 2008 (ending December 2008), we expect the company to register sales and net profit of Rs 479.62 crore and Rs 16.71 crore respectively. This implies sales growth of 19% and PAT growth of 53%. On post rights issue equity of Rs 9.18 crore and face value of Rs 10 per share, EPS works out to Rs 18.2. The share price trades at Rs 114. P/E works out to Rs 6.3.

Notably the company has been registering higher consolidated EPS. During FY 2006, consolidated EPS stood at Rs 16.2 against standalone EPS of Rs 10.9 and in FY 2007, consolidated EPS stood at Rs 15.5 against standalone EPS of Rs 11.9. In FY 2008, consolidated EPS is expected to be around Rs 20.7. Thus P/E on consolidated EPS falls to just 5.5.

#### DIC India: Financials

	0512 (12)	0612 (12)	0712 (12)	0812 (12P)
Sales	278.56	339.5	403.86	479.62
OPM (%)	6.8	6.1	6.7	7.1
OP	18.92	20.85	27.04	33.90
Other inc.	4.52	5.21	4.99	4.13
PBIDT	23.44	26.06	32.03	38.03
Interest	3.74	6.08	8.55	5.20
PBDT	19.7	19.98	23.48	32.83
Dep.	4.98	5.44	6.77	7.18
PBT	14.72	14.54	16.71	25.65
Tax	4.59	4.55	5.79	8.94
PAT	10.13	9.99	10.92	16.71
EPS* (Rs)	11.0	10.9	11.9	18.2
Cons EPS* (Rs)	13.4	16.2	15.5	20.7

\* Annualised on current equity of Rs 9.18 crore:  
Face Value: Rs 10.  
EO: Extraordinary items;  
(P): Projections.  
EPS is calculated after excluding EO and relevant tax.  
Figures in Rs crore.  
Source: Capitaline Databases



### 3i-Infotech: Raises guidance

Software solution provider and system integrator, 3i-Infotech reported 116% increase in consolidated net sales at Rs 601.59 crore for the quarter ended September 2008 with acquisitions contributing 74.6% growth i.e. Rs 211.22 crore down from contribution of Rs 120.51 crore in the sequential quarter. Products revenues grew 64% contributing 35%, IT services revenues grew 78% contributing 32% and transaction services revenues surged 398% contributing 32% of revenues over the corresponding quarter previous year. OPM dipped 240bps at 19% on the back of lower margins of acquisitions. The consolidated Net Profit for the quarter grew 67% at Rs 68.35 crore over corresponding quarter previous year.

On sequential basis, 3i Infotech reported 28% growth in consolidated operating revenues at Rs 601.59 crore with acquisitions contributing Rs 95.27 crore. The organic growth was 8.5%. OPM declined 50bps at 19% on account of lower margins of acquisitions and net profit up 17% at Rs 68.35 crore with tax rate up 90bps at 10.7%.

During the quarter, the Group acquired remaining 40.5% stake in Linear Financial and Management Systems Pvt. Ltd. Thereby making it 100% subsidiary.

During the quarter, the Group incorporated “Begon Infotech Limited” in China, a joint venture with Yucheng Technologies, China, wherein; the Group’s interest in the equity is 51%.

For the first half-year ended September 30, 2008, consolidated net sales almost doubled 99% at Rs 1070.01 crore backed by a number of acquisitions. Product business grew 59% at Rs 399.34 crore contributing 37%, software services grew 74% at Rs 374.75 crore contributing 35% and transaction services grew 320% at Rs 295.97 crore contributing 28%. OPM improved 190bps at 19.2% and the resultant operating profit grew 81% at Rs 205.32 crore.

For the period the net tax liability stood at Rs 14.97 crore up 119%. The net profit inclined 56% at Rs 129.98 crore. The minority interest for the period stood at Rs 3.04 crore down 26%. Thus the resultant net profit surged 60% at Rs 126.95 crore.

The order book at the end of the quarter stands at Rs 1372.4 crore. The order book at the end of sequential quarter was Rs 917.80 crore.

