Stock Note November 23, 2012

HDFC Sec Scrip code	Industry	CMP (Rs.)	Recommended Action	Averaging Price Band (Rs.)	Price Target (Rs.)	Time Horizon
ACCKALEQTT	IT	336	Buy at CMP & add on dips	279-289	399 and 439	1-2 quarters

Price Chart

Stock Details

BSE Code	532268
NSE Code	**ACCELYA**
Bloomberg	**KALE IN**
Price (Rs) as on Nov. 22, 2012	336.0
Equity Capital (Rs cr.)	14.9
Face Value (Rs)	10.0
Eq. Shares O/s (cr.)	1.5
Market Cap (Rs cr.)	501.5
Book Value (Rs)	92.1
Avg. Volume (52 Week BSE+NSE)	69213.0
52 wk H/L	336.0/ 91.6

Shareholding Pattern

(As on Sept. 30, 2012)	% Holding
Promoters	74.7
Non Promoter Corp Hold	2.4
FII's	1.2
Institutions	0.2
Public & Others	21.6
Total	**100.0**

Background

Accelya Kale Solutions Limited (formerly known as Kale Consultants Limited) ("Accelya Kale") is a software solutions provider to the global Airline and Travel industry. Accelya delivers world-class software products, managed process, technology and hosting services. Accelya's Industry Solutions are driven by active partnerships with industry bodies and customers, and significant domain knowledge. Its customised approach in deploying these solutions supports clients with best-fit solutions to match their requirements.

Triggers

- The company is a focused player on Airline Industry with strong client base and niche services.
- Belongs to Accelya group, which provides it with access to good corporate governance practices, clients, technology and cross selling opportunities.
- Recent restructuring and clean up of Balance sheet has led to a simpler and leaner organization.
- The company has been delivering good return ratios, generating high cash flow and had declared impressive dividend payout and completed buyback of equity shares in FY12.
- Business is largely non-linear leading to good visibility on margins.
- Shift towards transaction based billing has led to improved visibility and stability in revenues.

Concerns

- The company has high client concentration. Loss of key customer/s in a particular period could lead to sharp fall in revenues and profits.
- The company mainly derives its revenues globally; any sharp variations in forex (mainly Rupee appreciating) could dent its margins.
- Rise in attrition in its workforce could lead to pressure on margins.
- It could face increased competition from large local and global peers.
- Revenue and margins could be lumpy from quarter to quarter due to Sale/implementation of large projects in that quarter.
- The stock is traded under trade-to-trade segment and hence limits participation from a few investors.

Consolidated Financials at a Glance:

Particulars (Rs. in Crore)	FY11	FY12	FY13E
Net Sales	**182.1**	**229.6**	**298.5**
% Growth (y-o-y)		26.1	30.0
Core Operating Profit	**40.8**	**68.3**	**99.6**
% Growth (y-o-y)		67.5	45.8
PAT (Adjusted)	**14.9**	**40.8**	**59.6**
% Growth (y-o-y)		173.0	46.2
EPS (Rs.)	**10.0**	**27.3**	**39.9**
% Growth (y-o-y)		173.0	46.2
P/E	**33.6**	**12.3**	**8.4**

Valuation & Recommendation

Based on strong balance sheet, shareholder friendly management, good execution record and recent shift in revenue, we value the stock at 10x FY13E EPS and 11x FY13E EPS, which gives us sequential target price of Rs 399 and Rs 439. We think investors could buy the scrip at current levels and add on dips to Rs 279-289 for our price target over the next one to two quarters.

Business Profile

Accelya Kale helps airlines manage their financial processes and gain insights on their business performance. It partners with airlines right from the time a ticket or an air waybill is issued, all the way through its entire financial lifecycle, until the data is converted into actionable decision support. Together with Accelya, its expertise spans across all critical airline financial processes – BSP Processing, Revenue Accounting, Card Management, Audit & Revenue Recovery, Refund Management, Miscellaneous Billing, F&A Processing and Decision Support.

The company has 2 software development centres at Thane and Pune and 4 MPS centres, 2 at Mumbai and 1 each at Pune and Goa and employs around 1600 professionals. Some of its customers include LAN, Etihad, COPA, Bangkok Airways, Turkish Airlines, Japan Airlines, Air Berlin.

