

10 February 2014

CMP: Rs.25

Industry: Machine tools

BSE group: B

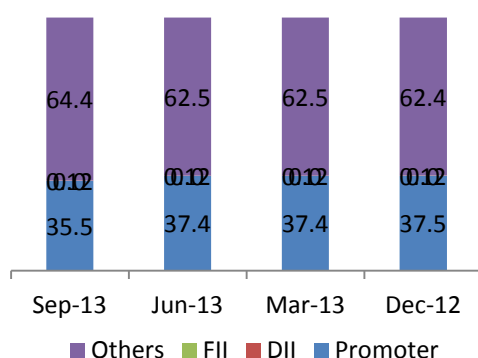
Promoters

 Chetan Gopaldas Cholera, Kanayalal
 Gagandas Narumalani, Lalit Mohan Bijlani

Key Data (as on 11 Nov' 13)

BSE	500360
ISIN	INE350D01015
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	134.3
Current P/E	5.1
Current P/BV	0.9
52 week low-high	24.50-45.16
30 days avg daily trading volume	3929
Equity capital (Rs mn)	21.5
Net worth (Rs mn)	157.0

Shareholding Pattern (%)



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Company business

Rapicut Carbides Ltd (RCL) manufactures tungsten and tungsten carbide products. It offers its products across five product groups, viz, mining, wear parts, metal cutting, powder and finished products. Mining sector uses tungsten carbide inserts as attachment to steel drill rods for drilling holes for blasting, rotary drilling and exploration of minerals. These products are used for mining granite, basalt, sandstone, quartzite and soft formation like lime and coal. It also offers wear part products like mechanical seal rings, pellets, rings, jute eyelets, etc. Its metal cutting group manufactures 2,000 types of tips that are used to cut metal and manufactures customized metal cutting tips for automobile, engineering, shoe accessories, textile, and sugar companies.

Updates

In the September 2013 AGM, shareholders approved issue of three shares as bonus for two equity shares held in the company. Post the issuance of bonus shares, the paid up equity share capital of the company will increase to Rs.53.7 mn from Rs.21.5 mn as at 30 June 2013.

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	86.9	102.2	(15.0%)	92.1	(5.6%)
Total operating expenditure	77.0	84.4	(8.8%)	82.2	(6.3%)
EBIDTA	9.9	17.8	(44.4%)	9.9	(0.0%)
EBIDTA margin	11.39%	17.42%	-	10.75%	-
PBT	7.7	15.7	(51.0%)	7.8	(1.3%)
PAT	5.7	11.7	(51.3%)	5.8	(1.7%)
PAT margin	6.56%	11.45%	-	6.30%	-
Cash accruals	7.2	12.7	(43.3%)	7.1	1.4%
EPS	1.1	5.5	(80.6%)	2.7	(60.7%)

¹ compared to corresponding quarter in the previous year

² sequential comparisons

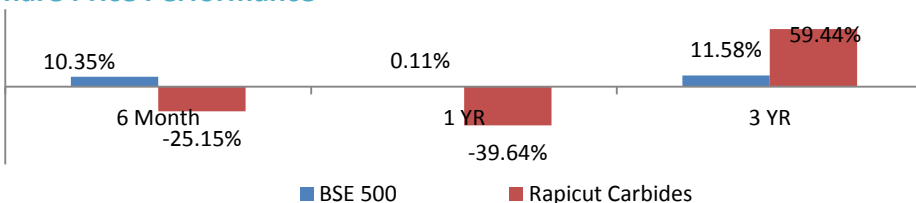
Source: Moneycontrol, Company

Financial Performance

Quarter ended 30 September 2013: In the quarter ended 30 September 2013, the total income of the company decreased by 15% over the corresponding quarter last year to Rs.102.2 mn. Higher cost of raw material deteriorated the EBIDTA margin of the company to 11.4% (17.4% for quarter ended 30 September 2012). EBIDTA decreased to Rs.17.8 mn from Rs.9.9 mn in the corresponding quarter of the previous year. PAT decreased to Rs.5.7 mn from 11.7 mn in the corresponding quarter of the previous year.

Year ended 31 March 2013: Total income for FY13 increased by 34% to Rs.442.2 mn from Rs.331.1 mn in FY12. EBIDTA increased to Rs.61.3 mn in FY13 from Rs.52.8 mn in FY12. Net profit of the company increased by 14% to Rs.34.6 mn. The company increased its dividend per share from Rs.3 in FY12 to Rs.4 in FY13.

Share Price Performance



Financials

P&L (Rs. mn)	FY11	FY12	FY13
Total income	275.0	331.1	442.2
EBIDTA	43.3	52.8	61.3
EBIDTA margin	16%	16%	14%
Depreciation	2.6	3.7	4.0
EBIT	40.7	49.1	57.3
Interest	3.8	4.4	4.4
PBT	36.9	44.7	52.9
Tax	12.5	14.4	18.3
PAT	24.4	30.3	34.6
PAT Margin	9%	9%	8%
Dividend			
Dividend Payout	25.8	24.4	29.2

Valuation ratios	FY11	FY12	FY13
P/E	3.1	2.8	7.2
P/BV	0.9	0.8	1.1

Balance Sheet (Rs. mn)	FY11	FY12	FY13
Share Capital	21.5	21.5	21.5
Share application money, warrants	0.0	0.0	0.0
Reserves & Surplus	88.1	111.1	135.5
Net worth	109.6	132.6	157.0
Borrowings	32.1	31.7	20.6
Current Liabilities and provisions	53.8	48.8	75.2
Net deferred tax Liabilities	0.0	0.5	1.0
Total liabilities	195.5	213.6	253.8
Fixed assets	17.4	26.0	33.9
Non-current Investments	0.4	0.4	0.4
Loans and Advances	7.7	6.1	6.8
Current Assets	168.2	180.9	208.3
Total assets	195.5	213.6	253.8

Cash Flow (Rs.mn)	FY11	FY12	FY13
PBT	36.9	44.7	52.9
CF from Operation	20.6	9.5	45.0
CF from Investment	(7.0)	(10.8)	(15.6)
CF from Financing	(13.7)	(11.7)	(28.8)
Inc/(dec) Cash	(0.1)	(13.0)	0.6
Closing Balance	22.2	9.3	9.9

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