

## Cox and Kings (India) Ltd.

Mar 23, 2010

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### BUY

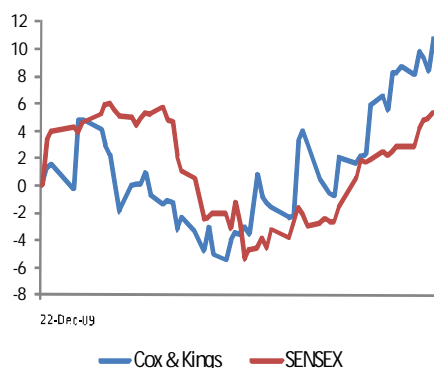
Current Price	Rs 475
Target Price	Rs 580
% upside	22%
52 Week Range	Rs.487 / Rs.304

### Key Share Data

Market Cap	Rs.29.9 BN/\$622.6 MN
EV / Sales	8.0
EV / EBITDA	18.1
1mth avg. daily vol.	Rs.99.8 mn/\$2.1 mn
No. of Shrs o/s in MN	62.9
Book Value	131.6
BSE / NSE	533144 / COX&KINGS
Reuters	COKI.BO
Bloomberg	COXK IN Equity

### Share holding (%)

Period	Dec'09
Promoters	63.6
MF/Banks/FIs	8.5
FII's	18.8
Public & Others	9.1
<b>Total</b>	<b>100.0</b>



**Established brand in travel & tourism:** Cox & Kings (India) Ltd. (C&K) is amongst the oldest travel brands in the country offering travel (leisure & business), forex and visa processing services. Outbound leisure travel is the largest contributor to C&K's business accounting for more than 50% of sales, growing at a CAGR of 35%, ~10% comes from Forex while the rest comes from Inbound & Domestic Travel.

**India tourism offers vast potential:** The rising Indian middle class population which is expected to reach ~500 mn people in next ten years is a huge market for companies like C&K not only for outbound tourism but for domestic market as well, which is largely catered by mom and pop shops. There are less than 20 organized tour operators in India while there are more than 25000 travel agents. The advantages for C&K are obvious, people want hassle free reliable tours at a reasonable price. C&K with its long history having serviced millions of clients and bulk buying advantage can provide all of that.

**The competitive edge:** Tourism is a highly unorganized industry wherein the bargaining power of the industry is very low. This gives huge advantage to companies like C&K who have large volumes (C&K's gross turnover is around Rs.1000 cr per annum) and advantages of bulk buying. Thus C&K can provide a better package at a lower cost, driving the competition away. As per the company its gross commission has increased from 10% to 22% over the last 5 years

**Highly scalable model with low capital requirements:** Cox & Kings brand has evolved over a 250-year history and is amongst the most recognized holiday brands. The company is leveraging its brand to penetrate deeper into the country. It is present at 164 locations. Currently it has around 85 franchisees and is targeting ~200 franchisees by FY11.

**Valuation:** C&K's revenue have grown at a CAGR of 66% over FY06-09 while OPM was in the range of 40%-42% and pre-exceptional income PAT has grown at a CAGR of 80% over the same period. Ex-India revenue share has risen to ~47% in FY09 from less than 10% two years ago. Over FY09-12, we expect C&K's revenues and PAT to grow at a CAGR of 30% and 42% respectively. At the CMP of Rs.480, the stock is trading at 21.6x & 16.4x its expected FY11 & FY12 earnings. We recommend buy on the stock with a one-year target price of Rs.580 at that price the stock will trade at 20x FY12 earnings, which we believe is justifiable considering the high historical growth rates and potential future prospects.

Year	Net Sales	%growth	EBIDTA	OPM%	PAT	%growth	EPS	PE(x)	RoE%	RoCE%
FY09	2,869.0	57.5	1,213.7	42.3	628.1	47.5	22.5	21.1	31.9	25.5
FY10E	3,696.3	28.8	1,630.8	44.1	1,228.6	95.6	19.5	24.3	23.3	18.3
FY11E	4,763.3	28.9	2,090.4	43.9	1,384.8	12.7	22.0	21.6	15.8	17.6
FY12E	6,140.0	28.9	2,744.9	44.7	1,822.3	31.6	29.0	16.4	18.2	21.1

Dalal & Broacha Research is available on Bloomberg DBVS<GO>



### Investment Case:

**C&K's focus on emerging markets to help garner higher growth:** C&K derives over half of its earnings from the emerging markets (mainly India) and is focused on increasing its presence in other high growth geographies (mainly the Middle-East and South-East Asia). This, we believe, bides well for the company, as it is ideally poised to benefit from a strong growth in demand for outbound and inbound services in these areas, enabling it to achieve a high growth rate in the future.

