

**INDIA**

**Market Cap**

**Rs.10604.72 mn**

**14<sup>th</sup> December, 2009**

**BUY**

**Target price: Rs.140.00  
(For Medium to Long term)**

**GEODESIC**

**Geodesic Limited**

- We initiated the coverage of Geodesic Ltd and set a target price of Rs.140.00. It is an innovator in software products focused on Information, Communication and Entertainment for mobile phones and desktop computers.
- The company is in talks to acquire a social net working company in Europe for a consideration of USD 15-16 Mn.
- The company has been focusing on developing economies such as China and Latin America as new target markets with good growth potential.
- The company is planning to set up a small facility for manufacturing Simputer in Roorkee.
- The company has worked on many e-governance pilot projects and hopes to bag orders from the government for the same.
- The top line and bottom-line of the company are expected to grow at a CAGR of 38.39% and 21.26% respectively over FY08 to FY11E.

One-year comparative graph with BSE



**U. Janakirao**  
Analyst  
Equity Research Desk  
[Janakirao@firstobjectindia.com](mailto:Janakirao@firstobjectindia.com)

**V.S.R Sastry**  
Vice president  
Equity Research Desk  
91-22-25276077  
[vsrsastry@firstcallindiaequity.com](mailto:vsrsastry@firstcallindiaequity.com)

**Dr. V.V.L.N. Sastry Ph.D.**  
Chief Research Officer  
[drsastri@firstcallindia.com](mailto:drsastri@firstcallindia.com)

Key Financials	FY08	FY09	FY10E	FY11E	Key Data	
					Face Value (Rs.)	2.00
Net Sales(mn)	3164.34	6531.43	6988.63	8386.36	Shares Outstanding	92.22mn
EBITDA(Rs.mn)	2052.69	3618.02	3720.83	4338.12	52 wk. High/Low	Rs.158.65/38.5
EBITDA Margin (%)	64.87%	55.39%	53.24%	51.73%	Volume (2wk.Avg.)	488783
Net Profit (Rs.Mn)	1486.33	2643.44	2450.58	2650.18	BSE Code	503699
Net profit Margin (%)	46.97%	40.47%	35.07%	31.60%		



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## Peer Group Comparison

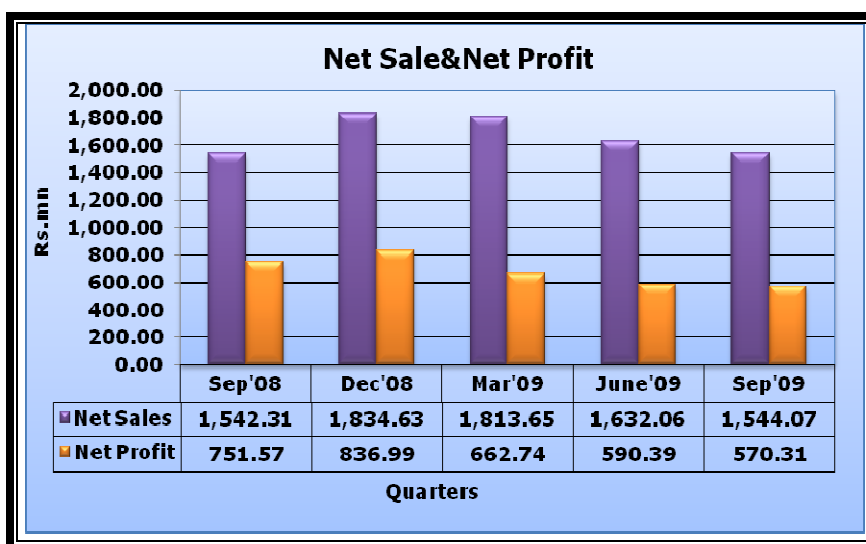
Name of the Company	52 wk High / Low(Rs.)	C.M.P(Rs.)	E.P.S(Rs.)	P/E(x)
Geodesic	158.65/38.50	115.00	28.66	4.01
Allied Digital	279.75/73.03	226.00	23.95	9.43
Sasken Comm.	184.90/41.00	178.65	15.65	11.42
KPIT	138.40/20.00	132.95	10.45	12.72

## Updates of the Company

### • Results Update (Q2FY10)

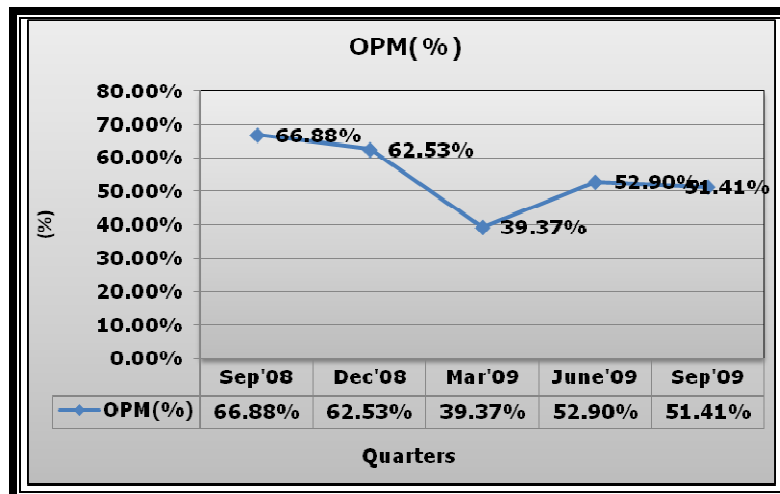
For the quarter ended on September 30, 2009 (Consolidated) the company has registered a 0.11 % (YOY) growth in the net sales and stood at Rs.1544.07 mn from Rs.1542.31 mn of the corresponding period of the previous year. The operating profit for the quarter stood at Rs.793.85 mn which is marginally decreased from Q1FY09. During this quarter operating profit margins stood at 51.41%. The PAT for the company was lower YoY due to foreign exchange losses were due to forward contract and exchange losses. The Company reported net profit of Rs.570.31 mn. EPS for the quarter stood at Rs.6.18 per equity share of Rs.2.00.

