

## Logix Microsystems Ltd.

Initiating Coverage: **Buy**

Price: Rs55.65 (Nov-3-2008)

November 4, 2008

52-wk High / Low: 397 / 51

MCap: Rs68Cr (\$14mn)

BSE Sensex: 10338

### Executive Summary

#### Niche player focused on the US automobile market

**Logix Microsystems Ltd. (LML)** is a niche automobile imagery product developer offering various specialised online products and web solutions mainly to the US automobile industry. It provides customised web solutions and online marketing platforms to automobile OEMs, web portals and automobile dealers in the US. The company services over 500 auto dealers with over 1,200 showrooms, auto portals like Yahoo Autos, AOL Autos and auto OEMs viz., General Motors, Ford Motor Co., Mitsubishi Motors, etc. The company has a small internet presence through web portal [www.carazoo.com](http://www.carazoo.com).

#### Sizeable US auto market, though growth slowing down

The US automobile market is the world's largest, with sales of around 16mn vehicles per annum, worth \$693bn through a chain of 20,700 dealers. However, the US auto industry has been under tremendous strain over the last 3 years. New vehicle sales, which averaged 16mn per annum till 2007, dipped to 12.5mn during the current year till September. It is estimated to have further declined to 11.5mn in October. A consistently declining consumer confidence is yet another worry. The overall auto industry sentiment is low, both because of the slowing demand and increasing cost pressures.

#### Online automobile marketing gaining importance with auto dealers

The size of the dealership market is estimated at \$693bn with over 20,000 dealers. It is the major link between auto OEMs and end consumers. Advertising spends which average 1.1% of auto dealer revenues, have however stagnated over the last 6 years. However, online ad spend by auto dealers has increased substantially, from 5% to 17% of the total ad spend over the last 6 years. Large user base, high flexibility in accessing sites, multimedia content, multi-usage formats and low cost make the internet an attractive platform for auto OEMs and dealers to market their products. The user see can multiple car models online, without having to visit car showrooms.

#### Strategies of strengthening US presence and diversification

LML has an established track record of 5 years in the US market, coupled with a robust client acquisition rate (no. of clients increased from 150 to over 500, in the last 4 years). The company plans to focus on adding big-ticket clients including large auto dealers and auto OEMs. It recently added the world's largest auto dealer AutoUSA (revenues of \$22bn) as client. It plans to strengthen presence in the auto accessories market as well. In view of the fact that the company had a solely US-centric model, it plans to expand in Europe and India (currently a small presence). It also plans to launch a new product for real estate industry initially in India and in future, in the booming Middle East countries.

(continued...)

### Financial Snapshot

(RsCr)

Particulars	FY06	FY07	FY08	FY09 E	FY10 E	FY11 E
Net Sales (RsCr)	19.71	29.76	45.61	61.05	78.96	102.59
Growth (Y-o-Y)	60.5%	51.0%	53.3%	33.8%	29.3%	29.9%
Adjusted PAT (RsCr)	2.64	8.83	13.47	16.90	19.91	22.14
Growth (Y-o-Y)	38.2%	234.5%	52.5%	25.5%	17.8%	11.2%
EBITDA margin	22.7%	36.0%	27.7%	19.5%	20.8%	23.5%
ROE	37.6%	17.7%	8.2%	9.4%	9.9%	9.9%
ROCE	27.7%	17.0%	8.2%	9.9%	11.6%	14.0%
EPS (Rs)	3.73	10.35	11.00	13.80	16.25	18.07
Book Value (Rs)	9.93	58.34	133.76	147.56	163.82	181.89
P/e (x)	82.5	19.0	11.5	4.0	3.4	3.1
P/b (x)	31.0	3.4	0.9	0.4	0.3	0.3
P/s (x)	11.1	5.6	3.3	1.1	0.9	0.7

(E - Keynote Capitals's estimates)

This is an abridged version of our report. For the full version, please visit Thomson One Analytics at <https://www.thomsononeim.com>. You may also obtain the full version by writing a mail to [nitin@keynoteindia.net](mailto:nitin@keynoteindia.net) with your name and full contact details.

