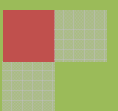


2011



# Cox and Kings Ltd (Tourism)



### Relative Performance



Source: Capitaline

### Stock Data

No. of shares	: 136.53 mn
Market Cap (₹.mn)	: 26,640
52 week high (₹)	: 330
52 week low (₹)	: 180
TTM P/E	: 19.75
Bloomberg code	: COXK IN
Reuter's code	: COKI.BO

### Shareholding (%) March 2011

Promoters	: 58.66
FII's	: 22.72
DII	: 8.63
Others	: 9.99

### Performance Table

Month	Stock	Nifty
1 month	-1%	-4%
6 month	-31%	-12%
12 month	-24%	-2%

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## Making holidays globally

### Strong brand equity

Cox & Kings Ltd (CKL) has evolved over 250 years and is one of the oldest travel brand in India and globally. It is 'one stop shop' for travel solutions.

With its strong brand equity and vast knowledge of various geographies, CKL has created a niche for itself in the Travel & Tourism (T & T) space. Its strong brand equity helps CKL drive better bargains from business partners.

Increasing disposable income coupled with rising aspirations are the key growth drivers for T & T industry. CKL will be the key beneficiary of this opportunity in the sector.

### Franchisee model to improve geographical reach & profitability

CKL is focusing on extending network infrastructure in both domestic and international locations. It plans to improve domestic penetration through the exclusive franchised shops and plans to have 500 plus franchisees over a period of the next 2 - 3 years. This strategy will save substantial capital for CKL as it will increase its presence in more cities without investing in the infrastructure and other associated costs. This route will also help CKL to achieve the target EBITDA margin of 50% without leveraging its balance sheet. Currently revenue from franchisee accounts for 6% of total revenue which is expected to contribute 15 - 18% in next 2-3 years.

### Inorganic growth – by selectively acquiring businesses globally

CKL has grown rapidly through acquisitions to capture the high end tourist outside India. It has made 8 acquisitions since 2006 and managed to integrate these companies well, which has resulted in improvement in EBITDA margins from 42% in 2008 to 47% currently. This strategy has helped CKL to increase its scale of business through exponential growth in number of customers, markets and products. It has enabled CKL to consolidate sourcing needs, giving better buying power and increase margins. Management expects to close an acquisition deal in Q1'FY12. CKL has cash of around ₹ 11,295 mn which is kept largely for acquisition.

### Improving efficiency through consolidated sourcing operations

Growing business volumes will give better bargaining power to CKL by enabling bulk bookings for air travel, hotel accommodations, car rentals and ground handling. This will enable CKL to offer competitive packages to customers leading to higher revenue and margins.

### Downturn risk avoided by asset light model

CKL has an asset light model as leisure travel which contributes 90% of the consolidated revenue requires low working capital as no credit is required to be extended in this segment. Also, CKL does not own any expensive assets nor does it commit to buy any inventory from its suppliers. It has only service level agreements with its suppliers. Thus, CKL does not bear the risk of holding inventory especially during downturn.

## Geographical diversification reduces impact of seasonality

CKL is geographically diversified for an event risk as besides being a leading player in the Indian market, it has presence across 19 countries worldwide. A combination of inbound, outbound, and domestic tourist growth is expected to drive the company's Indian operations which contribute 48% of the revenue in FY11. Q1 and Q2 are off season for India inbound tourists but it is peak season for India outbound tourists due to summer vacations in India. Q3 and Q4 are peak season for India when most of the foreign tourists are visiting India.

## Strategic Initiatives – expansion of Product Offerings

CKL is strategically focused on expanding the products and services that will benefit the customer. Over the years CKL has developed specific brands for its products like “**Duniya Dekho**” for Outbound Travel, “**Bharat Dekho**” for Domestic Travel and “**FlexiHol**” for Flexible Individual Travelers (FIT). Foray into visa processing services for diplomatic missions, rolling out a pan-India luxury train under the brand ‘Maharajas’ Express’ through a joint venture with IRCTC and strategic partnership with various tourism boards are initiatives which will leverage growth and help CKL increase market share.

## Financial Summary

Year	Net Sales (₹.mn)	EBITDA (₹. mn)	Rep. PAT (₹. mn)	EPS (₹.)
FY09	2,869.0	1,213.3	627.6	4.6
FY10	3,991.5	1,864.4	1,338.5	9.8
FY11	4,967.4	2,300.6	1,290.9	9.5
FY12E	6,060.2	2,805.5	1,534.9	11.2
FY13E	7,332.9	3,394.7	1,933.8	14.2

## Valuation and outlook

CKL is well positioned to capitalize on the growth in the tourism industry with its unique tour offerings, experienced ground handling capabilities, growing franchises, established customer relationship and strategic tie-ups with corporates. Acquisitions in the past have been value accretive for CKL and helped the company to increase its presence around the world.

Over last 5 years, CKL's net sales and net profit grew by CAGR 51% and 68%, respectively. Currently the stock is trading at 16.61x FY12 EPS of ₹ 11.24. Our target price of ₹ 227 values the CKL stock at 16x FY13E EPS of ₹ 14.16, which is a price appreciation of 21% from current level.

We initiate coverage on the stock with Buy rating.

## **Company Description**

Cox & Kings Ltd. (CKL) is the oldest established travel company in the world since 1758. Headquartered in India, it is a premium brand that caters to the overall travel needs of the Indian and International traveller. Innovative packaging, pricing and marketing have been the hallmarks of its success over the years.

The company has 13 branch sales offices in India. The company has appointed over 150 franchisees across 20 states covering 70 cities. The company's extensive network of 185 GSAs and PSAs (Preferred Sales Agents) covering all major towns and cities of India enhances its reach. CKL is a shareholder member of Radius, a consortium of leading travel agents present in more than 3,600 locations across approximately 80 countries.

