

10 February 2014
CMP: Rs.41.4

Industry: Castings & Foundry

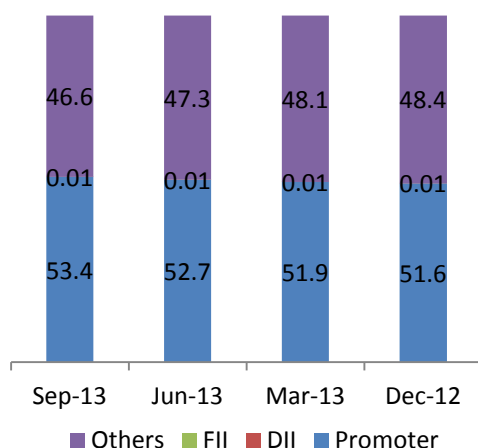
BSE group: B/Small Cap

Promoters

 Bhagwati Spherocast Pvt. Ltd. – 21.22%
 Bhagwati family and their investment companies

Key Data (as on 11 Nov '13)

BSE	504646
ISIN	INE106G01014
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	119.3
Current P/E	2.7
Current P/BV	0.7
52 week low-high	20.30-43.00
30 days avg daily trading volume	2602
Equity capital (Rs mn)	28.8
Net worth (Rs mn)	172.3

Shareholding Pattern (%)

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Company business

The Bhagwati Group has two foundry units - Bhagwati Spherocast Pvt. Ltd. and Bhagwati Autocast Ltd (BAL). BAL is a machine moulding unit using Disa Flex-70 high pressure line with an annual capacity of 14000 tons, producing high duty grey iron and ductile iron castings. Its hand-moulding division has an annual production capacity of 2000 tons with facilities for manufacturing castings upto a single unit weight of 5 tons. The company manufactures casting components for the tractor, automotive, compressor, hydraulic, and other engineering industries.

Recent developments

In FY13 BAL extended its factory building & modernized its core shop and other infrastructure facilities which have increased production capacity by 30%. BAL can now produce 16500 MT of castings per annum.

Financials

Particulars (Rs in mn)	Jul '13 to Sep '13	Jul '12 to Sep '12	% Change ¹	Apr'13 to Jun '13	% Change ²
Total income	216.6	185.0	17.1%	203.4	6.5%
Total operating expenditure	186.0	168.0	10.7%	173.5	7.2%
EBIDTA	30.6	17.0	80.0%	29.9	2.4%
EBIDTA margin	14.13%	9.19%	53.8%	14.70%	(3.9%)
PBT	24.0	8.3	189.2%	22.2	8.1%
PAT	15.8	6.3	150.8%	16.8	(6.0%)
PAT margin	7.29%	3.41%	114.2%	8.26%	(11.7%)
Cash accruals	20.6	11.0	87.3%	21.6	(4.6%)
EPS	5.5	2.2	151.1%	5.8	(5.7%)

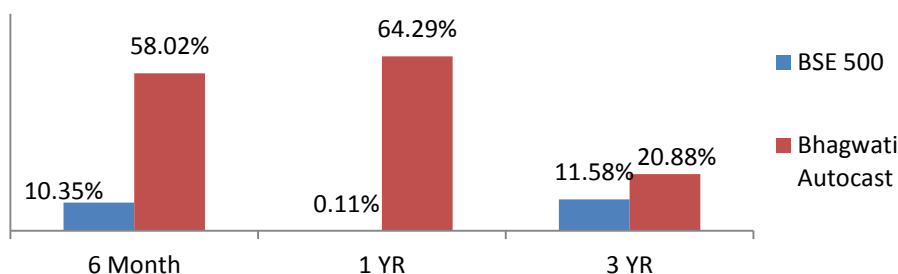
¹ compared to corresponding quarter in the previous year

² sequential comparisons

Source: Moneycontrol, Company

Financial Performance

In FY13 total income increased 23.2% over FY12 to Rs. 789.3 mn and PAT increased 88% to Rs 14.7 mn due to improved demand from customers, better sales mix and improved realisations. BAL's scale of operations recovered during FY13 with monthly offtake of 800 to 1000 tonnes. For QE Sept 13 total income improved 17% to Rs 217 mn and PAT by 151% to Rs 15.8 mn as compared with QE Sept 12. On a sequential basis total income improved by 6.5% from Rs 203 mn but PAT fell 6% from Rs 16.8 mn when compared with QE Jun 13.

Share Price Performance


Financials

P&L (Rs. mn)	FY11	FY12	FY13
Total income	694.0	640.6	789.3
EBIDTA	62.7	33.1	50.3
EBIDTA margin	9%	5%	6%
Depreciation	12.5	14.4	17.2
EBIT	50.2	18.7	33.1
Interest	13.2	6.1	11.9
PBT	37.0	12.6	21.2
Tax	11.9	4.8	6.5
PAT	25.1	7.8	14.7
PAT Margin	4%	1%	2%
	-	-	-
Dividend Payout	13.5	20.5	16.3

Valuation ratios	FY11	FY12	FY13
P/E	13.7	5.5	2.4
P/BV	0.7	0.5	0.3

Balance Sheet (Rs. mn)	FY11	FY12	FY13
Share Capital	28.8	28.8	28.8
Share application money, warrants	0.0	0.0	0.0
Reserves & Surplus	125.0	131.3	143.5
Net worth	153.8	160.1	172.3
Borrowings	75.3	67.9	61.9
Current Liabilities and provisions	189.7	192.7	194.5
Net deferred tax Liabilities	11.9	16.3	19.5
Total liabilities	430.7	437.0	448.2
Fixed assets	154.4	174.8	173.8
Non-current Investments	0.0	0.0	0.0
Loans and Advances	51.0	54.5	57.2
Current Assets	224.6	207.7	216.0
Total assets	430.7	437.0	448.2

Cash Flow (Rs.mn)	FY11	FY12	FY13
PBT	37.0	12.6	21.2
CF from Operation	23.6	55.3	25.6
CF from Investment	(18.7)	(28.6)	(9.7)
CF from Financing	(9.3)	(17.4)	(19.6)
Inc/(dec) Cash	(4.4)	9.3	(3.7)
Closing Balance	4.8	14.1	10.4

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