

20 February 2013

**CMP:** Rs.11.89

**Industry:** Commodity Trading & Distribution

**BSE group:** T

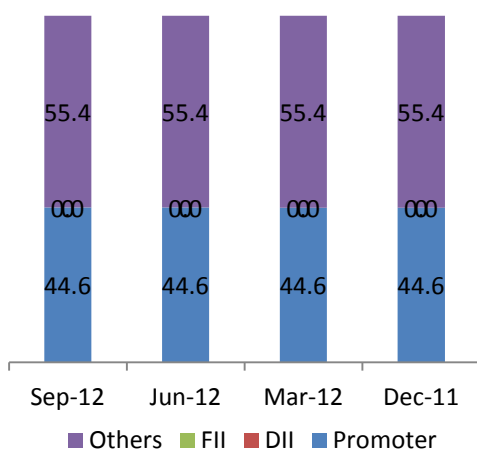
**Promoters**

WeP Peripherals Ltd, Ram N Agarwal

**Key Data** (as on 21 Jan' 13)

BSE	532373
ISIN	INE434B01029
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	133.9
Current P/E	23.8
Current P/BV	0.8
52 week low-high	8.71-17.00
30 days avg daily trading volume	2781
Equity capital (Rs mn)	112.6
Net worth (Rs mn)	171.3

**Shareholding Pattern (%)**



[Click here for: Initiation report](#)

[Write to us at: equity.research@outlook.com](mailto:equity.research@outlook.com)

**Company business**

WeP Solutions earlier known as Datanet Systems Ltd was incorporated as a public limited company in March 1995 under the name of Datanet Corporation Ltd. The company is under the business of providing printing solutions to its clients. During the year 2010-11, the company entered into a scheme of arrangement to acquire the Managed Printing Solutions (MPS) division of WeP Peripherals Limited.

**Recent developments**

As per scheme of arrangement u/s 391 to 394 of Companies Act 1956, printer business of WeP Peripherals Limited is proposed to be demerged into the company w.e.f. April 01, 2012 by way of issue of equity shares of the company. The scheme has been approved by the shareholders and the creditors of the company and approval is pending with the High Court of Karnataka. The books of accounts do not consider the impact of this proposed scheme of arrangement.

Particulars (Rs in mn)	Jul '12 to Sep '12	Jul '11 to Sep '11	% Change <sup>1</sup>	Apr'12 to Jun '12	% Change <sup>2</sup>
Total income	90.2	83.2	8.41%	92.3	(2.3%)
Total expenditure	65.7	67.4	(2.5%)	64.9	1.2%
EBIDTA	24.5	15.8	55.06%	27.4	(10.6%)
EBIDTA margin	27.16%	18.9%	43.70%	29.69%	(8.5%)
PBT	4.6	(4.6)	-	6.5	(29.2%)
PAT	3.1	(3.1)	-	4.4	(29.5%)
PAT margin	3.44%	3.62%	-	4.77%	(27.9%)
Cash accruals	18.7	14.0	33.57%	21.1	(11.4%)
EPS	0.3	negative	-	0.4	(30.8%)

<sup>1</sup> compared to corresponding quarter in the previous year

<sup>2</sup> sequential comparisons

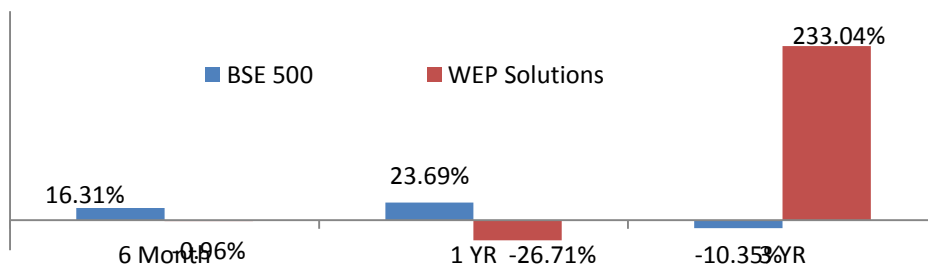
Source: Moneycontrol, Company

**Financial Performance**

The company's total income improved by 8.4% to Rs 90.2 mn from Rs 83.2 mn in Jul-Sept'11. EBIDTA grew by 55% to Rs 24.5 mn. PBT during the quarter turned positive to Rs 4.6 mn. Depreciation and finance expenses were Rs 15.6 mn and to Rs 4.3 as compared to Rs 17.1 mn and 3.4 mn in Jul-Sep'11. PAT stood at Rs 3.1 mn for the quarter.

The company's P/E ratio has improved from negative to 23.8 with profit booking for the quarter ending (Jul-Sep'12).

**Share Price Performance**



**Financials**

<b>P&amp;L (Rs.mn)</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>Balance Sheet (Rs. mn)</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
Total income	3.4	333.9	371.7	Equity share capital	125.9	112.6	112.6
EBITDA	(7.6)	96.8	73.7	Reserves & Surplus	(122.5)	66.8	58.7
EBIDTA margin	(224%)	29%	20%	<b>Net worth</b>	<b>3.4</b>	<b>179.4</b>	<b>171.3</b>
Depreciation	0.4	59.5	70.2	Borrowings	0.0	58.5	108.0
EBIT	(8)	37.3	3.5	Current Liabilities & Provisions	5.1	117.2	93
Interest	0	5.5	14.2	<b>Total liabilities</b>	<b>8.5</b>	<b>355</b>	<b>372</b>
PBT	(8)	31.8	(10.7)	Net fixed assets	0.3	113.2	123.5
Extra-ordinary item	0	0	0	Loans and Advances	7.8	21.3	28.4
PBT (after extra-ordinary item)	(8)	31.8	(10.7)	Investments	0	0	0
Tax	0	(3)	(4)	Current Assets	0.4	220.5	220.2
PAT	(8)	34.8	(6.7)	<b>Total assets</b>	<b>8.5</b>	<b>355</b>	<b>372</b>
PAT margin	(235%)	10%	(2%)	<b>Cash Flow (Rs.mn)</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
Dividend (including tax)	0	0	0	PBT	(8)	31.8	(10.7)
Dividend (per share)	0	0	0	CF from Operation	0	46.1	27.3
<b>Valuation ratios</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	CF from Investment	0	(66.7)	(82)
P/E	negative	1.29*	negative	CF from Financing	0	11	47.1
P/BV	29.2	0.25	0.91	Inc/(dec) in Cash	0	(9.6)	(7.6)
				<b>Closing Balance</b>	<b>0</b>	<b>7.9</b>	<b>0.2</b>

\* Price as on 16<sup>th</sup> march 2011

**Disclaimer**

The information contained herein is from publicly available data or other sources believed to be reliable, but we do not represent that it is accurate or complete and it should not be relied on as such. Our company shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation which may affect their investment in the securities of companies referred to in this document (including the merits and risks involved). The discussions or views expressed may not be suitable for all investors. This information is strictly confidential and is being furnished to you solely for your information.