**Keynote Capitals Research**

(+9122-30266043)

Keynote Capitals Research is also available on Bloomberg KNTTE <GO> and Thomson One Analytics / Thomson Publisher

### Executive Summary (continued)

#### Consolidation may benefit Logix

Edmunds.com, a US-based provider of information on automobiles, discontinued licensing of enhanced imagery to third parties in 2006. We believe given the scenario of reducing auto sales and the impending shut down of a large number of auto dealerships in the US, further consolidation may take place in the automobile imagery product segment, going forward. Logix, with its cost advantage may benefit from a shakeout.

#### Risks and Concerns

Risks in our view are the possibility of shrinkage of the online automobile marketing segment due to depressed sentiments, entry of new players, sustainability of pricing power, execution risks regarding new products, marketing spends, exchange rate risks, increasing employee costs and taxation policies for IT/ITES software exports businesses.

#### Recommendation: Buy

LML has a unique business model, huge market, diversification plans and new products in the pipeline. The stock trades at 4x FY09E and 3.4x FY10E EPS. We initiate coverage with a **Buy** and a 12-month target price of Rs110, based on 8x FY09E earnings.

#### Key Data

BSE Code: 532241	NSE Symbol: LOGIXMICRO
Bloomberg: LGXM@IN	Reuters: LOGI.BO
Shares o/s: 12.3mn	Promoter holding: 23%
Institutional Holding: 50%	Free Float: 9.5mn shares
Avg. daily trading vol. 15,776 shares (NSE + BSE)	Beta relative to Sensex: 0.57

#### Company Background

LML, a software development company, provides Business and Technology Solutions to clients in the US, Far East, Middle East and India. Till 2002, the company was into ERP and CRM software and services. However, it launched auto online solutions and gradually transitioned itself into a product development company. Auto products constituted 94% of FY08 revenues, with enterprise products and services accounting for the remainder. The company's auto products mainly cater to the US market.

#### Transition from ERP player into a products company

- Established in 1996 as a software services company specialising in SAP implementation
- Launched izmocars in US in January 2002
- Signed content licensing deal with Yahoo! In 2003
- Launched online marketing product under the brand izmoRainmaker in March 2005
- Added General Motors as the first automobile OEM client in June 2006

#### Investment Rationale

#### Niche player focused on the US automobile market

#### Short story

1. LML has an established track record in the US automobile industry. It has multiple range of tech products to offer to various auto industry players which include auto OEMs, online portals and auto dealers.

2. It provides web marketing platforms including online stores, car animation & graphics, online marketing tools, hybrid internet sales systems and CRM solutions, to clients.
3. It has over 500 clients (as at September 30, 2008) and services over 1,200 showrooms in the US. Its focus has been the US markets, with a small presence in India through carazoo.com. It plans to expand in Europe through an auto venture and in the Middle East countries through a real estate venture.

### The big picture...

*[please refer to the unabridged version of the report]*

#### **Business Segments**

The company operates through 8 SBUs:

Name of SBU	Brand	Activities
Web portal	izmoWeb	Retail Websites
	izmoMobi	Mobile Internet Shopping
Online marketing	izmoRainmaker	Online marketing services for auto industry
CRM solutions	izmoCRM	OEM certified enterprise class CRM solutions for auto dealers
	iLM	OEM certified Lead Management System for auto dealers
Sales Training	iConsult	Sales performance training for auto dealers
Accessories Sales	AddOnAuto	Interactive accessories configurator
Interactive Media	izmoAutos and izmolive	Digital animation library, custom art directed photography, stock photography Interactive media product for interiors
Media Solutions	izmoAutos	Automobile portals for news papers, third party applications Weekly lifestyle magazine
Indian initiative	Carazoo	Interactive car portal and online auto stores for India

(Source: Company)

#### **Customer Profile**

LML has a clientele of 905 dealers and services over 1,000 showrooms. It also provides services to various OEMs and online portals in the US.