About Accelya Group (Parent Company)

Accelya is a leading solutions provider to the Airline and Travel industry. Accelya primarily provides critical business transaction processing and business process outsourcing services to the airline and travel industry. Accelya offers electronic invoicing, message switching and EDI, business intelligence, revenue accounting & recovery services, credit card processing services, etc. Accelya's current business was earlier known as ADP Travel Clearing and was part of Automatic Data Processing, Inc. Accelya acquired the business in 2007 from Automatic Data Processing, Inc. This business has been in existence for more than 30 years - as part of Automatic Data Processing, Inc and prior to that, other G.S.I. group companies like G.S.I. (UK) Limited. Accelya has operational presence, directly and through its subsidiaries, in Spain, France, Hungary, Portugal, United Kingdom, Mexico, South Africa, USA and Tunisia.

Accelya service offerings primarily included Audit and Recovery and post the acquisition of majority stake in Kale consultants (now Accelya Kale Solutions), its expertise now spans Revenue accounting, Audit & Revenue Recovery, Card Management, Miscellaneous Billing, F&A Processing and Decision Support. Accelya helps over 200 airline customers streamline their financial processes. With annual revenues of over $110 million, its operations are spread across 10 countries and it employs over 2000 professionals worldwide. Accelya processes 300 million revenue accounting transactions and 100 million proration transactions annually.

Solutions:

"REVERA" Revenue Accounting

In FY 2012, the company had seen increased interest in its revenue accounting solutions from airlines across the world. Accelya Kale is the leader in airline revenue accounting solutions and has more than 20 years of experience in revenue accounting. The company has in-depth knowledge and understanding of the airline industry. Accelya Kale helps airlines process 300 million revenue accounting transactions and 100 million proration transactions, and identifies recoverable revenues worth USD 180 million in audit annually. "REVERA" is Accelya Kale's suite of solutions that streamline and simplify revenue accounting across passenger, cargo, proration and interline revenue accounting. REVERA PRA is the most comprehensive passenger revenue accounting platform for the airline industry. Its high level of automation minimises processing errors and maximizes productivity. REVERA CRA is a comprehensive cargo and mail revenue accounting solution that helps airlines reduce rejection rate and improve cash flows. APEX Proration is the industry-recognised proration engine. Accelya Kale's NFP (Neutral Fare Proration) engine APEX (jointly offered with ATPCO) is the backbone of the "First & Final" Billing service offered by IATA. REVERA Interline simplifies and streamlines interline processes and is designed to help airlines capitalize on the reengineering opportunities offered by SIS. Accelya Kale is a pioneer in platform based, end-to-end revenue accounting services across passenger and cargo. Through MPS (Managed Process Service), a platform-based BPO, it takes complete ownership and responsibility for the accuracy, quality and timeliness of revenue accounting data according to customer-defined service level agreements. REVERA is available on hosted and outsourced models.

"FinesseMBS" Miscellaneous Billing

FinesseMBS is a SIS-compliant solution that streamlines miscellaneous receivables and payables, that was introduced in 2011. Using a single, integrated invoicing and settlement process, FinesseMBS standardises billing and accounting practices across business units. The highly automated solution improves productivity by reducing manual work, increasing invoicing speed, and minimising errors and leakage. A powerful contract management engine helps airlines effectively manage pricing contracts and prevent revenue leakage.

Audit and Revenue Recovery

Zero Octa, part of the Accelya Kale group, is the leader in revenue recovery and protection services to airlines. Its audit services span across the entire ticket lifecycle from original booking through to the completion of the journey. This is supported by comprehensive recovery services — from raising of Agent Debit Memos (ADMs) to fund collection. Through proprietary platform, skilled staff and best practices, Accelya Kale ensures maximised recovery and minimised errors.

"EverestAir" Decision Support Solution

"EverestAir" is Accelya Kale's decision support solution that helps airlines gain insights on their sales and business performance. The solution analyses revenue data using proprietary models and consultative approach, to guide airline management in informed decision making. It provides real time information and revenue forecasts in a simple and effective way. EverestAir enables airlines to track and optimise sales performance, interline performance and flight profitability.