Quarterly Results – Consolidated (Rs in mn)			
As at	Q2FY09	Q2FY10	%Change
Net Sales	1542.31	1544.07	0.11
Net Profit	751.57	570.31	(24.12)
Basic EPS(Rs)	8.15	6.18	(24.17)

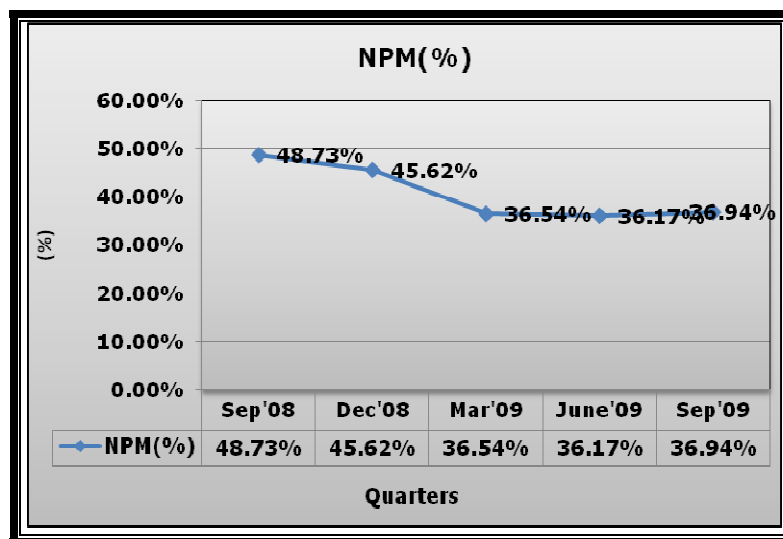


• Margins (%):

**Operating Profit Margins (OPM %)**



**Net Profit Margins (NPM %)**



- **Plans for acquisitions**

The Company had raised USD 125 Mn through FCCB in Jan 2008 for acquisitions abroad. It had also bought back FCCB worth 8.5 Mn at a discount. The company has USD 113.5 Mn worth of FCCB outstanding conversion in 2013 at a price of Rs 256 per FCCB and a maturity yield of 6.6%. Geodesic has a past track record of acquiring companies, like E-dot, Picopeta and Chandamama, and improving their performance substantially, post-acquisition. Company has utilized some of these funds for investment in Subsidiaries and product marketing. Going forward, we expect the company to scout and acquire companies abroad. This would aid the company in reporting a growth in topline and Bottomline.

- **Focus on developing economy**

India is adding close to 8-10 Million subscribers in the telecom Sector every month. At present, India has close to 16mn internet enabled cell phone user. Tele density is increasing at a fast pace and so is the mobile device Industry. Similar trend exists in other developing economies such as China, Africa, Latin America and Middle East. Company is actively involved in increasing its presence in these economies. The company in last quarter had bagged clients in Latin America. The company plans to intensify focus on these geographies as it believes that these areas would give company incremental growth in the coming years.

- **Launching new products**

The Company has been constantly developing new products. The company was the first to come out with IM for I-Phone, the Instant Manager (IM) was well received. The company has constantly upgrading its products and launching new products. The company is launching SPOKN, a completely new branded retail VOIP service in the month of September and this is expected to be a major revenue earner for Geodesic going forward.

- **The Spokn Internet telephony service**

The Spokn Internet telephony service promises to change the way voice communications are used. In fact, it has the potential to redefine the way voice communications and the Internet synergize. The most important aspect of Spokn technology is that it is entirely open and fully mashable. For instance, a user can put Spokn on his/her Facebook profile or the blog where readers can leave a voice message. Besides, a user can pick up any IP phone and it will work as soon as he/she puts in his/her Spokn ID and password. They are entirely converged now. It is amazing that with Spokn, you can dial any e-mail address and leave a voice message.

- **Acquires South America-based Co**

It has acquired a South America-based software provider of advanced instant messaging and value added solutions. The acquisition expands the company's global footprint beyond India, Europe, Asia and the US and into South America and Africa. Under the terms of the agreement, Interactive Networks becomes a wholly-owned subsidiary of the company.

- **Dividend declared**

For the the financial year 2008-09 the company has declared a dividend of 40% (Re.0.80 per share) on the face value of equity share Rs.2 each.