Geographically, USA contributed 49% (24% in corresponding quarter previous year), MEARC contributed 9% (16% in corresponding quarter previous year), South Asia contributed 29% (32% in corresponding quarter previous year), Western Europe contributed 8% (19% in corresponding quarter previous year) and APAC contributed 5% (9% in corresponding quarter previous year).

For the quarter, ICICI Group contributed 8% (9% in the sequential quarter), top 5 clients (ex – ICICI) contributed 5% (13% in the sequential quarter) and top 10 clients (ex ICICI) contributed 9% (16% in the sequential quarter).

The debt in the books of the company stood at Rs 1950 crore as on 30<sup>th</sup> September 2008, including the FCCBs. Cash balance at that date stood at Rs 150 crore.

The BFSI business of the company does not cater to very big banks and companies and target growing companies and financial institutions in growing markets like Russia and Middle East. So the company expects not much effecting from global turmoil.

Commenting on the results, Mr. V. Srinivasan, Managing Director & CEO, 3i Infotech Limited, said, “We believe that in spite of challenging times, our steady performance is due to 3i Infotech’s unique balance and variety of products and services across geographies. This spread of revenues is able to give the organization the resilience and power to withstand global financial turbulence and continue on its growth path.”

For FY09, the Company has increased its estimates and now has guided revenues at around Rs 2200 - 2300 crore, a growth of 82.5 – 90.8% over FY08 with fully diluted EPS of between Rs 14 – 14.50 i.e. net profit of about Rs 241.36 – 249.98 crore up 36.7 – 41.6% over FY08.

#### 3i-infotech: Consolidated Results

	0809 (3)	VAR. (%)	0809 (6)	VAR. (%)	0803 (12)	VAR. (%)
Net Sales	601.59	116	1070.01	99	1205.26	84
OPM (%)	19.0		19.2		21.2	
OP	114.24	91	205.32	81	254.92	93
Other Income	5.28	-13	8.43	-16	18.31	18
PBIDT	119.51	82	213.75	73	273.23	85
Interest (Net)	23.62	81	41.66	78	50.51	142
PBDT	95.90	82	172.09	72	222.71	76
Dep./Amortization	15.32	196	27.15	173	24.40	44
PBT before EO	80.58	70	144.95	61	198.32	81
EO	0.00		0.00		0.00	
PBT after EO	80.58	70	144.95	61	198.32	81
Tax	8.64	138	14.97	119	15.12	183
PAT	71.94	64	129.98	56	183.20	75
Minority Interest	3.59	21	3.04	-26	6.62	800
Net Profit attributable to cons. group	68.35	67	126.95	60	176.57	70
EPS *	15.9		14.7		10.2	

\* Annualized on fully diluted equity of Rs 172.40 crore. Face Value: Rs 10.

Var. (%) exceeding 999 has been truncated to 999.

EO: Extraordinary items; LP: Loss to Profit, PL: Profit to Loss.

EPS is calculated after Excluding EO and Relevant Taxes.

Figures in Rs crore. Source: Capitaline Corporate Database.



### **ABG Shipyard delivers new anchor handling tug supply vessel**

ABG Shipyard has delivered a new anchor handling tug supply vessel Lamnalco Malkaha to the owner Lamnalco Group, UAE. The company made this announcement after the trading hours on 12 December 2008.

### **Kunststoffe Industries to hold board meeting**

The board meeting of Kunststoffe Industries will be held on 20 December 2008 to consider change in the accounting year of the company from January-December to March-April every year and the next accounts of the Company for 15 months period from January 2008 to March 2009.

### **Nava Bharat Ventures' board approves buy-back of shares**

The board of Nava Bharat Ventures has approved the buyback of company's fully paid up equity shares of Rs 2 each from the existing equity shareholders from the open market through stock exchanges at a price not exceeding Rs 170 per share payable in cash for an aggregate amount not exceeding Rs 50 crore.

The maximum offer size represents 6.29% of the aggregate of the company's paid up equity capital and free reserves as on 31 March 2008. The number of equity shares bought back would depend upon the average price paid for the equity shares bought back and the aggregate consideration paid for such equity shares bought back.

This was approved at the board meeting held on 12 December 2008.