CKL has subsidiaries in UK, Japan, Australia, New Zealand, UAE, USA, Singapore, HK, Greece & Germany; branch offices in New York, Moscow, Maldives & Tahiti; & representative offices in Spain, Germany, Italy, France, South America, Sweden and South Africa.

## **Awards and Accolades**

Over the years the company has won many awards. In October 2010, it was voted India's Leading Destination Management Company by the World Travel Awards 2010. CKL received in September 2010, the CNBC Awaaz Travel Award 2010 for "Taking India Global". CKL was awarded the "Best Outbound Tour Operator" by Hospitality India and Explore the World Annual International Awards 2010. In January 2010 it was awarded the Most Admired Tour Operator by SATTE. CKL is one of the founding members of the World Travel and Tourism Council (WTTC), and are members of premier industry associations namely the Travel Agents Federation of India (TAFI), the Travel Agents Association of India (TAAI), Indian Association of Tour Operators (IATO), and the Pacific Asia Travel Association (PATA).

## **Business overview**

### **Leisure Travel**

Leisure Travel has three sub-segments i.e. Outbound Travel, Inbound Travel and Domestic Travel. The segment has contributed more than 90% of the consolidated revenues in each of the three most recent financial years. CKL offers products that are either pre-packaged through brochures or tailor-made as per requirements of a group and an individual traveller. Inbound Travel business represents destination management services that cover all aspects of ground tour arrangements required by tour operators across the world. Domestic and outbound Travel businesses include selling holiday packages for travel in India and overseas.

### **Corporate Travel**

Under Corporate Travel CKL offers customized business travel solutions for corporate clients with an endeavor to optimize their travel budget. It provides corporate travel services in India to more than 200 companies, both domestic and multinational.

### **Visa processing**

CKL provides visa processing services as an outsourced business solution to diplomatic missions in various countries, including in Germany, Greece, Hong Kong, the U.K. and Singapore, where CKL is a provider of visa processing services for inbound travellers to India. Visa services are provided in the categories of Tourist visa, Transit visa, Business visa, Student visa, Conference visa and Entry and Employment visa.

### **Foreign Exchange**

CKL provides foreign exchange services to its customers in India as a licensed Category II Authorized Dealer. It provides foreign exchange services either as part of Leisure Travel and Corporate Travel packages or on a standalone basis.

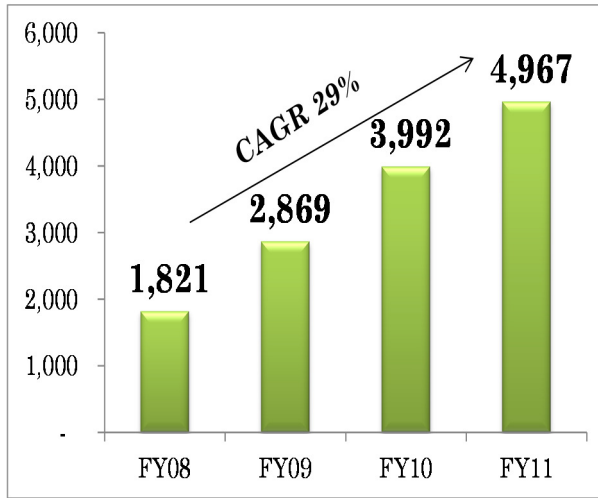
CKL continuously innovates product offerings with the flexibility to meet the changing needs of customers. Visa processing and a luxury train “Maharajas’ Express” are few examples of this. It also provides end-to-end travel solutions like air and cruise bookings, hotel bookings, in-transit arrangements, local sightseeing, passport and medical insurance assistance. CKL also makes travel arrangements for corporate clients to cater to their business meetings, conferences, events and as an incentive for their employees and business partners.

**Business overview**

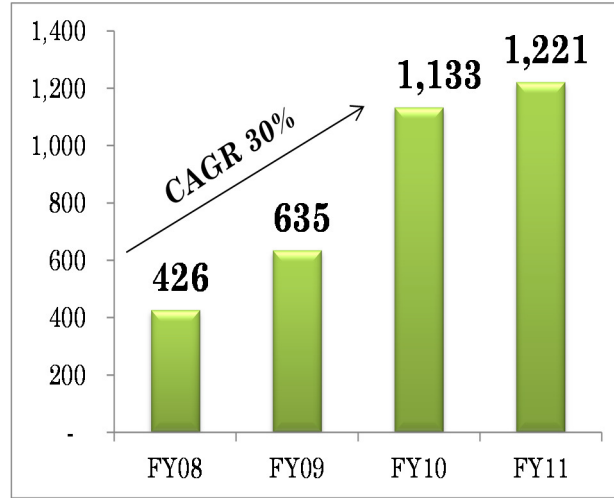


## Historical Financial Overview

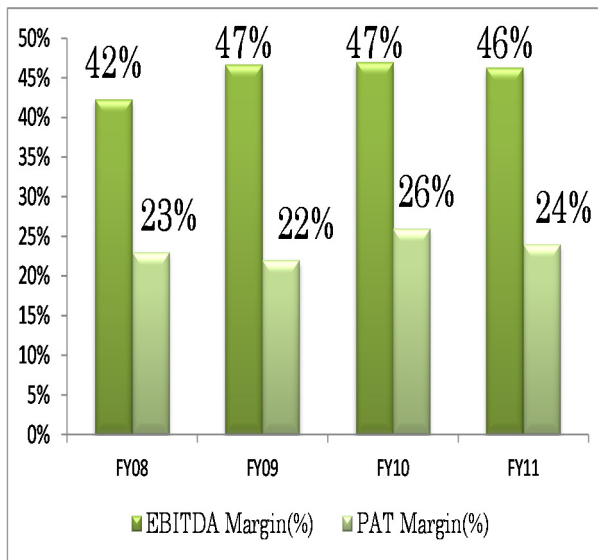
Income from operations (₹. mn)