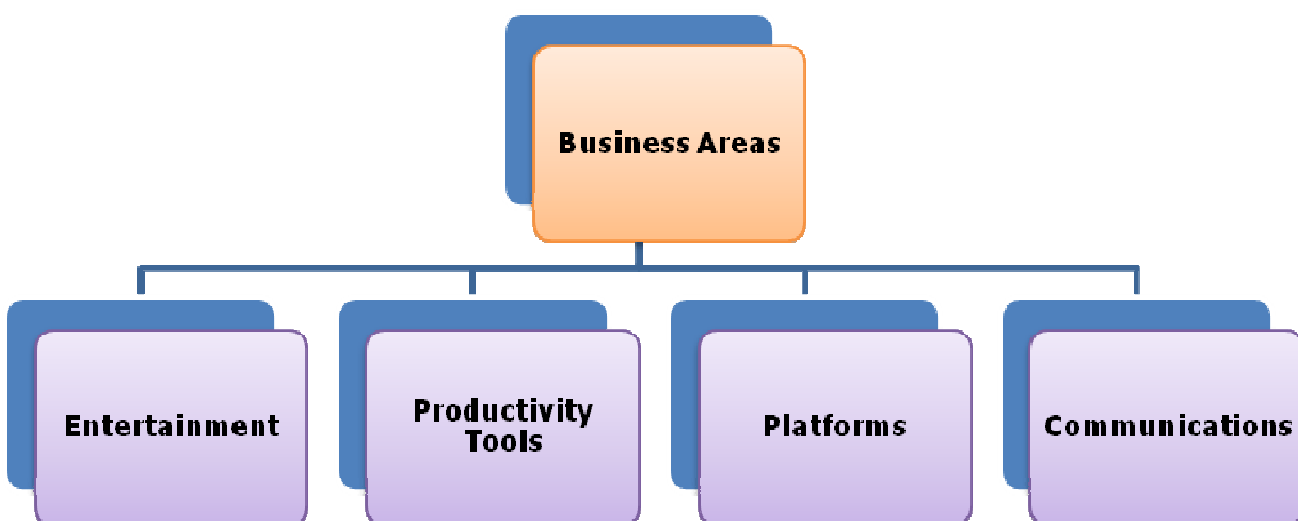


## Company Profile

Geodesic was founded, by Mr. Pankaj Kumar, Mr. Kiran Kulkarni, Mr. Prashant Mulekar and Mr. Mahesh Murthy, in the year 1999. The Company is an innovator in software products focused on Information, Communication and Entertainment for mobile phones and desktop computers under the 'Mundu' brand name for the retail segment. Geodesic Limited derives a major portion of its revenues in the enterprise segment from the integrated content, Customer Alignment and Relationship Management (CARM), real-time communication and collaboration suite. Geodesic offers a variety of services like Instant Messenger (IM), Internet Radio, and Voice over Internet Protocol (VoIP), remote desktop, etc., on the smart phone. The company has subsidiaries in USA, Hong Kong, Sweden and Singapore in addition to Indian Subsidiary ChandaMama Ltd.

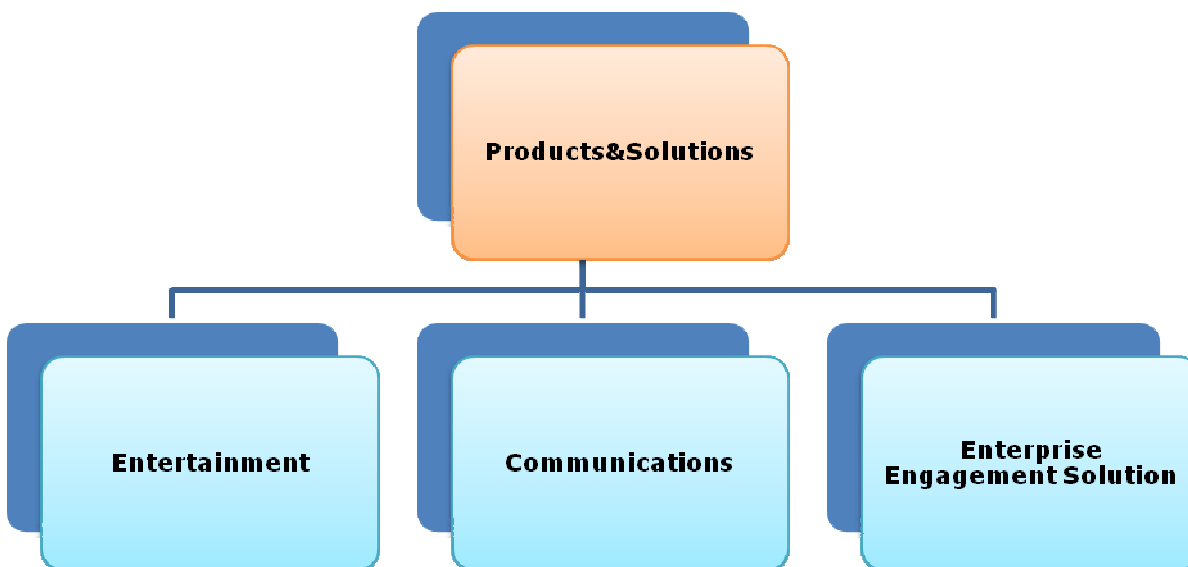
## Business Area

The Geodesic business model is based on a recurring revenue stream. The nature of the products and the business promotes returning customers and all Geodesic products are created with this model in mind.



## Products & Solutions

Geodesic's product-list is versatile and all-encompassing when it comes to offering choice of communication and collaboration solutions to its users, whether it is the inherently simple hand-held Simputer to web-based mobile & wireless applications to the intricately complex Spyder applications. Geodesic's mix of innovative products and high performance solutions has driven the company to profit right from its first year. Focusing its inventive capabilities across all aspects of communication and collaboration the company is widely recognized for its pioneering universal instant messaging system.



### 1. Entertainment:

#### "Mundu" Radio

Mundu Radio is an internet radio solution for mobile phones, PDA and Pocket PC handsets. It allows the users to live stream over a lakh internet radio stations on mobile phones. Users can access various predefined digital internet radio stations and the broadest array of music and music-related content available on the web today viz: Pop, Rock, Classical, Oldies, Instrumental, Jazz, Hip Hop, News, Sports, Finance, Talk Shows and much more. It also offers users the benefits of personalization and listening to their choice of music genres and songs whenever they like. mundu radio client is available for more than 100 popular handset based J2ME, Symbian series 60, Windows mobile and Palm OS platforms.