#### **Major Clients**

*[please refer to the unabridged version of the report]*

### Sizeable US auto market, though growth slowing down

#### Short story

1. Largest passenger vehicles market in the world with an estimated 249mn vehicles; 16mn vehicles sold every year.
2. New vehicle sales witnessed decline in the last 3 years in spite of increasing family incomes and decreasing cost of funds. However consumption expenditure growth has stagnated over last 10 quarters. For first 8 months of 2008, the US reported job losses of over 600,000.
3. Narrowing gap between new vehicle sales (declining trend) and scrappages (increasing trend) indicates difficulty in maintaining existing vehicles.
4. Major reasons for the ongoing economic recession include weak overall consumption demand which include demand for new vehicles and high crude prices and the recent financial turbulence. It has impacted demand for new automobiles, which saw a huge deceleration in the first 8 months of 2008.

### **The big picture...**

*[please refer to the unabridged version of the report]*

### **The world's largest automobile population (growth 2.1% CAGR 1997-2007)**

#### **Market for new vehicles declining for last 3 years**

Every year around 16mn vehicles are sold in the US. However, new vehicle sales have been on a down-trend over the last 3 years.

#### **Signs of economic recession**

For the last few quarters, the US has been witnessing a consistent growth in family income levels. The median family income has increased at a CAGR of 3.6%, while the average finance rate declined from 8.1% to 4.1% over last 6 years. However, the big picture is far from bright. In spite of rising income levels and declining cost of funds, consumption expenditure has been stagnating over the last 10 quarters due to increasing unemployment. The US reported jobs losses of over 0.6mn in the first 8 months of 2008.

#### **Narrowing Scrappages**

On the one hand, the US auto industry has been witnessing a drop in new vehicle sales. On the other, scrappages are increasing. In our view, the increasing scrappages coupled with falling demand only reflect economic recession and increasing unemployment.

#### **2008 - the worst year for the US auto industry**

The seasonally adjusted annual rate (SAAR) of auto sales has dropped considerably, from 15.5mn vehicles in July 2007 and 16.1mn for whole of 2007, to 12.5mn in September 2008. It is estimated to have further declined to 11.5mn in October 2008.

#### **Broad indicators have worsened in 2008**

Consumer confidence declining

Inflation rising at a phenomenal rate

#### **US Market for Auto Imagery products**

The US automotive imagery market is a segmented one. Independent photographers specializing in high-end print work for advertising campaigns comprise the high-end of the market, while the middle tier comprises of independent photographers who produce imagery for print brochures and new online vehicle launches. The lower end is generally focused on photography for interactive web usage.

In the portals segment of the market, there are players like eVox, izmocars, Cobolt, Edmunds, Internet Brands, AutoByTel, etc. Few players have the resources and capabilities to provide comprehensive image libraries which cover the entire market. eVox is the main competitor of izmocars in this segment.

#### **USPs of izmocars**

- competitive pricing
- high level of product quality, depth of market coverage
- Flash animations, which provide unique and engaging views and information of every single vehicle feature
- Rich-media interactive 360 degree view with hot spots (both products not being offered by competitors)
- multiple channels for content distribution
- dealer-specific products, such as custom websites and online marketing tools which employ the use of its products, serving a wide spectrum of market needs with unique and innovative solutions

## **Izmocars vis-à-vis competitors**

izmocars' business model is unlike that of either Edmunds.com or eVox. Edmunds.com focuses primarily on providing online US market vehicle information and content to consumers. Edmunds develops enhanced imagery in order to increase advertising revenue, its primary source of revenue.

In contrast to Edmunds.com and eVox, izmocars offers content syndication for consumer automotive portals. izmocars also provides a full service suite of tools and solutions for the OEM and retail segments of the automotive industry.

Additionally, izmocars offers high resolution automotive stock imagery licensing through its izmoStock division, another offering unique within the industry. It is apparently the only player who creates and wholly owns the entire content.

