## Result Update

Kyon ki bhaiya, sabse bada rupaiya.

## 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 | $\mathbf{4 , 2 7 2}$ |
| Power Distribution | 316 | 699 | $\mathbf{1 , 0 1 5}$ |
| Telecom | 0 | 3 | $\mathbf{3}$ |
| Railways | 30 | 217 | $\mathbf{2 4 7}$ |
| Cables | 0 | 113 | $\mathbf{1 1 3}$ |
| Total | $\mathbf{2 , 8 0 7}$ | $\mathbf{2 , 8 4 3}$ | $\mathbf{5 , 6 5 0}$ |

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 $\sim 18 \%$ of the order book.

## Valuation \& Recommendation

At CMP of Rs 491, the stock is trading at 10.7 x 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 I nternational 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 |
| \% to TOI | 9.5\% | 11.8\% | - | 9.5\% | 9.2\% | - | 10.0\% | 8.8\% | - |
| 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 |
| \% to TOI | 2.5\% | 5.3\% | - | 2.5\% | 4.1\% | - | 4.4\% | 3.4\% | - |
| 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

Kyon ki bhaiya, sabse bada rupaiya.

## Source: ACE Equity

## Ventura Securities Limited

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