## **2. Communications:**

### **Mundu messenger**

Mundu IM enables real-time communication and collaboration between trusted lists of IM contacts across public IM Networks (viz. Yahoo, MSN, GTalk, ICQ, AIM, and Jabber) on the web, desktop and mobile phones. This product is predominantly white labeled by B2B and B2C enterprises and retailed to end consumers on smart mobile phones

### **Mundu IM Referral**

Mundu IM Referral is an online viral marketing solution allowing users to refer online content to their IM buddies without leaving the site they are on. mundu IM Referral provides portals, media, publishers and other online businesses a platform to connect with their readers/users on the Web.

### **Mundu IM Around**

Mundu IM Around enables users to embed their presence within email, web pages and documents and broadcast it to intended recipients. IM Around enables real time chats between the user and the intended recipient without any download.

### **Mundu Montage**

Mundu Montage is a revolutionary application that allows users to create and share unique messages with images, photos, sketches, doodles and handwritten notes. mundu Montage is a very personalized visual message and enables users to be creative and expressive in their messages. The product is available for on Windows Mobile PocketPC, Palm OS, Symbian UIQ 3.x.

### **Spokn**

Spokn is a worldwide telecom service provider that enables subscribers to communicate conveniently and cost-effectively with other Spokn subscribers, regular phone users & Internet users. Spokn enables the subscribers to utilize multiple communication endpoints simultaneously. In short you have the choice of receiving your phone call on either your cell phone, your computer & if unanswered a VMS will be mailed to you. Spokn provides phone numbers in various countries, thus enabling one of being available on multiple international phone numbers. Spokn is the most comprehensive internet telephony service to date with a host of breakthrough features that will change the way voice communications is used forever.

### **Mundu SMS**

Mundu SMS is a simple, easy to use, single screen, powerful messaging application, empowering you to send inexpensive SMS across mobile and desktop platforms. Like all the other mundu products, this application also needs internet connectivity on mobile phone, through GPRS, Edge or Wi-Fi. This product brings down the cost of sending SMS to virtually zero.





### 3. Enterprise Engagement Solution

#### GeoAmida

GeoAmida is the world's first integrated linux based mobile computer. It has biometric and smart card enabled multi-lingual real time computing and transaction system. GeoAmida has been designed to meet and exceed the technological challenge of reaching the remotest areas. GeoAmida enables the Government, financial institutions, NGOs and enterprises to offer and deliver sophisticated services to their most remote clients.

#### Spyder

Spyder is a web based advanced CRM system, designed and developed keeping in mind the unique requirements of complex contact management needs of financial institutions. Spyder comprises a suite of tools that enhances customer retention by tracking client and prospect communication, enabling personalized responses in alignment with client specific needs, providing mechanisms to target clients based on their interests and generates alarms when misalignment occurs, consolidating interactions with clients (email, meetings, product distribution notes etc) and summarizing from both the client perspective and the internal staff perspective etc. Spyder has been integrated with telephony including voice and text messaging.

#### ADePT

ADePT provides presence based self-serviced end-to-end online advertising solutions to online portals and their advertisers. It helps generate revenues for our portals and publishing customers by integrating context sensitive advertisements with chats across mundu Interoperable Instant Messenger

#### Subsidiaries:

The company has subsidiaries in USA, Hong Kong, Sweden an Singapore in addition to Indian Subsidiary ChandaMama Ltd.

1. Chandamama India Ltd
2. Geodesic Holdings Ltd
3. Geodesic Technology Solutions Ltd
4. Geodesic Hong Kong Ltd
5. Geodesic Information Systems Inc



## SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> <li>• Strong Management</li> <li>• Strong client base</li> <li>• Innovative Technology</li> <li>• Market leadership</li> <li>• User-friendly products.</li> </ul>	<ul style="list-style-type: none"> <li>• Falling earnings</li> <li>• High Debt.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• The company has constantly upgrading its products and launching new products. The company is launching SPOKN, a completely new branded retail VOIP service in the month of September and this is expected to be a major revenue earner for Geodesic going forward.</li> <li>• A constraint on spectrum would push GSM and CDMA companies to adopt IP based telephony. Moreover, to serve the ever increasing subscriber base, particularly in India, Africa and Latin America. VOIP which is still awaiting approval, would provide the necessary impetus for the company's growth.</li> <li>• The company plans to intensify focus on geographies as it believes that these areas would give company incremental growth in the coming years.</li> </ul>	<ul style="list-style-type: none"> <li>• Geodesic derives majority of its revenues in Foreign Currency and therefore adverse movement in currency can result in the company reporting lower OPM and PATM.</li> <li>• Competition from well established large and mid cap IT companies may intensify in the coming years.</li> <li>• The company has been in acquisition mode for the past few years and plans to acquire more companies. Integration of these companies would remain a key concern going forward.</li> <li>• Slow down in IT sector</li> </ul>

