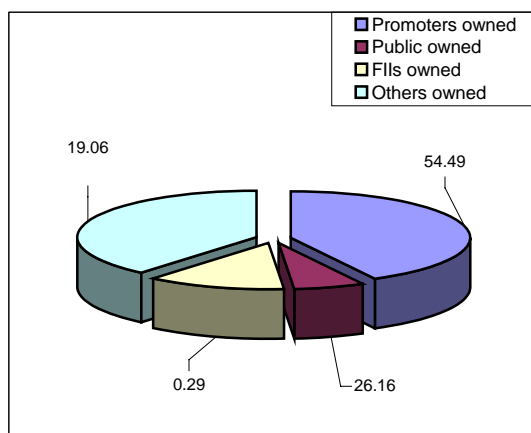


**Stock statistics 20 December 2007**

Market Cap (Rs Mn) :	2664.80
52-Week high/low (Rs) :	1,09/55
Face value :	10
BSE Code :	532820
NSE Code :	MUDRA
Industry :	Textiles
Shares outstanding :	2,64,10,469
Avg. daily vol. (30 days) :	76.80

**Shareholding Pattern (as on 30 Sep'07)**



**Key Statistics (as on 20 December 2007)**

CMP :	101.00
BV :	57.63
PE :	10.27
PB :	1.75
Turnover (Rs Mn) :	78.55
Net worth (Rs Mn) :	1467.10

The company is a part of the Mudra Group, which started its business in 1986 with the formation of a partnership firm Olive Tex Silk Mills. Mudra Lifestyle limited was established as Bombay Fine Fabrics Private Limited on March 31, 1997. Company started its operations in 2002 and is engaged in fabric weaving, processing and making garments. Company is gradually moving towards garment manufacturing mainly in the designer shirts and lady's wear segments. Presently company sells its fabrics in the domestic as well as the international markets. Company exports its garments and recently started manufacturing garments for well known Indian brands. At present company have 177 automatic looms producing approximately 10.62 million meters of woven fabric per annum and 700 sewing machines with production capacity of 3.15 million garments per annum. Company's manufacturing facilities are spread across five locations at Bhiwandi (Kalher and Sonale) in Thane district, Bangalore, Daman and Navi Mumbai.

	(In crore)				
	FY 2004	FY 2005	FY 2006	FY 2007	Qtr Sep 2007
Sales	11.66	34.61	104.35	163.86	67.23
EBIDTA	0.71	4.35	14.86	25.98	12.69
EBIT	0.56	4.00	12.22	22.68	13.31
PAT	0.21	2.65	9.09	17.54	8.42
EPS	3.00	3.00	3.90	4.90	2.30
Operating profit margin (%)	5.98	9.62	13.78	14.31	18.87
Net profit margin (%)	1.77	5.86	8.12	8.67	12.03

The company has witnessed whopping growth in its topline of 21% in Qtr Sept'07 as compare to previous qtr June'07. The bottomline of the company has also surged by 16% in qtr Sept'07 as compare to qtr March'07. The operating profit margin of the company has significantly improved from 15.42% in qtr March'07 to 18.87 in qtr Sept'07.

**INVESTMENT POSITIVES**

- The company has secured orders worth of Rs 350 million which includes an export order worth of Rs 150 million from cortefil, F.A. Macullar, Ivory International and others and domestic order of Rs 200 million from institutional buyers. The aforesaid orders are to be executed in time frame of 4 months. This order will provide an important boost to the topline of the company.
- The company is considering issuance of FCCB/GDR/QIP along with the preferential allotment of warrants to promoters.

**VALUATION**

The company has proven its mark by delivering strong financial results continuously from last few years. In addition to this Rs 350 million order has added another feather in the cap of the company. The company is currently running at 10.27 times to its earnings and 1.75 times to its book value. On valuation front, the company looks reasonably priced with ample upside potential. We initiate "Buy" on stock with price target of Rs 160, which is approximately 58% up from present level.

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