



Research Report

Century Textiles & Industries Ltd



Prepared by
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About

Century Textiles and Industries Ltd has transformed from a single-unit textile entity in 1987 into a commercial powerhouse with interests in diverse industries. Currently, the business house is a trendsetter in cotton textiles and also has a remarkable presence in the Pulp and Paper and Real Estate sectors.

Services

The main business activity involves manufacture of cotton textiles, yarn, denim, viscose filament rayon yarn, tire-cords, caustic soda, sulphuric acid, salt, pulp, and paper. The company also has a presence in the international textile markets and exports its products to more than 45 countries.

Clientele

Louis Philippe, Cotton King, Blackberrys, Turtle, US Polo, M&S, Levi's, Macy's, Costco, Gorge etc.

Synopsis of Financials

- Sales has increased due to increase in Paper and Pulp Products.
- Moreover, within India Business has also Increased.
- Profit of the company has grown majorly due to timely production and Delivery.

Stock data (as on 25th Jan 2024)

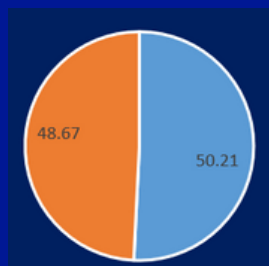
Nifty Price	: 21,641.45
52 week High (in Rs.)	: 1599
52 week Low (in Rs.)	: 588
Market Cap. (in Crore)	: 15033 Cr.
NSE Code	: CENTURYTEX

Stock data (2022-2023)



-NIFTY50
- CENTURYTEX

Shareholding Pattern (Dec 2023)



-PUBLIC GROUP
-PROMOTER GROUP

Financial Summary

Particulars	March 2021	March 2022	March 2023
Sales	4,800	4,131	2,617
Sales Growth %	16.19%	57.88%	-23.57%
Operating Profit	525	444	205
OPM %	11%	11%	8%
Profit before tax	406	212	-35
YOY Growth	7%	7%	-
EPS in Rs	19.17	29.78	26.41

Synopsis Quarter Results



Con-Call Q2FY24: Key Highlights

Real Estate business:

- Strong demand and absorption rates
- Fall in inventory overhang
- INR 708 crores worth of bookings
- Acquisitions of two notable projects

Pulp and Paper segment:

- Capacity utilization of 89%
- Sales volume up by 8% compared to last quarter
- Net sales declined by 15% due to poor demand from tableware customers
- Normalized demand for writing and printing paper expected to increase

Textile division:

- Net sales of INR 235 crores
- EBITDA loss of INR 20 crores
- Lower sales due to sluggish demand and excess inventory levels
- Expecting improvement in demand and aggressive pricing

Future outlook:

- Expecting growth in Real Estate sector driven by buoyant consumer sentiment and robust property launches
- Focus on luxury segment and growing interest in premium housing

Debt levels:

- Gross debt of INR 2,200 crores
- Net debt of INR 1,800 crores
- Confident in managing debt levels and funding growth in Real Estate business

Debt levels in Real Estate business:

- Debt levels expected to remain similar
- Comfortable with debt to EBITDA ratio of around 2x

Equity carve-out or spinoff:

- No plans for an equity carve-out or spinoff of the Real Estate business
- Will continue to support growth through other businesses until Real Estate becomes self-sufficient.

Quarterly Results



Particular	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023	Jun 2023	Sep 2023
Sales	1,211	1,190	1,233	1,169	1,209	1,117	1,103
Expenses	1,085	1,051	1,054	1,082	1,088	996	1,075
Operating Profit	125	139	179	87	121	121	28
OPM %	10%	12%	14%	7%	10%	11%	3%
Other Income	8	4	10	4	144	-56	12
Interest	15	11	15	13	14	13	17
Depreciation	57	56	57	57	57	58	59
Profit before tax	62	76	116	21	193	-7	-36
Tax %	-37%	40%	40%	68%	26%	-8%	9%
Net Profit	84	45	70	7	142	-7	-33

Source: Screener

Key Ratios

Ratios	2022-23	2021-22	Change (%)	Explanation for change
1. Debtors Turnover Ratio	25.29	21.72	16.44%	-
2. Inventory Turnover Ratio	3.99	4.35	-8.28%	-
3. Interest Coverage Ratio	6.08	5.13	18.52%	-
4. Current Ratio	1.16	1.07	8.41%	-
5. Debt Equity Ratio	0.26	0.34	-23.53%	-
6. Operating Profit Margin (%)	6.26	5.43	15.29%	-
7. Net Profit Margin (%)	5.51	3.91	40.92%	Includes exceptional gain
8. Return on Net Worth (%)	6.55	4.17	57.07%	Includes exceptional gain

