

06 February 2013

CMP: Rs.6.08

Industry: Textiles-Processing

BSE group: B

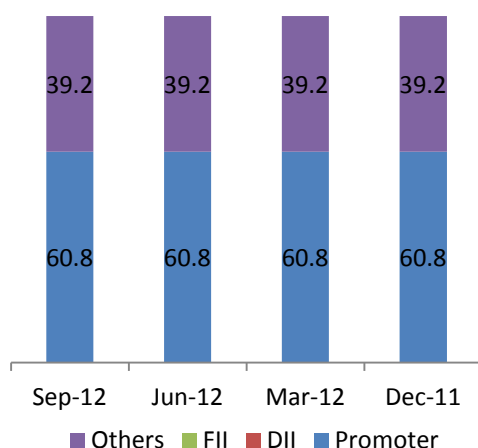
Promoters

Vasudev Agarwal and family

Key Data (as on 29 Jan' 13)

BSE	531223
ISIN	INE364D01032
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	65.7
Current P/E	2.2
Current P/BV	0.2
52 week low-high	0.58-11.00
30 days avg daily trading volume	830
Equity capital (Rs mn)	108.0
Net worth (Rs mn)	296.2

Shareholding Pattern (%)



Initiation Report:

[Anjani Synthetics Limited](#)

Write to us at:

equity.research@outlook.com

Company business

Anjani Synthetics Limited ('ASL') is a Gujarat-based textile company engaged in the manufacture and sale of printed fabrics. It is also involved in a host of other related areas in the textile manufacturing process including printing, dyeing and processing of synthetic and cotton fabrics. The company's product line includes bed sheets, bed spreads, pillow covers, dress materials, shirting, scarves and curtain fabrics. While most (85%) of its revenues are generated from the domestic market, ASL also exports its products to other European countries – especially Germany. The company's primary facility is located in Ahmedabad (Gujarat) and has a processing capacity of 69 million meters per annum (mmpa).

Financials

Particulars (Rs in mn)	Jul '12 to Sep '12	Jul '11 to Sep '11	% Change ¹	Apr'12 to Jun '12	% Change ²
Total income	882.0	823.3	7.1%	721.5	22.2%
Total expenditure	840.9	779.2	7.9%	681.4	23.4%
EBIDTA	41.1	44.1	(6.8%)	40.1	2.5%
EBIDTA margin	4.7%	5.4%	(13.0%)	5.6%	(16.2%)
PBT	12.1	12.3	(1.6%)	12.0	0.8%
PAT	8.3	8.9	(6.7%)	8.1	2.5%
PAT margin	0.9%	1.1%	(12.9%)	1.1%	(16.2%)
Cash accruals	12.9	13.6	(5.1%)	13.7	(5.8%)
EPS	0.8	0.1	862.5%	0.8	2.7%

¹ compared to corresponding quarter in the previous year

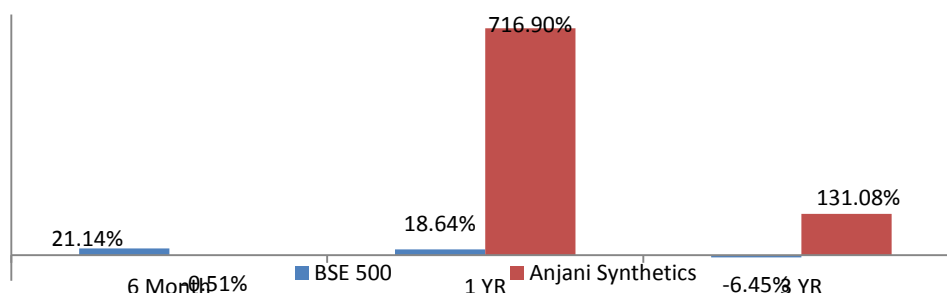
Source: Moneycontrol, Company

² sequential comparisons

Financial Performance

The growth in EPS from Q2FY12 is due to the consolidation of the face value of equity shares from Re.1 to Rs.10. The company's recent focus on trading activities has resulted in a shift in the cost structure – cost of raw materials came down by 61% while cost of purchase of goods shot up by 10 times as compared to the same period last year. Financial performance was mostly flat during the quarter, with a marginal decrease in net profits to Rs.8.3 mn.

Share Price Performance



Note- the sharp increase in price in March 2012 is unexplained. The price has since stabilized in Rs.5-7 range. In March 2012, the share price had shot up sharply from Rs.0.98 to Rs.11. The company had then clarified to the exchange that it has no information about any announcement which may have had a bearing on the price/ volume behavior in the script.

Financials

P&L (Rs. mn)	FY10	FY11	FY12
Total income	2,203	2,885	3,065
EBIDTA	128	144	170
EBIDTA margin	6%	5%	6%
Depreciation	32	23	22
EBIT	96	121	147
Interest	54	73	102
PBT	43	49	45
Tax	17	17	15
PAT	26	32	30
PAT Margin	1.2%	1.1%	1.0%
Dividend	-	-	-
Dividend Payout	0%	0%	0%
Valuation ratios	FY10	FY11	FY12
P/E	0.89	0.58	0.42
P/BV	0.10	0.07	0.04

Balance Sheet (Rs. mn)	FY10	FY11	FY12
Share Capital	108	108	108
Reserves & Surplus	127	158	188
Net worth	235	266	296
Borrowings	598	646	571
Other liabilities	405	413	581
Total liabilities	1,238	1,326	1,448
Net fixed assets	128	121	153
Other non-current assets	3	10	13
Loans and Advances	93	92	73
Current Assets	1,013	1,103	1,209
Total assets	1,238	1,326	1,448
Cash Flow (Rs.mn)	FY10	FY11	FY12
PBT	43	49	45
CF from Operation	67	35	67
CF from Investment	(12)	(25)	(56)
CF from Financing	159	205	14
Inc/(dec) Cash	8	(9)	1
Closing Balance	14	5	7

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