Industry Solutions (IATA Business Partner)

Accelya Kale partners with IATA on industry-wide initiatives and provides strategic solutions that aim to transform and simplify a variety of airline processes. Its robust industry solutions include Neutral Fare Proration (NFP) and Simplified Interline Settlement (SIS). Accelya Kale is primary technology partner for IATA's Simplified Interline Settlement (SIS) platform. The SIS project aims to standardise, facilitate and expedite interline billing and settlement in the airline industry. Accelya Kale's NFP (Neutral Fare Proration) engine APEX (jointly offered with ATPCO) is the backbone of the First & Final Billing service offered by IATA. As a part of the NFP process, APEX accurately prorates more than 3 million transactions per month to over 35 airlines.

Recent Events

Stake sale to Accelya

The previous promoters of the company had sold and transferred 4,989,708 equity shares of the company at Rs.172 per share to Accelya Holdings World on 7 July, 2011 in accordance with the share purchase agreement, dated 9 September 2010, Consequently, Accelya held 70.17% (now raised to 74.66% post buyback) in the company and became the new promoter of the company.

Buyback of Equity Shares

The Company bought back 953,826 equity shares on BSE and NSE between February 2012 and May 2012 for a total consideration of Rs. 12.97 crore, which represented 99.99% of the Buy-back size of Rs. 12.975 crore. As a result of the Buyback and the extinguishment of the equity shares bought back, the number of outstanding equity shares has reduced from 1.59 million equity shares to 1.49 million equity shares. Consequently, the shareholding of Accelya Holding World S.L., the holding company has increased from 70.17% to 74.66%.

Company's Strategy:

The airline industry is operating in an uncertain global and economic environment. In this scenario, airlines are continually looking at options to save on costs and increase efficiencies. Accelya Kale focuses on pay-per-use business model to help airlines avoid upfront capital investments and achieve business growth. At the same time, this model ensures annuity revenue streams that ensure revenue visibility and foundation for growth. Following the integration with Accelya, Accelya Kale enjoys a wider reach and greater access to customers. The combined larger portfolio enables the company to contribute better to its customers' business.

Investment Rationale

Strong parent support

Being part of the Accelya Group gives the company better access to markets and customers. Together as a Group, it has more than 200 airlines as customers, over 2000 professionals in 10 countries and over USD 110 million in revenues. These strengths give customers the confidence that they are engaging with a large global company that can become their long term and strategic solution provider. It provides the company with access to good corporate governance practices, clients, technology and cross selling opportunities.

Business focus and expertise

Accelya Kale is the leading financial solutions provider to airlines and travel industry. Over years, it has exited from domains like BFSI, logistics and Hospitality. It commands a significant advantage in terms of business domain knowledge and emerging industry changes. The years of experience has provided it with a strong base of Intellectual Property and Intellectual Capital. This advantage helps the company to provide solutions, which simplify airline financial processes and address their challenges. The total market size is in the range of $800-900 million, of which around 40% is outsourced (the rest being inhouse by Airline companies), which provides ample opportunities to the company.

Healthy Balance sheet post Recent Restructuring

Over the years Accelya Kale has restructured its business and company structure to increase focus and become lean.

- The Company had sold its entire shareholding in Synetairos Technologies Limited, a subsidiary of the Company (which focused on generic software and professional services business and was formed in 2004) on 1 July 2011 to Saksoft Limited as per the Share Purchase Agreement dated 1 July 2011, which has resulted into a gain of Rs 77.71 lakh.

- During the period ended June'11 Kale Technologies Limited, UK, a subsidiary was wound up, which had resulted in a gain of Rs 1.05 crore representing the surplus over investment made by the company.

- The company sold the loss making logistics business of the company to Kale Logistics solution Private Limited, as a going concern, on a slump sale basis, with effect from 1 October 2010 to enhance focus on the Travel and Transportation sector. The company incurred a loss of Rs 4.47 crore on account of this sale. The strategy to focus on one sector has also led to improved financial performance in the subsequent years.

