

05 April 2013
CMP: Rs.3.9

Industry: Specialty chemicals

BSE group: B

Promoters

Bipin M. Manek (Shares held: 28.3%), Pravina B. Manek (Shares held: 36.0%)

Company business

Vidhi Dyestuffs Manufacturing Limited (VDML) is engaged in the manufacturing and trading of food colors and trading of chemicals. VDML manufactures edible food colors as ingredient for foodstuffs, pharmaceuticals, confectionary, health care, pet foods, dairy, soft drinks and cosmetic industries. VDML's products include synthetic food colors, FD&C (Food, Drug and Cosmetic) colors, D&C colors and blends. VDML has two manufacturing facilities and these are located at Roha in Maharashtra. It has set up a research and development unit near its manufacturing facility. VDML exports its entire output to Australia and countries in Europe, North America, Africa, and Asia. Bipin M. Manek and Mrs. Pravina B. Manek represent the promoters of VDML. Bipin M. Manek is the chairman and managing director of the company while Pravina B. Manek is the non-executive director.

Key Data (as on 26 Feb' 13)

| | |
|----------------------------------|--------------|
| BSE | 531717 |
| ISIN | INE632C01026 |
| Face Value (Rs.) | 1.0 |
| Mkt Cap (Rs. mn) | 194.8 |
| Current P/E | 5.3 |
| Current P/BV | 0.7 |
| 52 week low-high | 3.00-5.58 |
| 30 days avg daily trading volume | 6770 |
| Equity capital (Rs mn) | 50.0 |
| Net worth (Rs mn) | 291.3 |

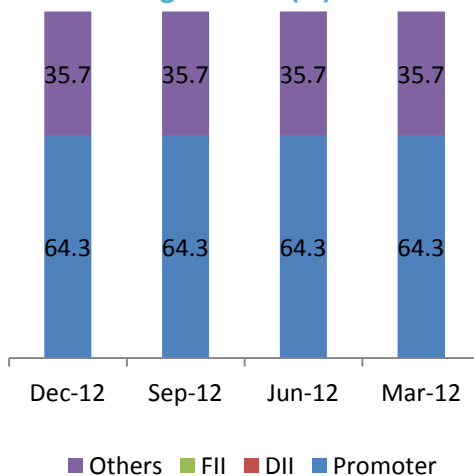
Financials

| Particulars (Rs. In mn) | Oct'12- Dec'12 | Oct'11- Dec'11 | % Change ¹ | Jul'12- Sep'12 | % Change ² |
|----------------------------|-------------------|-------------------|-----------------------|-------------------|--------------------------|
| Total income | 307.2 | 295.7 | 3.9% | 236.3 | 30.0% |
| Total expenditure | 276.2 | 270.1 | 2.3% | 203.7 | 35.6% |
| EBIDTA | 31.0 | 25.6 | 20.9% | 32.6 | (4.8%) |
| EBIDTA margin | 10.1% | 8.7% | | 13.8% | - |
| PBT | 14.3 | 14.2 | 0.9% | 16.47 | (13.0%) |
| PAT | 8.3 | 10.4 | (20.2%) | 11.1 | (25.3%) |
| PAT margin | 2.7% | 3.5% | - | 4.7% | - |
| Cash accruals | 13.1 | 13.6 | (3.7%) | 15.5 | (15.5%) |
| EPS | 0.17 | 0.21 | (19.0%) | 0.22 | (22.7%) |

¹ compared to corresponding quarter in the previous year

² sequential comparisons

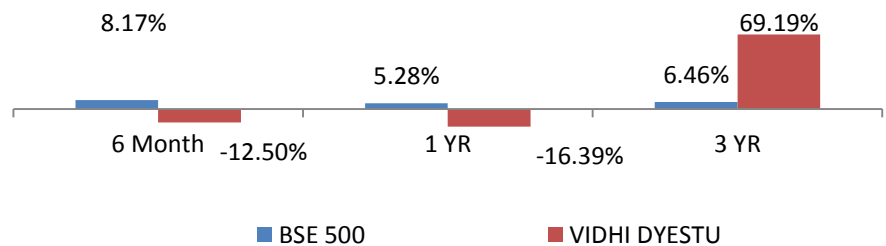
Source: Moneycontrol, Company

Shareholding Pattern (%)

Financial Performance

On a Y-o-Y basis, total income slightly increased by 3.9% to Rs 307.2 mn (Dec-12 quarter) from Rs 295.7 mn (Dec-11 quarter). EBIDTA for the quarter increased by 21% Y-o-Y to Rs 31 mn. Net profit for Dec-12 quarter was Rs 8.3 mn (Rs 10.4 mn in Dec-11 quarter).

The company has not paid any dividend at least since FY08. In November 2012, the company has declared an interim dividend of Rs .20 per equity share of Rs 1.0 each for FY13 i.e. 20% dividend.

The P/E multiple has increased to 6.1 times (for trailing 12 months ended December 2012) from 5.8 times (for trailing 12 months ended September 2012) on account of decrease in earnings per share.

Share Price Performance


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equity.research@outlook.com

Financials

| P&L (Rs. mn) | FY10 | FY11 | FY12 | Balance Sheet (Rs. mn) | FY10 | FY11 | FY12 |
|--------------------------|-------------|-------------|-------------|----------------------------|---------------|---------------|---------------|
| Total income | 724.3 | 1001.9 | 1147.5 | Equity share capital | 50.0 | 50.0 | 50.0 |
| EBIDTA | 66.2 | 92.2 | 97.4 | Reserves & surplus | 170.8 | 207.6 | 241.4 |
| EBIDTA margin | 9.1% | 9.2% | 8.4% | Net worth | 220.8 | 257.6 | 291.4 |
| Depreciation | 9.9 | 9.2 | 9.4 | Borrowings | 121.2 | 259.8 | 373.3 |
| EBIT | 56.3 | 83.0 | 88.0 | Current liabilities | 75.2 | 147.5 | 155.8 |
| Interest | 11.6 | 22.6 | 38.0 | Deferred tax liabilities | 0.0 | 0.0 | 5.9 |
| PBT | 44.7 | 60.4 | 50.0 | Total liabilities | 417.2 | 664.9 | 826.3 |
| Tax | 16.2 | 23.6 | 16.3 | Fixed assets | 52.5 | 109.2 | 173.2 |
| PAT | 28.5 | 36.8 | 33.7 | Investments | 2.1 | 1.3 | 1.2 |
| PAT margin | 3.9% | 3.7% | 2.9% | Long term loans & advances | 0.0 | 2.7 | 4.0 |
| Dividend (including tax) | - | - | - | Other non-current assets | 0.0 | 0.3 | 6.1 |
| Dividend per share | - | - | - | Current assets | 362.6 | 551.4 | 641.8 |
| | | | | Total assets | 417.2 | 664.9 | 826.3 |
| Valuation ratios | FY10 | FY11 | FY12 | Cash Flow (Rs. mn) | FY10 | FY11 | FY12 |
| P/E | 0.4 | 0.6 | 0.6 | PBT | 44.7 | 60.4 | 50.0 |
| P/BV | 0.1 | 0.1 | 0.1 | CF from Operation | (40.4) | (49.8) | 14.7 |
| | | | | CF from Investment | (19.6) | (64.1) | (71.1) |
| | | | | CF from Financing | 70.1 | 123.7 | 81.5 |
| | | | | Inc/(dec) in Cash | 10.1 | 9.7 | 25.1 |
| | | | | Closing Balance | 17.1 | 26.8 | 51.9 |

Disclaimer

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