### **Gujarat Narmada Valley Fertilizers' director resigns**

Gujarat Narmada Valley Fertilizers Company has accepted the resignation of M M Srivastava, IAS as director with effect from 04 December 2008.

The company made this announcement after the trading hours on 12 December 2008.

### **Fiberweb India to hold board meeting**

The board meeting of Fiberweb India will be held on 20 December 2008 to consider change in the accounting year of the company from January-December to March-April every year and the next accounts of the company for 15 months period from January 2008 to March 2009, subject to the approval of the ROC and other authorities, if any.

### **Silverline Technologies to hold board meeting**

The board meeting of Silverline Technologies will be held on 17 December 2008 to review the performance of its North American businesses vis-a-vis the committed budgets and take the remedial actions, especially post the global meltdown and global recessionary pressures.

### **Sun TV among the top 20 channels in India**

Sun TV Network has announced that as per TAM Media Research report SUN TV is the most viewed satellite TV channel among the top 20 television channels in India during the week ending 46 and 47 of 2008.

The company made this announcement during the trading hours today, 12 December 2008.

### **SAL Steel's MD resigns**

SAL Steel has announced that Rajinder Arora has resigned from the post of managing director of the company.

The company made this announcement during the trading hours today, 12 December 2008.

### **Spicejet allots warrants**

Spicejet has allotted 15,360,715 warrants to GS Investment Partner (Mauritius). The abovesaid warrants shall be under lock-in upto 11 December 2009.

These shares were allotted by the company on 12 December 2008.

### **Granules India to hold board meeting**

The board meeting of Granules India will be held on 19 December 2008 to approve cost audit report for June 2008.

### **Simplex Trading & Agencies to hold board meeting**

The board meeting of Simplex Trading & Agencies will be held on 20 December 2008 to change the registered office of the company.

### **Sunteck Realty postpones board meeting**

Sunteck Realty has announced that the board meeting to be held on 18 December 2008 is now postponed to 19 December 2008 to discuss the same agenda as mentioned therein.

### **Jet Airways wins 2008 Galileo Express Traveworld 'Best Domestic Full Service Airline' award**

Jet Airways, India's premier international airline was honoured with the 2008 Galileo Express TravelWorld 'Best Domestic Full Service Airline' award at a glittering function at the Grand Hotel, Delhi on 10 December 2008. This was the airline's sixth consecutive victory in this category, in as many years.

The company made this announcement during the trading hours today, 12 December 2008.

### **JMD Telefilms to issue equity shares**

The board meeting of JMD Telefilms Industries will be held on 22 December 2008 to consider the issue of equity shares on preferential basis to promoters & non promoters group. To increase the authorized capital of the company.



