

10 February 2014

CMP: Rs.10.95

Industry: Textiles - Cotton

BSE group: B

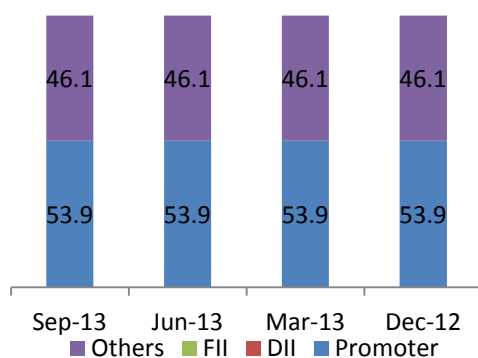
Promoters

Ajay Anand and his family members

Key Data (as on 11 Nov' 13)

BSE	530079
ISIN	INE963C01033
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	133.5
Current P/E	negative
Current P/BV	negative
52 week low-high	3.26-11.94
30 days avg daily trading volume	595
Equity capital (Rs mn)	121.9
Net worth (Rs mn)	(334.8)

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

Govt support for textile industry: The government has notified various measures to boost textile exports. This includes extending two percent interest subsidy scheme on handicrafts, handlooms, carpets, and garments up to March 2014. The govt. has also notified additional measures like contribution of the Technology Up-gradation Fund scheme, reduction in base custom duty for imported textile machinery and parts from 7.5% to 5.0%.

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	542.0	512.4	5.8	535.3	1.3
Total operating expenditure	510.8	469.4	8.8	537.0	(4.9)
EBIDTA	31.2	43.0	(27.4)	(1.7)	-
EBIDTA margin	5.76	8.39	(31.3)	negative	-
PBT	(17.1)	(7.7)	-	(48.6)	-
PAT	(17.3)	(7.7)	-	(50.2)	-
PAT margin	negative	negative	-	negative	-
Cash accruals	(5.2)	4.8	-	(37.7)	-
EPS	(10.4)	(0.6)	-	(4.1)	-

¹ compared to corresponding quarter in the previous year

² sequential comparisons

Source: Moneycontrol, Company

Financial Performance

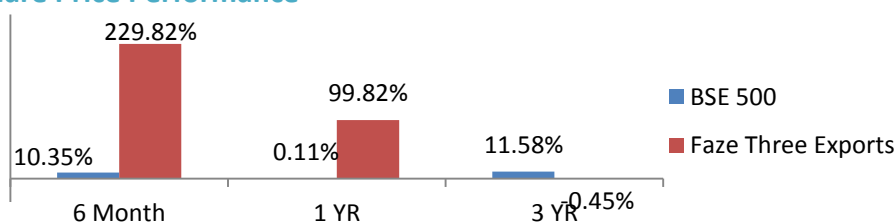
Quarter ended Sept13

For the quarter ended September 2013, the total income of the company increased by 5.8% y-o-y to Rs. 542 mn. The company's losses after tax increased from Rs. 7.7 mn. in the corresponding quarter last year to Rs. 17.3 mn. in September 2013.

Year ended Mar13

The total income of the company for FY13 declined 2.9% to Rs.1951.6 mn from Rs.2010.6 mn in FY12. The material cost for the year increased from Rs.882.6 mn in FY12 to Rs.1024.1 mn in FY13. The company had an expense of Rs.91.7 mn in FY13 as against Rs.419.6 mn in FY12. FTL posted a net loss of Rs.215.1 mn in FY13 v/s a loss of Rs.685.6 mn in FY12.

Share Price Performance



Financials

P&L (Rs. mn)	FY11	FY12	FY13
Total income	1,524.1	2,010.6	1,951.6
EBIDTA	155.0	(84.9)	161.9
EBIDTA margin	10%	negative	8%
Depreciation	56.1	107.6	49.0
EBIT	98.9	(192.5)	112.9
Interest	95.7	462.6	323.4
PBT	3.2	(655.1)	(210.5)
Tax	0.7	30.5	4.6
PAT	2.5	(685.6)	(215.1)
PAT Margin	0%	negative	negative
	-	-	-
Dividend Payout	-	-	-

Valuation ratios	FY11	FY12	FY13
P/E	(0.6)	(1.2)	1.4
P/BV	0.3	(1.7)	(0.2)

Balance Sheet (Rs. mn)	FY11	FY12	FY13
Share Capital	121.9	121.9	121.9
Share application money, warrants	0.0	0.0	0.0
Reserves & Surplus	444.0	(241.6)	(456.7)
Net worth	565.9	(119.7)	(334.8)
Borrowings	1,394.4	1,392.8	1,470.3
Current Liabilities and provisions	383.4	705.6	854.9
Net deferred tax Liabilities	102.4	132.9	137.5
Total liabilities	2,446.1	2,111.6	2,127.9
Fixed assets	920.0	832.4	795.5
Non-current Investments	56.9	8.2	2.1
Loans and Advances	283.4	151.4	127.3
Current Assets	1,185.8	1,119.6	1,203.0
Total assets	2,446.1	2,111.6	2,127.9

Cash Flow (Rs.mn)	FY11	FY12	FY13
PBT	3.2	(655.1)	(210.5)
CF from Operation	19.9	476.4	162.4
CF from Investment	4.9	(5.7)	3.8
CF from Financing	(35.2)	(442.4)	(154.4)
Inc/(dec) Cash	(10.4)	28.3	11.8
Closing Balance	24.8	53.1	64.9

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