## **Perceived impact of slowdown in US automobile industry**

As per industry sources, declining auto sales in the US can certainly lead to the shutdown of a few automobile retailers. In many cases, dealers have been resistant to embrace internet based sales practices, and may therefore have to shut down.

In order to maintain competitiveness amidst the slowdown in the auto sector, OEMs will have to continue to invest in, and spend on web-based advertising and marketing initiatives. The market positioning of izmocars could be more attractive to OEMs and their advertising agencies, going forward, as well as more competitive than that of its direct competitors.

## **Online auto marketing gaining importance with Auto dealers**

### **Short story**

1. The dealer is the major link between auto OEMs and consumers. Dealership sales is estimated at \$693bn in US (calendar year 2007).
2. The dealership market has seen consolidation over the last 20 years, with the number of dealers reduced from 25,000 to around 20,000.
3. Reliance on the internet as a medium of communication with end consumers is increasing among auto dealers. Spend on online marketing by auto dealers, has increased from \$340mn in 2002 to \$1.3bn in 2007, at 30.3% CAGR.
4. Given the ongoing US economic recession, auto OEMs and dealers will have to rationalize marketing budgets. The flexibility in accessing sites, multimedia content, multi-usage formats and low costs make the internet an attractive platform for auto OEMs and dealers to market their products.
5. We see US economic recession as an opportunity for online auto marketing companies.

### **The big picture...**

***[please refer to the unabridged version of the report]***

The total number of auto dealers in the US has been consistently declining over the years due to consolidation, and stood at 20,700 in 2007.

Slowdown has dampened ad spends

However, online marketing spend still robust

Online marketing becoming more attractive

Traditional media losing market share to web-based marketing

In the last 6 years, newspapers have lost 26% share in the overall auto adspend by dealers. Adspend on the internet has been gaining in importance, as its share of overall marketing spend increased from 5% to 17% over last 6 years.

**LML - well placed to grab the opportunity**

**Strategies of strengthening US presence and diversification**

**Short story**

1. LML's established track record gives it a stranglehold on the US markets. Its growth strategies include (i) strengthening presence in the US and (ii) geographical and product diversification.
2. We expect LML to grow organically @ CAGR of 21% in the US markets. We expect per customer revenue to improve, with LML focusing on adding large auto dealers and OEMs to its client list.
3. The company is solely focused on US markets, apart from its small presence in India through carazoo.com. It plans to reduce dependence on the US through geographical and product diversification. This strategy will help it reduce the impact of the recent financial turmoil and demand slowdown in the US.
4. It plans to capitalize on the benefits offered by the Europe market (i) a relatively under-exploited market, as far as online marketing is concerned and (ii) a market much larger than the US in terms of dealers - 80,000 in Europe vis-à-vis 20,700 in the US. In addition to expansion in Europe, it plans to strengthen presence in India through direct marketing to auto dealers. It will provide web services to auto dealers and OEMs in India, similar to its US venture.
5. The company has a concept launch in the pipeline, initially in India and in future in the Middle East. It is in the process of launching real estate based animation content in India. In the backdrop of the slowdown in the Indian real estate sector, we believe a sizeable market exists for the product.

**The big picture...**

**Robust business structure and established track record in the US**

- A. Offering web-based solutions
- B. Generating and managing inquiries
- C. Converting inquiries into leads
- D. Selling leads

**Huge content database - a major entry barrier**

**Sales growth in tandem with client acquisition**

**Track record of integrating acquisitions**

Acquiree Company	Date	Remarks
Carsite.com	Feb-07	Strengthened presence in newspaper automobile portal development
Reckon Up	Aug-07	Strengthened presence in CRM business
Add-on-Auto LLC	Dec-07	Entered in auto accessories division
		LML plans to strengthen presence in the auto accessories market through inorganic growth strategies

(Source: Company)

Plans to add big ticket clients to spur revenue growth

De-risking from the US markets

- Geographical and Product diversification
- Geographical diversification

## **Indian automobile industry**

Combined sales of cars and commercial vehicles crossed the 2mn figure in FY08. India is one of the fastest growing automobile markets in the world. For the last 6 years, automobile (cars + CVs) sales went up at CAGR of 17.8%. However, industry growth has decelerated in FY08 to 10.1%. Online car marketing is at a very nascent stage in India.

