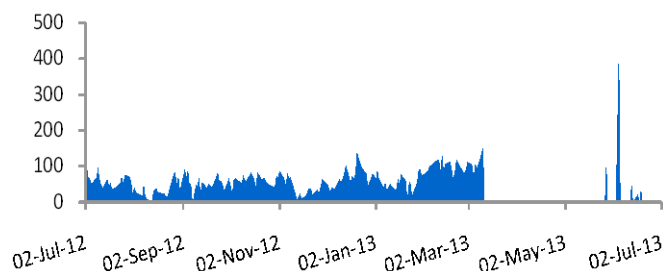
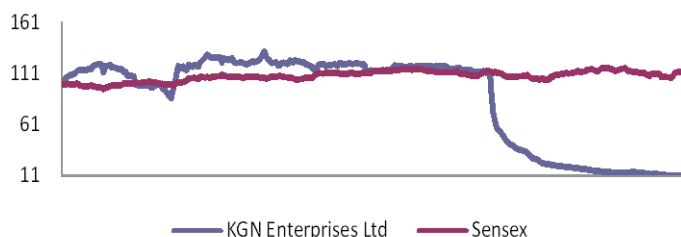
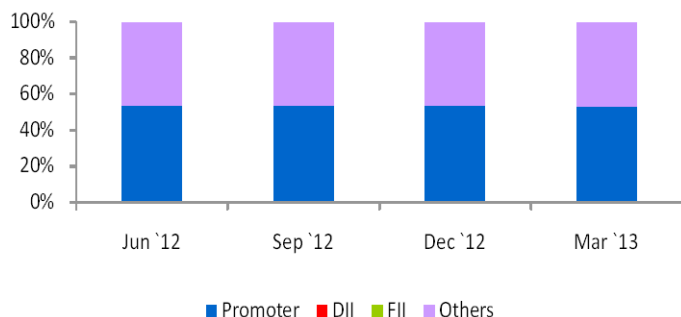


Update for Q4FY13 (i.e. January 1, 2013 to March 31, 2013)
Equity Statistics

Current Market Price	Rs.	34.95
52 Week High/Low	Rs.	450.00/34.00
Market Capitalisation	Rs. Crores	71.54
Free Float	Rs. Crores	33.55
Dividend Yield	%	0.14
One Year Regression Beta	Times	0.39

BSE Volumes Trend - Average = 47.57 Thousand

Relative Returns


Returns	1M	3M	6M	1 Yr
Absolute	-26%	-68%	-91%	-89%
Rel. to Sensex	-25%	-68%	-91%	-91%

Shareholding Pattern


Source: BSE, Capitaline and CARE Research

Result analysis

KGN Enterprises Ltd. (KEL) Q4FY13 net sales decreased by 37.3% y-o-y and 73.9% q-o-q to Rs.1.9crore. The company reported EBITDA of Rs.0.6 crore as compared with Rs.1.0 crore in the corresponding quarter last year. EBITDA margin decreased for the quarter by 120 bps y-o-y to 34.1%. The decline in EBITDA margin was as a result of the higher employee cost and other expenditure which stood at 8.6% and 11.4% of the net sales respectively in Q4FY13 as compared with 6.4% and 8.1% in Q4FY12. The company reported adjusted net profit of Rs.0.2 crore (down 84% y-o-y) in Q4FY13 as compared with Rs.1 crore in Q4FY12. The net profit margin stood at 9.2% for the quarter coming down drastically from 35.3% in Q4FY12.

During FY13, the company reported 601.4% y-o-y increase in net sales to Rs.60.3 crore. EBITDA for FY13 witnessed a 405.3% y-o-y increase to Rs.2.9 crore. EBITDA margins declined by 186bps to 4.8%. Adjusted net profit for the year decreased by 39.7% to Rs.0.7 crore.

KEL is trading at 96.2 times FY13 EPS as on July 02, 2013.

