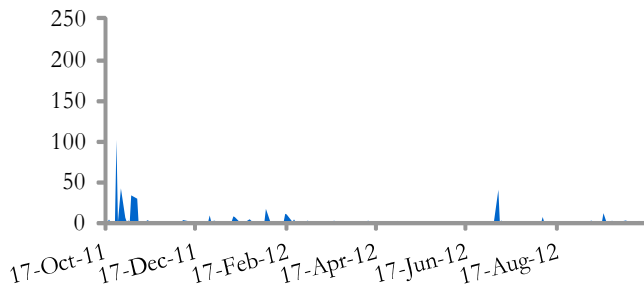


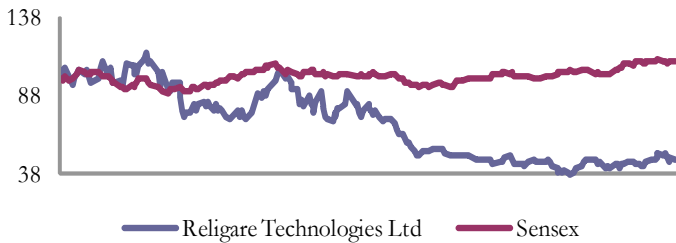
Equity Statistics

Current Market Price	Rs.	17.05
52 Week High/Low	Rs.	44.90/13.70
Market Capitalisation	Rs. Crores	13.86
Free Float	Rs. Crores	5.29
Dividend Yield	%	0.00
One Year Regression Beta	Times	0.23

BSE Volumes Trend - Average = 2.88 Thousand

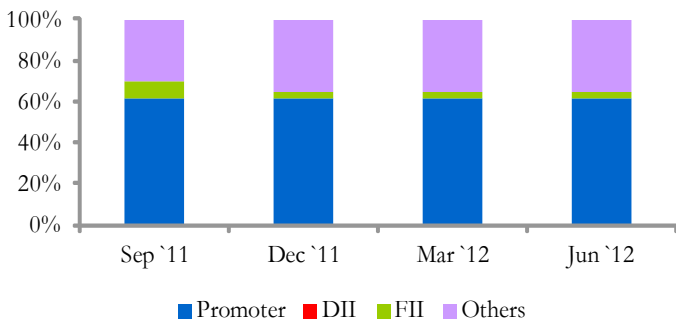


Relative Returns



Returns	1M	3M	6M	1 Yr
Absolute	1%	7%	-43%	-53%
Rel. to Sensex	1%	-3%	-48%	-57%

Shareholding Pattern



Soucre: BSE, Capitaline and CARE Research

Business Summary

Religare Technologies Ltd. (RTL) is an IT company focusing on healthcare IT and IT services. The company is a part of the Religare group, which has interests in financial services (Religare Enterprises), healthcare (Fortis HealthCare and Religare Wellness, formerly Fortis HealthWorld) and diagnostics (Super Religare Laboratories, formerly SRL Ranbaxy), among others. RTL has a diversified product portfolio spanning healthcare IT services, technology services, knowledge services, information services etc and is primarily operating in the Indian market. In FY12, RTL reported net sales of Rs.61.9 crore with loss at the net level of Rs.70.4 crore.

RTL's business comprises three primary segments viz., 'IT Services', 'Knowledge Services' and 'Healthcare Services'. IT Services is the main revenue generator contributing approximately 58% of total sales in FY12 followed by Healthcare Services and Knowledge services contributing approximately 11% and 10%, respectively.

Going ahead, the main strategy of the company is to increase the scale of operations by exploring new geographies, move up the value chain by providing higher end services and to target new sectors other than healthcare.

Board of Directors

Person	Role	Qualification
Maninder Singh Grewal	MD	B.Tech
Shivinder Mohan Singh	NED	BSc, MBA
Harpal Singh	NED	BSc, MA
Dr. Amit Varma	NED	M.B.B.S, MD
Vikram Sahgal	Independent	B.E, MBA
Dr. Preetinder Singh Joshi	Independent	M.B.B.S, MD
Padam Bahl	Independent	B.Com, LLB, FCA
R. K. Shetty	Independent	B.E
Capt. G.P.S. Bhalla	Independent	-

Source: AR and CARE Research

Note: MD: Managing Director, WTD: Whole time Director ED: Executive Director, NED: Non Executive Director