## **Entry into the European markets**

In terms of total number of dealers, Europe is much larger than the US. Total number of dealers in Europe is 80,000 vis-à-vis 20,700 in US. The total number of car models in Europe (650) exceeds the US's 550 models. LML plans to launch its products in 7 European countries viz., France, Italy, Germany, the UK, Netherlands, Spain and Belgium.

Online automobile marketing is not entirely a new concept for European markets. US-based players like AutoDesk and Autobytel already have presence in the UK.

However, given the size of the European market, in terms of number of dealers, we believe it is a relatively underpenetrated market and that there is room especially for a player like LML, which has a low cost base compared to European companies. We believe though LML will not have a first-mover advantage in the Europe markets, it will still be able to grab a sizeable pie of the market going forward, due to its technical capabilities and competitive pricing vis-à-vis local players.

It plans to focus on auto OEMs and large dealer groups for better realisations.

## **Europe is the world's largest automobile market**

In 2007, Europe with sales of 22.9mn automobiles, had the largest share of global automobile sales of 71.9mn.

## **Product Diversification**

### **Izmolive - a unique initiative**

LML has recently launched a web-based initiative viz., izmolive, which provides web-based solutions to auto dealer showrooms, flats & apartments and hotels & restaurants. The company proposes to tap dealers, real estate companies and hotel companies through izmolive. It will put a demonstration of the structures of auto showrooms, flats and hotels on client websites.

### **Auto dealer showrooms**

### **Real estate initiative**

We are positive on the growth potential of the real estate initiative. The ongoing real estate industry slowdown will encourage developers to find avenues to attract prospective buyers.

### **Hotels & Restaurants**

### **Revenue Estimates**

*[please refer to the unabridged version of the report]*

## **Investment Concerns**

### **Deteriorating purchasing power in the US**

In our view, online search or inquiries for vehicles is highly correlated with the purchasing power of consumers. The ability of US consumers to buy cars has been deteriorating over the last 3 years, as reflected in the increasing unemployment numbers and narrowing gap between new vehicle registrations and scrappages in the US auto industry.

### **Auto dealerships likely to follow suit**

As a direct fallout of the decline in auto sales, nearly 20% of the car dealerships in the US are likely to close this fall (source: Grant Thornton). A number of dealers are closing down, due to plummeting sales, credit drying up and the increasingly challenging

overall retail environment. Grant Thornton has raised the estimate of auto dealers going out of business in the coming months from 2,700 to 3,800.

The situation has turned grim even in the seven European countries targeted by LML, with auto sales declining 4.5% in January - August 2008 period, on y-o-y basis. Auto sales plunged 17.1% in August 2008 y-o-y.

The spread of the financial turmoil from the US to the European shores is certainly worrisome.

#### Execution risks

The company is entering markets which may not be fully conversant with online search and inquiries for vehicles. The European market is relatively underpenetrated in terms of the online automobile marketing efforts. India is not any different. Selling these products to prospective clients such as auto OEMs and dealers may prove to be a difficult task.

The real estate product is a unique initiative. However, response to the product is yet to be ascertained.

#### Taxation Issues

LML was not required to pay corporate tax till FY08, as it carried accumulated losses on its books. However, from FY09 onwards, it will have to provide minimum alternate tax (MAT) @ 10% + surcharge etc. Also, the company will get MAT benefit only till FY10. Post-FY10, it will have to provide for corporate tax at the full rate.