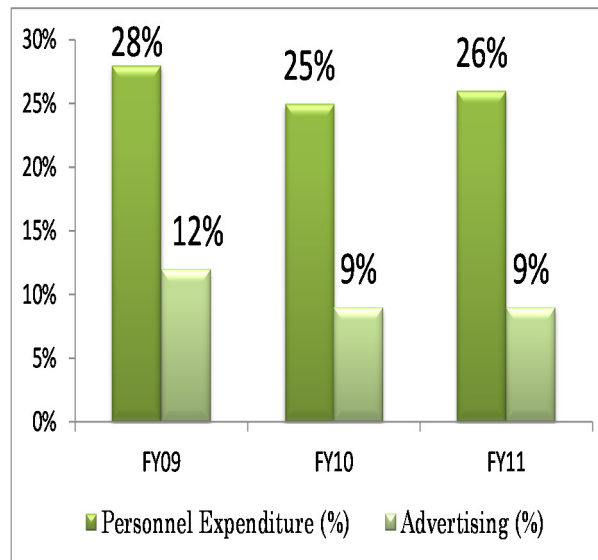
Net profit (₹. mn)



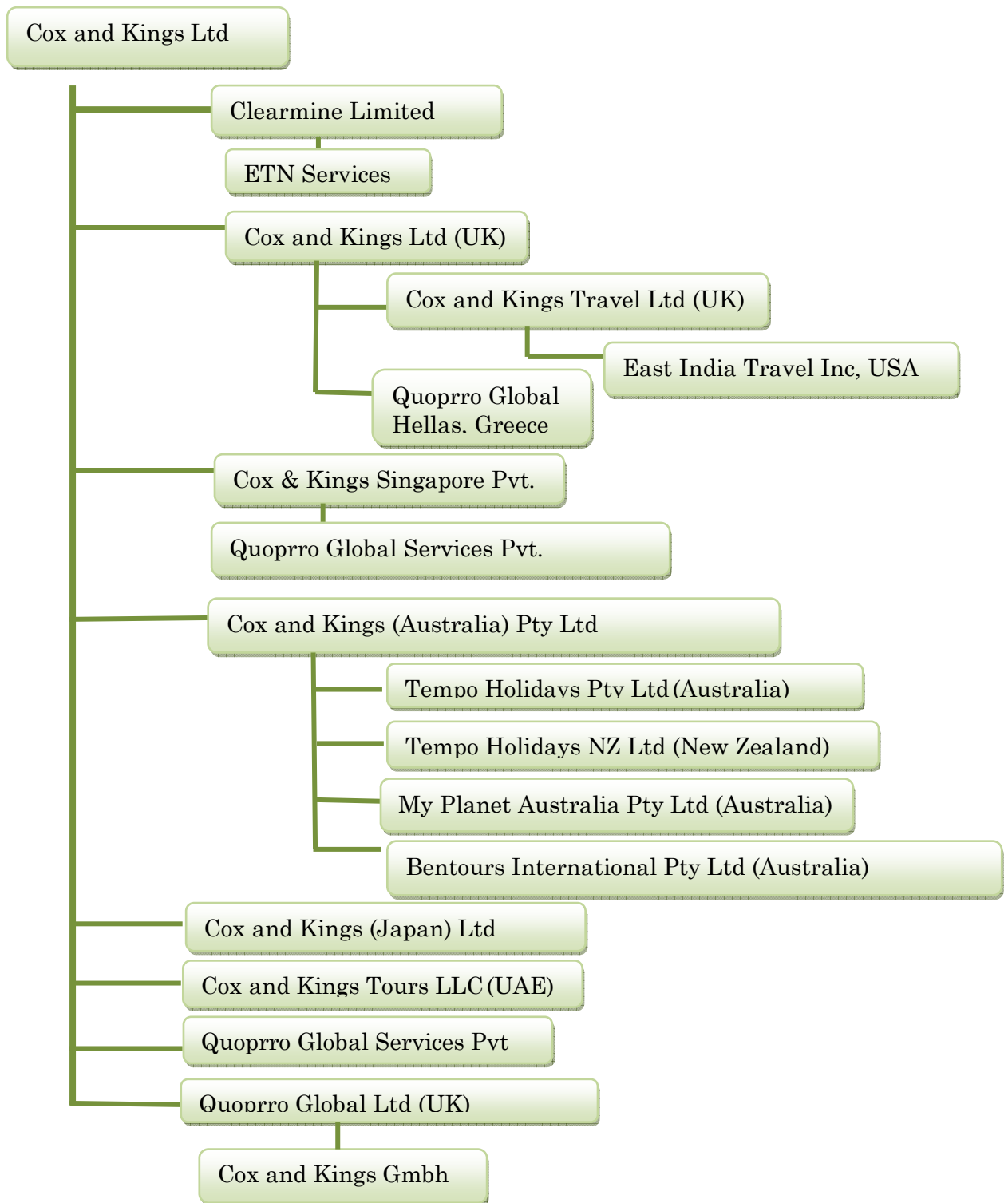
EBITDA & PAT Margin



Expenditure as a % of Operating Income



Corporate Structure: *Subsidiary companies - Ownership interest 100%*



## Associate Companies

Tulip Star Hotel Limited (India) ownership interest

Bolshoi Express Limited(UK) Ownership interest 50%

## Joint Ventures

Royale Indian Rail Tours Limited (India) Ownership Interest 50%

## Promoter Group Companies

1. Ezeego One Travel & Tours Limited
2. Tulip Star Hotels Limited
3. Forever Travel Distribution Private Limited (Forever)
4. Far Pavilions Tours and Travels Private Limited (Far Pavilions)

Ezeego and Forever are in the business of online ticketing and selling travel products and Far Pavilions is in charter business.