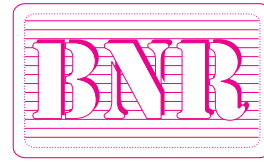
SCHEME NAME	Returns					SCHEME NAME	Returns				
	NAV (Rs) 12 Dec'08	CORPUS (Rs cr)	6M	1Y	3Y		NAV (Rs) 12 Dec'08	CORPUS (Rs cr)	6M	1Y	3Y
<b>DEBT</b>						<b>Sensex</b>	<b>9690.07</b>		<b>-36.21</b>	<b>-51.77</b>	<b>1.59</b>
Canara Robeco Income (Growth)	17.49	84.94	20.90	<b>25.72</b>	11.83	<b>Nifty</b>	<b>2921.35</b>		<b>-35.33</b>	<b>-51.84</b>	<b>1.37</b>
Franklin India International Fund	11.88	1.72	14.32	<b>23.28</b>	5.08	<b>BALANCED</b>					
IDFC Dynamic Bond Fund - A (G)	17.83	45.55	16.01	<b>22.60</b>	12.24	Kotak Wealth Builder - Series I (G)	11.96	102.82	8.63	<b>14.70</b>	N.A
ICICI Pru Income Plan - Inst (G)	29.07	507.60	18.89	<b>21.17</b>	11.90	Benchmark Equity & Der. Oppor. Fund	10.89	117.08	3.51	<b>7.92</b>	N.A
IDFC SSIF - Invest - A (G)	21.91	50.17	15.40	<b>20.88</b>	10.97	FT India Capital Safety Fund - 3 Years (G)	10.84	239.67	-0.76	<b>-3.50</b>	N.A
ICICI Pru Income Plan - (G)	28.04	507.60	18.55	<b>20.48</b>	11.26	UTI-Capital Prot. Oriented - Sr.1 - 3Yrs (G)	10.71	125.84	-1.89	<b>-4.73</b>	N.A
Sahara Income Fund (G)	16.44	1.81	13.45	<b>19.00</b>	10.65	FT FTF - Series III - 36 Mths (G)	12.19	104.21	-2.96	<b>-6.32</b>	N.A
Birla Sun Life Income Plus - Retail (G)	39.77	534.45	14.44	<b>18.10</b>	11.42	FT India Capital Safety Fund-5 Years (G)	10.48	273.54	-2.94	<b>-8.59</b>	N.A
ING Income Fund - Inst (G)	23.96	28.80	11.25	<b>17.81</b>	10.19	UTI-Capital Prot. Oriented - Sr.1-5Yrs (G)	10.36	111.80	-4.77	<b>-10.88</b>	N.A
Fortis Flexi Debt Fund (G)	14.39	70.64	12.36	<b>17.66</b>	11.19	UTI-CRTS (G)	118.07	332.84	-4.10	<b>-11.18</b>	N.A
Birla Sun Life Income Fund 54EA(G)	33.59	135.55	13.12	<b>17.55</b>	12.13	FT FTF - Series II - 60 Mth (G)	12.52	134.95	-6.72	<b>-13.64</b>	6.52
Birla Sun Life Income Fund 54EB(G)	33.38	135.55	13.12	<b>17.55</b>	12.13	UTI-Unit Linked Insurance Plan	13.58	2777.56	-5.69	<b>-15.66</b>	5.58
Birla Sun Life Income Fund (G)	33.61	135.55	13.12	<b>17.55</b>	12.12	UTI-Retirement Benefit Pension Plan	18.11	435.30	-6.82	<b>-16.13</b>	3.65
ING Income Fund - (G)	22.72	28.80	11.08	<b>17.31</b>	9.27	FT FTF - Series VI - 60 Mths (G)	10.79	143.22	-9.20	<b>-17.07</b>	N.A
ING Income Fund - Bonus	13.85	28.80	11.08	<b>17.31</b>	9.27	UTI-CCP Balanced Fund (G)	13.00	2096.83	-9.35	<b>-19.32</b>	4.53
Reliance Income Fund - (G)	29.23	256.72	14.31	<b>16.72</b>	10.15	Templeton India Pension Plan - (G)	41.37	142.29	-12.72	<b>-24.08</b>	4.14
HSBC Flexi Debt Fund - Inst (G)	11.83	96.54	12.36	<b>16.06</b>	N.A	Tata Young Citizens Fund	12.85	120.78	-15.47	<b>-29.50</b>	2.42
JM Short Term Fund - Inst Plan (G)	11.82	14.12	10.73	<b>15.91</b>	0.48	Tata SIP Fund - Scheme I (G)	7.53	223.64	-26.52	<b>-33.39</b>	N.A
HSBC Flexi Debt Fund (G)	11.78	96.54	12.17	<b>15.65</b>	N.A	Escorts Opportunities Fund (G)	23.27	152.77	-14.42	<b>-33.62</b>	2.58