Background

Religare Technologies Ltd (RTL) was incorporated on May 22, 2009, with the name Religare Technova Services Ltd. In June 12, 2009, the company changed their name to Religare Technologies Ltd. In the year 2010, the company acquired the Healthcare Solutions Business of Sobha Renaissance Information Technology Pvt Ltd. Also, they acquired 30% equity stake in C2L Biz Solutions Pvt Ltd. During FY12, the Information Services Division of Religare Technova Global Solutions Limited was demerged and transferred to the company. Also, Religare Technova Business Intellect Ltd and Religare Technova IT Services Ltd were amalgamated with the company. The company's equity shares were listed on the Bombay Stock Exchange Ltd with effect from August 22, 2011. The company is a part of the Religare group, which has interests in financial services (Religare Enterprises), healthcare (Fortis HealthCare and Religare Wellness, formerly Fortis HealthWorld) and diagnostics (Super Religare Laboratories, formerly SRL Ranbaxy), among others. The company operates from 11 regional and branch offices.

Business overview

RTL is an IT company focusing on healthcare IT and IT services. The company's core domain is closely drawn from the vertical focus of the promoter group viz healthcare. RTL's business comprises three primary segments viz., 'IT Services', 'Knowledge Services' and 'Healthcare Services'. IT Services is the main revenue generator contributing approximately 58% of total sales in FY12 followed by Healthcare Services and Knowledge services contributing approximately 11% and 10%, respectively. The company is primarily operating in the Indian market.

Strengths and growth drivers

- The company has a diversified product portfolio spanning healthcare IT services, technology services, knowledge services, information services, etc.
- Geographical distribution with deep penetration in India.

Risk and concerns

- The ability to retain the existing talented employees along with the ability to attract new talents is the main challenge for the company. The industry including RTL has a high attrition rate.
- Negative net worth may impact the ability of the company on individual capacity to attract fresh capital/raise debt. However, being a part of the Religare group mitigates the risk to an extent.
- High debtor turnover in turn leading to working capital intensive operations.

Future strategy and expansion plans

- The main strategy of the company is to increase the scale of operations by exploring new geographies. It intends to establish offices in key overseas markets, including Asia Pacific, Middle East, North America and Western Europe. In the domestic market also the company intends to target new clients in the tier II cities.
- The company also plans to focus on moving up the value chain by providing higher end services such as business analytics, knowledge based services, business transformation services, etc.
- To target new sectors like transportation, retail and healthcare along with traditional BFSI using technology platform-based services.

Industry outlook

The world healthcare IT market is expected to grow to USD 162.2 bn in 2015, at a CAGR of 10.2% from 2011 to 2015. Need to cut healthcare costs, enhance clinical/administrative workflow of hospitals, and huge demand for faster, error-free, efficient healthcare delivery, is fueling the healthcare provider IT market worldwide. Furthermore, the initiatives taken by various governments for adoption of healthcare IT systems globally are also a significant driving force. The major initiatives expected to hugely impact the market are the U.S. Healthcare reforms.

Indian healthcare industry is estimated to be of Rs.2.8 tn in size in FY11, growing at a 5-year CAGR of 13.1% p.a. CARE Research estimates healthcare industry has the potential to almost double to Rs.5.0 trn over the next five years, implying a growth rate of 12% p.a. This will be mainly driven by rise in per capita spending on healthcare, change in demographic profile, transition in disease profile, increase in health insurance penetration, and fast growing medical tourism market.

Quarterly financials					
Income statement (Rs. crore)	Q1FY13	Q4FY12	Q3FY12	Q2FY12	Q1FY12
Total income	10.8	12.7	12.9	28.4	26.6
Net sales	5.3	8.2	9.8	21.7	24.1
EBITDA	(2.7)	(5.8)	(7.4)	(7.8)	(4.0)
Ordinary PAT	(15.7)	(16.4)	(20.1)	(22.2)	(14.3)
Adjusted PAT	(15.7)	(16.4)	(20.1)	(22.2)	(14.3)
Growth (Q-o-Q) (%)					
Growth in net sales	(35.3)	(16.8)	(54.8)	(9.7)	
Profitability ratio (%)					
EBITDA margin	NM	NM	NM	NM	NM
Adjusted PAT margin	NM	NM	NM	NM	NM

Source: BSE, Capitaline and CARE Research

NM: Non Meaningful; NA: Not Available

Financial analysis

- In FY12, RTL reported net sales of Rs.61.9 crore – recording de-growth of 17.7% y-o-y. Total income also witnessed de-growth of 33.8% during the same period.
- Being in the service industry, employee cost forms the largest portion of cost for RTL. In FY12, employee cost as a percentage of net sales was approximately 73%, increased from 66% during FY11.
- The company is incurring loss at the EBITDA level and also at the net level over the period FY10-FY12.
- The total debt as on March 31, 2012, was at Rs.392.2 crore compared with an adjusted negative networth of Rs.186.2 crore.
- The receivable days are stretched at around three months leading to high reliance on working capital.
- Operating cash flows for the company has been negative in each of the last three years.