**Financials****Result Updates****Quarterly Ended Profit & Loss Account (Consolidated)**

<b>Value(Rs. in million)</b>	<b>31-Mar-09</b>	<b>31-June-09</b>	<b>30-Sep-09</b>	<b>31-Dec-09E</b>
<b>Description</b>	<b>3m</b>	<b>3m</b>	<b>3m</b>	<b>3m</b>
<b>Net Income</b>	<b>1813.65</b>	<b>1632.06</b>	<b>1544.07</b>	<b>1822.00</b>
Other Income	44.27	26.93	44.75	<b>46.32</b>
<b>Total Income</b>	<b>1857.92</b>	<b>1658.99</b>	1588.82	1868.32
Expenditure	-1143.91	-795.71	-794.97	-913.01
<b>Operating Profit</b>	<b>714.01</b>	<b>863.28</b>	<b>793.85</b>	<b>955.32</b>
Interest	-100.14	-91.34	-94.21	-96.23
Gross Profit	613.87	771.94	699.64	859.09
Depreciation	-113.50	-250.75	-129.56	-136.23
<b>PBT&amp;E.items</b>	<b>500.37</b>	<b>521.19</b>	<b>570.07</b>	<b>722.86</b>
Exceptional Items	156.09	79.80	0.00	-
PBT	656.46	600.99	570.07	722.86
Tax	-1.23	-10.91	-0.01	-36.14
<b>Profit after Tax</b>	<b>655.23</b>	<b>590.07</b>	<b>570.06</b>	<b>686.71</b>
Extra	6.95	0.00	-0.06	-
Net profit before MI	<b>662.18</b>	<b>590.07</b>	570.00	<b>686.71</b>
Min I & Share P&L	<b>0.56</b>	<b>0.32</b>	0.31	-
<b>Net profit</b>	<b>662.74</b>	<b>590.39</b>	<b>570.31</b>	<b>686.71</b>
Equity Capital	184.43	184.43	184.43	184.43
<b>EPS(Rs)</b>	<b>7.19</b>	<b>6.40</b>	<b>6.18</b>	<b>7.45</b>
Face Value(Rs)	2.00	2.00	2.00	2.00

## Profit &amp; Loss Account 12 Months Ended on March 31st (Consolidated)

Value(Rs. in million)	FY08	FY09	FY10E	FY11E
Description	12m	12m	12m	12m
<b>Net Income</b>	<b>3,164.34</b>	<b>6,531.43</b>	<b>6988.63</b>	<b>8386.36</b>
Other Income	123.44	210.17	164.32	216.23
<b>Total Income</b>	<b>3,287.78</b>	<b>6,741.60</b>	<b>7152.95</b>	<b>8602.59</b>
Expenditure	-1,235.09	-3123.58	-3432.11	-4264.46
<b>Operating Profit</b>	<b>2,052.69</b>	<b>3,618.02</b>	<b>3720.83</b>	<b>4338.12</b>
Interest	-73.38	-397.35	-416	-564.00
Gross Profit	1,979.31	3,220.67	3304.83	3774.12
Depreciation	-336.18	-540.76	-691.23	-829.48
PBT&E.items	1,643.14	2,679.91	2613.60	2944.65
Exceptional Items	-	236.09	-	-
PBT	-	2,916.00	2613.60	2944.65
Tax	-157.08	-175.57	-163.02	-294.46
<b>Profit after Tax</b>	<b>1,486.06</b>	<b>2,740.43</b>	<b>2450.58</b>	<b>2650.18</b>
Extra	-0.58	-98.43	-	-
Net profit before MI	1,485.48	2,642.00	2450.58	2650.18
Mino	0.85	1.44	0.00	0.00
<b>Net profit</b>	<b>1,486.33</b>	<b>2,643.44</b>	<b>2450.58</b>	<b>2650.18</b>
Equity Capital	184.31	184.43	184.43	184.43
Reserves	4,578.49	7,221.93	9672.51	12322.69
Face Value	2.0	2.00	2.00	2.00
Total No. of Shares	92.155	92.215	92.22	92.22
<b>EPS(Rs)</b>	<b>16.12</b>	<b>28.66</b>	<b>26.57</b>	<b>28.74</b>