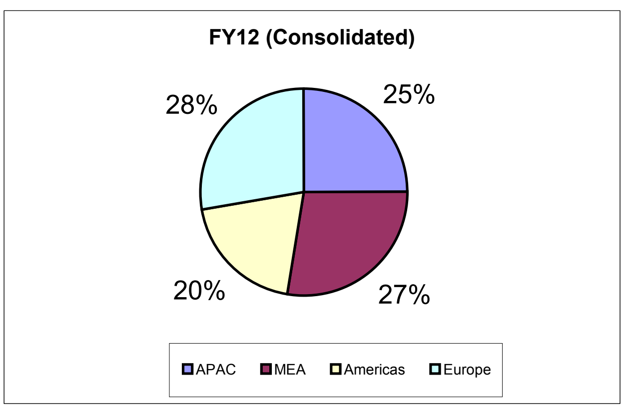
- The board has recently approved the scheme of Amalgamation of two indian subsidiaries into the Company.

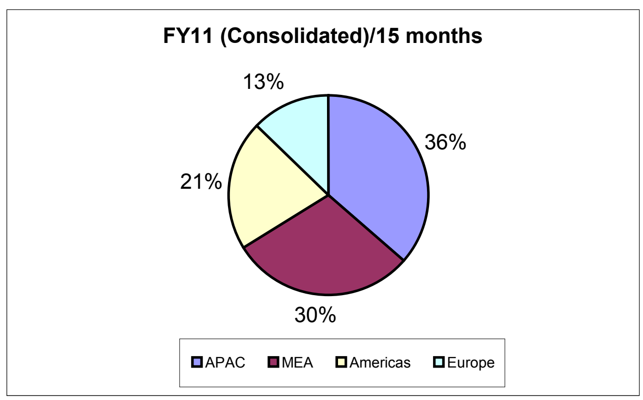
Business largely Non linear

The company offers its products either as a licensed sale, hosted services (which includes Infrastructure) or Full-fledged outsourcing. The licensed sale based revenues are fixed and based on customization and implementation schedule. The company also receives implementation/maintenance fees on an annual basis. In case of hosted services, the employees are that of the clients but the infrastructure is of Accelya Kale. In this case, the billing is based on per transaction (either per passenger, per coupon or per ticket). In the case of Managed process services (outsourced services), Accelya Kale provides all the services including employees and bills similar to hosted services. As the hosted or MPS service provides more stickiness of clients (typical contracts are of 4-5 years), Accelya Kale prefers that model to the licensed sale model. Since Accelya came on board this process has gained momentum. More than 70% of its revenues are annuity based which provides visibility and stability to the growth. The company has seen a change in revenue mix towards transaction based, which also aids margins. While the outsourced model still requires headcount, Accelya Kale improves/modifies its software to increase employee productivity to reduce dependence on headcount and the same number of employees can handle larger volume of work.

Well-diversified Global Operations

Accelya Kale simplifies processes for its airline customers across the globe. The company has a well-diversified business across the globe, which minimises any negative impact on account of slowdown in any particular region. Following is the revenue break up (in percentage) by region.





Impressive Cash generation and Financial performance

The company has been generating healthy cash on the back of high margins and low capex requirements. In FY12, Revenues grew 26.1% to Rs 229.6 crore. EBITDA was Rs 68.3 crore, up 67.5% over FY11 and EBITDA margins improved sharply from 22.4% to 29.8%. PAT grew 173% to Rs 40.8 crore with PAT margins at 17.8% versus 8.2% in FY11. The company delivered RoE of 29.7% in FY12 versus 10.4% in FY11 and it is expected to 36.7% in FY13E. It has been generating health cash flows and cash balance now stands at around Rs 40 crore. Dividend payout was 36.6% in FY12 (excluding one time special dividend of Rs.13.5 per share). It has no major capex lined up over the next few years. We expect the dividend payout to be 50% in FY13E.

Neutral service provider

Accelya Kale is a neutral service provider and is not controlled by any competing airline. The platform and processes are independent of any airline strategic roadmap. Confidentiality and security of customer data is of utmost importance. This gives it a unique advantage.

Single vendor accountability

Accelya Kale has pioneered the concept of platform-based outsourcing in the airline industry. The company takes complete accountability for maintaining and upgrading the platform, processes and people skills in line with industry best practices and client requirements.

