

**MICRO TECHNOLOGIES
(INDIA) LTD.**

**TARGET PRICE ₹ 200 (EXPECTED RETURN 66.67%)
DURATION 9-12 MONTHS**



Market Data (as on 31st Mar 2011)

Price (₹)	120.40
Latest P/E	2.55
Mkt. Cap. (₹ Cr.)	168.08
Latest Book Value	271.85
Face Value (Rs.)	10.00
Latest EPS (₹)	47.23
Equity (₹ Cr.)	13.96
Div. Yield (%)	1.54
52 Week H/L (₹)	228.60/111.00
Industry P/E	25.34
Beta with Sensex	0.9614

Shareholding Pattern (31 Dec 2010)

Entity	(%)
Promoters	34.18
Public & Others	30.43
Non Promoter Holding	31.19
Institutions	0.19
Foreign	4.01
Total	100.00

Company Overview:

- Micro Technologies India Ltd. A Leading Global developer, manufacture and maker of security devices for its clients across the globe.
- The company incorporated in 1992 and headquarters in Mumbai, India. Company product line includes the much needed Security devices, life style and support system and web-based software.
- Company aims at displaying not just the technological innovation and prowess but also the product diversity in various segments of vehicle, computers, and premises, mobile, other assets and now entering energy & Health Segment.
- Micro Technologies has a history of leading-edge security solutions products. In the year 2000 Company has embarked upon massive expansion plans in the international sector in countries like US, UK and Australia.
- After the successful introduction in Apan and Israel Company expands its business to Mongolia and Tanzania.
- The Company Subsidiaries are Micro Secure Solutions Ltd and Micro Retail Ltd.
- Micro Technologies nominated on Forbes 'Best Under A Billion' List among 20 Indian and 200 Asian Companies selected out of 12000 reputed companies.
- Promoters Stake in December 2010 stands at 34.18% versus 30.95% in September 2010.

Financial Highlights:

- Company Total Income has increased with a CAGR of 42.99 % in last 4 years, from ₹ 106.92 Crores in FY-07 to ₹ 312.61 Crores in FY-10.
- Company's Profit After Tax has increased from ₹ 30.84 Crores in FY-07 to ₹ 63.64 Crores in FY-10 with a CAGR of 27.31%.
- For FY10, Reserve & Surplus stands at ₹ 346.33 Crores Versus ₹ 133.74 Crores in FY07 with a CAGR of 37 %.
- Net worth has increased to ₹ 362.83 Crores in current year against ₹ 144.26 Crores in FY-07, registering a growth of 35.57 %.
- Company's Earnings per Share has grown with a CAGR of 19.01 % at ₹ 49.22 in FY-10 versus ₹ 29.04 in FY-07.
- Dividend Policy of Company is quite stable; dividend declared by the company in FY10 is ₹ 2.00 versus ₹ 1.00 in previous year.

Financial Performance:

(In ₹ Crores)

Particulars	FY-10	FY-09	FY-08	FY-07
Total Income	312.61	230.72	172.47	106.92
Total Expenditure	186.22	129.58	97.45	65.30
PBIDT	126.39	101.14	75.02	41.62
PBDT	117.82	98.22	73.40	40.88
PBT	79.45	71.88	59.40	33.36
PAT	63.64	62.56	52.53	30.84
EPS (Rs.)	49.22	56.71	47.54	29.04
Dividend (Rs.)	2.00	1.00	2.00	2.00
Sources of Funds				
Equity Paid Up	12.84	11.00	10.97	10.52
Reserves and Surplus	346.33	255.94	192.13	133.74
Net Worth	362.83	273.10	203.10	144.26
Total Debt	143.45	93.74	70.18	9.37
Capital Employed	506.28	366.84	273.28	153.63
Application of Funds				
Net Block	187.12	159.54	134.26	55.04
Investments	33.10	16.05	0.54	0.00
Cash and Bank balance	41.63	36.88	11.10	23.90
Net Current Assets	224.49	172.74	120.09	82.16
Total Assets	506.28	366.84	273.28	153.63

Financial Performance (Quarterly):

(In ₹ Crores)

Particulars	Dec-10	Sep-10	Jun-10	Mar-10
Total Income	86.98	92.77	83.62	98.91
Total Expenditure	50.43	55.78	50.04	59.07
Operating Profit	36.55	36.99	33.58	39.84
PBDT	32.29	33.69	31.02	36.64
PBT	18.70	21.15	19.59	26.25
PAT	14.97	16.93	15.69	18.34

- Current ratio of company comes from 7.52 in 2007 to 2.10 in 2010 (Near to Ideal Ratio) which indicate company uses its Resources properly and can meet its current obligations.
- Net Profit Margin and Operating Profit Margin of the company are quite stable in last 4 years.
- Amongst peers, Micro Tech. is having highest turnover of ₹ 310.22 Crores in FY-10. Highest EPS at ₹ 57.92 and lowest PE at 2.59 which Indicates company is undervalued.

Ratio Analysis:

Key Ratios	2010	2009	2008	2007
Debt to Equity (x)	0.37	0.34	0.23	0.06
Current Ratio (x)	2.10	3.35	4.88	7.52
ROCE (%)	20.16	23.37	28.59	25.04
RONW (%)	20.01	26.27	30.25	23.98
OPM (%)	40.74	43.84	43.62	38.97
NPM (%)	20.51	27.16	30.54	28.88

Peer Group Comparison:

Company Name	P/E (x)	EPS (₹)	Sales (₹ in Cr)	OPM (%)	NPM (%)
Micro Tech. India Ltd.	2.59	57.92	310.22	40.45	20.51
Eclerx Serv	15.57	38.23	257.02	34.32	28.24
LGS Glob	4.97	4.34	239.47	11.07	4.60

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