

21 October 2013

CMP: Rs.31.6

Industry: Textiles - Synthetic

BSE group: B

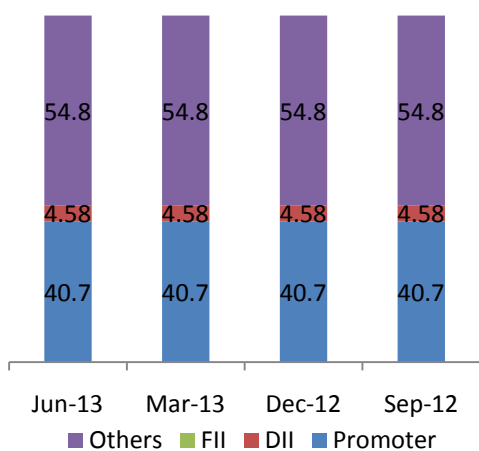
Promoters

Pradip Kumar Daga and family

Key Data (as on 21Oct' 13)

BSE	514030
ISIN	INE272C01013
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	227.2
Current P/E	1.5
Current P/BV	0.3
52 week low-high	17.45-33.50
30 days avg daily trading volume	2572
Equity capital (Rs mn)	72.0
Net worth (Rs mn)	578.0

Shareholding Pattern (%)



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Company business

Deepak Spinners Limited ('DSL') is engaged in the production and sale of dyed synthetic yarn. The company has a diversified product portfolio comprising polyester, viscose and acrylic yarns - which are manufactured across its two plants in Guna (Madhya Pradesh) and Baddi (Himachal Pradesh). Apart from the domestic market (which contributes around 80-90% of the overall revenues), the company also exports its products to clients in Syria, the Middle East, Turkey, Belgium, and USA. In 2008-09, the company had commissioned a hydropower plant in the Kullu district of Himachal Pradesh with a total power generation capacity of 4.5 MW. While most of it is for captive use in the spinning mills, the company also sells its surplus power to the Himachal Pradesh State Electricity Board. In order to augment its power generation capabilities, DSL has recently started work on another hydropower plant in the same location with a total capacity of 5.4 MW.

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	848.2	678.1	25.1%	746.7	13.6%
Total operating expenditure	747.5	621.3	20.3%	634.9	17.7%
EBIDTA	100.7	56.8	77.3%	111.8	(9.9%)
EBIDTA margin	11.87%	8.38%	3.49%	14.97%	(3.1%)
PBT	58.8	20.7	184.1%	70.6	(16.7%)
PAT	41.2	14.0	194.3%	41.1	0.2%
PAT margin	4.86%	2.06%	2.8%	5.50%	(0.64%)
Cash accruals	63.0	31.8	98.1%	62.5	0.8%
EPS	5.7	2.0	193.8%	5.7	0.4%

¹ compared to corresponding quarter in the previous year

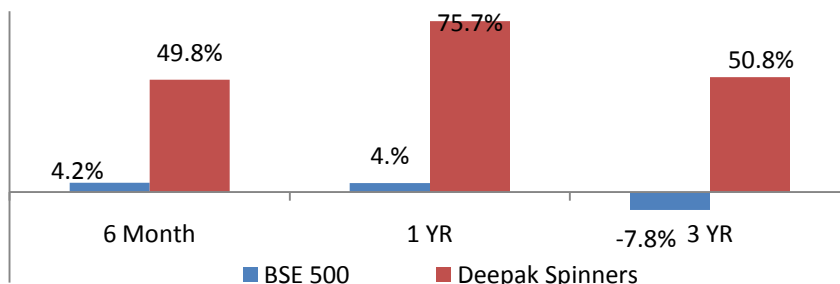
² sequential comparisons

Source: Money control, Company

Financial Performance

Total income of the company increased from Rs 678.1mn (Apr-Jun'12) to Rs 848.2mn (Apr-Jun'13). EBIDTA increased from Rs 56.8mn to Rs 100.7mn. There was increase in the depreciation expense from Rs 18mn to Rs 22mn and interest expense from Rs 18.3mn to Rs 20.1mn. PBT increased from Rs 20.7mn to Rs 58.8mn. PAT increased from Rs 14mn (Apr-Jun'12) to Rs 41.2mn (Apr-Jun'13). Company has not declared any dividend in last 3 years stating inadequate profits.

Share Price Performance



Financials

P&L (Rs. mn)	FY10	FY11	FY12
Total income	2,038	2,555	2,835
EBIDTA	22	226	250
EBIDTA margin	1%	9%	9%
Depreciation	77	75	69
EBIT	(54)	151	181
Interest	65	74	87
PBT	(119)	77	94
Tax	(10)	14	18
PAT	(109)	63	76
PAT Margin	(5%)	2%	3%
Dividend	-	-	-
Dividend Payout	0%	0%	0%
Valuation ratios	FY10	FY11	FY12
P/E	(1.1)	1.8	1.7
P/BV	0.3	0.2	0.2

Balance Sheet (Rs. mn)	FY10	FY11	FY12
Share Capital	72	72	72
Reserves & Surplus	367	430	506
Net worth	439	502	578
Borrowings	781	744	663
Other liabilities	254	349	359
Total liabilities	1,474	1,595	1,599
Net fixed assets	785	741	742
Other non-current assets	1	1	2
Loans and Advances	217	200	184
Current Assets	471	654	672
Total assets	1,474	1,595	1,599
Cash Flow (Rs.mn)	FY10	FY11	FY12
PBT	(119)	77	94
CF from Operation	103	166	241
CF from Investment	(22)	(60)	(61)
CF from Financing	159	205	14
Inc/(dec) Cash	1	(9)	10
Closing Balance	11	2	12

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