Long term Relationship with customers

The ability to forge effective and lasting partnerships with large, global airlines is the strength of the company. It added over 13 leading global airlines to customer list, including LAN, Etihad, COPA, Bangkok Airways during FY12. Many of its airline customers over the years have extended their association with the company.

Pay as you use model

The industry is moving towards solutions around platforms and SaaS based offerings. Customers are looking to move from CAPEX to OPEX models. Accelya Kale is well suited to offer solutions on pay per use – a win-win situation.

Risks and concerns:

Increasing competition

The airline and travel solutions business is seeing a lot of interest in recent times. Many new providers and existing technology vendors are foraying into the business. Some of its domestic competitors include NIIT Technologies, WNS-Lufthansa while globally, Acca, Lufthansa, Mercator (subsidiary of Emirates) – Sutherland and Ciecom are its major competitors. While some of its competitors are JVs with one partner focusing on Software and the other on BPO, Acelya Kale has both services under one roof. Accelya Kale is known for its unparalleled domain expertise and technological excellence and enjoys the leadership position in airline financial solutions. In-depth knowledge of the industry and its requirements make the company the partner of choice for airlines.

Uncertain economic environment

Globally, economies are facing pressures of sustenance and growth. The airline and travel industry is amongst the first to be impacted by any major economic or political situations. Thus, it becomes imperative to safeguard against major business environment changes. By offering customers a transaction-based pricing model, ensuring steady annuity revenue and minimising upfront capital investments for our customers, Accelya Kale can try and mitigate risk of huge business environment fluctuations. Further players like Accelya Kale target Airlines with in-house software operations (which is a huge market – close to 50% of software is developed and run in-house in Airlines industry) apart from organic growth of Airline companies.

High Forex Exposure

Accelya Kale's international business currently accounts for ~80% of its total revenues on a standalone basis & is likely to be a major growth driver going forward. This exposes the company to the risk of volatility in foreign currency rates, which could impact its margins. This also impacts the quarterly results from quarter to quarter. However the Company takes forward covers selectively to protect against movement in foreign currency rates.

High Client Concentration

The company derives majority of its revenues from few large clients. Excessive exposure to a few large clients has the potential to impact profitability and to increase credit risk.

Supply side pressures

The key resource for Accelya Kale is its employees. The company has total 1600 employees of which 350 are software development professionals. With increased competition from Indian and international IT services companies, there is an increased pressure on salary increases and consequent pressure on margins. As demand of specified skilled IT personnel outpace supplies, the company faces higher risk of attrition.

Other risks

Accelya Kale's business could be impacted by events like 9/11, weather problems like sandy storm, labor problems at Airlines etc whose impact may be from a couple of days to couple of weeks.

Accelya Kale capitalizes certain expenses as product development cost depending on the purpose of the expenses and writes them off over couple of years.

Q1FY13 Result Snapshot: (Consolidated)

Accelya Kale reported all-round impressive performance during the quarter ended September 2012. Revenues grew 40.6% y-o-y and 8% q-o-q to Rs 74.9 crore. Operating profit grew 77.4% Y-o-Y and 51.3% Q-o-Q to Rs 32.4 crore due to fall in employee costs as well as other expenditure. EBITDA margins thus improved sharply from 34.4% to 43.3% in Q1FY12 and 30.9% in Q4FY12.

The company had a one time of Rs 77.71 lakh related to stake sake in a subsidiary, Synetairos Tech. Ltd. To Saksoft Limited during Q1FY12. Tax rate remained almost same at 31.7% against 31.3% y-o-y and 32.5% q-o-q. PAT thus grew 72.6% to Rs 20.2 crore over Q1FY12 and 55.4% as compared to Q4FY12 with PAT margins at 26.9% versus 22% in Q1FY12 and 18.7% in Q4FY12.

Conclusion & Recommendation:

Globally, there is huge opportunity for airlines to integrate and simplify their financial processes; to better manage costs, risks, revenue leakages, cash flows, profitability and overall business performance. Accelya Kale is well placed to enable airlines to take advantage of this opportunity. Having posted good results during the year, the company aims to sustain this profitability and achieve robust growth, especially around annuity revenue streams. With the current success, the company is already recognized as a leader in its chosen areas. It commands a significant advantage in terms of business domain knowledge and ability to innovate new solutions, combined with strong base of intellectual property and intellectual capital.