Annual financial statistics	FY10	FY11	FY12
Income statement (Rs. crore)			
Total income	126.9	94.6	77.9
Net sales	125.2	93.5	61.9
EBITDA	(31.1)	(41.5)	(25.9)
Depreciation and amortisation	4.2	12.3	17.0
EBIT	(35.4)	(53.8)	(42.9)
Interest	6.8	17.5	47.3
PBT	(40.4)	(70.2)	(72.9)
Ordinary PAT	(40.6)	(70.2)	(72.9)
Adjusted PAT	(40.4)	(70.1)	(70.4)
Balance sheet (Rs. crore)			
Adjusted networth	(43.1)	(113.3)	(186.2)
Total debt	35.0	208.7	392.2
Cash and bank	1.1	7.0	3.6
Investments	3.1	3.1	3.1
Net fixed assets (incl. CWIP)	38.2	47.0	35.6
Net current assets (excl. cash, cash equivalents)	(50.5)	19.8	146.8
Per share data (Rs.)			
Adjusted BVPS	-	-	-
Diluted EPS*	-	-	-
DPS	-	-	-
Growth (Y-o-Y) (%)			
Growth in total income	(31.0)	(25.5)	(17.6)
Growth in net sales	(33.6)	(25.3)	(33.8)
Growth in EBITDA	NM	NM	NM
Growth in adjusted PAT	NM	NM	NM
Growth in EPS*	NM	NM	NM
Key financial ratio			
EBITDA margin (%)	NM	NM	NM
Adjusted PAT margin (%)	NM	NM	NM
RoCE (%)	NM	NM	NM
RoE (%)	NM	NM	NM
Gross debt - equity (times)	NM	NM	NM
Net debt - equity (times)	NM	NM	NM
Interest coverage (times)	NM	NM	NM
Current ratio (times)	0.5	1.9	7.7
Inventory days	76.5	12.0	12.5
Receivable days	69.9	103.2	101.6

Source: BSE, Capitaline and CARE Research

Note: Financial Year (FY) refers to period from April 1 to March 31

NM: Non Meaningful; NA: Not Available

DISCLOSURES

- Each member of the team involved in the preparation of this grading report, hereby affirms that there exists no conflict of interest that can bias the grading recommendation of the company.
- This report has been sponsored by the BSE Investors' Protection Fund.

DISCLAIMER

- CARE Research, a division of Credit Analysis & REsearch Limited [CARE] has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain or from sources considered reliable. However, neither the accuracy nor completeness of information contained in this report is guaranteed. Opinions expressed herein are our current opinions as on the date of this report. Nothing in this report can be construed as either investment or any other advice or any solicitation, whatsoever. The subscriber / user assumes the entire risk of any use made of this report or data herein. CARE specifically states that it or any of its divisions or employees do not have any financial liabilities whatsoever to the subscribers / users of this report. This report is for personal information only of the authorised recipient in India only. This report or part of it should not be reproduced or redistributed or communicated directly or indirectly in any form to any other person or published or copied for any purpose.

PUBLISHED BY

CARE Research is an independent research division of CARE Ratings, a full-service rating company. CARE Research is involved in preparing detailed industry research reports with 5-year demand and 2-year profitability outlook on the industry besides providing comprehensive trend analysis and the current state of the industry. CARE Research also offers research that is customized to client requirements.

Credit Analysis & REsearch Ltd. (CARE) is a full service rating company that offers a wide range of rating and grading services across sectors. CARE has an unparalleled depth of expertise. CARE Ratings' methodologies are in line with the best international practices.

Head Office: 4th Floor Godrej Coliseum, Off Eastern Express Highway, Somaiya Hospital Road, Sion East, Mumbai – 400 022. | Tel: +91-22-67543456 | Fax: +91-22-67543457 | www.careratings.com |

Regional Offices: New Delhi | Kolkata | Ahmedabad | Bangalore | Hyderabad | Chennai | Pune |

Published on behalf of The Stock Exchange Investors' Protection Fund

First Floor, P J Towers, Dalal Street, Mumbai.
Tel: 22721233/34 | www.bseindia.com

