

NU TEK INDIA LIMITED

Note: Edelweiss Securities Ltd. is a Sub Syndicate member in the issue; accordingly, this note is prepared based on the RHP for informative purpose only.

Issue Highlights

Issue opens Tuesday, July 29, 2008

Issue closes Friday, August 1, 2008

Price Band Rs. 170 - Rs. 192

Face Value	Rs.10
Bid Lot	30 Equity Shares
Lead Manager & Syndicate Member	SPA Merchant Bankers Ltd, India Infoline Ltd and JM Financial Services Private Ltd
Registrar	Aarathi Consultants Private Limited
IPO Grading by CRISIL	'IPO Grade 3/5'

Issue Break up:

Public issue : 4,500,000 equity shares
Fresh Issue: 3,500,000 equity shares
Offer for Sale by the Selling Shareholder: 1,000,000 Equity Shares
Employee Reservation: 100,000 Equity Shares
Net Issue : 4,400,000 Equity Shares
Issue size at Lower Band: Rs. 76.5 Crs
Issue size at Upper Band: Rs. 86.4 Crs

Particulars	In Shares	% of Net Issue
QIBS	2,200,000	50%
Non institutional Bidders	660,000	15%
Retail Individual Investors	1,540,000	35%

Business Overview:

Nu Tek is a Telecom infrastructure services provider offering Infrastructure rollout solutions for both mobile and fixed telecommunication networks. The Company's strength lies in the breadth of services they offer in the telecom infrastructure space. They offer services to Telecommunication Equipment Manufacturers, Telecom operators as well as third party infrastructure leasing companies in installing and maintaining Telecom Network Equipment & Infrastructure. The Company, in the process of creating a total solution undertake initial feasibility studies, prepare strategies, and undertake engineering, electronics, construction, installation, integration and maintenance of network components for their customers. They are also registered with Department of Telecommunication as Infrastructure Provider - Category I. The continued growth in the number of cellular subscribers and service provider alongwith increasing minutes of usage per subscriber will require telecom operators to add additional equipments and investment on cell sites to maintain optimum performance of their networks. Today, the cellular operators have to continuously increase their foot-print by offering services to areas where there is no coverage. In order to meet the growing demand of new subscribers and the market conditions, the telecom operators are resorting more and more to outsourcing their network roll out components. The activities like operation and maintenance are now being routinely outsourced by all major telecom operators. Alongwith Operations and maintenance, several outsourcing deals like Network Management and Managed Services are being structured. At Nu tek, they offer all outsourced services related to design, installation, construction, operation and maintenance of telecom networks.

The Company undertake turnkey projects, provide management expertise to their clients for infrastructure creation and installation for telecom sites which includes Passive Infrastructure like Towers, Telecom Shelters, Backup Power -DG sets and Battery Banks, Electrical Infrastructure and Earthing Stations etc. and active infrastructure like Base Transceiver Station (BTS), microwave, optic fibre, Base Station Controller (BSC), Mobile Switching Centres (MSC), IN (Intelligent networks), Value added services (VAS) equipments, transmission equipment such as STM's and Microwaves to the most advanced World Interoperability for Microwave Access (WIMAX) equipment and future ready 3G Nodes.

With site-offices and facilities located in major cities and having executed projects in all the 23 telecom circles, they have the wherewithal to undertake multi-site projects pan India. They cater to almost all the Telecom Operators and Telecom Equipment Manufacturers. They also have a fully equipped Maintenance team which is responsible to regularly maintain the Telecom Infrastructure so built and also the Maintenance of Passive Infrastructure built by other infrastructure service providers.

The Company also provide technical support services in the High End Telecom segments such as Radio Frequency and Transmission Planning, Network Tuning & Optimization and Quality of Service (QoS) to their clients. This activity is undertaken through engineers and technical staff deputed on client sites/offices. Their business model works in three ways. One, getting direct orders of installation and maintenance of telecom infrastructure and equipment from telecom operators, secondly, getting orders from leading Telecom Equipment Manufacturers, who are engaged by telecom operators and thirdly from telecom infrastructure leasing companies for creation of telecom infrastructure.

Objects of the issue:

The Objects of the Issue are to raise funds for:

- Capital Expenditure
- Augmenting Long Term Working Capital requirement
- General Corporate Purposes
- Overseas Acquisitions
- Expenses related to Fresh Issue

Comparison of Accounting Ratios with peer group:

Name of the Company	Face Value (Rs.)	EPS (Rs.)	P/E	Ronw%	NAV (Rs.)
Nu Tek India Limited					
- As on March 31, 2008	10	16.04	[•]	23.79	62.87
- On the expanded capital immediately after the Issue	10	11.92	[•]	[•]	[•]
GTL Limited	10	8.8	24.6	9	97.70

Source: Capital Market Vol. XXIII/09 dated June 30 - July 13, 2008, Industry: Telecommunication Equipment

Financial Summary:

(In Rs. Millions)

Particulars	SUMMARY STATEMENT OF PROFIT AND LOSS (AS RESTATED)				
	31/03/2008	As on 31/03/2007	For the Financial Year Ended		
			31/03/2006	31/03/2005	31/03/2004
A. INCOME					
Income from Operations	951.63	635.70	469.08	304.51	231.18
Other Income	15.41	2.34	16.55	12.32	12.45
Total	967.04	638.04	485.63	316.83	243.63
B. EXPENDITURE					
Project Related Costs	481.67	281.51	249.76	116.40	67.26
Employee Costs	131.25	125.70	92.29	82.92	70.45
Administration, Selling and Other Expenses	28.49	20.33	35.45	48.15	56.45
Total	641.41	427.55	377.50	247.48	194.16
Profits Before Depreciation, Interest & Tax (A+B)	325.62	210.50	108.12	69.35	49.47
Interest & Financial Charges	13.92	4.21	3.61	1.90	1.10
Profits Before Depreciation & Tax	311.70	206.29	104.51	67.46	48.37
Depreciation	8.83	6.35	4.14	2.85	2.49
Profits Before Tax	302.87	199.94	100.37	64.61	45.88
Less:					
Current Year's Tax	93.50	85.60	45.93	9.85	12.66
Deferred Tax Liability / (Asset)	(7.20)	(3.40)	0.01	0.17	(0.04)
Fringe Benefit Tax	3.46	1.87	3.56	-	-
Provision for Interest on TDS	0.45	-	-	-	-
Profits After Tax	212.65	115.87	50.87	54.59	33.26
Less:					
Dividend paid on Preference Shares	5.85	-	-	-	-
Dividend Distribution Tax Paid	0.99	-	-	-	-
Income Tax Refund received	-	-	-	-	(0.93)
Profits After Tax	205.80	115.87	50.87	54.59	34.19
Balance brought forward from Previous Year	239.27	123.40	114.30	59.71	25.52
Less: Capitalisation of Reserves (Bonus Issue)	-	-	41.77	-	-
BALANCE CARRIED TO SUMMARY OF ASSETS & LIABILITIES	445.07	239.27	123.40	114.30	59.71

Cheque Details: In case of Resident Retail and Non-Institutional Bidders: "Escrow Account – NUTEK IPO - Retail - R"

Bankers: ABN Amro Bank, Development Credit Bank, HDFC Bank, HSBC Ltd, ICICI Bank and Standard Chartered Bank

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