## Management Team

Mr. A B M Good	Chairman
Mr. Peter Kerkar	Director
Ms. Urrshila Kerkar	Executive Director
Mr. Pesi Patel	Independent Director
Mr. M Narayanan	Independent Director
Mr. S C Bhargava	Independent Director

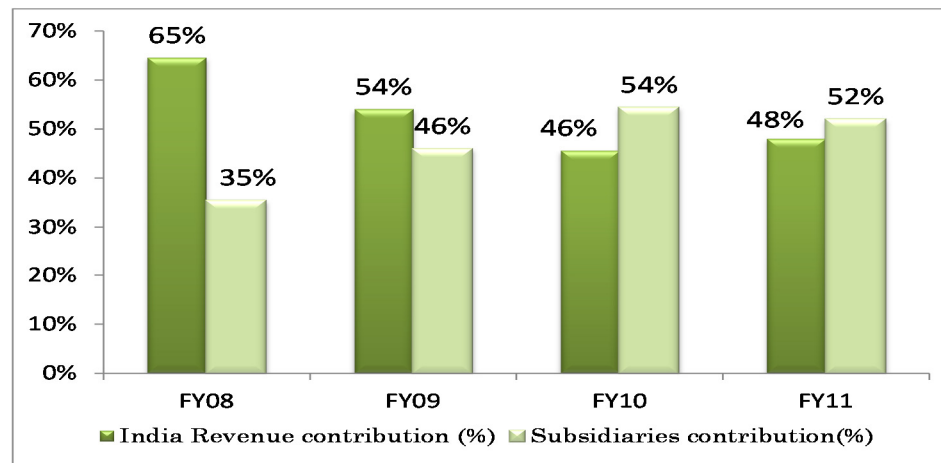


## Investment Rationale

### Inorganic growth – by selectively acquiring businesses - globally

As part of its growth strategy, CKL has grown rapidly through acquisitions to increase the breadth of its product offerings, provide synergies with its existing operations and expand the global presence. Subsidiaries contribution increased from 35% in FY08 to 52% in FY11 in the same period.

### Revenue contribution breakup



Source: Company

### Acquired companies are complementary to existing services

Year	Company	Added Services
2006	Clearmine (along with subsidiary ETN Services)	Destination management services to Europe and inbound tours in Europe for other tour operators
2007	Cox and Kings Tours LLC, UAE	Inbound –Service provider to a large number of tourists from Cox & Kings India, Outbound –Initially tapped expat Indian population; subsequently tour operator for local population
2008	Cox & Kings, UK (along with its subsidiary Cox & Kings Travel)	Outbound specialist tour operator that caters to leisure travel market of Europe, Key destination India, Latin America
2008	Cox and Kings Japan	Outbound wholesaler selling white label packages to other tour operators-caters for business delegations and leisure travel.provides destination management services for travellers from Japan
2009	Quoprrro Global Services Pvt Ltd	Visa processing services (approval from Singapore, Athens (Greece and Hongkong) for outsourcing their Visa processing activities to CKL
2009	Tempo Holidays PTY Ltd, Australia (along with its sub Tempo Holidays NZ in NZ)	One of the few large independent tour operators. Outbound -Mass market oriented travel packages, Synergies with ETN Services and C&K Dubai . Key tourist destination are Europe and Middle East
2010	My Planet Australia, BenTours International Pty Ltd., Australia	Specialist outbound travel, Tourists from Australia and New Zealand, Leading outbound tour and travel operator to Scandinavia
2010	East India Travel Company Inc, USA	Premium outbound luxury packages for celebrity clientele, Outbound tours to Africa, Latin America, Asia and Middle East

Management expects to close an acquisition deal in Q1'FY12 for which it will focus on up-market long haul tour operators whose product offerings include the Indian subcontinent and who complement existing worldwide product portfolio for CKL. As on FY11, CKL's consolidated cash & bank balance stood at ₹ 11,295 mn.

### **Strong brand and better reach**

Besides offline access through its wide distribution network, CKL serves clients online through websites. These websites primarily offer an additional channel of reaching out to existing and potential customers which are regularly updated with features of product offerings. CKL has 13 branch offices, over 150 franchisee and 177 Preferred Agents (PAs).

CKL also has partnered with various tourism boards, such as those of South Korea and Finland to market these destinations to Indian travelers.

### **Strategic Initiatives – expansion of Product Offerings**

CKL provides a 'One Stop Shop' for travel requirements like visa processing, ticketing, insurance, foreign exchange etc. This cross selling of products simplifies customers, thereby, making it unique selling proposition for CKL.

Constant innovation in product offering and flexibility to meet the ever changing needs of customers, are some of the key differentiating value propositions that enabled CKL to grow its business. It also has helped CKL to differentiate its products vis-a-vis the products offered by its competitors. Branding products has created more awareness among travelers and has also helped a traveller in distinguishing and identifying branded products viz., "Duniya Dekho", "Bharat Deko" and "FlexiHol".

