

30 January 2013

CMP: Rs. 83.35

Industry: Auto Parts & Equipments

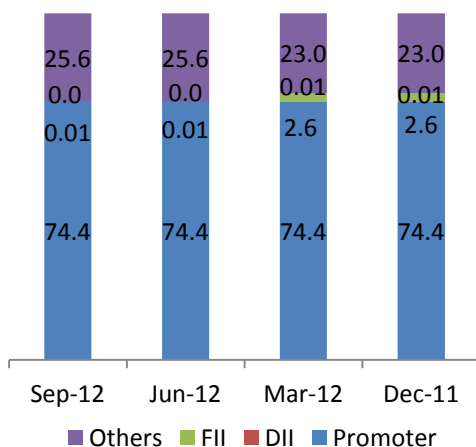
BSE group: B/Small Cap

Promoters: Menon group companies

Key Data (as on 21 Jan' 12)

BSE	531727
ISIN	INE650G01011
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	425.1
Current P/E	4.7
Current P/BV	0.8
52 week low-high	76.75-115.15
30 days avg daily trading volume	8727
Equity capital (Rs mn)	51.0
Net worth (Rs mn)	518.2

Shareholding Pattern (%)



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Investors to note that the P/E ratio of MPL has fallen from 5.2 times (in March 12) to 4.7 times due to fall in market price from Rs 103 since 31 March 12. The EPS of the company has also fallen to Rs 17.8 from Rs 19.6 in March 12.

Company business

Menon Pistons Ltd (MPL) manufactures aluminium alloy pistons, piston pins and piston rings for passenger cars, heavy and light commercial vehicles, heavy duty diesel engines for power generation and earth movers, compressors, etc. MPL is one of the only companies in India to develop Austenitic Ring Carrier (Alfin) Pistons. With the three manufacturing plants located in and around Kolhapur, the company manufactures 2.4 million pistons per annum. In the past the company has had technical collaborations with Izumi Industries Ltd, Japan (for pistons) and Nippon Piston Ring Co. Ltd, Japan (for piston rings). The company now has technology collaboration with Dong Yang Pistons Co. Ltd., South Korea.

Financials

Particulars (Rs in mn)	Jul '12 to Sep '12	Jul '11 to Sep '11	% Change ¹	Apr'12 to Jun '12	% Change ²
Total income	383.3	430.0	(10.9%)	451.8	(15.2%)
Total expenditure	334.4	371.8	(10.1%)	399.4	(16.3%)
EBIDTA	48.9	58.2	(16.0%)	52.4	(6.7%)
EBIDTA margin	12.76%	13.53%	(5.7%)	11.60%	10.0%
PBT	25.4	41.0	(38.0%)	30.4	(16.4%)
PAT	18.9	26.0	(27.3%)	22.9	(17.5%)
PAT margin	4.93%	6.05%	(18.5%)	5.07%	(2.7%)
Cash accruals	31.0	35.6	(12.9%)	35.7	(13.2%)
EPS	3.7	5.1	(27.6%)	4.5	(17.6%)

¹ compared to corresponding quarter in the previous year

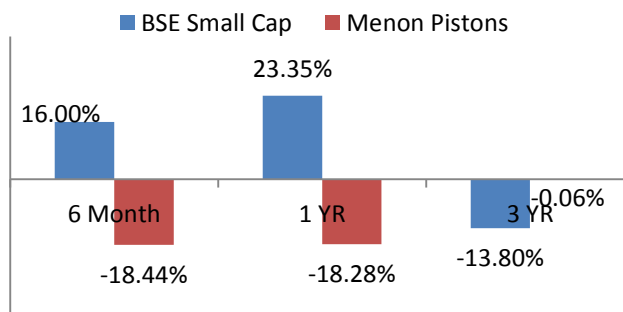
² sequential comparisons

Source: Moneycontrol, Company

Developments during the quarter

Total income decreased by 11% from Rs 430 mn in QE Sept 11 to Rs 383 mn in QE Sept 12. Profitability has also come down due to reduced income. EBIDTA was down 16% to Rs 49 mn from Rs 58 mn in QE Sept 2011. EBIDTA margins also dropped from 13.5% to 12.8% during the current quarter. Interest costs were up 51% to Rs 114 mn for the QE Sept 11. Borrowings were up 47% to Rs. 361 mn as compared with Rs 246 mn on 31st March 2012. With depreciation 26% higher at Rs 12.1 mn, PBT for QE Sept 12 was down 38% at Rs 25.4 mn from Rs 41 mn in QE Sept 11. Because of a lower tax provision of Rs 6.5 mn (Rs 15 mn for QE Sept 11) PAT was lower by 19% at Rs 18.9 mn for QE Sept 2012 as compared with Rs 26 mn for QE Sept 2011.

Share Price Performance



Menon Pistons Ltd.

Financials

P&L (Rs. mn)	FY10	FY11	FY12
Total Income	1,110.4	1,557.4	1,712.7
PBDIT	139.1	183.1	225.4
Interest	22.6	26.6	32.0
PBDT	116.5	156.5	193.4
Depreciation	22.4	26.4	41.5
Profit Before Tax	94.1	130.1	151.9
Extra-ordinary items	(12.2)	0.1	0.1
PBT (Post Extra-ord Items)	81.9	130.2	152.0
Tax	27.2	42.4	51.7
Net Profit	65.0	87.7	100.2
Equity Dividend	17.9	17.9	17.9
Equity Dividend (%)	35.0	35.0	35.0
Valuation ratios	FY10	FY11	FY12
P/E	6.0	7.1	5.2
P/BV	1.0	1.4	1.0

Balance Sheet (Rs. mn)	FY10	FY11	FY12
Share Capital	51.0	51.0	51.0
Reserves & Surplus	320.8	387.7	467.2
Net worth	371.8	438.7	518.2
Borrowings	130.3	234.0	246.0
Current Liabilities & Provisions	246.5	363.4	382.1
Total liabilities	748.6	1,036.1	1,146.3
Net fixed assets	190.0	268.2	372.5
Capital work in progress	-	22.0	2.6
Investments	1.3	1.3	4.4
Current Assets	408.7	508.9	712.2
Loans and Advances	29.2	44.6	54.6
Fixed Deposits	113.8	185.4	-
Miscellaneous Expenses	5.6	5.6	-
Total assets	748.6	1,036.1	1,146.3

Cash Flow (Rs.mn)	FY10	FY11	FY12
PBT	81.9	130.2	152.0
CF from Operations	164.2	126.7	156.9
CF from Investments	(18.0)	(117.3)	(112.4)
CF from Financing	(84.3)	59.2	(5.5)
Inc/(dec) in Cash	61.9	68.7	39.0
Closing Balance	127.9	196.6	235.6

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