Focused business and expertise, Strong parent support, Non-linear nature of business, Healthy cash generation and financial performance, well diversified business in terms of geography could act as a near term trigger for the stock while high client concentration and increase in competition are the major concerns. We expect the company's revenues to grow at a CAGR of 27.5% over FY12-14. PAT is expected to grow at a CAGR over 32.4% over the same period.

At CMP, the stock is currently trading at 8.4x FY13E EPS. Based on healthy balance sheet, shareholder friendly management, good execution record and recent improvement in revenue mix, we value the stock at 10x FY13E EPS and 11x FY13E EPS, which gives us a sequential target price of Rs 399 and Rs 439. We think investors could buy the scrip at current levels and add on dips to Rs 279-289 for our price target over the next one to two quarters.

Quarterly Financial Performance: (Consolidated)

(Rs. In Crore)

Particular	Q1FY13	Q1FY12	% YoY	Q4FY12	% QoQ
Total Sales	74.9	53.2	40.6	69.4	8.0
Expenses					
Employee benefit expenses	27.9	21.3	30.9	27.3	2.1
% of sales	37.3%	40.0%		39.4%	
Other expenditure	14.8	15.1	-2.1	21.2	-30.4
% of sales	19.7%	28.3%		30.6%	
Product development cost	-0.2	-1.4	-84.2	-0.6	-62.4
% of sales	-0.3%	-2.7%		-0.9%	
Total	42.4	35.0	21.4	47.9	-11.4
% of sales	56.7%	65.6%		69.1%	
EBITDA	**32.4**	**18.3**	77.4	**21.5**	51.3
EBITDA %	**43.3%**	**34.4%**	26.1	**30.9%**	40.1
Other income	0.0	0.0	-100.0	0.0	
EBIDTA incl. OI	32.4	18.3	77.4	21.5	51.3
Finance costs	0.1	0.2	-41.3	0.2	-38.0
PBDT	32.3	18.1	78.6	21.3	52.0
Depreciation, Amortization and Impairment	2.8	1.9	50.5	2.0	38.1
PBT	29.5	16.2	81.8	19.2	53.5
Exceptional items (Net)	0.0	0.8	-100.0	0.0	0.0
PBT after Exceptional items	29.5	17.0	73.5	19.2	53.5
Taxes	9.3	5.3	75.6	6.3	49.4

PAT	20.2	11.7	72.6	13.0	55.4
Extraordinary item	0.0	0.0		0.0	
Prior period item	0.0	0.0		0.0	
Net profit	**20.2**	**11.7**	72.6	**13.0**	55.4
NPM	26.9%	22.0%		18.7%	
EPS	13.5	7.8		8.7	55.2
Equity	14.9	14.9		14.9	0.0
Face value	10.0	10.0		10.0	0.0

(Source: Company, HDFC Sec)

Financials: (Consolidated)

Profit & Loss A/c

(Rs. In Crore)

Particulars (Rs crore)	FY11	FY12	FY13E
INCOME STATEMENT	Jun-11	Jun-12	Jun-13
Total Sales	182.1	229.6	298.5
% YoY		**26.1%**	**30.0%**
Expenses			
Employee benefit expenses	91.5	97.0	114.9
% of sales	**50.2%**	**42.2%**	**38.5%**
Other expenditure	51.9	68.8	89.8
% of sales	**28.5%**	**29.9%**	**30.1%**
Product development cost	-2.1	-4.4	-5.9
% of sales	**-1.2%**	**-1.9%**	**-2.0%**
Total Expenses	141.3	161.3	198.9
% of sales	**77.6%**	**70.2%**	**66.6%**
EBITDA	**40.8**	**68.3**	**99.6**
% YoY		**67.5%**	**45.8%**
EBITDA %	**22.4%**	**29.8%**	**33.4%**
Other income	0.0	0.0	0.0
EBIDTA incl. OI	40.8	68.3	99.6
Finance costs	0.8	0.8	0.9
PBDT	40.0	67.5	98.7
Depreciation, Amortization and Impairment	14.0	8.1	11.4
PBT	25.9	59.5	87.3
Exceptional items (Net)	-4.5	0.8	0.0
PBT after Exceptional items	21.5	60.2	87.3
Taxes	2.9	19.5	27.7
PAT	18.6	40.8	59.6
Extraordinary item	0.0	0.0	0.0
Prior period item	3.7	0.0	0.0
Net profit	**14.9**	**40.8**	**59.6**
% YoY		**173.0%**	**46.2%**
EPS	10.0	27.3	39.9
Equity	14.9	14.9	14.9
Face value	10.0	10.0	10.0
Net profit Margin	8.2%	17.8%	20.0%

