

Order Book stands at Rs 5,650 crore

The current order book outstanding for the company stands at Rs 5,650 a QoQ growth of 13% over Q4FY10. The break up of the order book is as under:

Segment wise order book	International	South Asia	Total
Transmission	2,461	1,811	4,272
Power Distribution	316	699	1,015
Telecom	0	3	3
Railways	30	217	247
Cables	0	113	113
Total	2,807	2,843	5,650

Transmission segment continues to garner a major share in its order book with a share of over 75% followed by the power distribution segment which constitutes ~18% of the order book.

Valuation & Recommendation

At CMP of Rs 491, the stock is trading at 10.7x its estimated FY11 earnings of Rs 45.7. With the company consolidating its position as one of the biggest T&D EPC player in the world coupled with the strong order book & positive industry outlook, we maintain a **HOLD** on the counter.

Result Update



Kyon ki bhaiya, sabse bada rupaiya.

(Rs. In Cr.)

KEC International Ltd.	Q1FY11	Q1FY10	% Chg.	Q1FY11	Q4FY10	% Chg.	FY201003	FY200903	% Chg.
Net Sales	824.3	726.4	13.5	824.3	1344.6	-38.7	3877.2	3427.4	13.1
Other operational Income	0.1	0.2	-50.0	0.1	0.6	-86.0	1.0	0.6	67.8
Total Oper. Income(TOI)	824.4	726.6	13.5	824.4	1345.1	-38.7	3878.2	3428.0	13.1
Raw Materials Cons.-	438.8	323.2	35.8	438.8	786.2	-44.2	2020.2	1992.0	1.4
% to TOI	53.2%	44.5%	-	53.2%	58.5%	-	52.1%	58.1%	-
Stock adj. (-)Inc / (+)Dec-	-29.0	1.5	PL	-29.0	1.5	PL	-9.3	-16.1	-42.3
% to TOI	-3.5%	0.2%	-	-3.5%	0.1%	-	-0.2%	-0.5%	-
Net Raw Mat adj. for stock	409.8	324.6	26.2	409.8	787.8	-48.0	2010.9	1975.8	1.8
% to TOI	49.7%	44.7%	-	49.7%	58.6%	-	51.9%	57.6%	-
Other expenses	289.3	277.7	4.2	289.3	388.9	-25.6	1312.5	1010.0	30.0
% to TOI	35.1%	38.2%	-	35.1%	28.9%	-	33.8%	29.5%	-
Contribution Net_Sales	125.3	124.3	0.8	125.3	168.5	-25.6	554.9	442.2	25.5
Personnel	47.4	38.6	22.7	47.4	44.6	6.2	168.1	141.6	18.7
% to TOI	5.8%	5.3%	-	5.8%	3.3%	-	4.3%	4.1%	-
Total expenditure	746.5	641.0	16.5	746.5	1221.3	-38.9	3491.5	3127.4	11.6
Operating Profit	77.9	85.6	-9.1	77.9	123.9	-37.1	386.7	300.6	28.7
<i>% to TOI</i>	<i>9.5%</i>	<i>11.8%</i>	<i>-</i>	<i>9.5%</i>	<i>9.2%</i>	<i>-</i>	<i>10.0%</i>	<i>8.8%</i>	<i>-</i>
Non-Operating Income	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest	26.4	21.8	21.3	26.4	19.4	36.3	86.5	100.0	-13.5
Exceptional Items	0.0		0.0	0.0	0.0	0.0	0.0		0.0
Gross Profit	51.5	63.8	-19.4	51.5	104.5	-50.8	300.2	200.6	49.7
Depreciation	8.3	5.9	40.8	8.3	7.1	16.9	26.2	22.8	15.3
PBT before Extra-ord	43.1	57.9	-25.5	43.1	97.4	-55.7	274.0	177.8	54.0
% to TOI	5.2%	8.0%	-	5.2%	7.2%	-	7.1%	5.2%	-
Extraordinary Items	0.0		0.0	0.0	0.0	0.0	0.0		0.0
PBT	43.1	57.9	-25.5	43.1	97.4	-55.7	274.0	177.8	54.0
Tax Rate	52.0%	34.0%	-	52.0%	44.1%	-	37.6%	34.6%	-
Prov. for Tax	22.4	19.7	13.9	22.4	42.9	-47.7	103.0	61.6	67.3
% to TOI	2.7%	2.7%	-	2.7%	3.2%	-	2.7%	1.8%	-
Profit after Tax	20.7	38.2	-45.9	20.7	54.4	-62.0	171.0	116.3	47.0
<i>% to TOI</i>	<i>2.5%</i>	<i>5.3%</i>	<i>-</i>	<i>2.5%</i>	<i>4.1%</i>	<i>-</i>	<i>4.4%</i>	<i>3.4%</i>	<i>-</i>
Face Value	10.0	10.0	0.0	10.0	10.0		10.0	10.0	0.0
Equity Share capital	51.4	49.3	4.2	51.4	51.4	0.0	51.4	49.3	4.2
EPS (Rs.)	4.0	7.8	-48.0	4.0	10.6	-61.9	33.3	23.6	41.1
CEPS (Rs.)	5.6	9.0	-36.9	5.6	12.0	-52.9	38.4	28.2	36.1

Source: ACE Equity

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