CKL has launched pan-India luxury train "Maharajas' Express" in JV with IRCTC. The train operates during September to April each year and carries 84 passengers per journey for 7-8 nights with fares starting at USD 800 per night and makes 16 journeys every year. This product is aimed at the very high end tourist. The combined strength of IRCTC in rail based tourism and hospitality and CKL in high-end international tourism, has made this a state of the art luxury train. IRCTC will be involved in the operations, and CKL will leverage overseas offices to market the product globally.

The visa processing initiative is another product which will drive growth.

CKL also provides value added services like customizing travel plans for NRI customers, travel arrangements for Trade Fairs, providing private air charter services, etc. besides, offering travel related foreign exchange & payment solutions.

### **Asset Light model and geographical diversification reduces risk**

CKL has diversified its revenue stream across geographies. Main foreign subsidiaries like UK, Japan, Australia, Dubai, and the US handle a mix of inbound and outbound traffic and generate outbound tour packages.

CKL's business model is different from its competitors in a manner that its working capital requirement is lower as compared to peers. CKL procures the inventories (hotel rooms, airline seats, etc.) from suppliers. It does not buy any inventory in advance. It has only service level agreements with them compared to its peers where they own large assets like hotels, cruise and aircraft. We expect the additional working capital deployment to dip going forward as the share of leisure travel in the overall portfolio increases.

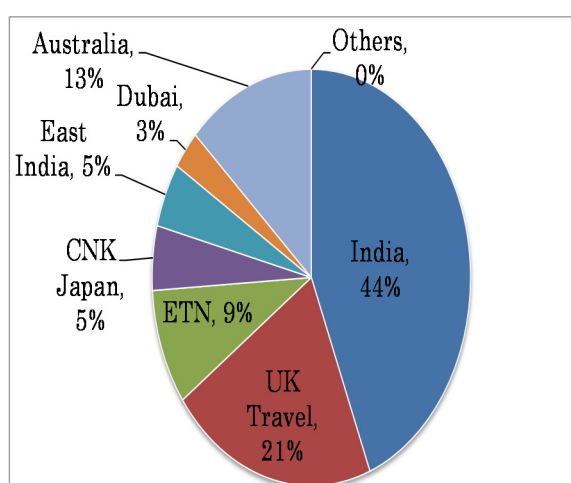
## Asset light model

Business	Credit Days	% of Total Revenue
India (Inbound, outbound and Domestic)	0	36.0%
India (MICE)	10	13.5%
India - Corporate / Business Travel	25	2.7%
India -Forex	7 to 8	2.7%
Foreign-Leisure	0	45.0%

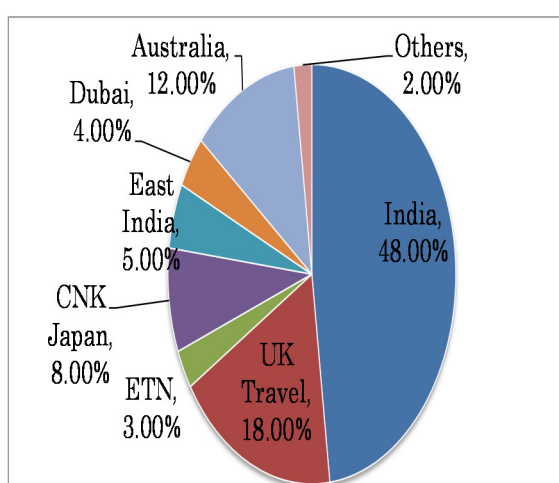
Source: Company

## Diversified revenue stream

### Revenue contribution as on FY10



### Revenue contribution as on FY11



Source: Company

## Improving efficiency through consolidated sourcing operations

Due to its strong brand image and geographical reach, CKL gets bulk buying discounts for air travel, hotel accommodations, car rentals, and ground handling. This enables the company to offer competitive packages to clients and customers. This bulk buying happens without any capital commitment on the part of CKL.

Constant innovation of new schemes helps the company fulfill commitments to hotels, airlines, and other partners involved. CKL is also active in this space with its associate company Ezeego One Travel & Tours, Ezeego is a neutral market place which showcases products of all companies including CKL and its competitors and offers customers the flexibility to choose what they like.

## Risk and concerns

### Success in acquisition

CKL has earmarked handsome amount for acquisition. Operational integration and generating synergies are the key mantras for success of acquisition; any difficulty in this can result in higher debt level and hence impact on profitability.

### Foreign Exchange Risk

Fluctuations in exchange rates have direct impact on business. Strengthening of the rupee may increase the number of outbound tourists from India as foreign tours will become relatively cheaper. However, at the same time it may affect inbound tourism as travelling to India would become relatively expensive and vice versa.

### Unforeseen events like war or disease

Outbreak of any disease like swine flu on a worldwide basis can affect business severely even though CKL revenue stream is diversified in terms of geographies. As 90-95% of revenue is from leisure travel, in case of any unforeseen event, leisure travel can face a big decline.

## Industry overview

### Domestic

In India, tourism is one of the largest service industries with expected contribution of 4.5% to GDP and 5% of the total employment in 2011. According to World Travel and Tourism Council, The Indian Travel and Tourism industry expected to grow at an annual rate of 8.8% pa to ₹8,523.1 bn by 2021 (4.9% of GDP).

India is also becoming an increasingly important player in the global tourism economy.

