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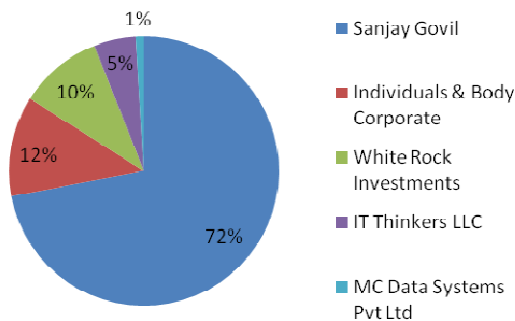
IPO NOTE	**Infinite Computer Solutions (India) Ltd**	**Subscribe**

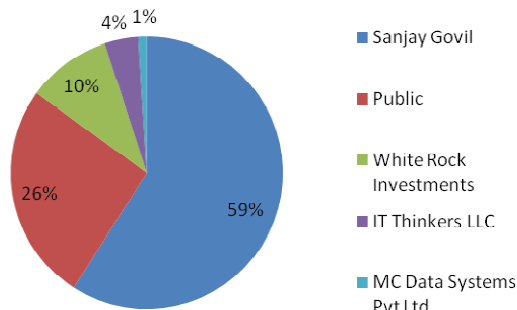|	
Issue Open	Jan 11, 2010
Issue Close	Jan 13, 2010
Issue Size	1,15,03,000 Equity shares of Rs: 10
Issue Price	Rs: 155 to Rs: 165 per Equity Share
Listing at	BSE & NSE

Shareholding Pattern

Infinite Computer Solutions (India) Limited, a global service provider of Infrastructure Management, Intellectual Property (IP) leveraged solutions and IT services, focused on the Telecom, Media, Energy, Manufacturing, and Healthcare industries, is entering the capital market on January 11, 2010, with an Initial Public Offering ("IPO") of 11.5030 million Equity Shares of Rs. 10 each for cash at a price to be decided through a 100% book-building process (the "Issue"). The price band has been fixed between Rs. 155 and Rs. 165 per Equity Share. The Issue closes on January 13, 2010.

Pre Issue

- Sanjay Govil — 72%
- Individuals & Body Corporate — 12%
- White Rock Investments — 10%
- IT Thinkers LLC — 5%
- MC Data Systems Pvt Ltd — 1%

Post Issue

- Sanjay Govil — 59%
- Public — 26%
- White Rock Investments — 10%
- IT Thinkers LLC — 4%
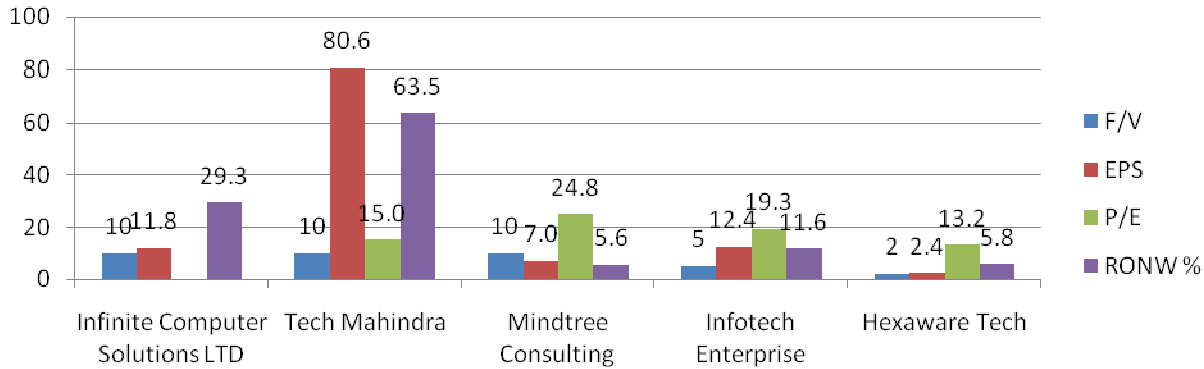- MC Data Systems Pvt Ltd — 1%

Company Overview

Infinite's services span from application management outsourcing, packaged application services, independent validation & verification, product development & support, to higher value- added offerings, including, managed platform and product engineering services. Its telecommunication-specific services and solutions to telecom Original Equipment Manufacturers (OEMs) though is increasingly and Independent Software Vendors (ISVs) include product engineering and lifecycle management services related to telecom equipment used in areas such as transmission, switching, access and Operational Support Systems (OSS), in both legacy and Next Generation Networks (NGNS).