(Source: Company, HDFC Sec Estimates)

Balance Sheet

(Rs. In Crore)

BALANCE SHEET	**FY11**	**FY12**	**FY13E**
Equity and Liabilities	Jun-11	Jun-12	Jun-13
Shareholders funds			
Share capital	15.9	14.9	14.9
Reserves and Surplus	128.5	122.6	147.5
Sub Total shareholders funds	**144.3**	**137.5**	**162.5**
Minority Interest	1.6	0.0	0.0
Non current liabilities			
Long term borrowings	0.4	0.1	0.1

Other long term liabilities	0.6	1.0	1.3
Long term provisions	4.6	7.8	10.1
Sub Total non current liabilities	**5.7**	**8.8**	**11.5**
Current liabilities			
Short term borrowings	0.0	0.0	0.0
Trade payable	2.3	3.8	5.0
Other current liabilities	17.5	17.5	22.7
Short term provisions	9.1	30.4	39.5
Sub Total Current liabilities	**28.9**	**51.7**	**67.2**
Total Equities and Liabilities	**180.5**	**198.1**	**241.2**
Assets			
Non current assets			
Good will	33.7	40.2	40.2
Fixed assets	19.9	31.3	38.1
Non current investments	0.0	0.0	0.0
DTA (net)	6.0	6.7	8.8
Long term loans and advances and Other non current assets	12.6	7.7	10.0
Sub total Non Current Assets	**72.2**	**86.0**	**97.1**
Current assets			
Trade receivables	33.8	31.8	41.3
Cash and Cash equivalents	41.6	40.1	50.5
Short term loans and advances	15.6	13.3	17.3
Other current assets	17.3	27.0	35.1
Sub total Current Assets	**108.2**	**112.1**	**144.1**
Total Assets	**180.5**	**198.1**	**241.2**

(Source: Company, HDFC Sec Estimates)

Cash Flow Statement

(Rs. In Crore)

YE March (Rs. Crore)	**FY11**	**FY12**	**FY13E**
PBT	21.5	60.2	87.3
Net Op CF	0.0	60.3	65.9
Net CFI	0.0	-21.1	-11.1
Net CFF	0.0	-42.5	-43.5
Cash & Cash Equivalents	41.6	40.1	50.5
Net Inc/(Dec) in Cash	0.0	-3.3	11.3

(Source: Company, HDFC Sec Estimates)

Key Ratios

YE March	**FY11**	**FY12**	**FY13E**
No of Equity Shares	**1.5**	**1.5**	**1.5**
CMP	**336.0**	**336.0**	**336.0**
M Cap	**501.5**	**501.5**	**501.5**
EV	**460.4**	**461.5**	**451.2**
FD EPS	10.0	27.3	39.9
Cash EPS (PAT + Depreciation)	19.4	32.7	47.6
PE(x)	33.6	12.3	8.4
BV (Rs.)	96.7	92.1	108.8
P/BV (x)	3.5	3.6	3.1
Core OPM (%)	0.2	0.3	0.3
PBT (%)	11.8	26.2	29.2
NPM (%)	8.2	17.8	20.0
ROCE (%)	18.5	43.8	54.3
RONW (%)	10.4	29.7	36.7
Debt-Equity	0.0	0.0	0.0
Current Ratio	3.7	2.2	2.1
Mcap/Sales (x)	2.8	2.2	1.7
EV/EBITDA	11.3	6.8	4.5

(Source: Company, HDFC Sec Estimates)

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