#### Peer Comparison

Company Name	Market Price	Market Cap	Revenues			EPS			P/e (x)		P/s (x)	
			2007	2008E	2009E	2007	2008E	2009E	2008E	2009E	2008E	2009E
Autobytel Inc (\$)	0.78	34	84.39	79.10	81.10	-0.42	-0.41	-0.27	-	-	0.4	0.4
Internet Brands Inc (\$)	6.49	285	89.90	107.00	128.00	0.01	0.28	0.33	23.2	19.7	2.7	2.2
Autodesk Inc (\$)	21.31	4,790	2,200	2,500	2,800	1.88	2.28	2.61	9.3	8.2	1.9	1.7
LML (Rs)	55.65	68	45.61	61.05	78.96	11.00	13.80	16.25	4.0	3.4	1.1	0.9

Figures in \$mn for global peers and in RsCr for LML

(Consensus estimates for global peers, Keynote Capitals's estimates for LML)

#### Valuation

Our 12-month target price of Rs110 is based on a conservative multiple of 8x FY09E earnings.

#### Average Daily Volume

1 Month	4,287
3 Months	5,752
1 Year	13,265

#### Shareholding Pattern

(30.09.2008)

	No. of Shares	% of Holding
Promoters	27,68,981	23%
Corporates	13,93,574	11%
Institutions	2,41,855	2%
Foreign	58,96,044	48%
Public	19,53,119	16%
<b>Total</b>	<b>1,22,53,573</b>	<b>100%</b>

# KEYNOTE

## Financials

### Profit & Loss Statements

(RsCr)

For y.e. March 31,	2006	2007	2008	2009E	2010E	2011E
<b>Net Sales</b>	<b>19.71</b>	<b>29.76</b>	<b>45.61</b>	<b>61.05</b>	<b>78.96</b>	<b>102.59</b>
<i>Growth (Y-o-Y)</i>	60.5%	51.0%	53.3%	33.8%	29.3%	29.9%
<b>Expenditure</b>						
Employee Costs	6.07	8.32	14.32	26.54	32.90	39.46
<i>Growth (Y-o-Y)</i>	209.7%	37.1%	72.1%	85.3%	24.0%	19.9%
Other Expenses	9.17	10.72	18.64	22.59	29.61	38.99
<b>Total Expenditure</b>	<b>15.24</b>	<b>19.04</b>	<b>32.96</b>	<b>49.13</b>	<b>62.51</b>	<b>78.44</b>
<i>Growth (Y-o-Y)</i>	85.0%	24.9%	73.1%	49.1%	27.2%	25.5%
<b>EBITDA</b>	<b>4.47</b>	<b>10.72</b>	<b>12.65</b>	<b>11.92</b>	<b>16.45</b>	<b>24.15</b>
Other Income	1.43	1.00	4.01	8.48	10.48	11.48
Interest	1.52	1.25	1.02	1.00	1.00	1.00
<b>PBDT</b>	<b>4.38</b>	<b>10.47</b>	<b>15.64</b>	<b>19.39</b>	<b>25.93</b>	<b>34.62</b>
Depreciation	1.18	1.38	1.98	1.60	2.50	3.00
<b>Profit Before Tax</b>	<b>3.20</b>	<b>9.09</b>	<b>13.66</b>	<b>17.79</b>	<b>23.43</b>	<b>31.62</b>
Tax	-0.02	0.12	0.19	0.89	3.51	9.49
<b>Reported PAT</b>	<b>3.22</b>	<b>8.97</b>	<b>13.47</b>	<b>16.90</b>	<b>19.91</b>	<b>22.14</b>
<i>Growth (Y-o-Y)</i>	68.6%	178.6%	50.2%	25.5%	17.8%	11.2%
Extra-ordinary items	0.58	0.14	0.00	0.00	0.00	0.00
<b>Adjusted PAT</b>	<b>2.64</b>	<b>8.83</b>	<b>13.47</b>	<b>16.90</b>	<b>19.91</b>	<b>22.14</b>
<i>Growth (Y-o-Y)</i>	38.2%	234.5%	52.5%	25.5%	17.8%	11.2%
<b>EBITDA margin</b>	<b>22.7%</b>	<b>36.0%</b>	<b>27.7%</b>	<b>19.5%</b>	<b>20.8%</b>	<b>23.5%</b>
<i>Change (Y-o-Y)</i>	-10.2%	13.3%	-8.3%	-8.2%	1.3%	2.7%
<b>EPS (Rs)</b>	<b>3.73</b>	<b>10.35</b>	<b>11.00</b>	<b>13.80</b>	<b>16.25</b>	<b>18.07</b>
<b>Book Value (Rs)</b>	<b>9.93</b>	<b>58.34</b>	<b>133.76</b>	<b>147.56</b>	<b>163.82</b>	<b>181.89</b>
<b>Paid-up Equity Capital</b>	<b>7.07</b>	<b>8.53</b>	<b>12.25</b>	<b>12.25</b>	<b>12.25</b>	<b>12.25</b>