A=Actual E=Estimated

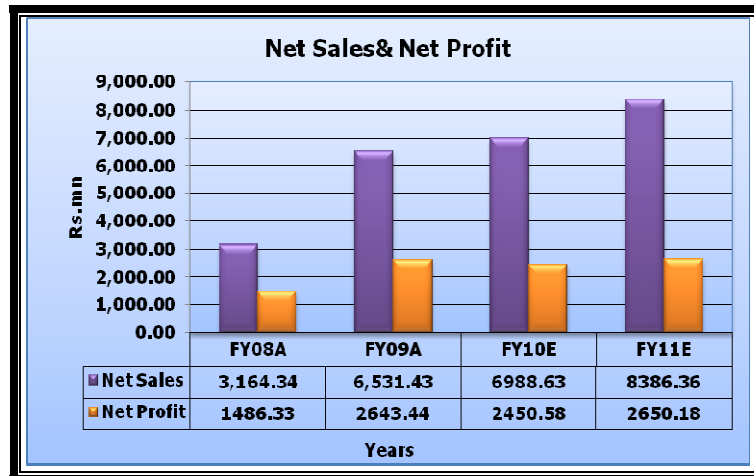


**Key Ratios**

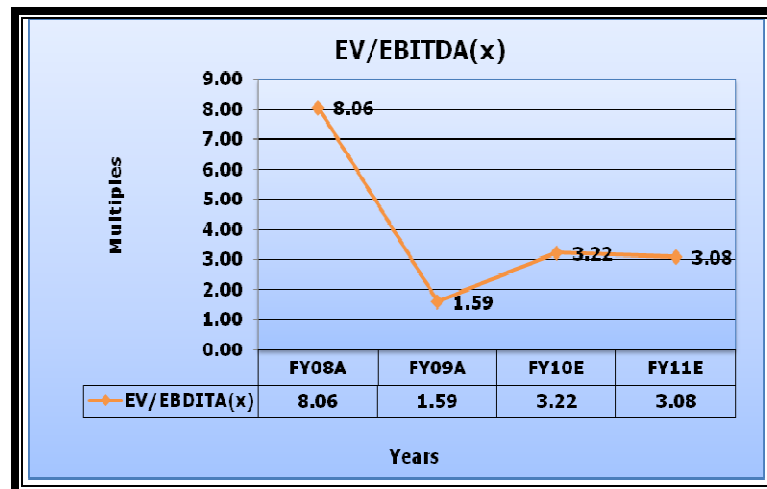
<b>Particulars</b>	<b>FY09</b>	<b>FY10E</b>	<b>FY11E</b>
Equity Capital (Rs.mn.)	184.43	184.43	184.43
EBDITA Margin (%)	55.39%	53.24%	51.73%
Net Profit Margin (%)	40.47%	35.07%	31.60%
P/E (x)	2.18	4.33	4.00
ROE (%)	35.69%	24.86%	21.19%
ROCE (%)	22.24%	17.89%	17.29%
EV/EBDITA(x)	1.59	3.2	3.08
Book Value (Rs.)	80.31	106.8	135.63
P/BV (x)	0.78	1.54	1.22
Debt-Equity ratio(x)	0.87	0.72	0.62

Charts

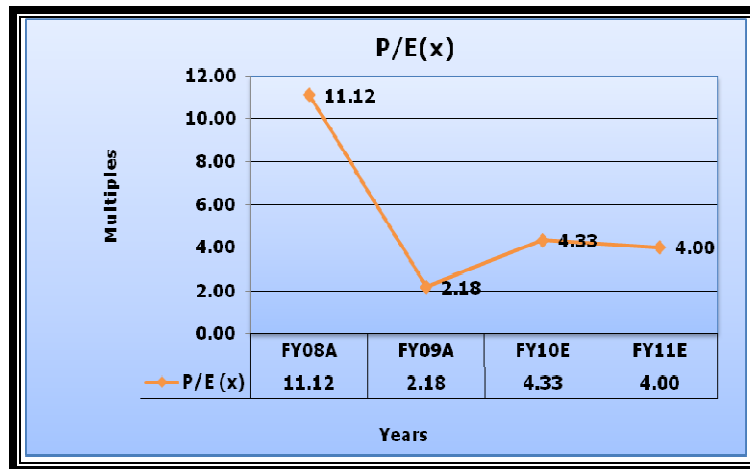
A) Net sales & PAT Chart



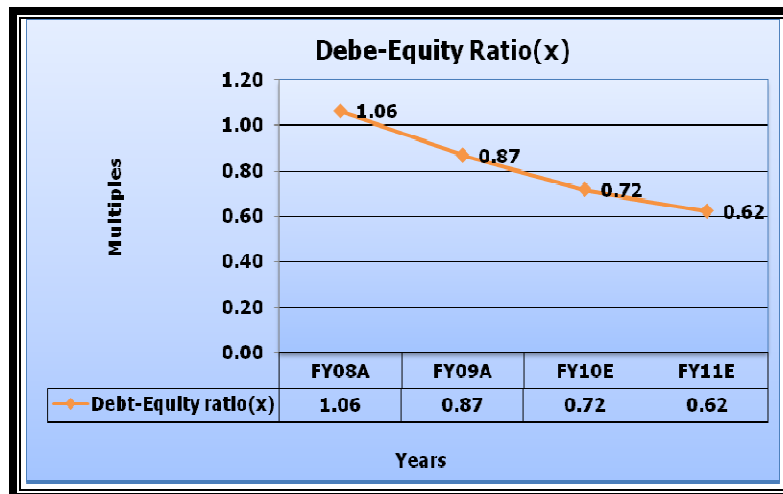
B) EV/EBITDA chart



C) P/E Chart



D) Debt- Equity ratio chart



## Valuation

- At the current market price of the stock Rs.115, the stock trades at a P/E of 4.33 x and 4.00 x for FY10E and FY11E respectively.
- The EPS of the stock is expected to be at Rs.26.57 and Rs.28.74 for the earnings of FY10E and FY11E respectively.
- The company has reported near 100% CAGR in top line and bottom-lines over the past five years. The topline and bottom-line of the company are expected to grow a CAGR of 38.39% and 21.26% respectively over FY08 to FY11E.
- Price to Book Value of the stock is expected to be at 1.54x for FY10E and 1.22 x for FY11E
- The company has increased its top line by acquiring companies and increasing its portfolio of products.
- The company has been focusing on developing economies such as China and Latin America as new target markets with good growth potential.
- A constraint on spectrum would push GSM and CDMA companies to adopt IP based telephony. Moreover, to serve the ever increasing subscriber base, particularly in India, Africa and Latin America. VOIP, which is still awaiting approval, would provide the necessary impetus for the company's growth
- The company plans to intensify focus on geographies as we believe that these areas would give company incremental growth in the coming years.
- The company is planning to set up a small facility for manufacturing Simputer in Roorkee.
- The company has worked on many e-governance pilot projects and hopes to bag orders from the government for the same.
- We recommend '**BUY**' in this particular scrip with a target price of **Rs.140.00** for Medium to Long term investment.





## IT& Telecom Industry overview

### IT:

India's IT industry can be divided into five main components, viz. software products, IT services, engineering & R&D services, ITES (IT-enabled services) and hardware. Export revenues continue to growth driver of the industry. Amongst the export revenues, project-based services accounted for more than 50% of the Indian IT services exports. Multi-year annuity based outsourcing agreements are expected to increase going forward. However, the majority share of the project based revenues is going to continue on the back of custom application development and application management.