According to WTTC estimates, the world travel and tourism industry is expected to clock a CAGR of 4% over FY2009-2019E. The growth rate is expected to be much higher in the case of emerging markets, mainly India, the Middle-East and South-East Asia. According to WTTC estimates, the tourism industry in India, the Middle-East and South-East Asia is likely to witness a CAGR of ~8% over FY2009-2019E.

Developed countries, which until recently have been the key drivers of growth in the tourism industry, are expected to take a backseat over the next decade. Although countries like the US, Japan, China and West-European countries would continue to generate a big chunk of travel and tourism demand, in terms of growth, the emerging countries in Asia, the Middle-East and Africa are likely to lead going ahead.

The shifting of the trend towards the emerging markets is evident from the steep decline in the share of the top 15 destinations of international tourist arrivals (from around 75% in 1970 to around 57% in 2007).

**Presence across the value-chain:** C&K offers complete travel solutions, and serve as an integrated provider of all travel and travel-related products. The company provides a 'One-Stop Shop' for all travel requirements, from visa formalities to ticketing, holidays, insurance and foreign exchange. Besides, the company is in the process of rolling-out a pan-India, luxury train, under the brand 'Maharajas' Express', through a joint venture with the Indian Railways.

### New initiatives:

**Visa processing:** The company has acquired Quoppro Global Services which marked its foray into the business of visa processing. Globally, visa processing is concentrated amongst few players and through this acquisition the company can explore potential in visa processing. In September 2008, C&K got an approval from The High Commission of India at Singapore for outsourcing their visa processing activities. Recently, it also got in-principle approvals from the diplomatic missions of India at Athens, Greece and at Hong Kong for outsourcing their respective visa processing activities.

**Luxury train tourism:** In Dec' 08, C&K formed a JV known as 'Royale Indian Rail Tours Limited' with IRCTC to operate a state of the art luxury train to be called 'Maharajas' Express' with scheduled launch in Jan' 10. The luxury train would have four different itineraries (of 7-8 days each) and undertake a total 16 journeys/year between September and April. While IRCTC will be involved in the operations, C&K (India) will leverage its overseas offices to market the product globally.

### Concerns:

The Travel and tourism industry is highly cyclical in nature and sensitive to changes in economic growth.

The industry is highly-fragmented and competitive, and thus faces stiff competition from other players and also from the unorganised sector.

C&K is exposed to currency fluctuations in the various countries that it operates in. Though the company does not keep any open positions and immediately buys/sells the foreign currency at the time of booking, any wild swing in the currencies may have some impact.

### Company Background:

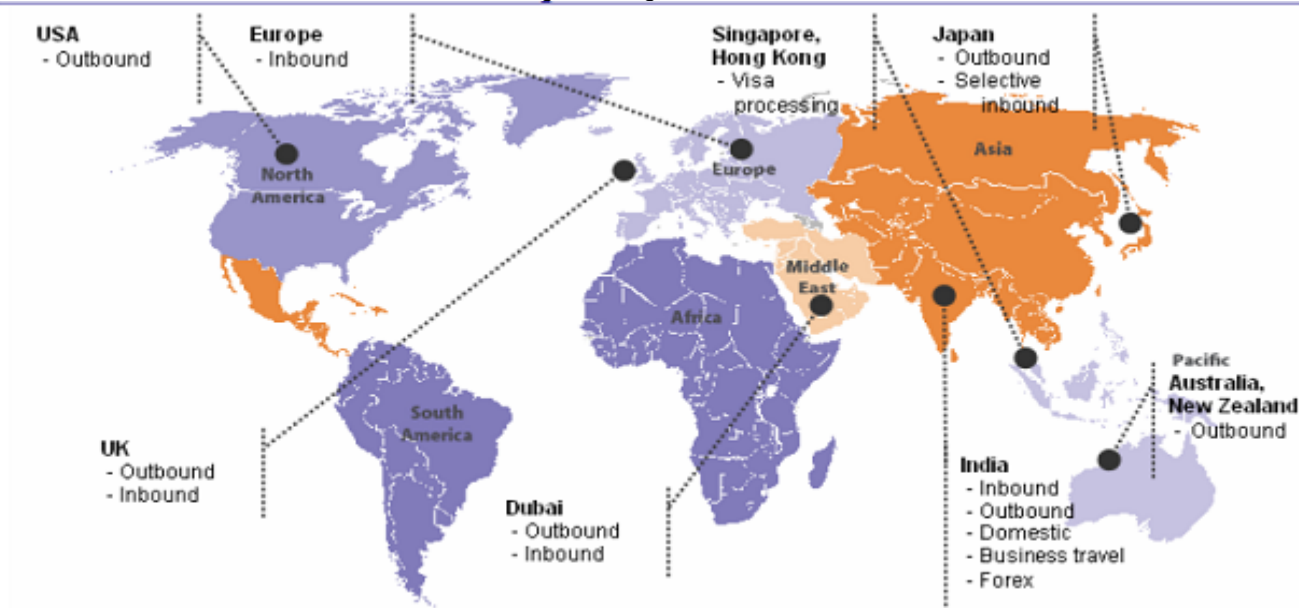
The Cox and Kings brand has evolved through over 250 years of history and today is one of the recognized holiday brands that caters to the overall travel needs of Indian and international traveler. The company serves as a 'One Stop Shop' for all travel and travel related products.