JM Short Term Fund - (G)	16.49	14.12	10.51	<b>15.54</b>	10.03	ICICI Pru Equity & Deriv-Wealth Optimis (G)	8.07	400.11	-23.29	<b>-36.96</b>	N.A
DWS Premier Bond Fund (G)	14.61	7.59	13.79	<b>14.95</b>	7.42	FT India Balanced Fund - (G)	28.39	206.54	-22.86	<b>-38.66</b>	5.24
Kotak Bond - Regular Plan (G)	24.21	44.13	12.02	<b>14.51</b>	9.98	DSP BR Balanced Fund - (G)	34.99	423.07	-25.37	<b>-38.76</b>	6.98
<b>EQUITY</b>						Birla Sun Life '95 Fund (G)	151.10	108.36	-24.01	<b>-39.81</b>	3.87
UTI-Pharma & Healthcare Fund (G)	17.74	43.70	-27.97	<b>-26.52</b>	-4.29	UTI-Balanced Fund (G)	44.24	682.90	-23.66	<b>-40.18</b>	-0.05
Franklin FMCG Fund - (G)	30.01	20.25	-21.30	<b>-27.48</b>	0.39	<b>MONTHLY INCOME PLAN</b>					
Magnum SFU - FMCG Fund	11.88	6.01	-22.76	<b>-29.70</b>	-3.81	Reliance Monthly Income Plan (G)	15.71	158.95	9.94	<b>6.50</b>	9.59
Franklin Pharma Fund - (G)	20.90	33.09	-29.64	<b>-30.46</b>	-6.03	UTI-Monthly Income Scheme (G)	15.28	118.51	-0.57	<b>-1.29</b>	6.58
Birla Sun Life Intl. Equity - Plan A (G)	6.85	140.49	-32.23	<b>-31.60</b>	N.A	ICICI Pru MIP-AEP Half Yearly-Cumulative	20.58	227.51	0.62	<b>-2.67</b>	7.03
Reliance Pharma Fund (Bonus)	18.43	78.95	-23.06	<b>-36.88</b>	2.99	ICICI Pru MIP-AEP Monthly-Cumulative	20.58	227.51	0.62	<b>-2.67</b>	7.03
Reliance Pharma Fund (G)	18.43	78.95	-23.06	<b>-36.88</b>	2.99	ICICI Pru MIP-AEP Quarterly-Cumulative	20.58	227.51	0.62	<b>-2.67</b>	7.03
JM Healthcare Sector fund - (G)	11.62	4.75	-41.65	<b>-38.79</b>	-8.65	ICICI Pru MIP (G)	20.58	227.51	0.62	<b>-2.67</b>	7.03
Reliance Banking Fund - (G)	38.87	632.62	-19.78	<b>-41.34</b>	6.62	Birla Sun Life Monthly Income (G)	27.76	122.55	0.32	<b>-3.99</b>	7.43
Reliance Banking Fund - (Bonus)	38.87	632.62	-19.78	<b>-41.34</b>	6.62	HSBC Monthly Income Plan-Savings (G)	14.99	118.59	-0.06	<b>-4.32</b>	8.28
IDFC Imperial Equity Fund (G)	10.47	112.08	-27.30	<b>-42.13</b>	N.A	LICMF Monthly Income Plan-(G)	26.31	123.32	-3.35	<b>-7.31</b>	7.03
Sahara Growth Fund (G)	45.06	4.42	-23.02	<b>-43.05</b>	8.92	FT India Monthly Income Plan-(G)	21.70	368.78	-4.62	<b>-9.34</b>	5.10
ICICI Pru FMCG Fund - (G)	30.64	42.66	-33.85	<b>-43.11</b>	-1.16	HDFC Monthly Income Plan-LTP (G)	15.50	927.82	-3.42	<b>-9.65</b>	6.28
UTI-Contra Fund (G)	7.58	164.71	-25.02	<b>-43.42</b>	N.A	FT India Monthly Income Plan-(Bonus)	12.46	368.78	-6.41	<b>-11.05</b>	3.88
UTI-MNC Fund (G)	25.75	98.25	-23.86	<b>-43.49</b>	-4.24	ICICI Pru Income Multiplier Fund-Reg.(G)	14.27	207.71	-5.99	<b>-12.75</b>	4.63
UTI-Dividend Yield Fund (G)	14.40	805.50	-26.23	<b>-44.50</b>	4.25	* Rs crore. Schemes having corpus more than 100 crores					
Principal Global Opportunities Fund (G)	10.07	237.70	-43.66	<b>-44.56</b>	-7.48						
Birla Sun Life Dividend Yield Plus (G)	34.80	176.68	-22.67	<b>-44.70</b>	-2.59						

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