### IT-BPO SECTOR-OVERVIEW

(USD billion)	FY2004	FY2005	FY2006	FY2007	FY2008	Growth% (08/07)
<b>IT Services</b>	<b>10.4</b>	<b>13.5</b>	<b>17.8</b>	<b>23.5</b>	<b>31.0</b>	<b>32</b>
-Exports	7.3	10.0	13.3	18.0	23.1	28
-Domestic	3.1	3.5	4.5	5.5	7.9	43
<b>BPO</b>	<b>3.4</b>	<b>5.2</b>	<b>7.2</b>	<b>9.5</b>	<b>12.5</b>	<b>32</b>
-Exports	3.1	4.6	6.3	8.4	10.9	30
-Domestic	0.3	0.6	0.9	1.1	1.6	41
<b>Engineering Services and R&amp;D, Software Products</b>	<b>2.9</b>	<b>3.8</b>	<b>5.3</b>	<b>6.5</b>	<b>8.6</b>	<b>32</b>
-Exports	2.5	3.1	4.0	4.9	6.4	29
-Domestic	0.4	0.7	1.3	1.6	2.2	38
<b>Total Software and Services Revenues</b>	<b>16.7</b>	<b>22.5</b>	<b>30.3</b>	<b>39.5</b>	<b>52.0</b>	<b>31</b>
-Exports	12.9	17.7	23.6	31.3	40.4	29
-Domestic	3.8	4.8	6.7	8.2	11.6	41
<b>Hardware</b>	<b>5.0</b>	<b>5.6</b>	<b>7.1</b>	<b>8.5</b>	<b>12.0</b>	<b>41</b>
-Exports	0.5	0.5	0.6	0.5	0.5	-
-Domestic	4.4	5.1	6.5	8.0	11.5	44
<b>Total IT-BPO Industry (incl. Hardware)</b>	<b>21.6</b>	<b>28.2</b>	<b>37.4</b>	<b>48.0</b>	<b>64.0</b>	<b>33</b>
-Exports	13.4	18.2	24.2	31.8	40.9	28
-Domestic	8.2	9.9	13.2	16.2	23.1	43

Source: **NASSCOM**

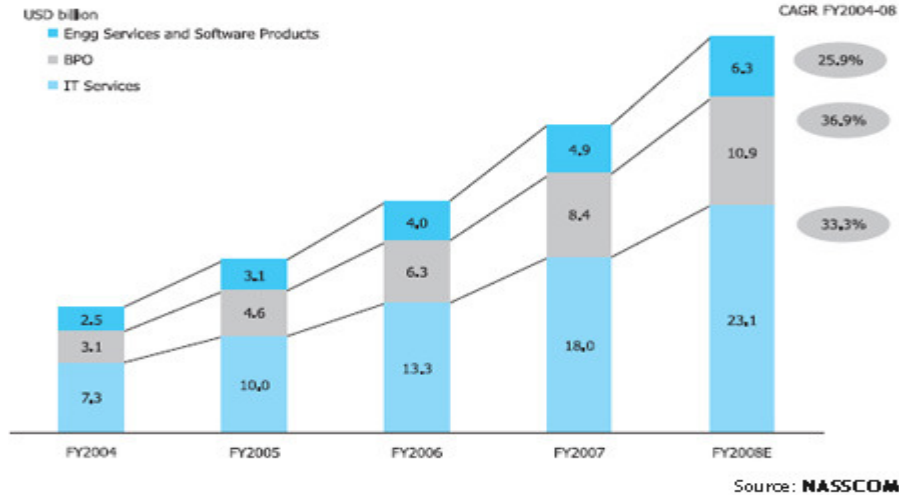
Indian IT-BPO grew 33% in FY08 and reached USD 64bn. in aggregative revenue, thus revalidating its strong fundamentals, despite strong concerns of slowing US economy and supply constraints. IT-BPO export reached USD 40.9bn in FY08 against USD31.8bn in FY07 i.e, it has grown 28%. Software and service export reached USD40.4bn, contributing nearly 63% of the overall IT-BPO aggregate revenue.

Domestics IT market has reached USD 23.1bn against USD 16.2bn in FY07 (a growth of 43%YoY). Hardware remained the largest segment of the domestic market with a growth rate of 44% in FY08. As a proportion of national GDP, the Indian technology sector revenue has grown from 1.2% in 1998 to 5.5% in 2008. Net value added by the sector to the economy was estimated at 3.3 – 3.9% for FY08.



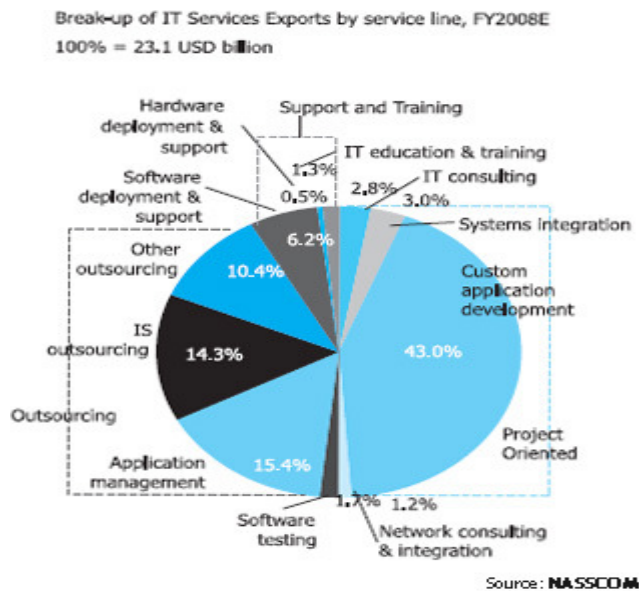
**IT Services**

IT Services involves a full range of engagement types that include consulting, systems integration, IT outsourcing/managed services/hosting services, training and support/maintenance.