C&K business can be broadly categorized as leisure travel, corporate travel, forex and visa processing. It designs travel packages for both individuals and groups for their domestic and international leisure travel. The company makes travel arrangements for corporate clients to cater to their business meetings, conferences, events and as an incentive for their employees and business partners. Besides, it offers travel related forex & payment solutions.

In India, the company has 255 points of presence covering 164 locations through a mix of branch sales offices, franchised sales shops, General Sales Agents and Preferred Sales Agents. Besides, it operates through 85 franchisee sales shops spread across India.

C&K has a global presence with operations in 20 countries (including India) through subsidiaries, branch offices and representative offices. The company is a shareholder member of Radius Inc, a consortium of leading travel agents around the world.

### C&K Presence:

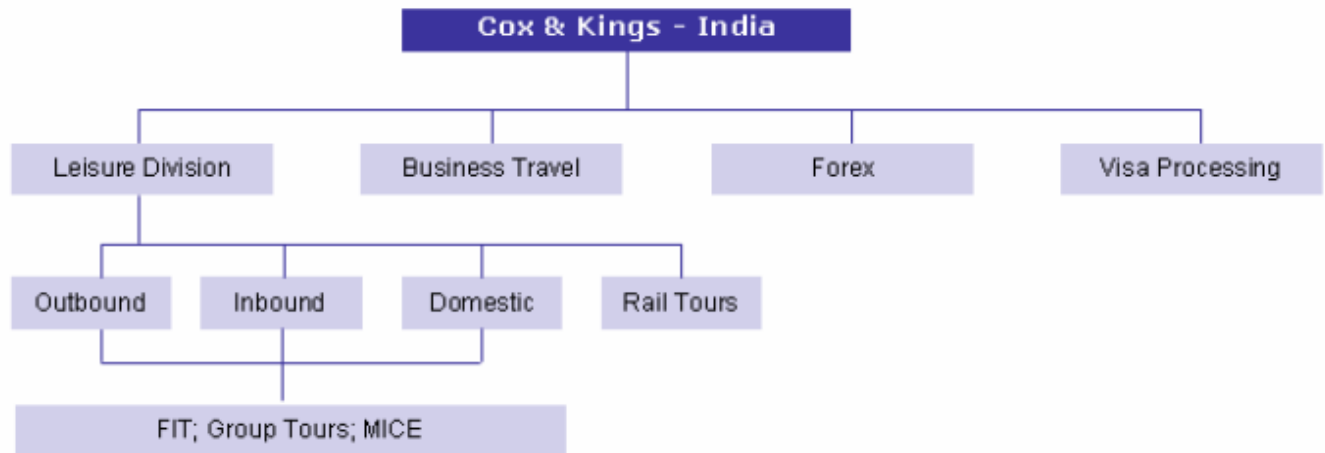




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## Business Overview:



## Subsidiary / Acquisition Details:

Sr.	Name of Subsidiary	Country of Origin	Effective date of control /acquisition	Mode of Control /Acquisition	Consideration
1	Clearmine Limited	UK	30-Mar-06	Cash Consideration	Rs.156 Mn
2	ETN Services Limited	UK	30-Mar-06	Subsidiary of Clearmine	
3	Cox and Kings Singapore Pvt. Limited	Singapore	15-May-06	Incorporated as a Subsidiary under FDI route	
4	Cox & Kings Tours LLC	UAE	07-Feb-07	Incorporated as a Subsidiary under FDI route	
5	Cox & Kings Limited	UK	01-Sep-07	Acquired by swap of shares approved by FIPB along with Subsidiary Cox & Kings Travel	Rs.390 Mn
6	Cox & Kings Travel Limited				
7	Cox & Kings (Japan) Limited	Japan	01-Sep-07	Acquired by swap of shares approved by FIPB	Rs.20 Mn
8	Cox & Kings (Shipping) Ltd.	UK	01-Sep-07	Subsidiary of Cox & Kings Limited	
9	Cox & Kings Holdings Limited	UK	01-Sep-07	Subsidiary of Cox & Kings Limited	
10	Cox & Kings Enterprises Ltd.	UK	01-Sep-07	Subsidiary of Cox & Kings Limited	
11	C & K Investments Limited	UK	01-Sep-07	Subsidiary of Cox & Kings Limited	
12	Grand Tours Limited	UK	01-Sep-07	Subsidiary of Cox & Kings Limited	
13	Cox & Kings Spl. Int. Holidays	UK	01-Sep-07	Subsidiary of Cox & Kings Limited	
14	Cox & Kings Tours Limited	UK	01-Sep-07	Subsidiary of Cox & Kings Limited	
15	Cox & Kings Investment Ltd.	UK	01-Sep-07	Subsidiary of Cox & Kings Limited	
16	Cox & Kings (Agents) Limited	UK	01-Sep-07	Subsidiary of Cox & Kings Limited	
17	Cox & Kings Finance Limited	UK	01-Sep-07	Subsidiary of Cox & Kings Limited	
18	Cox & Kings Fin. (Mau.) Ltd.	Mauritius	01-Sep-07	Subsidiary of Cox & Kings Limited	
19	Cox & Kings (Aus) Pty Ltd.	Australia	25-Feb-08	Incorporated as a Subsidiary under FDI route	
20	Tempo Holidays Pty. Limited	Australia	05-Nov-08	Cash Consideration	\$27Mn
21	Tempo Holidays NZ Limited	New Zealand	19-Dec-08	Subsidiary of Tempo Holidays Pty Limited	
22	Quoppro Global Serv. Pvt. Ltd.	India	01-Oct-08	Cash Consideration	Rs.0.1 Mn
23	Quoppro Global Serv. Pte. Ltd.	Singapore	08-Sep-08	Subsidiary of Cox and Kings Singapore Pvt. Ltd.	
24	East India Travel Company Inc.	United States	09-Apr-09	Cash Consideration	\$22Mn
25	Quoppro Global Limited	UK	28-Aug-09	Incorporated as a Subsidiary under FDI route	
26	Quoppro Global Services Private Ltd .	Hong Kong	28-Aug-09	Subsidiary of Cox and Kings Singapore Pvt. Ltd.	

Source: Company



### Global Tourism Overview: Inbound

Year	International Tourist Arrivals (in Million)				International Tourist Receipts (in US \$ Bn)	
	World	y-o-y change (in %)	Asia and the Pacific	y-o-y change (in %)	World	Asia and the Pacific
1996	572.4	-	90.4	-	438.3	84.8
1997	596.0	4.1%	89.7	-0.8%	441.8	82.2
1998	614.0	3.0%	89.4	-0.3%	444.1	72.1
1999	637.4	3.8%	98.8	10.5%	457.8	79.0
2000	637.4	0.0%	110.6	11.9%	474.1	85.2
2001	684.4	7.4%	115.8	4.7%	462.2	88.0
2002	704.7	3.0%	124.9	7.9%	480.1	96.3
2003	692.2	-1.8%	113.2	-9.4%	527.2	93.5
2004	761.4	10.0%	144.1	27.3%	629.0	123.9
2005	803.0	5.5%	155.3	7.8%	680.0	134.6
2006	847.0	5.5%	167.0	7.5%	742.0	156.5
2007*	903.0	6.6%	184.3	10.4%	856.0	188.9

Source: UNWTO Tourism Market Trends 2006, for the years upto 2004; UNWTO Barometer Oct 2007 & Jun for 2005, 2006 and 2007; \*provisional figures for receipts

### Global Tourism Industry

As per a WTTC study, the number of tourist arrivals worldwide increased from 903mn in 2007 to 925mn in 2008, registering a rise of 2.3%. The growth was comparatively lower than the CAGR of 4.6% over the period of CY1995-08, mainly on account of the global meltdown. In CY2008, the growth was the weakest since the recessionary period of 2001-03, when the industry was hit by the collapse of the tech boom, the 9/11 terrorist attacks and the SARS outbreak. The effects of the global meltdown continued in CY2009, with the growth rate of tourist arrivals declined by 4% yoy to 880mn. The same is expected to be back on track in CY2010, with a growth of 4.2% yoy.

Over the long-term, the Travel & Tourism Industry is expected to resume its growth, with emerging economies in particular leading the way by boosting international travel. In developed countries, a growing preference for leisure is expected to provide clients for new destinations once consumers regain confidence, while the popularity of short breaks, both domestic and international, will continue to increase. WTTC estimates the world Travel and tourism industry to witness a CAGR of 4.3% over CY2009-2019E. In USD terms the same is expected to witness a CAGR of 6.9%.

