

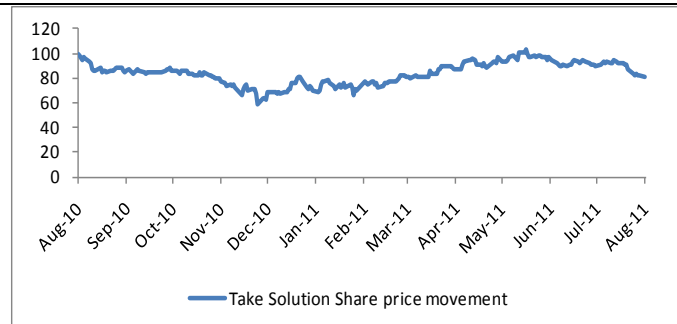
**Event Update**
**TAKE Solutions Ltd.**

<b>Recommendation</b>	<b>BUY</b>
<b>CMP (07/09/2011)</b>	<b>Rs. 32.6</b>
<b>Target</b>	<b>Rs. 43</b>
<b>Sector</b>	<b>Information Technology</b>

**Stock Details**

BSE Code	532890
NSE Code	TAKE
Bloomberg Code	TAKE IN
Market Cap (Rs. cr)	399
Free Float (%)	41.67
52- wk HI/Lo	48.70/23.05
Avg. volume BSE (Quarterly)	41,926
Face Value	Re. 1.00
Dividend (FY11)	100%
Shares o/s (Cr)	12

Relative Performance	1Mth	3Mth	1Yr
<b>TAKE</b>	-11.5%	-21%	-9.7%
<b>Sensex</b>	0.44%	-7.7%	-8.5%


**Shareholding Pattern 30/06/2011**

Promoters Holding	58.33%
Institutional (Incl. FII)	7.35%
Corporate Bodies	13.68%
Public & others	20.64%

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**Take Solutions appoints Mr. John Levey (ex SAP America & Oracle) as Vice President Sales, Supply Chain**

- Mr Levey most recently served as VP, SAP America.
- Prior to SAP, he was Areas Sales VP for Oracle Corp.
- His past experience includes leadership positions with Right Now Tech and BEA Systems.
- Also held President & CEO os Macro 4 (UK).

**The company**

- Revenues from Supply Chain (SCM) Segment constitutes almost 49% to the revenues in FY11 of Take. Post WCI acquisition which is in Lifesciences, SCM contribution to revenues has come down to 44% in Q1FY12.
- 65% of the revenues in FY11 came from the US where Mr. Levey has wide exposure.

**Positives from this development**

- Considering huge focus in this segment, Mr Levey's appointment would bring in a lot more visibility to the SCM business of the company.
- In addition, his contacts in this industry and geographical knowledge would aid in widening the client base.

**Guidance from the company**

The company has given guidance of 6-7% QoQ growth for the next 2 to 3 quarters. EBIDTA margins are expected to move up in the range of 22-23% for the company.

**Valuation & Recommendations**

Take solutions is operating in the non-BFSI segments of SCM and lifesciences where the effect of Global Crisis may not be tough. Post the latest development in the company, we find the stock very attractive which is trading at 4.5x FY12E EPS and recommend a BUY on the stock.

Year	Net Sales	Growth %	EBITDA	Margin %	PAT	Margin %	EPS	PE	EV/Sales
FY 2010A	351.8	4.9%	56.7	16.1%	32.4	9.2%	2.70	12.77	1.20
FY 2011A	500.3	42.2%	106.0	21.2%	70.0	14.0%	5.83	5.62	1.15
FY 2012E	679.3	35.8%	146.8	21.6%	86.3	12.7%	7.19	4.53	0.80
FY 2013E	839.2	23.5%	182.4	21.7%	115.2	13.7%	9.60	3.39	0.59

**Event Update**
**TAKE Solutions Ltd.**

<b>Profitability (Rs. In Cr)</b>	<b>FY10A</b>	<b>FY11A</b>	<b>FY12E</b>	<b>FY13E</b>
<b>Revenues</b>	<b>351.8</b>	<b>500.3</b>	<b>679.3</b>	<b>839.2</b>
% change	4.9%	42.2%	35.8%	23.5%
<b>EBITDA</b>	<b>56.7</b>	<b>106.0</b>	<b>146.8</b>	<b>182.4</b>
EBITDA margin (%)	16.1%	21.2%	21.6%	21.7%
Depn & Amort	22.3	21.5	27.3	33.1
<b>Operating income</b>	<b>34.4</b>	<b>84.4</b>	<b>119.5</b>	<b>149.3</b>
Interest	3.9	7.5	15.9	12.5
Other Income	14.6	5.8	8.7	11.8
Forex Loss (Gain)	4.6	2.6	0.0	0.0
<b>PBT</b>	<b>40.5</b>	<b>80.0</b>	<b>112.3</b>	<b>148.5</b>
Tax	4.2	6.5	22.5	29.7
Minority interest	3.9	3.6	3.6	3.6
<b>PAT</b>	<b>32.4</b>	<b>70.0</b>	<b>86.3</b>	<b>115.2</b>
Shares o/s ( No. in Cr.)	12.0	12.0	12.0	12.0
EPS	2.70	5.83	7.19	9.60

