

20 August 2015

CMP: Rs.2.5

Industry: IT- Software products

BSE group: B

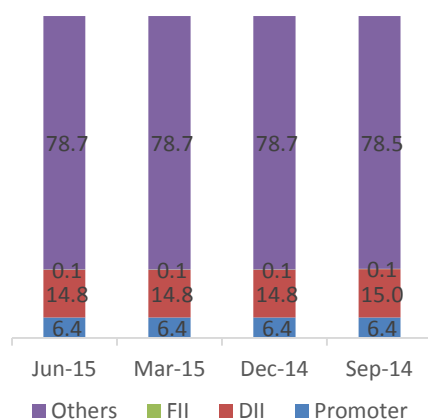
Promoters

Aseef Khader and family

Key Data

BSE	512093
ISIN	INE234B01023
Face Value (Rs.)	2.0
Mkt Cap (Rs. mn)	285.0
Current P/E	negative
Current P/BV	negative
52 week low-high	1.7-6.7
30 days avg daily trading volume	26964.0
Equity capital (Rs mn)	235.5
Net worth (Rs mn)	(669.3)

Shareholding Pattern (%)



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Company business

The company started as a distributor of anti-virus software in Bengaluru and moved on to become the sole authorised distributor of MATLAB (mathematical modeling software) in South Asia in 1993. Subsequently, it followed a strategy of ‘acquire, enhance, and expand’ and began to identify software products with commercial potential in the statistics, engineering simulation and mathematical modeling space. It acquired these products, improved them through its own investments in R&D and marketed them using its established distribution network (presence in 39 countries). It had bought out the SYSTAT and Sigma – products from SPSS Inc. The business of distribution of MATLAB was terminated in FY10 – leading to a loss of a revenue stream of Rs. 450 mn. The company raised an FCCB issue of Euro 42 mn in 2006. It defaulted on its redemption in March 2011, and the Bank of New York Mellon has made a petition for winding up of the company. The company has been making losses for the last three years and has lost 98.6% of its market value from its peak in December 2007. The stock was suspended from trading on NSE on 3 September 2010 because of non-compliance with the listing agreement (in respect of timely disclosure of financial results).

Financials

Particulars (Rs in mn)	Apr '15 to Jun '15	Apr '14 to Jun '14	% Change ¹	Jan '15 to Mar '15	% Change ²
Total income	22.1	192.7	(88.5%)	403.4	(94.5%)
Total operating expenditure	141.6	32.2	339.8%	31.2	353.8%
EBIDTA	(119.5)	160.5	-	372.2	-
EBIDTA margin	(540.7%)	83.3%	-	92.3%	-
PBT	(417.2)	(147.0)	-	61.4	-
PAT	(296.4)	(147.0)	-	(13.9)	-
PAT margin	(1,341.2%)	(76.3%)	-	(3.4%)	-
Cash accruals	(256.2)	(108.8)	-	13.4	-
EPS	(2.5)	(1.3)	-	(0.1)	-

¹ compared to corresponding quarter in the previous year

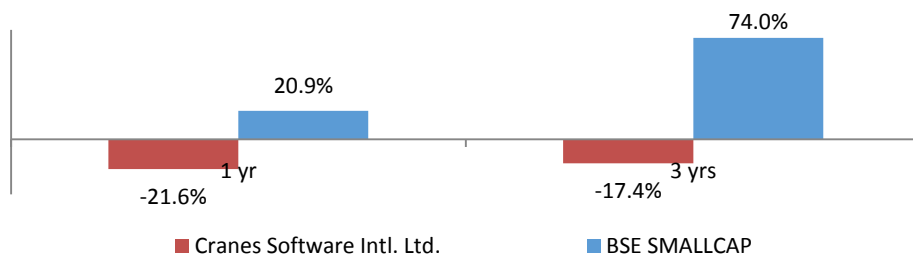
² sequential comparisons

Source: www.moneycontrol.com

Financial Performance

In the quarter ended Jun'15, the total income of the company decreased by 88.5% to Rs.22.1 mn from Rs.192.7 mn during the quarter ended Jun'14. The company recorded net losses of Rs.296.4 mn compared to net losses of Rs.147.0 mn in the quarter ended Jun'14.

Share Price Performance



Financials

P&L (Rs. mn)	FY12	FY13	FY14	Balance Sheet (Rs. mn)	FY12	FY13	FY14
Total income	1,782.4	392.4	270.3	Share Capital	235.5	235.5	235.5
EBIDTA	841.3	(1,354.4)	(667.2)	Share application money, warrants	-	-	-
EBIDTA margin	47.2	negative	negative	Reserves & Surplus	2,630.7	95.0	(904.8)
Depreciation	482.2	423.8	303.9	Net worth	2,866.2	330.5	(669.3)
EBIT	359.1	(1,778.2)	(971.1)	Borrowings	8,213.0	8,874.8	8,797.8
Interest	1,233.4	902.1	947.1	Net deferred tax Liabilities	(1,180.5)	(1,324.9)	(2,256.0)
PBT	(874.3)	(2,680.3)	(1918.2)	Current Liabilities and provisions	3,237.7	5,061.3	4,513.7
Tax	(610.9)	(144.6)	(918.4)	Total liabilities	13,136.4	12,941.7	9,716.9
PAT	(263.4)	(2,535.7)	(999.8)	Net fixed assets	4,114.6	3,694.9	3,546.9
PAT Margin	negative	negative	negative	Non-current investments	800.9	800.9	800.9
Dividend (incl. of tax)	-	-	-	Loans and Advances	4,390.8	4,505.0	4,548.1
Dividend payout	-	-	-	Current Assets	3,830.1	3,940.9	821.0
				Total assets	13,136.4	12,941.7	9,716.9
				Cash Flow (Rs.mn)	FY12	FY13	FY14
				PBT	(874.3)	(2,680.3)	(1918.2)
				CF from Operation	385.6	959.7	197.7
				CF from Investment	(6.2)	(1.8)	61.9
				CF from Financing	(370.2)	(965.3)	260.5
				Inc/(dec) Cash	9.2	(7.4)	1.0
				Closing Balance	20.1	12.7	11.8

Source: CMIE Prowess

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