### World Tourist Arrivals:



### Indian Tourism Industry:

During 2008-09, the Indian tourism industry had to cope with terrorism and the global economic downturn, which put a brake on a phenomenal growth in international arrivals. Between CY2002-2007 FTA increased at a CAGR of 25%, driven mainly by the successful 'Incredible India' marketing campaign and steady improvements in the tourism infrastructure.

However, with the effects of the meltdown easing out and economic activity picking up, the declining trend of FTAs (Foreign Tourist Arrivals) seems to have been arrested. The FTAs declined by 13.8% during 1QFY2010, but during 2QFY2010, the situation improved markedly (a decline of only 1.8%), with the FTAs close to that of last year.

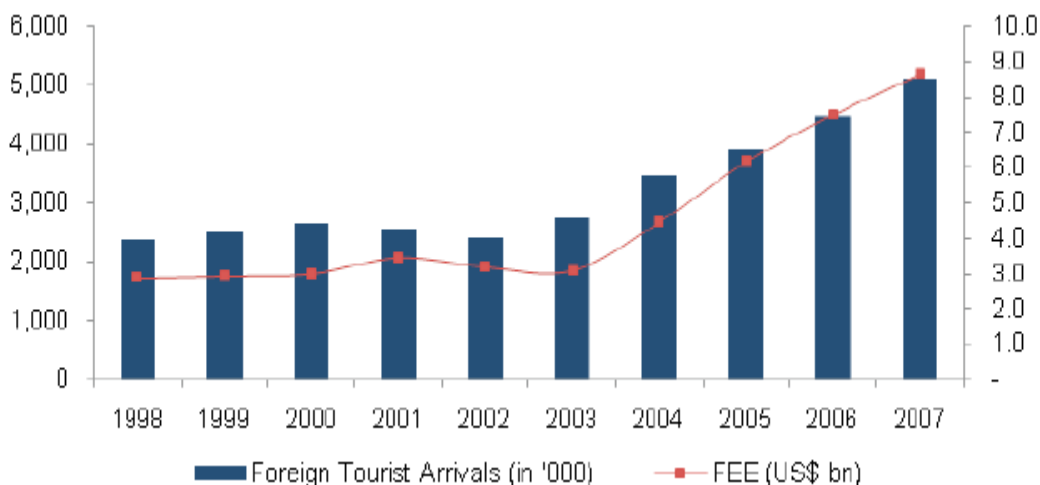
### Outbound traffic:

Outbound traffic grew ~14% yoy to nearly 8mn in 2007 with Singapore and UAE being the top two destination markets. According to a Nov' 08 Euromonitor report, the potential outbound market size could reach 17mn by 2012 from about 10.7mn in 2008.

### Domestic Tourism and Inbound traffic:

Domestic tourism in India has increased over the past few years with over 500mn trips taken in 2007, an increase of ~13% yoy. Foreign tourist arrivals also increased 5.6% yoy to 5.4mn in 2008, slower than the 14.3% yoy rise seen in 2007 as global economic slowdown impacted travel. However, measured as a % of GDP, tourism still accounts for just 6% of the economy, much below world average in 2008.

### Trend in Foreign Tourist Arrivals in India:





### Peer comparison:

Thomas Cook is the only other listed company which operates into similar space, however the same is not strictly comparable to C&K as Thomas Cook derives majority of its revenues from Forex (65% of sales) and Travel related business accounts for 35% of sales, coming equally from Business travel and Leisure travel.

For C&K the business mix is reverse, as it derives around 80% of its sales from Leisure travel and remaining from Forex & Business travel.

Company	Cox and Kings			Thomas Cook		
Year	FY 09	FY 08	% age	CY 09	CY 08	% age
Sales	2869.0	1821.4	57.5	2643.0	3100.0	(14.7)
EBIDTA	1213.7	730.1	66.2	628.0	935.0	(32.8)
<b>PAT</b>	<b>628.1</b>	<b>425.9</b>	<b>47.5</b>	<b>250.1</b>	<b>373.3</b>	<b>(33.0)</b>
EPS	10.0	3.1	227.3	1.2	2.3	(49.1)
Equity	629.2	279.3		211.5	160.8	
OPM%	42.3	40.1		23.8	30.2	
<b>NPM %</b>	<b>21.9</b>	<b>23.4</b>		<b>9.5</b>	<b>12.0</b>	
RoE	31.9	34.2		10.0	16.0	
RoCE	25.5	30.6		12.0	17.0	
CMP	480.0			63.0		
FY 10E EPS	19.5			2.0		
<b>P/E</b>	<b>24.6</b>			<b>31.5</b>		
Mcap	30201.6			13324.5		
Debt	3541.5	1296.4		1604.0	2604.0	
Networth	2279.8	1659.4		3226.0	2234.0	
<b>D:E</b>	<b>1.6</b>	<b>0.8</b>		<b>0.5</b>	<b>1.2</b>	



