

## 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
<b>Total</b>	<b>2,807</b>	<b>2,843</b>	<b>5,650</b>

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

# Result Update



Kyon ki bhaiya, sabse bada rupaiya.

**Source: ACE Equity**

**Ventura Securities Limited**

*Corporate Office: Corporate Office: C-112/116, Bldg No. 1, Kailash Industrial Complex, Park Site, Vikhroli (W), Mumbai – 400079*

This report is neither an offer nor a solicitation to purchase or sell securities. The information and views expressed herein are believed to be reliable, but no responsibility (or liability) is accepted for errors of fact or opinion. Writers and contributors may be trading in or have positions in the securities mentioned in their articles. Neither Ventura Securities Limited nor any of the contributors accepts any liability arising out of the above information/articles. Reproduction in whole or in part without written permission is prohibited. This report is for private circulation.