Annual financial snapshot

Income statement	FY11	FY12	FY13
Net sales (Rs. crore)	9.6	8.6	60.3
Growth in net sales (%)	(94.5)	(10.1)	601.4
Per share data (Rs.)			
Adjusted BVPS	19.3	19.8	20.0
Diluted EPS*	0.6	0.6	0.4
Key financial ratios			
EBITDA margin (%)	15.3	6.6	4.8
Adjusted PAT margin (%)	16.3	6.3	1.2
RoCE (%)	2.0	0.3	1.0
RoE (%)	3.3	3.0	1.8
Net debt to equity	0.5	0.8	0.8
Interest coverage (times)	146.0	57.0	77.0

Source: BSE, Capitaline and CARE Research

Quarterly financials	Q4 FY13	Q4 FY12	Q3 FY13	Growth	Growth
Income statement (Rs. crore)				Y-o-Y (%)	Q-o-Q (%)
Total income	1.9	3.0	7.1	(37.3)	(73.9)
Net sales	1.9	3.0	7.1	(37.3)	(73.9)
EBITDA	0.6	1.0	0.8	(39.4)	(18.2)
Depreciation and amortisation	0.5	-	0.5	NM	(5.6)
EBIT	0.1	1.0	0.2	(88.5)	(47.8)
Interest	0.0	-	-	NM	NM
PBT	0.1	1.0	0.2	(89.4)	(52.2)
Ordinary PAT	0.2	1.0	0.2	(83.7)	(15.0)
Adjusted PAT	0.2	1.0	0.2	(83.7)	(15.0)
Per share data (Rs.)					
Diluted EPS*	0.1	0.5	0.1	(83.7)	(15.0)
Profitability ratio (%)					
EBITDA margin	34.1	35.3	10.8		
Adjusted PAT margin	9.2	35.3	2.8		

Source: BSE, Capitaline and CARE Research

NM: Non Meaningful

Annual financial statistics	FY11	FY12	FY13
Income statement (Rs. crore)			
Total income	8.0	19.1	60.3
Net sales	9.6	8.6	60.3
EBITDA	1.5	0.6	2.9
Depreciation and amortisation	-	-	2.1
EBIT	1.5	0.6	0.8
Interest	0.0	0.0	0.0
PBT	1.5	1.6	0.8
Ordinary PAT	1.3	1.2	0.7
Adjusted PAT	1.3	1.2	0.7
Balance sheet (Rs. crore)			
Adjusted networth	39.4	40.5	41.0
Total debt	20.9	33.7	33.7
Cash and bank	1.2	0.3	0.3
Investments	0.2	0.2	0.2
Net fixed assets (incl. CWIP)	54.4	55.7	55.7
Net current assets (excl. cash, cash equivalents)	4.6	18.1	12.1
Per share data (Rs.)			
Adjusted BVPS	19.3	19.8	20.0
Diluted EPS*	0.6	0.6	0.4
DPS	-	0.1	0.1
Growth (Y-o-Y) (%)			
Growth in total income	(94.1)	139.3	215.4
Growth in net sales	(94.5)	(10.1)	601.4
Growth in EBITDA	(55.9)	(61.0)	405.3
Growth in adjusted PAT	(64.3)	(6.9)	(39.7)
Growth in EPS*	(64.3)	(6.9)	(39.7)
Key financial ratio			
EBITDA margin (%)	15.3	6.6	4.8
Adjusted PAT margin (%)	16.3	6.3	1.2
RoCE (%)	2.0	0.3	1.0
RoE (%)	3.3	3.0	1.8
Gross debt - equity (times)	0.5	0.8	0.8
Net debt - equity (times)	0.5	0.8	0.8
Interest coverage (times)	146.0	57.0	77.0
Current ratio (times)	7.6	9.2	13.6
Inventory days	48.4	234.0	61.5
Receivable days	-	59.9	17.1

Source: BSE, Capitaline and CARE Research

Financial Year (FY) refers to period from April 1 to March 31

NM: Non Meaningful, NA: Not Available

Note: FY13 based on standalone abridged financials

DISCLOSURES

Each member of the team involved in the preparation of this research report, hereby affirms that there exists no conflict of interest that can bias the research on the company.

DISCLAIMER

Please refer to our detailed disclaimer mentioned on the last page of the initial report on this company.

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