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## DCF Valuation:

Year	FY08	FY09	FY10E	FY11E	FY12E	FY13E	FY14E	FY15E	FY16E
EBIT	666.4	1118.0	1494.7	1940.5	2588.1	3235.1	4043.9	5054.9	6318.6
Effective tax rate	(33.6)	(33.6)	(33.6)	(33.6)	(33.6)	(33.6)	(33.6)	(33.6)	(33.6)
<b>EBIT*(1-tax rate)</b>	<b>442.5</b>	<b>742.4</b>	<b>992.5</b>	<b>1288.5</b>	<b>1718.5</b>	<b>2148.1</b>	<b>2685.2</b>	<b>3356.5</b>	<b>4195.6</b>
Depreciation/Amortisation	63.7	95.7	136.1	149.9	199.9	249.9	312.4	390.5	488.1
Change in working capital	(870.2)	(1494.5)	(509.2)	(593.7)	(759.0)	(797.0)	(836.8)	(878.7)	(922.6)
Capex	(563.6)	(321.4)	(800.0)	(200.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
<b>-FCFF</b>	<b>(927.6)</b>	<b>(977.9)</b>	<b>(180.6)</b>	<b>644.6</b>	<b>1059.4</b>	<b>1501.1</b>	<b>2060.7</b>	<b>2768.3</b>	<b>3661.1</b>
-FCF Growth Rate		5%	-82%	-457%	64%	42%	37%	34%	32%
-Cost of Capital (%)			12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%
-Weight Assigned					1.0	2.0	3.0	4.0	5.0
-Present Value				644.6	940.9	1184.1	1443.9	1722.7	2023.6

Sum of PV of FCFF 7959.9

### Terminal value calculation

Terminal Growth rate (g)	5.0%
Terminal Year Free Cash Flow	3844.1
Terminal value	50880.2
PV of Terminal Value	28165.7
Enterprise Value	36125.7
Less: Debt	(2241.5)
Add: Cash & Investments	3076.5
Market Capitalisation	36960.6
No. of shares	62.9
<b>Value per share</b>	<b>587.4</b>

	WACC				
Terminal (g)	10.7%	11.7%	12.6%	13.6%	14.6%
3.0%	617.1	543.6	493.7	446.3	407.8
4.0%	688.3	596.1	535.1	478.4	433.2
5.0%	784.5	664.2	<b>587.4</b>	518.0	463.9
6.0%	921.7	756.2	655.7	568.1	501.8
7.0%	1133.0	887.3	748.6	633.4	549.7

## Calculation of WACC

### WACC for explicit forecast

Expected Market Return (Rm)	15.0%
Risk Free Rate (Rf)	7.0%
Country Premium (Rm-Rf)	8.0%
Beta	0.90
Cost of Equity	14.2%
Cost of Debt	10.0%
Tax rate	33.6%
Post Tax Cost of Debt	6.6%
<b>WACC</b>	<b>12.6%</b>

Debt	2241.5
Equity	8278.9
Total	10520.5

### WACC for terminal growth

Expected Market Return (Rm)	15.0%
Risk Free Rate (Rf)	7.0%
Country Premium (Rm-Rf)	8.0%
Beta	0.90
Cost of Equity	14.2%
Cost of Debt	9.0%
Tax rate	33.6%
Post Tax Cost of Debt	6.0%
Long term debt to capital ratio	20.0%
<b>WACC</b>	<b>12.6%</b>

Terminal Growth Rate	5.0%
Terminal Year Free Cash Flow	3844.1
Terminal Enterprise Value	50880.2
Weight Assigned	5.0
Terminal Value	28165.7





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### Q3FY10 and 9MFY10 Results:

