

1 March 2013

**CMP:** Rs.308.1

**Industry:** Textiles & Machinery

**BSE group:** Group 'T'

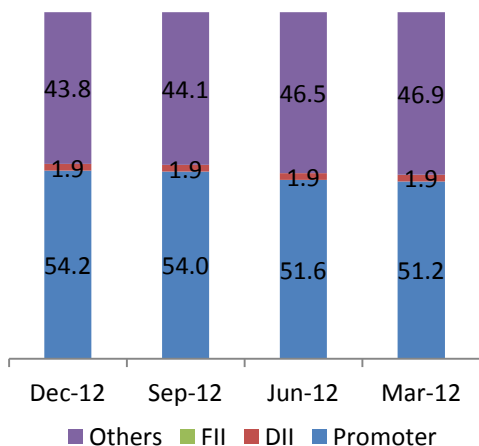
**Promoters**

Chandras Thackersey & family

**Key Data** (as on 26 Feb' 13)

BSE	509895
ISIN	INE832D01020
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	512.8
Current P/E	14.2
Current P/BV	0.6
52 week low-high	240.05-419.80
30 days avg daily trading volume	351
Equity capital (Rs mn)	16.64
Net worth (Rs mn)	898.2

**Shareholding Pattern (%)**



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**Company business**

Hindoostan Mills Limited ('HML') is primarily engaged in the manufacture and sale of textile fabrics. The company, which is promoted by the Thackersay family, offers its products under the TF, Cholee, and Everfresh brand names. It currently has an installed capacity to produce 13 mn meters of cloth and 2880 metric tonnes of yarn annually in its textile plant at Karad, Maharashtra. The company also has a machinery unit in Ambarnath which produces textile related equipment like calendar bowls/liquid extraction rollers.

**Recent developments**

The Union budget for 2014 has provided a lot of sops for the textile industry. The base custom duty for imported textile machinery and parts has been reduced from 7.5% to 5.0%. In the cotton segment, there will now be zero duty at the fibre stage and in case of spun yarn, there will be a duty of 12% at the fibre stage. Even the technology upgradation fund scheme (TUFS) was extended with an investment target of Rs.1510 bn.

**Financials**

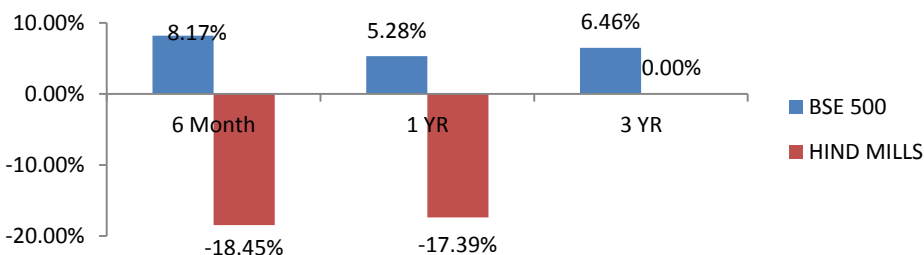
Particulars (Rs in mn)	Oct '12 to Dec '12	Oct '11 to Dec '11	% Change <sup>1</sup>	Jul'12 to Sep '12	% Change <sup>2</sup>
Total income	146.4	256.9	(43.0%)	253.5	(42.2%)
Total expenditure	141.4	255.0	(44.6%)	228.2	(38.0%)
EBIDTA	5.0	1.9	163.1%	25.3	(80.2%)
EBIDTA margin	3.4%	0.7%	385.8%	10.0%	(65.8%)
PBT	(6.6)	(10.4)	-	15.4	-
PAT	(6.6)	(10.4)	-	14.4	-
PAT margin	negative	negative	-	5.7%	-
Cash accruals	3.7	1.9	94.7%	24.2	(84.7%)
EPS	--	-	-	8.7	-

<sup>1</sup> compared to corresponding quarter in the previous year Source: Moneycontrol, Company  
<sup>2</sup> sequential comparisons

**Financial Performance**

The company's q-o-q revenues fell sharply by 42% on account of weak demand for textile machinery and yarn. The reduction in the scale of operations resulted in lower expenses, but the company's operating efficiency continued to remain weak. However, the company's performance was an improvement from the same period last year when the EBITDA margin had reduced to 0.7%.

**Share Price Performance**



## Financials

P&L (Rs. mn)	FY10	FY11	FY12
Total income	89	1,065	1,050
EBIDTA	21	118	25
EBIDTA margin	23%	11%	2%
Depreciation	5	20	42
EBIT	16	98	(18)
Interest	1	-	1
PBT	15	98	(19)
Tax	3	19	-
PAT	12	79	(19)
PAT Margin	14%	7%	(2%)
<b>Valuation ratios</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
P/E	0.26	1.38	neg
P/BV	0.01	0.12	0.63

Balance Sheet (Rs. mn)	FY10	FY11	FY12
Share Capital	7	17	17
Reserves & Surplus	236	926	898
<b>Net worth</b>	<b>243</b>	<b>943</b>	<b>914</b>
Borrowings	-	-	9
Other liabilities	39	161	163
<b>Total liabilities</b>	<b>282</b>	<b>1,103</b>	<b>1,087</b>
Net fixed assets	43	312	544
Other non-current assets	60	5	5
Loans and Advances	17	175	145
Current Assets	161	612	393
<b>Total assets</b>	<b>282</b>	<b>1,103</b>	<b>1,087</b>
<b>Cash Flow (Rs.mn)</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
PBT	15	98	(19)
CF from Operation	21	(136)	14
CF from Investment	39	176	(137)
CF from Financing	(20)	(4)	(8)
Inc/(dec) Cash	(0)	142	(130)
<b>Closing Balance</b>	<b>8</b>	<b>149</b>	<b>19</b>

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