

1 March 2013

CMP: Rs.5.8

Industry: Textiles - Cotton

BSE group: B

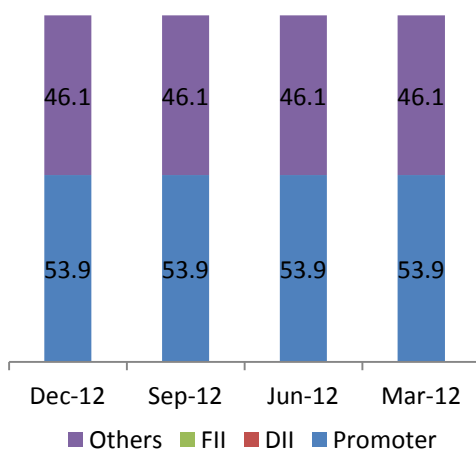
Promoters

Ajay Anand and his family members

Key Data (as on 26 Feb' 13)

BSE	530079
ISIN	INE963C01033
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	70.7
Current P/E	negative
Current P/BV	negative
52 week low-high	5.21-17.90
30 days avg daily trading volume	1408
Equity capital (Rs mn)	121.9
Net worth (Rs mn)	(119.7)

Shareholding Pattern (%)



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Company business

Faze Three Exports Limited ('FTL') is engaged in the manufacture and sale of home furnishing items. The company has a diversified product portfolio comprising of bathmats, bed linen, blankets, floor coverings, carpets, cushions, curtains, tablemats and placemats. The company has four processing facilities spread across the north-western belt of India – Weaving unit (Dapada, Dadra and Nagar Haveli), Bathmat unit (Dadra, Dadra and Nagar Haveli), Handloom unit (Panipat, Haryana) and Dyeing unit (Vapi, Gujarat). FTL is primarily export-oriented and generates more than 90% of its revenues from international markets like USA and the European Union.

Recent developments

The Union budget for 2014 has provided a lot of sops for the textile industry. To incentivize exports in an environment of global slowdown, the budget has exempted handmade carpet and textile floor coverings of jute or coir from excise duty regime. In addition, the budget has provided Rs.24 bn for modernization of the powerloom sector. 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 ¹	Jul'12 to Sep '12	% Change ²
Total income	481.6	489.7	(1.7%)	509.8	(5.5%)
Total expenditure	476.6	429.5	11.0%	469.4	1.5%
EBIDTA	5.0	60.2	(91.7%)	40.4	(87.6%)
EBIDTA margin	1.04%	12.29%	(91.6%)	7.92%	(86.9%)
PBT	(42.9)	20.3	-	(10.2)	-
PAT	(38.2)	20.3	-	(7.7)	-
PAT margin	negative	4.15%	-	negative	-
Cash accruals	(25.0)	33.3	-	4.8	-
EPS	--	1.7	-	--	-

¹ compared to corresponding quarter in the previous year

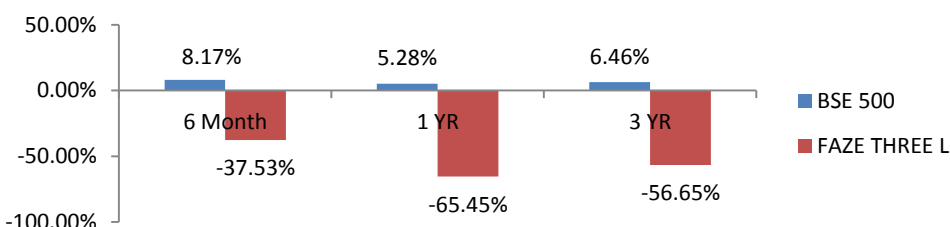
Source: Moneycontrol, Company

² sequential comparisons

Financial Performance

The total income of FTL remained flat during the quarter as compared to the same period in the previous year. However, the expenses increased by 11%, thereby resulting in a sharp fall in the profits. The company was also impacted due to higher interest rates and reported a net loss of Rs.38.1 mn during this period.

Share Price Performance



Financials

P&L (Rs. mn)	FY10	FY11	FY12
Total income	1,441	1,569	1,516
EBIDTA	207	147	(309)
EBIDTA margin	14%	9%	(20%)
Depreciation	52	56	108
EBIT	155	91	(417)
Interest	107	88	238
PBT	48	3	(655)
Tax	-	1	31
PAT	48	3	(686)
PAT Margin	3%	0%	(45%)
Dividend	-	-	-
Dividend Payout	0%	0%	0%
Valuation ratios	FY10	FY11	FY12
P/E	3.2	62.6	(0.3)
P/BV	0.3	0.3	(1.7)

Balance Sheet (Rs. mn)	FY10	FY11	FY12
Share Capital	122	122	122
Reserves & Surplus	442	444	(242)
Net worth	564	566	(120)
Borrowings	1,254	1,314	692
Other liabilities	431	566	1,539
Total liabilities	2,249	2,446	2,112
Net fixed assets	1,004	966	832
Other non-current assets	58	57	8
Loans and Advances	282	349	214
Current Assets	905	1,075	1,057
Total assets	2,249	2,446	2,112
Cash Flow (Rs.mn)	FY10	FY11	FY12
PBT	48	3	(655)
CF from Operation	120	20	477
CF from Investment	35	(3)	(6)
CF from Financing	159	205	14
Inc/(dec) Cash	20	(10)	28
Closing Balance	35	25	53

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