

10 February 2014

CMP: Rs.16.9

Industry: Auto Tyres and rubber products

BSE group: B

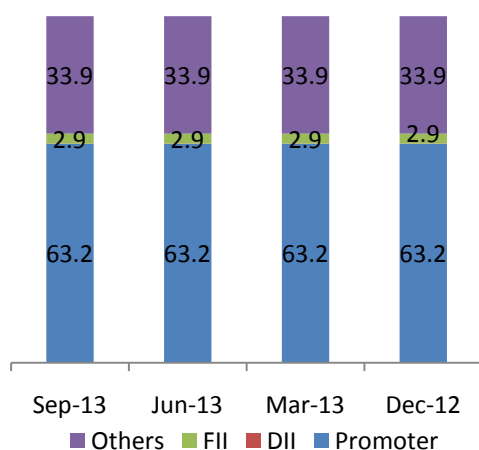
Promoters

Vinay Kumar Modi, Alok Kumar Modi,
Chandar Bala Modi

Key Data (as on 11Nov' 13)

| | |
|----------------------------------|--------------|
| BSE | 500890 |
| ISIN | INE832A01018 |
| Face Value (Rs.) | 10.0 |
| Mkt Cap (Rs. mn) | 423.2 |
| Current P/E | 1.8 |
| Current P/BV | 0.3 |
| 52 week low-high | 14.90-31.75 |
| 30 days avg daily trading volume | 605 |
| Equity capital (Rs mn) | 250.4 |
| Net worth (Rs mn) | 1,343.2 |

Shareholding Pattern (%)



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Company business

Modi Rubber Ltd (MRL) was incorporated in 1971 originally as an automobile tyre and tube manufacturing company. It is a part of the 'VK Modi' group. In July 2011 it sold its two tyre and tube manufacturing plants to German tyre maker - Continental AG, Germany, its technical and brand partner. With the sale of the tyre and tube business MRL is changing focus. In November 2012, MRL invested Rs.300 mn in a joint venture with Asahi Organic Chemicals Industry Co Ltd, Japan to manufacture 'resin coated sand'. Upon commissioning of this facility the company will move industry from automobiles to foundries. Vinay Kumar Modi is the chairman and Alok Kumar Modi is the managing director of the company.

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 Revenue | 11.5 | 8.6 | 33.72% | 10.5 | 33.72% |
| Other Income | 73.7 | 76.1 | (3.15%) | 11.5 | |
| Total income | 85.2 | 84.7 | 0.6% | 22 | |
| Total operating expenditure | 43.5 | 28.6 | 52.1% | 34.1 | 27.6% |
| EBIDTA | 41.7 | 55.9 | (25.4%) | (12.1) | - |
| EBIDTA margin | 48.94% | 66.15% | (26.0%) | negative | - |
| PBT | 40.8 | 49.3 | (17.2%) | (16.9) | - |
| PAT | 40.8 | 49.3 | (17.2%) | (16.9) | - |
| PAT margin | 47.89% | 58.34% | (17.9%) | negative | - |
| Cash accruals | 41.1 | 52.3 | (21.4%) | (12.2) | - |
| EPS | 1.6 | 2.0 | (17.3%) | (0.7) | - |

¹ compared to corresponding quarter in the previous year

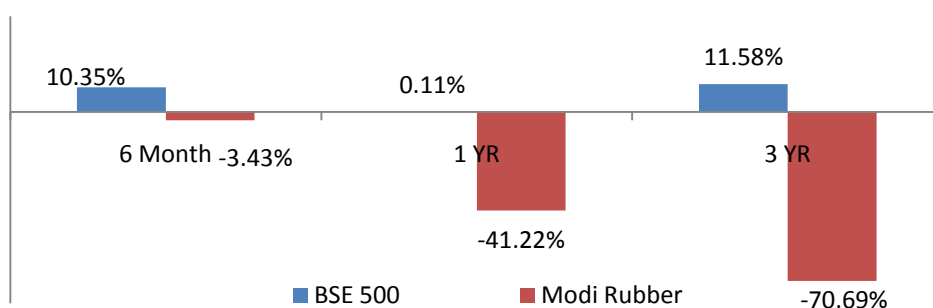
² sequential comparisons

Source: Money control, Company

Financial Performance

MRL has changed its accounting year for FY13 from 'September' to 'March'. It had previously changed its financial year from March to September in 2011. For the quarter ended 30 Sept 2013, total revenue is Rs 11.5mn (Rs 8.6mn in July-Sept'12) and other income is Rs 73.7mn (Rs 76.1mn in July-Sept'12). Hence the total income has marginally increased from Rs 84.7mn (July-Sept'12) to Rs.85.2 mn (July-Sept'13). EBIDTA has decreased from Rs 55.9 mn (July-Sept'12) to Rs 41.7 (July-Sept'13). PAT has reduced from Rs 49.3mn (July-Sept'12) to Rs 40.8mn (July-Sept'13).

Share Price Performance



Financials

| P&L (Rs. mn) | FY10 (12 months) | FY11 (18 months) | FY13 (18 months) |
|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| Total income | 360.3 | 1,122.6 | 543.0 |
| EBIDTA | 56.9 | 686.0 | 345.1 |
| EBIDTA margin | 15.79% | 61% | 64% |
| Depreciation | 20.6 | 18.6 | 17.7 |
| EBIT | 36.3 | 667.4 | 327.4 |
| Interest | 1.43 | 152.1 | 43.0 |
| PBT | 34.87 | 515.3 | 284.4 |
| Tax | 0.40 | 23.3 | 11.6 |
| PAT | 34.47 | 492.0 | 272.8 |
| PAT Margin | 9.57% | 44% | 50% |

| Valuation ratios | FY10 | FY11 | FY13 |
|-------------------------|-------------|-------------|-------------|
| P/E | 7.3 | 4.5 | 1.8 |
| P/BV | 2.16 | 0.8 | 0.4 |

| Balance Sheet (Rs. mn) | FY10 (12 months) | FY11 (18 months) | FY13 (18 months) |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Share Capital | 250.4 | 250.4 | 250.4 |
| Share application money, warrants | 70.0 | 0.0 | 0.0 |
| Reserves & Surplus | 580.2 | 820.0 | 1,092.8 |
| Net worth | 900.6 | 1,070.4 | 1,343.2 |
| Borrowings | 600.2 | 61.5 | 48.0 |
| Current Liabilities and provisions | 311.9 | 601.9 | 521.4 |
| Total liabilities | 1812.7 | 1,733.8 | 1,912.6 |
| Fixed assets | 171.2 | 161.7 | 148.1 |
| Non-current Investments | 986.9 | 426.2 | 541.1 |
| Loans and Advances | 318.9 | 456.2 | 475.5 |
| Current Assets | 335.5 | 496.5 | 517.3 |
| Total assets | 1812.7 | 1,733.8 | 1,912.6 |

| Cash Flow (Rs.mn) | FY10 | FY11 | FY13 |
|--------------------------|-------------|-------------|-------------|
| PBT | 34.87 | 515.3 | 284.4 |
| CF from Operation | (99.4) | (156.9) | (304.8) |
| CF from Investment | 158.8 | 816.0 | 275.0 |
| CF from Financing | (124.1) | (629.0) | (0.8) |
| Inc/(dec) Cash | (64.7) | 30.1 | (30.6) |
| Closing Balance | 41.9 | 36.5 | 5.9 |

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