(E - Keynote Capitals's estimates)

### Balance Sheets

(RsCr)

As at March 31,	2006	2007	2008	2009 E	2010 E	2011 E
<b>Sources of Funds</b>						
Share Capital	7.07	8.53	12.25	12.25	12.25	12.25
Reserves and Surplus	-0.05	41.23	151.61	168.51	188.43	210.56
<b>Shareholders' Funds</b>	<b>7.02</b>	<b>49.76</b>	<b>163.86</b>	<b>180.76</b>	<b>200.68</b>	<b>222.81</b>
<b>Total Debt</b>	<b>10.02</b>	<b>11.11</b>	<b>15.52</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>
<b>Total Liabilities</b>	<b>17.04</b>	<b>60.87</b>	<b>179.38</b>	<b>190.76</b>	<b>210.68</b>	<b>232.81</b>
<b>Applications of Funds</b>						
<b>Gross Block</b>	<b>15.49</b>	<b>31.84</b>	<b>73.06</b>	<b>83.56</b>	<b>98.54</b>	<b>105.00</b>
Less: Acc. Depreciation	9.85	13.23	17.77	19.37	21.87	24.87
<b>Net Block</b>	<b>5.64</b>	<b>18.61</b>	<b>55.29</b>	<b>64.19</b>	<b>76.67</b>	<b>80.13</b>
CWIP	1.21	1.41	0.00	0.00	0.00	0.00
Investments	6.37	16.06	94.18	81.95	85.19	65.00
<b>Net Current Assets</b>	<b>3.36</b>	<b>24.32</b>	<b>29.98</b>	<b>44.62</b>	<b>48.82</b>	<b>87.68</b>
Other Assets	0.46	0.47	-0.07	0.00	0.00	0.00
<b>Total Assets</b>	<b>17.04</b>	<b>60.87</b>	<b>179.38</b>	<b>190.76</b>	<b>210.68</b>	<b>232.81</b>

(E - Keynote Capitals's estimates)

**Keynote Capitals Ltd.**

**Member**

Stock Exchange, Mumbai (INB 230930539)  
National Stock Exchange of India Ltd. (INB 010930556)  
Over the Counter Exchange of India Ltd. (INB 200930535)  
Central Depository Services Ltd. (IN-DP-CDSL-152-2001)

**Registered Office**

4th Floor, Balmer Lawrie Building,  
5, J. N. Heredia Marg,  
Ballard Estate, Mumbai 400 001.  
Tel Nos. 022-2269 4322 / 24 / 25

---

**Disclaimer**

This report has been prepared and issued by Keynote Capitals Ltd, based solely on public information and sources believed to be reliable. Neither the information nor any opinion, expressed herein, constitutes an offer, or an invitation to make an offer, to buy or sell any securities or any options, futures or other derivatives related to such securities. Directors, officers, clients or employees of Keynote Capitals or its affiliates may have positions in securities covered in this report or in related investments. Keynote Capitals Ltd may also have proprietary trading positions in securities covered in this report or in related investments. An affiliate of Keynote Capitals Ltd. may also perform or seek to perform broking, investment banking and other banking services for the company under coverage. Opinions presented herein are liable to change without notice. While due care has been taken in the preparation of this report, Keynote Capitals Ltd. or any of its directors, officers or employees shall not in any way be responsible for any loss arising from the use thereof. Investors are advised to apply their own judgment before acting on the contents of this report.