Source: Annual Report

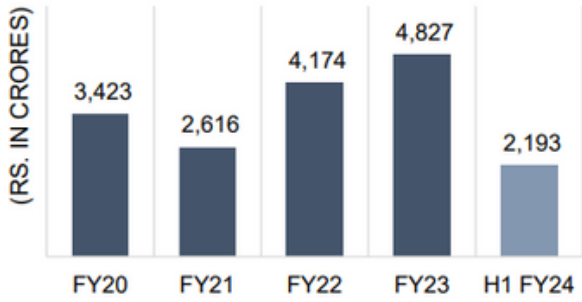
Yearly Results

Particulars	Mar 2023	Mar 2022	Mar 2021
Equity Capital	112	112	112
Reserves	3,393	3,607	3,775
Borrowings	1,049	1,336	1,059
Other Liabilities	2,141	2,684	3,465
Total Liabilities	6,693	7,739	8,411
Fixed Assets	4,139	4,059	3,916
CWIP	210	211	226
Investments	238	409	228
Other Assets	2,106	3,060	4,041
Total Assets	6,693	7,739	8,411

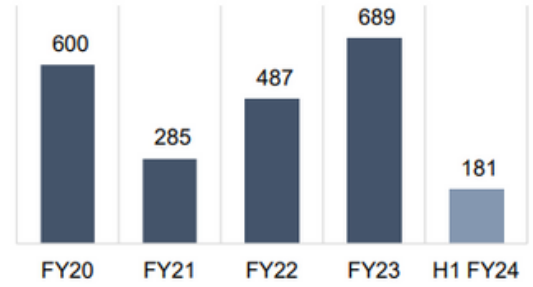
Financial Performance



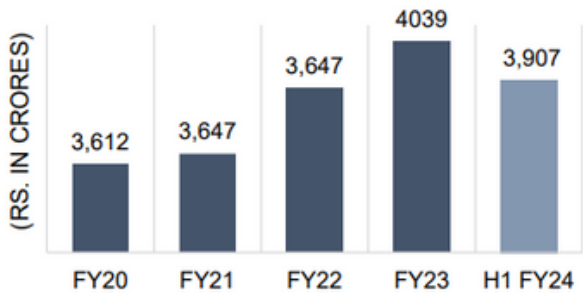
REVENUES* (RS. IN CRORES)



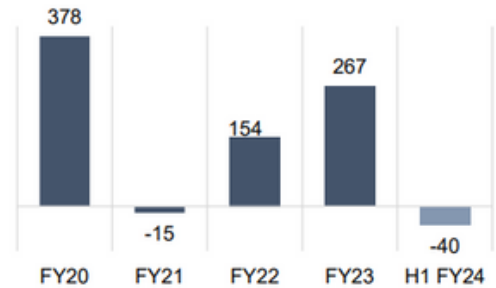
EBITDA (RS. IN CRORES)



NET WORTH (RS. IN CRORES)

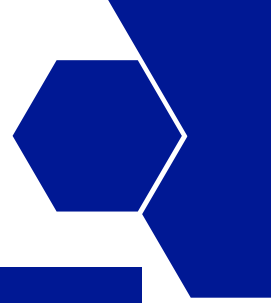


PAT# (RS. IN CRORES)