### Travel & Tourism GDP Contribution

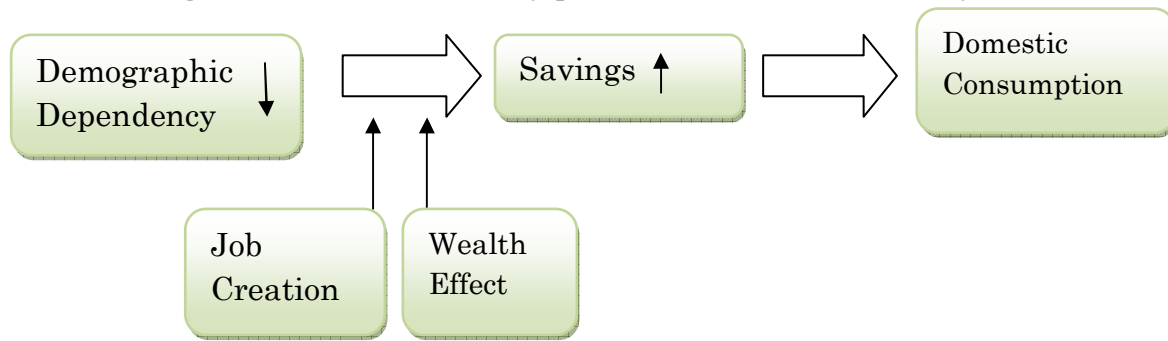


### WTTC League Table Extract: 10-year Real Growth pa. (Travel & Tourism's Total Contribution to GDP)

	10 yr real growth % pa
3 China	9.1
5 India	8.8
7 Thailand	7.5
15 Cambodia	6.7
17 Vietnam	6.6
25 Bangladesh	6.4
36 Indonesia	5.8
59 Pakistan	5.4
66 Sri Lanka	5.1
71 Malaysia	5.0
World Average	4.1

Source: WTTC –Travel and Tourism Economic Impact 2011-India

The following factors are structurally positive for tourism industry



### Consumer Demographics & Lifestyles play in favor

India is the second most populous country in the world, with over 1.21 billion people (2011 census), India has more than 50% of its population below the age of 25 and more than 65% hovers below the age of 35. A large part of the population is comprised of middle-income consumers. Average income of these households is also on the rise. This has resulted in increased domestic leisure travel in the country.

### Demand for both domestic trips and outbound travel is expected to increase strongly

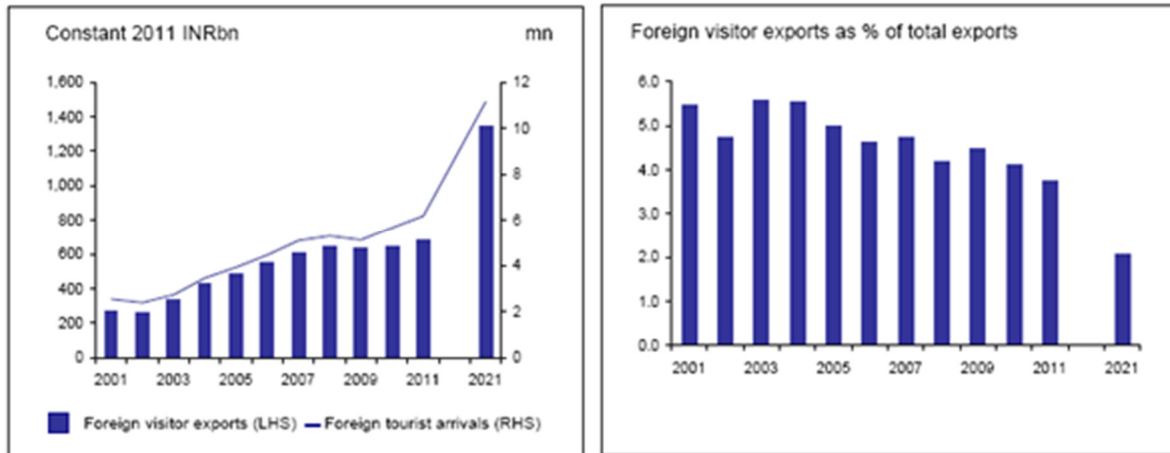
Due to increased affordability and changing attitudes among Indian consumers they become more willing to spend their disposable income on “premium” travel products. This is expected to prompt further change in the type of travel products and destinations that travelers demand.

Foreign tourist arrival in India has increased as India continues to be a favored tourist destination for leisure, as well as business travel. FTA (foreign tourist arrival) has increased at a CAGR of 8% between 2004-2009. Continuous tourist growth in India is attributable to factors like media campaigns like ‘Incredible India’, Colors of India, Atithi Devo Bahavh and Wellness Campaign to promote the Indian tourism and hospitality industry organized by GoI. Favorable Government policies and great regional diversity are also positive for the industry growth. Strong growth in the service industry in the past few years has led to increased corporate spending on business travel.

Foreign tourist arrival (Visitor exports) is a key component of the direct contribution of Travel & Tourism. India is expected to attract 6.2 mn international tourist (overnight visitor) arrivals in 2011, generating ₹ 678.6 bn in visitor exports (foreign visitor spending, including spending on transportation).

By 2021, international tourist arrivals are forecast to total 11,149,000, an increase of 6.1% pa generating expenditure of ₹ 1,344.7 bn.