Infinite's integrated network of delivery facilities across India and the US is complemented by onsite, offsite and near-shore capabilities in major international markets. It has 14 offices across the globe, including offices in multiple locations in the US, UK, India, China, Malaysia, Singapore and Australia. The world-class development environment of approx. 187,000 sq. ft. effectively meets the needs of it's global customers. It currently has four delivery centers in India - the company-owned facility in Bangalore, and leased facilities in Hyderabad, Gurgaon and Chennai

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Peer Comparision

The objects of the Fresh Issue are:

➢ Capital Expenditure;
➢ Acquisitions;
➢ Repayment of Debt;
➢ General Corporate Purposes;
➢ Issue Related Expenses

Client Satisfaction

Company have developed a sophisticated project management methodology to ensure timely, consistent and accurate delivery of quality solutions to maintain a high level of client satisfaction. Company constantly benchmark the services and processes against globally recognized quality standards. The company's strong commitment to quality, as evident from its achievement of various industry certifications, ensures consistent quality standards without compromising on project scheduled timelines.

Key Strengths

Focus on the telecommunication industry

Company mainly focusing on telecommunication industry, Global spending in the telecom industry is expected to continue to grow at a significant pace. According to "The Insight Research Corporation", telecommunication carriers spent US$ 42.3 billion on Operations Support Systems (OSS) in 2007 and this amount is expected to reach US$ 62.7 billion by 2012. This significant focus on telecom industry will enable the company to participate and benefit from the anticipated growth of the global telecommunication industry.

Long term client relationships

Company have a proven and successful track record of managing large, multi-year engagements with global 1000 clients. Company also consistently and successfully demonstrating the ability to manage key client relationships. This is reflected in the long duration of the relationships and the depth of the services offerings to some of the largest clients. Current clientele includes leading names such as Verizon, IBM, ACS, AOL and Fujitsu . The relationships with these prestigious and global clients, gives the company a significant competitive advantage in gaining new clients and growing the business.

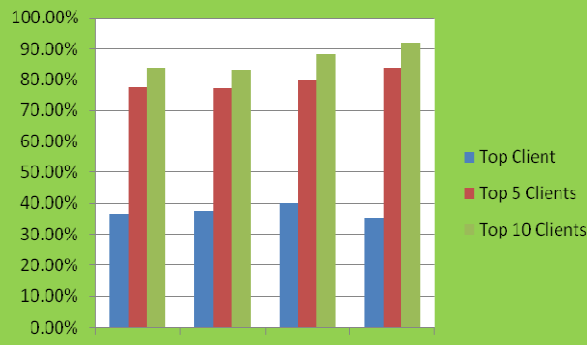## Consolidated Revenue by region

Revenues from Top Clients
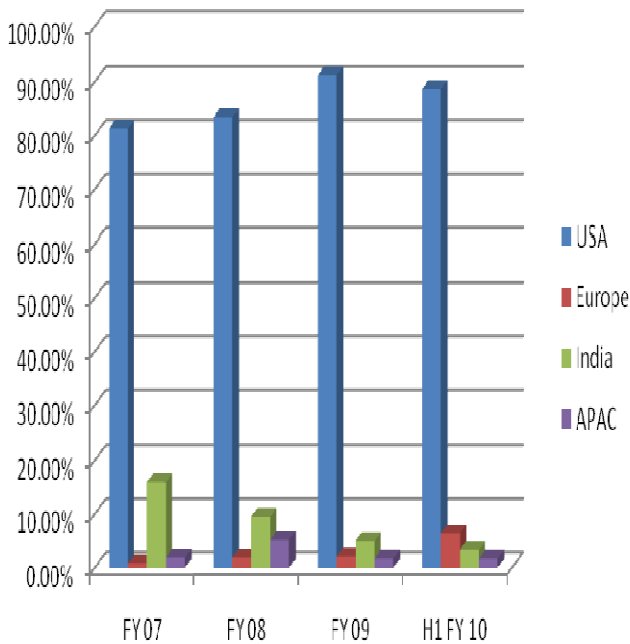
Risks and Concern

About 91% of the company's revenues come from Top 10 clients. Therefore, reduction of assignments or postponement of outsourcing services from the existing clients will negatively affects the revenues and profitability. Also Infinite's revenues are largely concentrated from the US, approximately about 90 % of the revenue comes from US.

Financial Summary

Cur: Rs in Millions	FY 07	FY 08	FY 09	H1 FY 10
Revenues	3,477	3,401	4,895	3,174
Growth (%)	2.1%	-2.2%	43.9%	-35.2%
EBIT	163	264	645	579
Growth (%)	4.7%	62.0%	144.3%	-10.2%
Margin (%)	4.7%	7.8%	13.2%	18.2%
PAT	101	175	451	419
Growth (%)		73.3%	157.7%	-7.1%
Margin (%)	2.9%	5.1%	9.2%	13.2%
EPS	3	5	12	11

Valuation/Outlook:

We feel that the price band of Rs 155-165 the issue is fairly priced, considering the company's expansion plans, prepayment of debt will reduce company interest costs and the aggressive growth strategy in telecom sector which will boom in future once the 3G technology is enabled, we feel that the investor can subscribe the issue as the company has potential to deliver very good returns for the horizon of 2-3 years. Any sector rerating will give further upside for the company. We also believe that given the current market scenario one may invest in the company for listing gains.

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