



Rolta India

Buy Rolta India – TP Rs.220

Rolta India appears to be a good pick at the current valuation. The stock price is expected to move up to Rs.220 in a one-year term.

Despite the ongoing economic slow down, the management is highly confident of maintaining the growth momentum and has projected a revenue growth of 38- 40%.

The company has not experienced any cancellation of orders despite the economic downturn.

Rolta India is the leader in the niche markets and 64% of the revenue derives from sectors that are less sensitive to the economic slowdown.

Revenue is expected to strengthen further during the last two quarters of FY 09.

EPS is expected to be Rs.18.40 in the current fiscal and this may rise to Rs.22.20 in FY 10. Projected revenue for FY 11 is Rs. 26.52.

One year target price of Rs.220 discounts FY 10 earnings of Rs.22.20 by 9.9 times.

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