

07 February 2013

CMP: Rs.5.02

Industry: Iron & steel products

BSE group: B

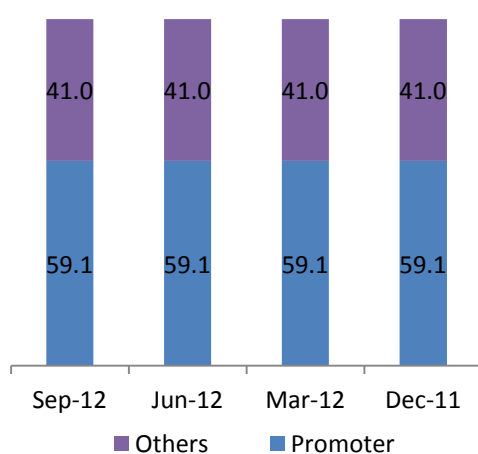
Promoters

Kamlesh Kumar Rathi and family

Key Data (as on 21 Jan' 13)

BSE	532918
ISIN	INE575I01016
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	82.0
Current P/E	2.9
Current P/BV	0.1
52 week low-high	4.07-8.00
30 days avg daily trading volume	3950
Equity capital (Rs mn)	163.3
Net worth (Rs mn)	691.8

Shareholding Pattern (%)



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Company business

Rathi Bars Ltd (RBL) manufactures ingots and thermo-mechanically treated (TMT) bars in its plant located in Khushkhara, Rajasthan. The company sells these products in the Northern Indian market. It markets all its products excluding TMT bars under the brand 'Rathi'. Its TMT bars have diameter ranging from 7 mm to 32 mm and are marketed under the brand 'Rathi Shaktiman Steel'. Kamlesh Kumar Rathi is the managing director and Anupam Rathi is executive director of the company.

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	713.3	752.3	(5.2%)	643	10.9%
Total expenditure	693.4	735.8	(5.8%)	620.9	11.7%
EBIDTA	19.9	16.5	20.6%	22.1	(10.0%)
EBIDTA margin	2.79%	2.19%	27.2%	3.44%	(18.8%)
PBT	6.6	3.2	106.3%	9.1	(27.5%)
PAT	6.6	3.2	106.3%	9.1	(27.5%)
PAT margin	0.93%	0.43%	117.5%	1.42%	(34.6%)
Cash accruals	11.6	9.9	17.2%	14.1	(17.7%)
EPS	0.4	0.2	110.5%	0.6	(28.6%)

¹ compared to corresponding quarter in the previous year

² sequential comparisons

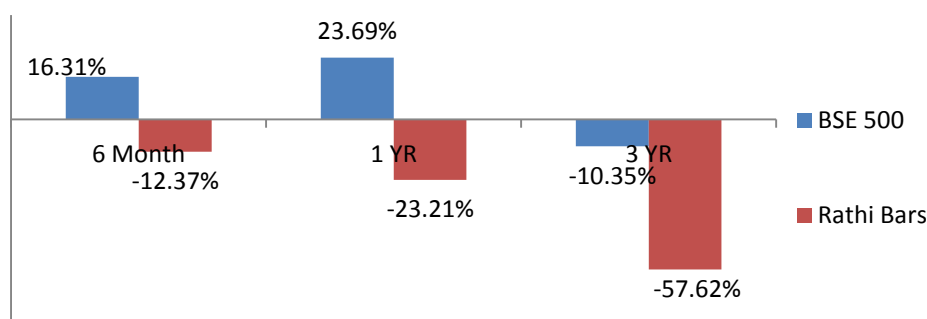
Source: Moneycontrol, Company

Financial Performance

On Y-o-Y basis, for the period ended 30 September 2012, RBL's total income decreased by 5.2% to Rs.713.3 mn. EBIDTA increased to Rs.19.9 mn with 60 bps expansion in margin. Expansion in EBIDTA margin was led by decrease in other expenditure (unclassified) and excise duty. The net profit increased from Rs.3.2 mn to Rs.6.6 mn Y-o-Y.

The stock price on 30 Sep 2012 discounts the TTM EPS (Rs.1.7) for the period ended 30 Sep 2012 by 3 times (was 3.4 times for TTM ended 30 June 2012).

Share Price Performance



Financials

P&L (Rs. mn)	FY10	FY11	FY12	Balance Sheet (Rs. mn)	FY10	FY11	FY12
Total income	2,017.0	2,086.6	2,898.0	Share Capital	163.3	163.3	163.3
EBIDTA	83.7	91.4	79.6	Reserves & Surplus (incl. revaluation reserves)	450.7	498.9	528.5
EBITDA Margin%	4.1%	4.4%	2.7%	Net worth	614	662.2	691.8
Depreciation	16.6	21.6	20.5	Borrowings	200.6	246.8	276.5
EBIT	67.1	69.8	59.1	Current liabilities and provisions	262	245.1	242.7
Interest	21	22.5	28.1	Total liabilities	1,076.6	1,154.1	1,211.0
PBT(post extraordinary items)	49.2	47.3	31	Net fixed assets	316.6	311.4	315.9
Tax	1.6	-0.8	1.4	loans and advances (Long term and short term)	156.7	158.9	164.4
PAT (excluding minority interest)	47.7	48.2	29.6	Investments	185.6	169.4	91.3
PAT Margin %	2.4%	2.3%	1.0%	Current assets	411.7	497.9	629.7
Dividend (including dividend tax)	-	-	-	Other non-current assets	6	16.5	9.7
				Total assets	1,076.6	1,154.1	1,211.0
Valuation ratios	FY10	FY11	FY12	Cash Flow (Rs.mn)	FY10	FY11	FY12
P/E	3.3	2.8	3.2	PBT	46.2	47.5	31.0
P/BV	0.3	0.2	0.1	CF from Operations	50.6	36.2	(80.0)
				CF from Investment	(31.6)	(6.5)	69.2
				CF from Financing	(21.1)	(7.3)	1.4
				Inc/(dec) in Cash	(2.1)	22.3	(9.3)
				Closing Balance	3.4	25.7	16.5

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