

1 March 2013
CMP: Rs.5.49

Industry: Textiles-Processing

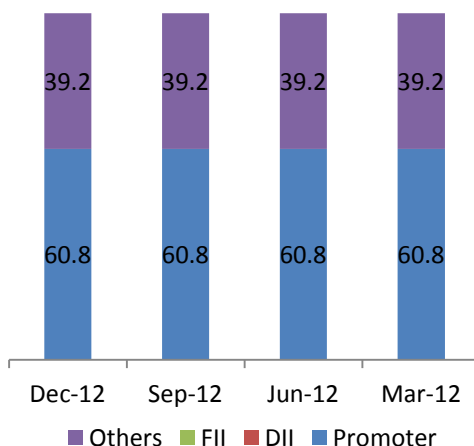
BSE group: B

Promoters

Vasudev Agarwal and family

Key Data (as on 26 Feb '13)

BSE	531223
ISIN	INE364D01032
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	59.3
Current P/E	1.9
Current P/BV	0.2
52 week low-high	0.82-11.00
30 days avg daily trading volume	760
Equity capital (Rs mn)	108.0
Net worth (Rs mn)	296.2

Shareholding Pattern (%)


Click here for:
[Initiation Report](#)

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).

Recent developments

The Union budget for 2014 has provided a lot of sops for the textile industry. In the cotton segment, there will now be zero duty at the fibre stage and in case of spun yarn, there will be a duty of 12% at the fibre stage. Duty on branded garments has been brought down to zero percent from 3.5% earlier and Rs.13 bn has been provided in the budget for this purpose. 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	766.6	573.7	33.6%	882.0	(13.1%)
Total expenditure	729.7	528.8	38.0%	840.9	(13.2%)
EBIDTA	36.9	44.9	(17.8%)	41.1	(10.2%)
EBIDTA margin	4.81%	7.83%	(38.5%)	4.66%	3.3%
PBT	10.3	8.1	27.2%	12.1	(14.9%)
PAT	6.9	5.1	35.3%	8.3	(16.9%)
PAT margin	0.90%	0.89%	1.2%	0.94%	(4.4%)
Cash accruals	11.7	10.8	8.3%	12.9	(9.3%)
EPS	0.6	0.1	1,180.0%	0.8	(16.9%)

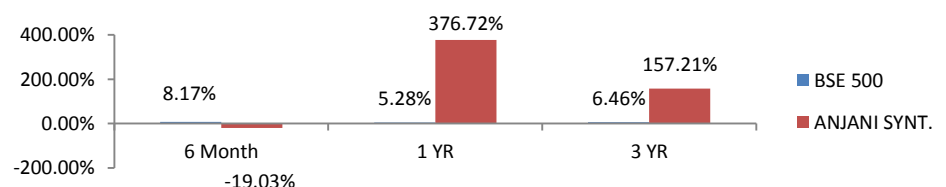
¹ compared to corresponding quarter in the previous year

Source: Moneycontrol, Company

² sequential comparisons

Financial Performance

During the quarter the company's total income fell by 13% on account of lower sales realizations due to a slowdown in the domestic and global economy. However, its y-o-y performance is comparatively strong and the company's PAT has increased by 35% to Rs.6.9 mn in this period. The EPS has also grown from Rs.0.1 to Rs.0.6 – however this was primarily due to the consolidation and subsequent reduction in the number of outstanding shares.

Share Price Performance


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

Disclaimer

The information contained herein is from publicly available data or other sources believed to be reliable, but we do not represent that it is accurate or complete and it should not be relied on as such. Our company shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation which may affect their investment in the securities of companies referred to in this document (including the merits and risks involved). The discussions or views expressed may not be suitable for all investors. This information is strictly confidential and is being furnished to you solely for your information.