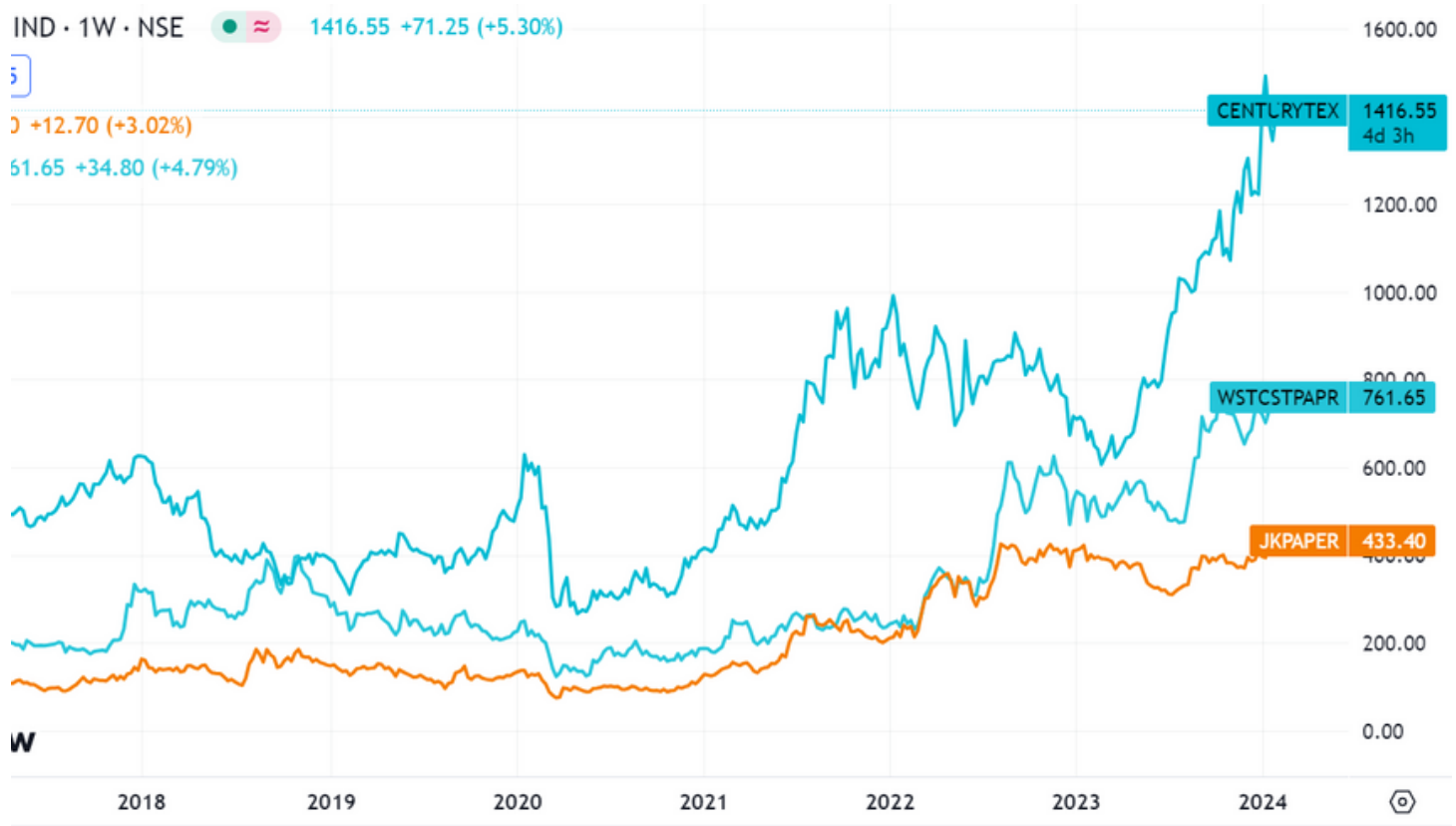


PAT represents net profit from continuing operations

Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	Century Textiles	1421.20	255.45	15874.19	0.36	-32.87	-143.50	1103.07	-10.50	6.32
2.	JK Paper	437.20	6.11	7406.28	1.88	305.68	-13.22	1650.04	0.36	28.46
3.	West Coast Paper	767.15	5.11	5067.00	1.33	218.55	-11.13	1193.84	-1.33	52.89
4.	Andhra Paper	618.25	4.47	2458.78	2.01	100.31	-11.57	482.03	-0.54	51.95
5.	T N Newsprint	310.75	5.71	2150.67	1.61	30.30	-72.89	958.17	-30.39	20.61

Source: Screener

Final Outlook



CENTURYTEX: Buy | LTP: 1413.75

The Indian textile industry is expected to grow in the coming years, driven by increasing domestic demand and government initiatives. However, competition from domestic and international players remains intense. The pulp and paper segment faces headwinds due to environmental concerns and digitalization. Real estate might offer some growth potential, but depends on specific projects and market conditions.

For conservative investors: Holding or selling might be preferable due to low profitability, high valuation, and bearish technical indicators.

For moderate investors: Holding with close monitoring could be an option, expecting potential benefits from industry growth and technical indicators suggesting a reversal.

For aggressive investors: A small buy could be considered if you believe in the company's turnaround potential and are comfortable with high risk. The past five year figure is not good but since 3 year company doing outperforme and give a more then a decent retuen. The balance sheet and income satement shows the massive growth in Revenue and the Projects under management.