

10 February 2014

CMP: Rs.34.75

Industry: Textiles - Synthetic

BSE group: B

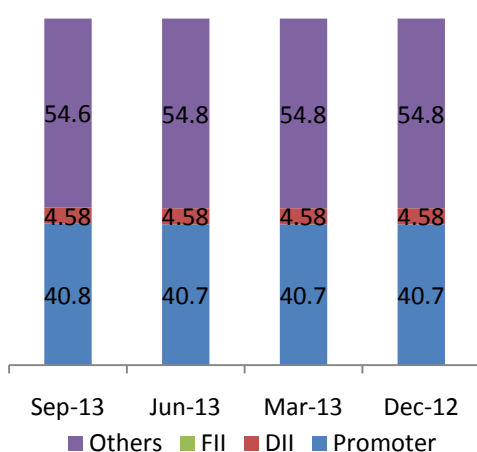
Promoters

Pradip Kumar Daga and family

Key Data (as on 11Nov' 13)

BSE	514030
ISIN	INE272C01013
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	249.8
Current P/E	1.4
Current P/BV	0.4
52 week low-high	21.15-42.30
30 days avg daily trading volume	1790
Equity capital (Rs mn)	71.9
Net worth (Rs mn)	707.5

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)	Jul '13 to Sep '13	Jul '12 to Sep '12	% Change ¹	Apr'13 to Jun '13	% Change ²
Total income	1,088.5	883.7	23.2%	848.2	28.3%
Total operating expenditure	939.2	815.2	15.2%	747.5	25.6%
EBIDTA	149.3	68.5	118.1%	100.7	48.3%
EBIDTA margin	13.72%	7.75%	77.0%	11.87%	15.6%
PBT	90.9	35.6	155.3%	58.8	54.6%
PAT	46.2	24.5	88.6%	41.2	12.1%
PAT margin	4.24%	2.77%	53.1%	4.86%	(12.6%)
Cash accruals	72.2	40.9	76.5%	63.0	14.6%
EPS	6.4	3.4	88.6%	5.7	12.2%

¹ compared to corresponding quarter in the previous year

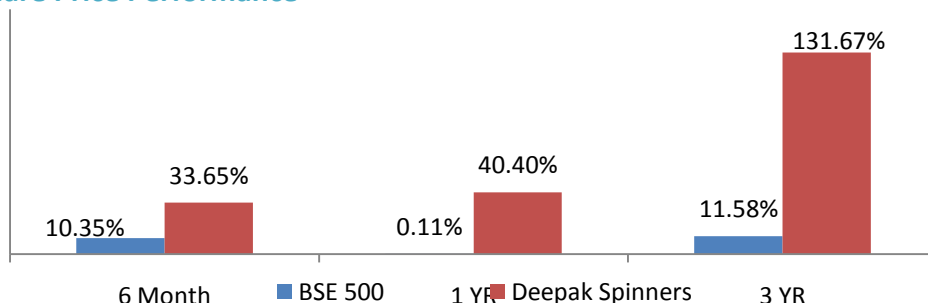
² sequential comparisons

Source: Money control, Company

Financial Performance

In the quarter ended September 2013, the total income of the company increased by 23.2% from Rs 883.7mn to Rs. 1088.5 mn. EBIDTA has increased from Rs 68.5mn to Rs 149.3mn. Depreciation expense increased from Rs 16.4mn to Rs 26mn and interest cost increased from Rs 16.5mn to Rs 32.4mn. PAT increased by 88.6% over the corresponding quarter last year to Rs. 46.2 mn. PAT increased by 12.1% over the previous quarter to Rs. 46.2 mn. Company has not declared any dividend in last 3 years stating inadequate profits.

Share Price Performance



Financials

P&L (Rs. mn)	FY11	FY12	FY13
Total income	2,575.7	2,859.3	3,143.8
EBIDTA	224.9	268.8	362.8
EBIDTA margin	9%	9%	12%
Depreciation	74.9	68.7	74.6
EBIT	150.0	200.1	288.2
Interest	79.7	106.7	88.3
PBT	70.3	93.4	199.9
Tax	7.4	17.3	70.0
PAT	62.9	76.1	129.9
PAT Margin	2%	3%	4%
	-	-	-
Dividend Payout	-	-	-

Valuation ratios	FY11	FY12	FY13
P/E	1.5	1.0	2.4
P/BV	0.2	0.2	0.2

Balance Sheet (Rs. mn)	FY11	FY12	FY13
Share Capital	71.9	71.9	71.9
Share application money, warrants	0.0	0.0	0.0
Reserves & Surplus	429.7	505.7	635.6
Net worth	501.6	577.6	707.5
Borrowings	744.3	663.0	1,182.1
Current Liabilities and provisions	222.0	234.1	244.0
Net deferred tax Liabilities	136.5	133.8	163.4
Total liabilities	1,604.5	1,608.6	2,297.1
Fixed assets	735.7	709.5	953.9
Non-current Investments	0.5	0.5	0.0
Loans and Advances	199.5	183.6	209.3
Current Assets	656.7	674.9	746.7
Total assets	1,604.5	1,608.6	2,297.1

Cash Flow (Rs.mn)	FY11	FY12	FY13
PBT	70.3	93.4	199.9
CF from Operation	164.2	241.3	241.8
CF from Investment	(59.7)	(62.4)	(683.7)
CF from Financing	(113.4)	(164.4)	441.1
Inc/(dec) Cash	(8.9)	14.5	(0.8)
Closing Balance	2.1	16.6	15.8

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