Cox and Kings (India) Ltd (Rs mn)	Q3FY10	Q3FY09	% chg	9MFY10	9MFY09	% chg
Net Sales	788.9	622.7	26.7	2622.3	2045.0	28.2
Other Operating Income	0.0	0.0	0.0			0.0
<b>Total Income</b>	<b>788.9</b>	<b>622.7</b>	<b>26.7</b>	<b>2622.3</b>	<b>2045.0</b>	<b>28.2</b>
Staff Cost	(248.7)	(201.7)	23.3	(705.8)	(530.2)	33.1
Selling Exp.	(58.8)	(53.3)	10.3	(275.5)	(327.1)	(15.8)
Other Expenditure	(178.5)	(138.8)	28.6	(498.5)	(426.9)	16.8
<b>Total Expenditure</b>	<b>(486.0)</b>	<b>(393.8)</b>	<b>23.4</b>	<b>(1479.8)</b>	<b>(1284.2)</b>	<b>15.2</b>
<b>PBIDT</b>	<b>302.9</b>	<b>228.9</b>	<b>32.3</b>	<b>1142.5</b>	<b>760.8</b>	<b>50.2</b>
Depreciation	(35.7)	(25.0)	42.8	(100.4)	(67.6)	48.5
<b>PBIT</b>	<b>267.2</b>	<b>203.9</b>	<b>31.0</b>	<b>1042.1</b>	<b>693.2</b>	<b>50.3</b>
Other Income	56.3	45.0	25.1	327.6	58.4	461.0
Interest	(47.4)	(73.1)	(35.2)	(182.3)	(150.4)	0.0
<b>PBT</b>	<b>276.1</b>	<b>175.8</b>	<b>57.1</b>	<b>1187.4</b>	<b>601.2</b>	<b>97.5</b>
Taxes	(80.8)	(70.8)	14.1	(293.7)	(299.9)	(2.1)
<b>Profit After Tax</b>	<b>195.3</b>	<b>105.0</b>	<b>86.0</b>	<b>893.7</b>	<b>301.3</b>	<b>196.6</b>
Share in P/L of Associates	(2.5)	(2.4)	0.0	(7.3)	(6.1)	0.0
<b>Profit After Tax</b>	<b>192.8</b>	<b>102.6</b>	<b>87.9</b>	<b>886.4</b>	<b>295.2</b>	<b>200.3</b>
<b>EPS</b>	<b>3.1</b>	<b>3.7</b>	<b>(16.6)</b>	<b>14.1</b>	<b>10.6</b>	<b>33.3</b>
Equity	629.2	279.3	125.3	629.2	279.3	125.3
Face Value	10.0	10.0	0.0	10.0	10.0	0.0
OPM	38.4	36.8	163.6	43.6	37.2	636.6
NPM	24.4	16.5	796.2	33.8	14.4	1936.7
Tax Rate	(29.3)	(40.3)	1100.8	(24.7)	(49.9)	2514.9
<b>Expenses (as % of Sales)</b>						
Selling Exp.	(7.5)	(8.6)	(110.6)	(10.5)	(16.0)	(548.9)
Staff Cost	(31.5)	(32.4)	(86.6)	(26.9)	(25.9)	98.9
Other Expenditure	(22.6)	(22.3)	33.6	(19.0)	(20.9)	(186.5)
Total Expenditure	(61.6)	(63.2)	(163.6)	(56.4)	(62.8)	(636.6)



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### FINANCIALS (Consolidated)