## India: Visitor exports and International tourist arrivals

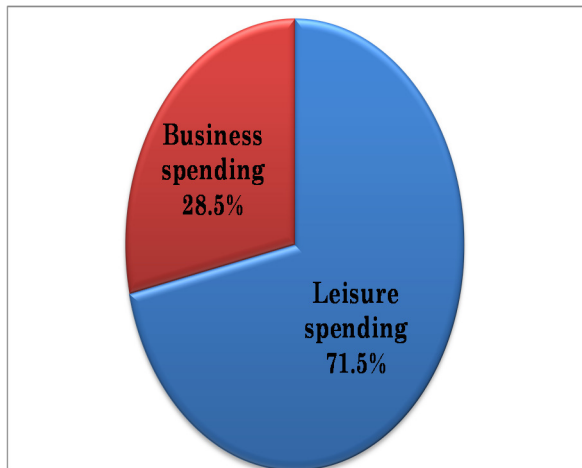


Source: WTTC –Travel and Tourism Economic Impact 2011-India

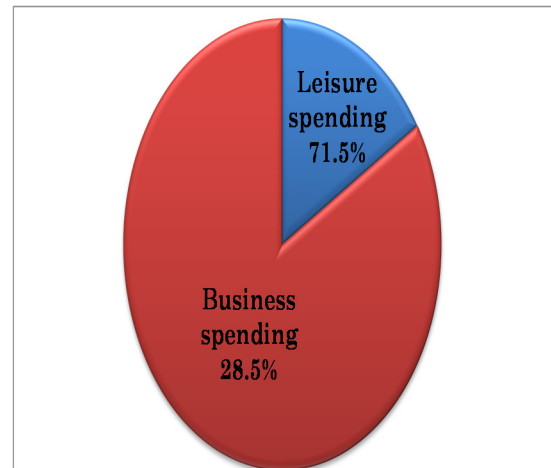
Leisure travel spending (inbound and domestic) is expected to generate 71.5% of direct Travel & Tourism GDP in 2011 compared with 28.5% for business travel spending.

Leisure travel spending is expected to total ₹ 3,003.0 bn in 2011, rising to ₹ 6,332.8 bn in 2021. Business travel spending is expected to total ₹ 1,196.6 bn in 2011, rising to ₹ 2,791.8 bn in 2021. Domestic travel spending is expected to generate 83.8% of direct Travel & Tourism GDP in 2011 compared with 16.2% for visitor exports. Domestic travel spending is expected to total ₹ 3,521.0 bn in 2011, rising to ₹ 7,779.9 bn in 2021. Visitor exports are expected to total ₹ 678.6 bn in 2011, rising to ₹ 1,344.7 bn in 2021.

India: Travel & Tourism's Direct contribution to GDP - Business vs Leisure, 2011



India: Travel & Tourism's Direct contribution to GDP-Business vs Leisure2011



Source: WTTC –Travel and Tourism Economic Impact 2011-India

## International

Travel & Tourism is currently one of the world's largest economic activities. The rising economic importance of the industry has been fuelled by the large and growing number of international travelers.

Emerging economies, in particular, are expected to be increasingly important engines of such growth, boosting both international travel and also generating increasingly vibrant domestic tourism sectors. UNWTO forecasts international tourist arrivals to grow at 4% to 5% in 2011, a rate slightly above the long-term average.

Travel and Tourism	2011			2021		
	US \$bn <sup>1</sup>	% of Total	Growth <sup>2</sup>	US\$bn <sup>1</sup>	% of Total	Growth <sup>3</sup>
Worldwide						
Direct contribution to GDP	1,850	2.8	4.5	2,861	2.9	4.2
Total contribution to GDP	5,992	9.1	3.9	9,227	9.6	4.2
Direct contribution to employment <sup>4</sup>	99,048	3.4	3	120,427	3.6	2
Total contribution to employment <sup>4</sup>	258,592	8.8	3.2	323,826	9.7	2.3
Visitor exports	1,163	5.7	5.5	1,789	4.7	4.3
Domestic spending	2,637	4	3.8	4,128	4.3	4.3
Leisure spending	2,963	4.5	3.8	4,604	4.7	4.3
Business Spending	899	1.4	6.1	1,402	1.5	4.3
Capital Investment	651	4.5	4.6	1,124	4.6	5.4
<sup>1</sup> 2011 constant prices and exchange rates						
<sup>2</sup> 2011 real growth adjusted for inflation (%)						
<sup>3</sup> 2011-2021 annualised real growth adjusted for inflation (%)						
<sup>4</sup> 000 jobs						

Source: WTTC

## Financial Statement

### Income Statement (₹ Mn)

Particulars	FY2013E	FY2012E	FY2011	FY2010	FY2009
<b>Total income</b>	<b>7,332.86</b>	<b>6,060.22</b>	<b>4,967.39</b>	<b>3,991.54</b>	<b>2,869.00</b>
Expenditure					
Personnel Expences	1,909.07	1,571.69	1,295.72	994.08	790.58
Advertising expences	617.66	525.61	423.38	357.01	333.08
Other expences	1,411.43	1,157.38	947.68	776.09	532.09
<b>Total expenditure</b>	<b>3,938.16</b>	<b>3,254.68</b>	<b>2,666.78</b>	<b>2,127.17</b>	<b>1,655.74</b>
<b>Operating profit</b>	<b>3,394.70</b>	<b>2,805.54</b>	<b>2,300.62</b>	<b>1,864.37</b>	<b>1,213.26</b>
Depreciation	208.52	193.52	185.52	150.72	95.70
PBIT	3,186.18	2,612.02	2,115.09	1,713.65	1,117.56
Less-Interest	749.62	725.43	543.93	269.74	201.33
Other income	438.00	398.00	256.97	421.14	66.61
Exceptional item	0.00	0.00	102.88	0.00	0.00
PBT	2,874.55	2,284.59	1,931.01	1,865.05	982.84
Tax	930.62	739.62	625.15	516.93	348.89
PAT	1,943.94	1,544.97	1,305.86	1,348.12	633.96
Less: Share of loss from investment in associates	10.11	10.11	15.00	9.62	6.31
<b>Group profit after tax</b>	<b>1,933.83</b>	<b>1,534.86</b>	<b>1,290.86</b>	<b>1,338.50</b>	<b>627.65</b>
<b>EPS (₹)</b>	<b>14.16</b>	<b>11.24</b>	<b>9.45</b>	<b>9.80</b>	<b>4.60</b>



