

**Roman Tarmat Limited**
**PRICE BAND: Rs 150 – 175**
**SUBSCRIBE**
**Issue Details**

<b>Issue Size to public</b>	28,00,000
<b>Face Value (Rs)</b>	10
<b>Bid opens</b>	12-Jun
<b>Bid closes</b>	19-Jun
<b>Issue band (Rs)</b>	150 - 175
<b>Issue Type</b>	100% Book Building
<b>Lead Managers</b>	
Allianz Securities Ltd	
Darashaw and Company Pvt Ltd	
<b>Registrar</b>	
Bigshare Services Pvt Ltd	

<b>Issue Structure</b>	<b>Equity Shares</b>
Total Shares	29,00,000
<i>Reserved for employees</i>	<i>1,00,000</i>
Net Issue Size	28,00,000
QIB Portion	14,00,000
<i>MFs</i>	<i>70,000</i>
Non Institutional Portion	4,20,000
Retail Portion	9,80,000

No of Issued, subscribed and paid up shares (Pre Issue)	80,59,200
No of Issued, subscribed and paid up shares (Post Issue)	1,09,59,200

Promoter and Promoter Group holding (Pre Issue)	82.50%
Promoter and Promoter Group holding (Post Issue)	60.67%

**Background**

Roman Tarmat Ltd (RTL), an EPC services Provider Company engaged in Infrastructure projects, was established in 1986. The company primarily undertakes projects in three major segments – Airside Works, Highways & Roads and Civil Work and has its operations spread across the states of Maharashtra, Tamil Nadu, Karnataka, Kerala, Gujarat and Delhi. The company had been engaged in building runways for Mumbai, Delhi and military airports. On highways & roads front, it is involved in widening, strengthening, rehabilitation and maintenance of roads, and national and state highways. It has also considered civil work like constructing container yard, compound walls, site levelling and foundation laying for industrial structures. The company owns a Ready Mix Concrete plant at Mumbai with a capacity of 30 cu m/hour to cater to its own business and hence enhance efficiency.

RTL is eyeing road construction projects in SEZs and CFSs. The company not only plans to spread its operations to other states in India, but also intends to exploit opportunities in Middle Eastern countries.

**Objects of the Issue**

RTL intends to use the proceeds of the issue for Investment in Capital Equipment (Rs 22.9 Cr), Funding long-term Working Capital Requirements (Rs 18 Cr) and for General Corporate Purposes i.e. investments in growth plans like participation in BOT/BOOT projects.

**Valuations**

	<b>CMP</b>	<b>RONW</b>	<b>Order book / Sales</b>	<b>MCap / Sales</b>	<b>P/E</b>
<b>Roman Tarmat</b>	150.0	26.0	3.0	1.5	15.1
	175.0	26.0	3.0	1.7	17.7
<b>Gayatri Projects</b>	266.2	20.0	5.9	0.5	11.4
<b>PBA Infra</b>	75.3	17.1	2.0	0.4	8.7
<b>Unity Infra</b>	473.0	35.2	N/A	1.3	15.2

Looking at the government's thrust on infrastructure spending and huge opportunity in airport infrastructure development, Roman Tarmat will be one of the key beneficiaries. Taking into account that the Company is having a strong order book and is reasonably valued, we recommend investors to subscribe to the issue with a long-term perspective.

## Financial Summary

### Rs Cr

Particulars	9M FY07	FY06	FY05
Total Operating Income	83.4	86.8	75.5
Other Income	1.2	4.1	1.8
Total Revenue	84.6	90.9	77.3
Raw Material Consumed	17.2	19.2	22.8
Construction Expenses	49.4	52.6	41.4
Administrative & other Expenses	6.4	6.1	6.3
Depreciation	1.2	1.4	1.5
PBIT	10.5	11.6	5.4
Interest & Finance Charges	2.0	2.7	1.8
Profit before Tax	8.4	9.0	3.6
Tax	0.3	0.5	0.8
Profit After Tax	8.1	8.5	2.8
Equity	8.1	5.5	5.5
EPS*	9.9	7.8	2.6

\* Based on post issue equity of Rs 10.96 Cr

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