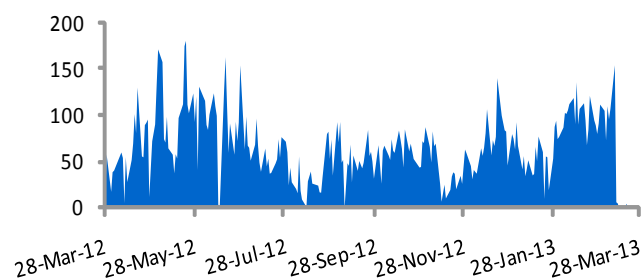
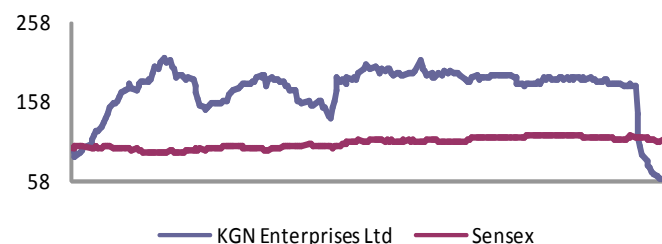
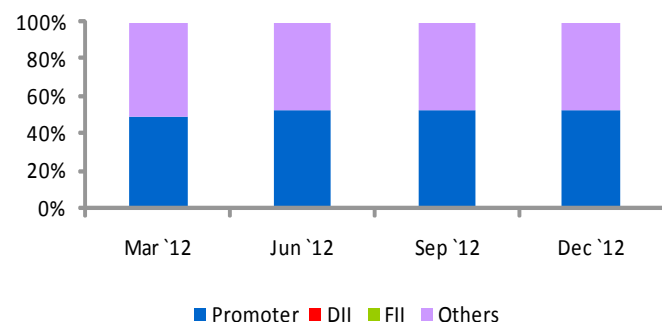


**Update for Q3FY13 (i.e. October 1, 2012 to December 31, 2012)**
**Equity Statistics**

Current Market Price	Rs.	119.65
52 Week High/Low	Rs.	450.00/119.65
Market Capitalisation	Rs. Crores	244.92
Free Float	Rs. Crores	113.67
Dividend Yield	%	0.04
One Year Regression Beta	Times	0.34

**BSE Volumes Trend - Average = 64.74 Thousand**

**Relative Returns**


Returns	1M	3M	6M	1 Yr
Absolute	-68%	-68%	-71%	-42%
Rel. to Sensex	-68%	-67%	-71%	-47%

**Shareholding Pattern**


Source: BSE, Capitaline and CARE Research

**Result analysis**

KG N Enterprises Ltd. (KEL) Q3FY13 net sales increased by 655.3% y-o-y but declined by 75.9% q-o-q to Rs.7.1 crore. The company reported EBITDA of Rs.0.8 crore as compared with Rs.0.3 crore in the corresponding quarter last year. EBITDA margin decreased for the quarter by 1,575 bps y-o-y to 10.8%. The decline in EBITDA margin was as a result of the higher raw material costs which stood at 81.4% of the net sales in Q3FY13 as compared with 69.1% in Q3FY12. Led by lower operating performance, the company reported adjusted net profit of Rs.0.20 crore (down 20% y-o-y) in Q3FY13 as compared with Rs.0.25 crore in Q3FY12. The net profit margin stood at 2.8% for the quarter, down 2,378 bps y-o-y.

During 9MFY13, the company reported 783.5% y-o-y increase in net sales to Rs.58.4 crore. EBITDA for 9MFY13 witnessed 296.5% y-o-y increase to Rs.2.3 crore. EBITDA margin declined by 475bps to 3.9% on account of higher raw material costs as per cent of sales. The net profit decreased by 1.8% to Rs.0.6 crore.

KEL is trading at 153.4 times to the 12 months trailing EPS as on March 28, 2013.

**Annual financial snapshot**

Income statement	FY10	FY11	FY12
Net sales (Rs. crore)	173.3	9.6	11.2
Growth in net sales (%)		(94.5)	16.7
Per share data (Rs.)			
Adjusted BVPS	18.4	19.0	19.6
Diluted EPS*	1.2	0.6	0.6
Key financial ratios			
EBITDA margin (%)	3.8	16.1	14.4
Adjusted PAT margin (%)	3.4	13.3	11.1
RoCE (%)	7.1	2.6	2.4
RoE (%)	9.7	3.3	3.1
Net debt - equity (times)	0.6	0.6	0.7
Interest coverage (times)	85	154	161

Source: BSE, Capitaline and CARE Research

Quarterly financials	Q3 FY13	Q3 FY12	Q2 FY13	Growth	Growth
Income statement (Rs. crore)				Y-o-Y (%)	Q-o-Q (%)
Total income	7.1	0.9	29.5	655.3	(75.9)
Net sales	7.1	0.9	29.5	655.3	(75.9)
EBITDA	0.8	0.3	0.8	208.0	1.3
Depreciation and amortisation	0.5	-	0.6	NM	(1.8)
EBIT	0.2	0.3	0.2	(8.0)	9.5
Interest	-	-	-	NM	NM
PBT	0.2	0.3	0.2	(8.0)	9.5
Ordinary PAT	0.2	0.3	0.2	(20.0)	5.3
Adjusted PAT	0.20	0.25	0.2	(20.0)	5.3
Per share data (Rs.)					
Diluted EPS*	0.1	0.1	0.1	(20.0)	5.3
Profitability ratio (%)					
EBITDA margin	10.8	26.6	2.6		
Adjusted PAT margin	2.8	26.6	0.6		

Source: BSE, Capitaline and CARE Research

NM: Non Meaningful

## 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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