## Balance Sheet (₹ Mn)

Particulars	FY2013 E	FY 2012 E	FY 2011 E	FY 2010	FY 2009
<b>Sources of funds</b>					
Share Capital	682.64	682.64	682.64	629.23	279.25
Reserves	14,680.70	12,843.19	11,395.90	7,471.89	1,994.40
<b>Total Shareholder Funds</b>	<b>15,363.34</b>	<b>13,525.83</b>	<b>12,078.54</b>	<b>8,101.12</b>	<b>2,273.65</b>
Total Debt	9,043.26	9,543.26	8,443.26	5,043.26	3,541.50
Deffered liability	91.17	91.17	91.17	47.52	21.64
<b>Total Liabilities</b>	<b>24,497.77</b>	<b>23,160.26</b>	<b>20,612.97</b>	<b>13,191.90</b>	<b>5,836.79</b>
<b>Application of funds</b>					
Gross Block	2,558.91	2,358.91	2,258.91	1,337.15	1,173.38
Less: Accumulated depreciation	1,767.56	1,179.99	800.95	615.42	458.73
Net Block	791.35	1,178.92	1,457.96	721.73	714.64
Good will	2,175.03	2,175.03	2,175.03	2,175.03	1,110.23
WIP	204.48	204.48	204.48	204.48	103.24
Fixed Assets	995.83	1,383.40	1,662.45	926.21	817.88
Deferred Tax Assets	11.81	11.81	11.81	33.90	38.23
Investments	4,112.34	3,112.34	2,112.34	2,583.83	456.99
Current assets					
Inventories	126.94	104.91	85.99	82.92	35.28
Sundry debtors	6,114.82	5,053.57	4,142.27	3,020.60	2,321.63
Cash	9,772.86	10,334.43	9,612.80	3,746.68	633.82
Loan and advances	5,646.67	4,666.67	3,825.14	2,715.16	2,622.07
<b>Total Current Assets</b>	<b>21,661.29</b>	<b>20,159.57</b>	<b>17,666.20</b>	<b>9,565.35</b>	<b>5,612.79</b>
Less-Current liabilities and provisions	4,474.92	3,698.28	3,031.38	2,113.18	2,199.33
Liabilities	3,958.20	3,271.24	2,681.34	1,769.49	1,835.57
Provisions	516.72	427.04	350.03	343.69	363.76
Net current assets	17,186.37	16,461.30	14,634.82	7,452.17	3,413.46
Miscellaneous expenditure	16.49	16.49	16.52	20.76	0.00
<b>Total Assets</b>	<b>24,497.87</b>	<b>23,160.36</b>	<b>20,612.97</b>	<b>13,191.90</b>	<b>5,836.79</b>

## Cash Flow statement (₹ Mn)

Particulars	FY2013E	FY2012E	FY2011E	FY2010
<b>Cash Inflow</b>				
Profit after tax	1,933.83	1,534.86	1,290.86	1,338.50
Depreciation and write of assets	587.57	379.05	185.52	150.72
Change in deffered liablility	0.00	0.00	43.65	(25.88)
Change in debt	(500.00)	1,100.00	3,400.00	1,501.76
Issue of shares			2,770.53	3,528.55
<b>Total Cash Inflow</b>	<b>2,021.40</b>	<b>3,013.91</b>	<b>7,690.56</b>	<b>6,493.65</b>
<b>Cash Outflow</b>				
Dividend paid	96.32	87.56	79.60	73.37
Fixed assets	200.00	100.00	921.76	259.05
Increase in current assets excluding cash	2,063.28	1,771.75	2,234.73	839.70
Change in liability (net)	(776.64)	(666.90)	(918.19)	86.15
Investment net change	1,000.00	1,000.00	(471.49)	2,126.85
Change in Deffered assets	0.00	0.00	(22.09)	(4.33)
<b>Total Cash Outflow</b>	<b>2,582.96</b>	<b>2,292.41</b>	<b>1,824.31</b>	<b>3,380.79</b>
Cash surplus	(561.56)	721.50	5,866.25	3,112.86
Add: Opening cash balance	10,334.43	9,612.93	3,746.68	633.82
<b>Closing cash balance</b>	<b>9,772.86</b>	<b>10,334.43</b>	<b>9,612.93</b>	<b>3,746.68</b>

## Ratios

Particular	FY2013 E	FY2012E	FY2010	FY2009
EPS (₹.)	14.16	11.24	9.45	9.80
P/E x	13.18	16.61	19.75	19.05
Div Yield (%)	0.28%	0.26%	0.23%	0.22%
ROE (%)	13.39%	11.99%	12.79%	26.00%
ROCE (%)	13.37%	11.93%	12.51%	18.01%
Book value (₹.)	111.18	98.43	88.47	59.34
Price to book value	1.68	1.90	2.11	3.15
Debt /Equity	0.59	0.71	0.70	0.62

## Common size metrics

As a % of Total Revenue	FY2013E	FY2012E	FY2011	FY2010	FY2009
Advertising cost	8.42%	8.67%	8.52%	8.94%	11.61%
Employee Cost	26.03%	25.93%	26.08%	24.90%	27.56%
Other expenses	19.25%	19.10%	19.08%	19.44%	18.55%
EBITDA	46.29%	46.29%	46.31%	46.71%	42.29%

## Growth Metrics

Growth Metrics (%)	FY2013	FY2012	FY2011	FY2010
Net Sales	21.00%	22.00%	24.45%	39.13%
EBIDTA	21.00%	21.95%	23.40%	66.18%
PBT	25.82%	18.31%	3.54%	89.76%
PAT	25.82%	18.31%	-3.14%	113.26%
EPS	25.99%	18.90%	-3.56%	113.26%

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