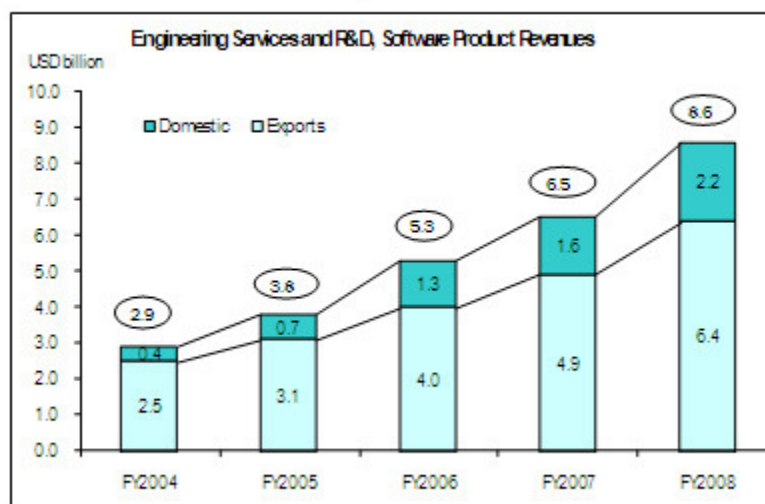
IT services (excluding BPO, Engineering Services, R&D and Software products), contributing to 57 per cent of the total software and services exports, remains the dominant segment and crossed USD 23 billion, a growth of 28 per cent in FY2008. The segment is witnessing a noticeable shift from projects towards multi-year outsourcing-based relationships; remote infrastructure management is emerging as a key growth driver.

**IT Services: Exports by Service Line (FY2008)**



Project-oriented services contributing to about 52 per cent, continues to be the largest segment of the IT Services exports. Outsourcing segment and Support and Training segment account for about 40 per cent and 8 per cent of the IT Services export segment respectively. Domestic IT services spends grew at over 43 per cent in FY2008, showing strong signs of increasing sophistication as building enterprise IT infrastructures and applications, networking and communication became key priorities for India Inc.

### ENGINEERING SERVICES, R&D AND SOFTWARE PRODUCTS



Source: NASSCOM

Complementing the strong growth in IT services and BPO exports is the continued expansion of the product development and engineering services segment, which also reflects India's increasing role in global technology IP creation. Export revenues from the relatively high-value-added services engineering and R&D, offshore product development and made-in-India software products grew at nearly 29 per cent to reach USD 6.4 billion in FY2008. Domestic spending in this segment grew by over 37 per cent in FY2008. Embedded solutions development, product design and prototyping are some of the key engineering services being sourced from India.

#### Telecom Sector:

Indian telecom is more than 165 years old, beginning with the commissioning of the first telegraph line between Kolkata and Diamond Harbour in 1839. In 1948, India had 0.1 million telephone connections with a telephone density of about 0.02 telephones per hundred populations. As of June 2007, there were 225.21 million telephone (including cellular mobile) connections in the country with a telephone density of 19.86 telephones per hundred population. Out of total 225.21 million telephone connections, 185.13 million (nearly 82 per cent) connections pertained to wireless and mobile phones.

Telecommunications is one of the prime support services needed for rapid growth and modernization of various sectors of the economy. It has become especially important in recent years because of enormous growth of Information Technology (IT) and its significant impact on the rest of the economy. India is perceived to have a special comparative advantage in IT and in IT-enabled services. However, sustaining this advantage depends critically on high quality telecommunication infrastructure. It is equally important to speed up structural changes in this sector in line with trends in other countries to ensure that telecommunication services are not only made available on the scale needed to sustain rapid growth in the economy as a whole but also that their cost are in tune with the expectations of a modernizing economy.



Telecom sector is considered to be one of the most vibrant sector with the highest growth rate which has nearly more than 60 lakh customers added every month. Today the Indian telecommunications network with over 270 million connections is the third largest in the world and the second largest among the emerging economies of Asia. Over the last few years the sector has witnessed high growth rates. The current addition of about eight million lines per month plus the telecommunications sector is on a strong footing to achieve the target of 500 million connections by 2010.

Year Ending	Broadband Subscribers	Internet Subscribers
2005	3 mn	6 mn
2007	9 mn	18 mn
2010E	20 mn	40 mn
<b>Source: Cris Infac, DoT</b>		

This industry offers a plethora of services. It is also easily accessible and easily available for every individual today. One of the best advantages in this industry is its drastic reduction in tariff compared to the prior periods. And it has a number of public as well as private sector companies which give a world class service to their customers.

The major classes of services in this sector are:

- Fixed – Copper, Optical Fiber, Wireless
- Mobile – GSM and CDMA Based
- Narrow band – Voice, Internet, Fax
- Broadband – High speed Internet, Video

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<b>Firstcall India Equity Research: Email – info@firstcallindia.com</b>	
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B. Prathap	IT
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*For Further Details Contact:*

*3rd Floor, Sankalp, The Bureau, Dr.R.C.Marg, Chembur, Mumbai 400 071*

*Tel.: 022-2527 2510/2527 6077/25276089 Telefax: 022-25276089*

*E-mail: info@firstcallindiaequity.com*

