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Aurionpro Solutions Ltd—Buy—299—INR

Sector — IT (Software)
Regd.Off. — 404, Hiranandani park, Powai, Andheri (E), Mumbai-400076
Listed — NSE, BSE.

Company Overview—

AurionPro Solutions was originally started as, Value Added Information Distribution Services (VAIDS) Pvt. Ltd., by three entrepreneurs Bhavesh Talsania, Amit Sheth & Paresh Zaveri in 1997. Over the years, VAIDS has grown to a strong organization, and has built a team of experienced Managers at various levels with well-defined processes in place. AurionPro Solutions Limited is an ISO 9001:2000 certified company with eight-year-old technology product and Solutions Company. Today, AurionPro Solutions is a 500+ member organization with international operations in various countries. Today, aurionPro has developed a successful track record of providing robust, transaction intensive products and solutions to top private and MNC banks in India. Its cash management solutions today handle over 500,000 transactions daily clocking volumes of over USD 17 billion every year. Aurionpro Solutions, headquartered at Mumbai, is a company mainly engaged in providing cash management solutions for the Indian banking sector. The company has its subsidiaries located at Singapore, Bahrain and USA.

Products & Services—

Company has made the banking domain as its prime focus area, but it also continued with its historical offerings in IT services. The IT services business has helped the company to maintain best practices in product implementation, offshore delivery and technology adoption, essentials for any IT company. On the treasury side, leveraging on the enhanced domain competencies, aurionPro built a trading simulator to establish a niche in the area of treasury. Thereafter the company acquired a niche debt trading product from an Indian software company to expand its offering. AurionPro Solutions has built a strong niche presence in Cash Management solutions in Indian Banking sector by servicing top Private Sector and Foreign Bank operating in India.

In Banking and finance sector its client list includes UTI bank, United western bank, Centurion bank, HDFC bank, Deutsche bank, Kotak mahindra bank, ABN-AMRO bank, DBS, HDFC securities, Standard Chartered bank, Syndicate bank, Societe Generale, Entrust group, Qatar insurance company, Taib bank. In logistics it has Cyberlog, BDP international, iDS logistics etc. company also serves to Datamatics limited, Mastek, Philips, Lycatel, siemens, Maersk etc.

Company has innovative products and extends offerings to meet the needs of the Bank's customers. It has outsourcing solutions like Warrant, Receivables, Foreign Bank- Dealer cheque presentation, PDC, etc. Extend products and offerings viz. Customer Terminals, STP, Trade with Receivables, Netting, NRI Remittances, etc. Improve customer servicing viz. Remote printing and pick up to correspondent banks, Auto Reporting, mandate solutions, etc. Extend channels-- Build operational efficiencies viz. Coordinator Management, Courier Management, fraud mitigation,

recon tools, customer recon statements. Protect profitability viz. Funds Track tool, Unified charging across products & services, customer wise budget and actual profitability, etc.

iCashpro— Cash Management is a banking service that allows your corporate customers to manage their receivables and payables efficiently. iCashPro is a fully Web-Based system in Service Oriented Architecture consisting of Internet Banking Front-end and Banking Operations Back-end which can function independently. iCashPro is the combination of proven payments and collection solutions which currently serve over 1000 corporate clients and 1500 correspondent bank relationships for three large banks.

Financials—

Results for 01-oct-2006 to 31-dec-2006 (Third Quarter)

Financial Results	Rs.lakhs
Net Sales	711.37
Other Income	280.67
Gross Income	992.04
Increase/Decrease in Stock	-32.85
Staff Cost	215.43
Total Expenditure Excluding Other Expenditure	182.58
Other Expenditure	203.08
Total Expenditure	385.66
Interest	4.68
Profit Before Depreciation & Taxes	601.70
Depreciation	64.92
Profit Before Tax	536.78
Provision for Taxation	61.05
Adjusted Net Profit	475.73
Face Value of Share (in Rs.)	10.00
Paid-up Equity Share Capital	1112.19
Basic EPS (in Rs.)	4.30
Diluted EPS (in Rs.)	4.30

Recent Developments—

Aurionpro Solutions has entered into an agreement with SunGard Asia Pacific Inc. to resell and implement the BancWare solution, for the Indian markets, which helps banks to comply to BASEL II regulations. SunGard's asset liability Management, profitability, strategic planning, credit risk, and regulatory compliance solutions provide a complete picture of a banks business. With annual revenue of US\$4 billion, SunGard is a global leader in software and processing solutions for financial services, higher education and the public sector. SunGard serves more than 25000 customers in more than 50 countries, including all the 50 of the world's 50 largest financial services companies.

Aurionpro Solutions signed an MOU to acquire US based SPS Corporation. Acquisition would be funded through a mix of cash and stock. The deal value has not been disclosed. This acquisition will help achieve the size and scale to launch aurioPro's banking suite in the US market next year. This would help the company to its position itself strategically to compete for major contracts on the global arena with fortune 1000 clients besides opening up off shoring opportunities with SPS's current clients.

Aurionpro Solutions announced that the board has approved the merger between the company and Aurionpro Services, the promoter company. Company also allotted 1,030,000 equity shares and 885,000 warrants convertible into fully paid up equity shares at a price of Rs 252 with face value Rs 10/share. The company raised around Rs 482.58 million through the allotment of equity shares and warrants to promoters, FII, NRIs and individuals.

Valuation—

Acquisitions made by the company in last 1 year and expansion into banking sector solutions will provide strong Revenue growth going forward. We expect revenue to grow at a CAGR of 30-35% for next 3 years. At CMP, Stock is trading at 15.6 X multiple of its FY2008 Estimated earnings. We recommend investors to "BUY" "Aurionpro Solutions limited" for medium to long-term investment prospective.

We invite Readers to send Feedback, stock and subscription queries at E-mail Id- investment_guru1@yahoo.com

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