<b>Quarterly (Rs. In Cr)</b>	<b>Sep.10</b>	<b>Dec.10</b>	<b>Mar.11</b>	<b>Jun.11</b>
<b>Revenue</b>	<b>117.3</b>	<b>124.9</b>	<b>149.6</b>	<b>158.6</b>
<b>EBITDA</b>	<b>26.1</b>	<b>27.2</b>	<b>29.4</b>	<b>34.1</b>
Dep & Amortisation	7.5	5.1	2.5	5.3
<b>Op Income</b>	<b>18.6</b>	<b>22.2</b>	<b>26.8</b>	<b>28.8</b>
Interest	1.1	1.6	3.9	3.6
Other Inc.	1.3	1.5	1.6	2.3
Forex Loss (Gain)	1.3	0.4	0.8	0.3
<b>PBT</b>	<b>17.5</b>	<b>21.7</b>	<b>23.7</b>	<b>27.2</b>
Tax & Minority	1.3	2.7	3.3	5.6
<b>PAT</b>	<b>16.3</b>	<b>18.9</b>	<b>20.4</b>	<b>21.6</b>
EPS (Rs.)	1.36	1.58	1.70	1.80

<b>Performance Ratio</b>	<b>FY10A</b>	<b>FY11A</b>	<b>FY12E</b>	<b>FY13E</b>
EBITDA margin (%)	16.1%	21.2%	21.6%	21.7%
EBIT margin (%)	9.8%	16.9%	17.6%	17.8%
PAT margin (%)	9.2%	14.0%	12.7%	13.7%
ROE (%)	8.9%	27.5%	25.3%	25.3%

<b>Valuation Ratio</b>	<b>FY10A</b>	<b>FY11A</b>	<b>FY12E</b>	<b>FY13E</b>
Price Earnings (x)	12.14	5.62	4.53	3.39
Price / Book Value (x)	1.12	1.60	1.20	0.89
EV / Sales	1.20	1.15	0.80	0.59
EV / EBITDA	7.44	5.41	3.69	2.72

Source: Company data, Nirmal Bang Research

<b>Financial Health (Rs. In Cr)</b>	<b>FY10A</b>	<b>FY11A</b>	<b>FY12E</b>	<b>FY13E</b>
Share Capital	12.0	12.0	12.0	12.0
Reserves & Surplus	353.8	242.7	329.0	444.2
Minority	19.8	27.2	30.7	34.3
<b>Net Worth</b>	<b>385.6</b>	<b>281.9</b>	<b>371.7</b>	<b>490.5</b>
<b>Deferred Tax Liabilities</b>	<b>3.5</b>	<b>3.2</b>	<b>3.2</b>	<b>3.2</b>
<b>Total Loans</b>	<b>34.4</b>	<b>184.4</b>	<b>163.9</b>	<b>128.9</b>
<b>Total Liabilities</b>	<b>423</b>	<b>469</b>	<b>539</b>	<b>623</b>
<b>Net Fixed Assets</b>	<b>16.1</b>	<b>27.0</b>	<b>34.3</b>	<b>38.3</b>
<b>Goodwill</b>	<b>173.5</b>	<b>190.1</b>	<b>190.1</b>	<b>190.1</b>
<b>Capitalized Software</b>	<b>71.3</b>	<b>54.1</b>	<b>48.7</b>	<b>41.7</b>
<b>Investments</b>	<b>50.2</b>	<b>50.2</b>	<b>67.0</b>	<b>98.0</b>
Cash & Bank	47.6	46.4	57.0	67.0
Debtors & Other CA	154.7	240.1	311.2	376.9
CL & P	89.9	138.5	169.0	189.0
<b>Net CA</b>	<b>112.4</b>	<b>148.0</b>	<b>199.2</b>	<b>254.9</b>
<b>Total Assets</b>	<b>423</b>	<b>469</b>	<b>539</b>	<b>623</b>

<b>Cash Flow (Rs. In Cr)</b>	<b>FY10A</b>	<b>FY11P</b>	<b>FY12E</b>	<b>FY13E</b>
<b>Operating</b>				
Net Income	40.5	80.0	112.3	148.5
Change in WC	10.1	-35.1	-42.2	-31.7
Other Adjustment	-10.7	0.0	-8.3	-21.0
<b>CF from Operation</b>	<b>39.9</b>	<b>44.9</b>	<b>61.8</b>	<b>95.8</b>
<b>Investment</b>				
Capex	-7.1	-13.5	-10.0	-10.0
Other Investment	-8.3	-5.8	-25.6	-42.8
<b>Total Investment</b>	<b>-15.4</b>	<b>-19.2</b>	<b>-35.6</b>	<b>-52.8</b>
<b>Financing</b>				
Dividend Paid	2.4	12.0	12.0	12.0
Share Capital	-4.9	0.0	0.0	0.0
Interest on Loan	-3.9	-7.5	-15.9	-12.5
<b>Total Financing</b>	<b>-30.6</b>	<b>-26.8</b>	<b>-15.7</b>	<b>-33.0</b>
Net Chg. in Cash	-6.1	-1.2	10.6	10.0
Cash at beginning	53.7	47.6	46.4	57.0
Cash at end	47.6	46.4	57.0	67.0

<b>Per Share Data</b>	<b>FY10A</b>	<b>FY11A</b>	<b>FY12E</b>	<b>FY13E</b>
Reported EPS	2.70	5.83	7.19	9.60
BV per share	30.48	21.22	28.41	38.02
Cash per share	8.15	8.05	10.33	13.75



**NOTE**

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