

BUZZING

STOCK

Murli Agro Products Ltd.

CMP – Rs.385

Analyst

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Key Stock Data

Sensex	13187
Nifty	3809
Sector	Solvent Extraction
Bloomberg	MRLA@IN
Reuters	MURL.BO
No. of shares (m)	7
Market Cap (Rs m)	2,647.50
Market Cap (US\$ m)	59.02
52-week H/L	Rs.385/148

Shareholding Pattern (%)

Promoters	74.90
Mutual Funds	0.00
FIs	0.01
Corporate Bodies	7.76
Pubic & Others	17.33

Murli Agro Products Ltd. (MAPL), a part of Maloo group is all set to attain well-diversified revenue model with its foray into cement business. Besides paper that accounts for 40% of its total revenues, MAPL is also involved in manufacture & sale of soya foods i.e. deoiled cakes and refined soya oil. MAPL's Paper Division comprises of 100TPD Duplex Paper Unit, 100TPD Newsprint Unit & 200TPD Writing Printing Unit located in Nagpur, Maharashtra. Besides, MAPL has strong presence in soya foods segment with solvent extraction capacity of 1,100 TPD & refinery of 250TPD.

Foray in Cement: MAPL is all set to enter into cement business with its 2.14m MT of greenfield cement unit on 880 hectares of land in Chandrapur, Maharashtra. Alongwith this unit, MAPL is also expected to set up captive power plant of 30MW. MAPL is expected to get clearance for coal blocks allocation from Central Government. Unit is expected to be operational by FY09 supplying cement to Maharashtra and Chattisgarh. MAPL has already received pollution clearance and expected to receive environmental clearance.

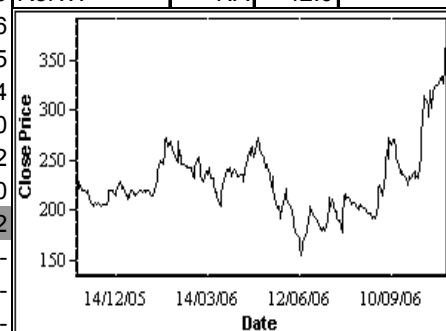
Capex: The cement plant is expected to cost around Rs.5,870m to be funded through mixture of debt & equity. Debt to the tune of Rs.3470m is funded by Bank of Baroda (Rs.850m), State Bank of Patiala (Rs.1,000m) & internal accruals (Rs.1,620m).

Robust Soya Business: MAPL solvent extraction plant produces deoiled cakes that are sold in domestic as well as international markets. In FY05, MAPL exported Rs.600m of deoiled cakes to South East Asian countries like Philippines, Indonesia, and Vietnam. There is growing demand for these high protein cakes on back of increasing poultry and dairy products demand. MAPL manufactures and sells refined oil under the strong brand name "Rasila".

Valuations: In Q2FY07, revenues at Rs.1,138m were up by 13% YoY. EBIDTA margins shot up by 243 bps at 18%. PAT at Rs.119m was up by 55% YoY. The current market price discounts the H1FY07 annualized EPS of Rs.56.5 by 6.8x.

Financial Snapshot

Murli Agro Products Ltd.							Rs.m		Ratios (%)		
	2Q FY07	2Q FY06	Chg. (%)	FY06	FY05	Chg. (%)		FY06	FY05	Chg.(%)	
Net Sales	1138	1009	13	5105	3098	65	Debt -Equity	NA	3.6	-	
Other Income	2	8	(75)	17	4	394	PBIDTM	13	12.3	3	
Total Income	1140	1017	12	5122	3102	65	PBDDTM	10	9.2	6	
Total Expenditure	936	853	10	4477	2722	65	RoCE	NA	15.5	-	
PBIDT	205	163	25	645	380	70	RoNW	NA	42.0	-	
Interest	30	31	(3)	149	96	56					
PBDT	175	132	32	495.9	284	75					
Depreciation	46	56	(18)	205	133	54					
Tax	11	0	0	11	5	110					
Reported Profit After Tax	119	77	55	280	146	92					
Extra -ordinary Items	0	0	0	0	0	0					
Adj. Profit After Extra-ordinary item	119	77	55	280	146	92					
No. of shares (m)	7	7	-	7	7	-					
EPS (annualised.) (Rs.)	67.01	43.3	-	39.6	20.6	-					
P/E	5.7	8.9	-	9.7	18.7	-					



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