

07 February 2013

CMP: Rs.143

Industry: Realty/Fertilizers

BSE group: B

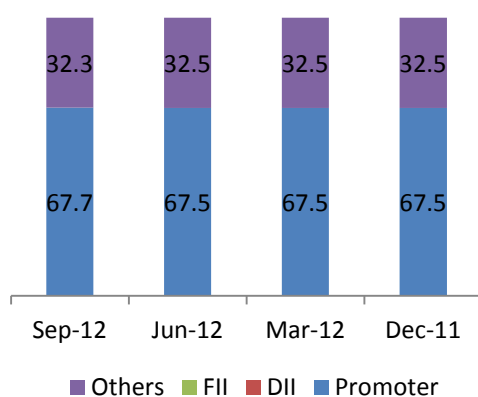
Promoters

Yogendra Patel, Vijay Yogendra Patel,
Kantilal Jethwa, Jayesh Jethwa, Kamlesh
Jethwa

Key Data (as on 25 Jan' 13)

BSE	531862
ISIN	INE842D01011
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	755.8
Current P/E	4.8
Current P/BV	2.5
52 week low-high	39.70-150.50
30 days avg daily trading volume	8692
Equity capital (Rs mn)	52.9
Net worth (Rs mn)	217.6

Shareholding Pattern (%)



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Company business

Bharat Agri Fert and Realty Ltd (BAFRL) manufactures chemicals and fertilizers including sulphuric acid, single super phosphate (SSP) and ferric acid. It also trades in rock phosphate which is a key raw material to produce phosphate based fertilizers. Its fertilizer business was consistently reporting losses since 1997 resulting in deterioration of the entire net worth of the company. As a result, it diversified into residential and commercial real estate by developing surplus land it held in Thane. During FY12, it also forayed into agriculture and started preliminary land development activities. It is exploring opportunities in corporate farming. Accordingly, it changed its name from 'Bharat Fertilizer Industries Ltd' to 'Bharat Agri Fert and Realty Ltd'.

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	151.9	59.2	156.6%	90.6	67.7%
Total expenditure	53.3	37.6	41.8%	36.6	45.6%
EBIDTA	98.6	21.6	356.5%	54.0	82.6%
EBIDTA margin	64.91%	36.49%	77.9%	59.60%	8.9%
PBT	95.7	19.0	403.7%	50.8	88.4%
PAT	74.7	14.8	404.7%	40.6	84.0%
PAT margin	49.18%	25.00%	96.7%	44.81%	9.7%
Cash accruals	76.5	16.5	363.6%	42.3	80.9%
EPS	14.1	2.8	406.8%	7.7	84.4%

¹ compared to corresponding quarter in the previous year

² sequential comparisons

Source: Moneycontrol, Company

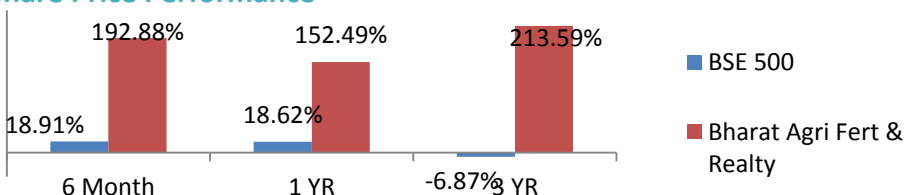
Financial Performance

On Y-o-Y basis for the quarter ended 30 September 2012, the total income increased by 156.6% to Rs.151.9 mn. This could be attributed to higher realisations from real estate sales (Phase II in Majiwada, Thane). EBIDTA increased to Rs.98.6 mn from Rs.21.6 mn in the same quarter of the previous year. The net profit increased from Rs.14.8 mn to Rs.74.7 mn Y-o-Y.

In October 2012, the company declared an interim dividend of Rs.1 per equity share.

The stock prices on 30 Sep 2012 discounts the TTM EPS (Rs.29.7) for the period ended 30 Sep 2012 by 2.4 times (was 2.7 times for TTM ended 30 June 2012). The company has high return ratios.

Share Price Performance



Financials

P&L (Rs.mn)	FY10	FY11	FY12
Total income	199	279	316
EBITDA	68.1	143.9	128.2
EBIDTA margin	34.3%	51.6%	40.6%
Depreciation	3.3	5.4	5.2
EBIT	64.8	138.5	123.0
Interest	3	0.6	4.4
PBT	61.8	137.9	118.6
Extra-ordinary item	0	57.5	-0.1
PBT (after extra-ordinary item)	61.8	195.4	118.5
Tax	7.7	28.9	24.7
PAT	54.1	166.5	93.8
PAT margin	27.3%	59.7%	29.7%
Dividend (including tax)	-	-	9.2
Dividend (per share)	-	-	1.5
Valuation ratios	FY10	FY11	FY12
P/E	3.7	2.6	2.8
P/BV	3.2	1.2	0.9

Balance Sheet (Rs. mn)	FY10	FY11	FY12
Equity share capital	52.9	52.9	52.9
Reserves & Surplus	65.2	164.7	247.3
Net worth	118.1	217.6	300.2
Borrowings	23.1	18.3	41.1
Current Liabilities & Provisions	190	242.5	212.8
Total liabilities	331.2	478.4	554.1
Net fixed assets	59.7	64.7	94.2
Loans and Advances	9.6	45.9	8.9
Investments	0.2	0.2	0.2
Current Assets	261.5	367.3	450.7
Total assets	331.2	478.4	554.1
Cash Flow (Rs.mn)	FY10	FY11	FY12
PBT	61.8	195.4	118.5
CF from Operation	70.8	28.9	29.3
CF from Investment	(19.2)	(12.1)	(35.5)
CF from Financing	(40.5)	(5.4)	28.2
Inc/(dec) in Cash	11.1	11.4	22.0
Closing Balance	13.1	24.5	46.5

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