

09 October 2013

CMP: Rs.1.27

Industry: Textiles

BSE group: B

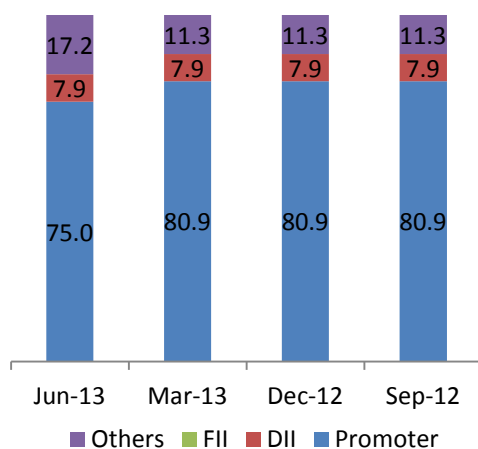
Promoters

Praful Shah and family, Garden Vareli Group

Key Data (as on 9 Oct' 13)

BSE	530185
ISIN	INE936A01025
Face Value (Rs.)	1.0
Mkt Cap (Rs. mn)	282.0
Current P/E	3.2
Current P/BV	0.4
52 week low-high	0.95-2.20
30 days avg daily trading volume	12960
Equity capital (Rs mn)	222.0
Net worth (Rs mn)	693.5

Shareholding Pattern (%)



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Company business

Surat Textile Mills Limited ('STML') is engaged in the manufacture and sale of polyester filament yarn, polyester chips and cotton spun yarns. It has three manufacturing units in Surat, Gujarat and one in Silvassa, Dadra and Nagar Haveli. The company has a total installed capacity to produce 25,000 tonnes of polyester chips and 5000 tonnes of polyester yarn across the four manufacturing facilities. STML, formerly known as Garden Cotton and Yarn, is part of the Garden Vareli group promoted by Praful Shah and family.

Updates

The promoters sold 5.9% of their shareholding in the company between March and June 2013. The sale of shares was essential to increase the public shareholding to 25% as mandated by SEBI.

Financials

Particulars (Rs in mn)	Apr '13 to Jun '13	Apr '12 to Jun '12	% Change ¹	Jan'13 to Mar '13	% Change ²
Total income	576.6	451.3	27.8%	632.3	(8.8%)
Total operating expenditure	553.7	442.5	25.1%	579.6	(4.5%)
EBIDTA	22.9	8.8	160.2%	52.7	(56.5%)
EBIDTA margin	4.0%	1.9%	-	8.3%	-
PBT	17.5	4.6	280.4%	48.5	(63.9%)
PAT	17.5	4.6	280.4%	(9.8)	-
PAT margin	3.0%	1.0%	-	negative	-
Cash accruals	21.2	8.3	155.4%	(6.2)	-
EPS	0.1	0.0	-	(0.0)	-

¹ compared to the corresponding quarter in the previous year

² sequential comparisons

Source: Moneycontrol, Company

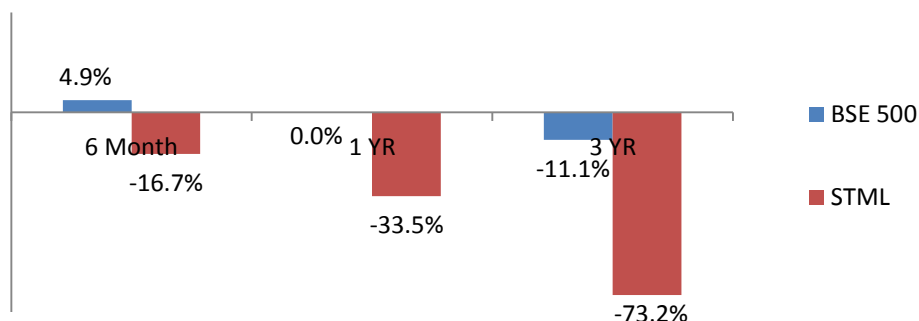
Financial Performance

For the quarter ended 30 June 2013, STML's total income increased by 27.8% to Rs.576.6 mn from Rs.451.3 mn in the same quarter of the previous year. EBIDTA increased to Rs.22.9 mn from Rs.8.8 mn in the corresponding quarter of the previous year. Net profit increased to Rs.17.5 mn from Rs.4.6 mn Y-o-Y.

The share price on 30 June 2013 discounts the TTM EPS (Rs.0.4) for the quarter ended 30 June 2013 by 2.8 times (was 4.0 times for TTM ended 31 March 2013).

The company has not paid dividends to its shareholders in the past five years.

Share Price Performance



Financials

P&L (Rs. mn)	FY10	FY11	FY12
Total income	2,430	2,728	2,174
EBIDTA	145	164	319
EBIDTA margin	6%	6%	15%
Depreciation	18	17	15
EBIT	127	147	304
Interest	40	39	29
PBT	87	108	275
Tax	15	25	77
PAT	72	84	198
PAT Margin	3%	3%	9%
Dividend	-	-	-
Dividend Payout	-	-	-
Valuation ratios	FY10	FY11	FY12
P/E	14.02	6.90	1.62
P/BV	3.19	1.16	0.46

Balance Sheet (Rs. mn)	FY10	FY11	FY12
Share Capital	222	222	222
Reserves & Surplus	95	274	472
Net worth	317	496	694
Borrowings	290	290	9
Other liabilities	363	222	251
Total liabilities	970	1,008	954
Net fixed assets	237	220	209
Other non-current assets	186	230	206
Loans and Advances	174	46	69
Current Assets	372	512	470
Total assets	970	1,008	954
Cash Flow (Rs.mn)	FY10	FY11	FY12
PBT	87	108	275
CF from Operation	199	(118)	52
CF from Investment	(60)	42	265
CF from Financing	(68)	(36)	(306)
Inc/(dec) Cash	71	(112)	11
Closing Balance	123	10	21

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