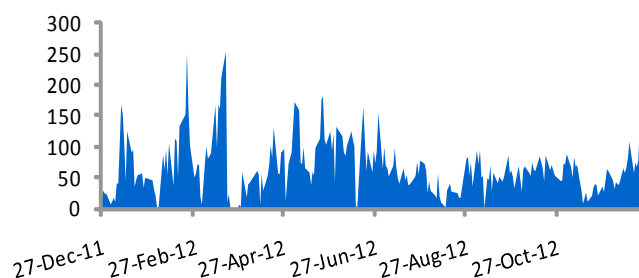
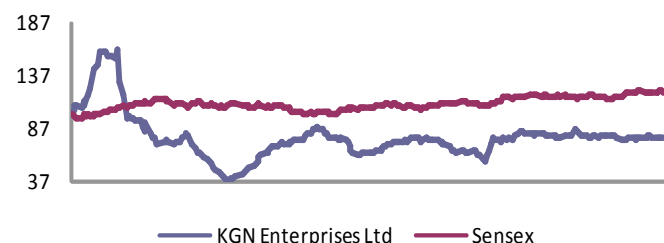
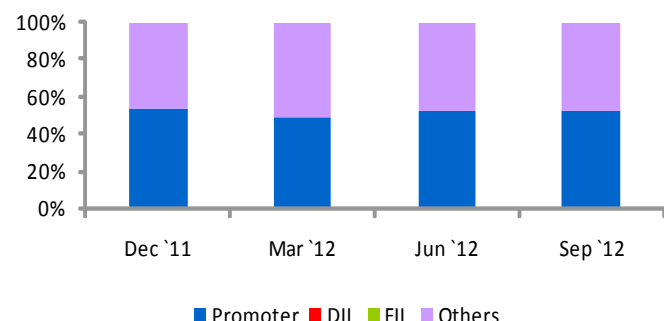


Update for Q2FY13 (i.e. July 1, 2012 to September 30, 2012)
Equity Statistics

Current Market Price	Rs.	396.55
52 Week High/Low	Rs.	898.00/177.25
Market Capitalisation	Rs. Crores	811.74
Free Float	Rs. Crores	376.72
Dividend Yield	%	0.00
One Year Regression Beta	Times	0.12

BSE Volumes Trend - Average = 65.95 Thousand

Relative Returns


Returns	1M	3M	6M	1 Yr
Absolute	-2%	-1%	24%	-21%
Rel. to Sensex	-6%	-3%	10%	-35%

Shareholding Pattern


Source: BSE, Capitaline, and CARE Research

Result analysis

KG N Enterprises Ltd. (KEL) Q2FY13 net sales increased by 1339.5% y-o-y and 35.4% q-o-q to Rs.29.5 crore. The company reported EBITDA of Rs.0.8 crore as compared to Rs.0.2 crore in the corresponding quarter last year. EBITDA margin decreased for the quarter by 523 bps y-o-y to 2.6%. The decline in EBITDA margin was as a result of higher raw material costs which stood at 94.4% of net sales in Q2FY13 as compared to 89.8% in Q2FY12. Led by lower operating performance, the company reported adjusted net profit of Rs.0.19 crore (up 18.7% y-o-y) in Q2FY13 as compared to Rs.0.16 crore in Q2FY12. Net profit margin stood at 0.6% for the quarter, down 716 bps y-o-y.

During H1FY13, the company reported 803.2% y-o-y increase in net sales to Rs.51.3 crore. EBITDA for H1FY13 witnessed 377.4% y-o-y decrease to Rs.1.5 crore. EBITDA margin declined by 257bps to 2.97% on account of higher raw material costs as per cent of sales. Net profit increased by 16.1% to Rs.0.4 crore.

KEL is trading at 495.6 times to the 12 months trailing EPS as on December 24, 2012.

Annual financial snapshot

Income statement	FY10	FY11	FY12
Net sales (Rs. crore)	134.6	9.6	9.6
Growth in net sales (%)		(92.9)	0.4
Per share data (Rs.)			
Adjusted BVPS	18.4	19.2	20.0
Diluted EPS*	1.2	0.6	0.6
Key financial ratios			
EBITDA margin (%)	3.8	15.3	16.7
Adjusted PAT margin (%)	1.6	13.7	12.5
RoCE (%)	9.4	2.0	2.4
RoE (%)	14.3	3.3	4.0
Net debt - equity (times)	0.4	0.5	0.8
Interest coverage (times)	56.2	146.0	NM

Source: BSE, Capitaline and CARE Research

Quarterly financials	Q2 FY13	Q2 FY12	Q1 FY13	Growth	Growth
Income statement (Rs. crore)				Y-o-Y (%)	Q-o-Q (%)
Total income	29.5	2.1	21.8	1,339.5	35.4
Net sales	29.5	2.1	21.8	1,339.5	35.4
EBITDA	0.8	0.2	0.7	375.0	5.6
Depreciation and amortisation	0.6	-	0.5	NM	7.8
EBIT	0.2	0.2	0.2	31.2	(0.0)
Interest	-	-	-	NM	NM
PBT	0.2	0.2	0.2	31.2	(0.0)
Ordinary PAT	0.2	0.2	0.2	18.7	11.8
Adjusted PAT	0.19	0.16	0.2	18.7	11.8
Per share data (Rs.)					
Diluted EPS*	0.1	0.1	0.1	18.7	11.8
Profitability ratio (%)					
EBITDA margin	2.6	7.8	3.3		
Adjusted PAT margin	0.6	7.8	0.8		

Source: BSE, Capitaline and CARE Research

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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