P&L (Rs mn)	FY09	FY10E	FY11E	FY12E	Cash Flow St. (Rs. mn)	FY09	FY10E	FY11E	FY12E
Net Sales	2,869.0	3,696.3	4,763.3	6,140.0	Net Profit	628.1	1,228.6	1,384.8	1,822.3
Selling Exp.	-	(349.7)	(450.7)	(581.0)	Add: Dep. & Amort.	95.7	136.1	149.9	156.8
Staff Costs	(790.6)	(991.8)	(1,289.3)	(1,611.7)	<b>Cash profits</b>	<b>723.8</b>	<b>1,364.7</b>	<b>1,534.7</b>	<b>1,979.1</b>
Other Expenses	(864.7)	(723.9)	(932.9)	(1,202.5)	(Inc)/Dec in				
Cost of sales	(1,655.3)	(2,065.4)	(2,672.9)	(3,395.1)	-Sundry debtors	(534.8)	(716.4)	(877.0)	(1,131.6)
<b>Operating Profit</b>	<b>1,213.7</b>	<b>1,630.8</b>	<b>2,090.4</b>	<b>2,744.9</b>	-Inventories	5.3	(15.4)	(14.6)	(18.9)
Depreciation	(95.7)	(136.1)	(149.9)	(156.8)	-Loans/advances	(1,336.5)	(308.1)	(338.9)	(372.8)
PBIT	1,118.0	1,494.7	1,940.5	2,588.1	-Sundry creditors	-	-	-	-
Other income	66.6	383.9	262.0	239.3	-Others	371.5	530.7	636.8	764.2
Interest	(201.3)	(229.7)	(224.2)	(224.2)	Change in working capital	(1,494.5)	(509.2)	(593.7)	(759.0)
Profit before tax	983.3	1,648.9	1,978.3	2,603.3	<b>CF from Oper. activities</b>	<b>(770.8)</b>	<b>855.5</b>	<b>941.0</b>	<b>1,220.1</b>
Provision for tax	(348.9)	(420.3)	(593.5)	(781.0)	<b>CF from Inv. activities</b>	<b>(1,360.3)</b>	<b>(1,840.5)</b>	<b>(200.0)</b>	<b>(100.0)</b>
<b>Reported PAT</b>	<b>634.4</b>	<b>1,228.6</b>	<b>1,384.8</b>	<b>1,822.3</b>	<b>CF from Fin. activities</b>	<b>2,204.2</b>	<b>2,970.6</b>	<b>(368.9)</b>	<b>(368.9)</b>
Extraordinary Items	-	-	-	-	<b>Cash generated/(utilised)</b>	<b>73.2</b>	<b>1,985.7</b>	<b>372.1</b>	<b>751.2</b>
<b>Adjusted PAT</b>	<b>634.4</b>	<b>1,228.6</b>	<b>1,384.8</b>	<b>1,822.3</b>	Cash at start of the year	560.7	633.8	2,619.5	2,991.6
					Cash at end of the year	633.8	2,619.5	2,991.6	3,742.8
<b>Balance Sheet</b>	<b>FY09</b>	<b>FY10E</b>	<b>FY11E</b>	<b>FY12E</b>	<b>Ratios</b>	<b>FY09</b>	<b>FY10E</b>	<b>FY11E</b>	<b>FY12E</b>
Equity capital	279.3	629.2	629.2	629.2	OPM	42.3	44.1	43.9	44.7
Reserves	2,000.5	7,649.7	8,665.7	10,119.1	NPM	21.6	30.1	27.6	28.6
<b>Net worth</b>	<b>2,279.8</b>	<b>8,278.9</b>	<b>9,294.9</b>	<b>10,748.3</b>	Tax rate	(35.5)	(25.5)	(30.0)	(30.0)
Def. Tax Liab.+Minority In	-	-	-	-	<b>Growth Ratios (%)</b>				
Secured loans	2,363.5	1,063.5	1,063.5	1,063.5	Net Sales	57.5	28.8	28.9	28.9
Unsecured loans	1,178.0	1,178.0	1,178.0	1,178.0	Operating Profit	66.2	34.4	28.2	31.3
Total debt	3,541.5	2,241.5	2,241.5	2,241.5	PAT	40.6	93.7	12.7	31.6
<b>CAPITAL EMPLOYED</b>	<b>5,821.3</b>	<b>10,520.5</b>	<b>11,536.4</b>	<b>12,989.8</b>	<b>Per Share (Rs.)</b>				
Gross block	1,173.4	1,973.4	2,173.4	2,273.4	Net Earnings (EPS)	22.7	19.5	22.0	29.0
Accumulated depreciatio	(458.7)	(594.8)	(744.7)	(901.5)	Cash Earnings (CPS)	26.1	21.7	24.4	31.5
Net block	714.7	1,378.6	1,428.7	1,371.9	Dividend	-	5.0	5.0	5.0
Capital WIP	103.2	-	-	-	Book Value	81.6	131.6	147.7	170.8
<b>Total fixed assets</b>	<b>817.9</b>	<b>1,378.6</b>	<b>1,428.7</b>	<b>1,371.9</b>	Free Cash Flow	(76.3)	(15.7)	11.8	17.8
Goodwill	1,110.2	2,253.9	2,253.9	2,253.9	<b>Valuation Ratios</b>				
Investments	457.0	457.0	457.0	457.0	P/E(x)	<b>20.9</b>	<b>24.3</b>	<b>21.6</b>	<b>16.4</b>
Inventories	35.3	50.6	65.3	84.1	P/B(x)	5.8	3.6	3.2	2.8
Sundry debtors	2,321.6	3,038.0	3,915.1	5,046.6	EV/EBIDTA(x)	13.3	9.9	7.7	5.9
Cash & bank	633.8	2,619.5	2,991.6	3,742.8	Div. Yield(%)	-	1.1	1.1	1.1
Loans & advances	3,081.2	3,389.3	3,728.2	4,101.1	<b>FCF Yield(%)</b>	<b>(16.1)</b>	<b>(3.3)</b>	<b>2.5</b>	<b>3.7</b>
Other current assets	-	-	-	-	<b>Return Ratios (%)</b>				
Sundry creditors	-	-	-	-	ROAE	32.2	23.3	15.8	18.2
Acceptances	(1,835.6)	(2,202.7)	(2,643.2)	(3,171.9)	ROACE	25.5	18.3	17.6	21.1
Provisions	(818.0)	(981.6)	(1,177.9)	(1,413.4)					
<b>Working capital</b>	<b>3,418.4</b>	<b>5,913.3</b>	<b>6,879.1</b>	<b>8,389.3</b>					
Deferred Tax Assets	17.8	17.8	17.8	17.8					
Miscellaneous exp.	-	500.0	500.0	500.0					
<b>CAPITAL DEPLOYED</b>	<b>5,821.3</b>	<b>10,520.5</b>	<b>11,536.4</b>	<b>12,989.8</b>					

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