KEC International

Performance Highlights

` cr	3QFY12	3QFY11	% chg (yoy)	3QFY12	% chg (qoq)
Revenue	**1,460**	**1,071**	***36.3***	**1,263**	***15.6***
EBITDA	112.3	124.6	*(9.9)*	90.6	*24.0*
EBITDA margin (%)	7.7	11.6	*(394)bp*	7.2	*52bp*
Adj.PAT	**43.0**	**58.0**	***(25.9)***	**21.7**	***97.8***

Source: Company, Angel Research

KEC International (KEC) posted a mixed set of numbers for 3QFY2012. The top line posted a robust growth; however, the continual stress on operating margins led to weak bottom-line (adjusted for the exceptional income). On the other hand, strong order intake for the quarter totaling `2,500cr (OB stands at `9,200cr as on 3QFY20212) and improvement in the balance sheet (easing of working capital) came as a positive surprise. The robust order book, coupled with solid execution skills provides a strong growth trajectory to the company. Given this we raise our revenues estimates by 4.5%/10.7% and lower our EBITDA margin estimate marginally for FY2012E/FY2013E. **Due to sharp run up in the stock price we remain Neutral on the stock.**

Strong execution continues; margin contraction a surprise: Consolidated revenue grew by 36.3% yoy to `1,460cr (`1,071cr), much higher than ours and street's estimates. On the EBITDAM front, KEC witnessed a steep contraction of 394bp yoy to 7.7%, marginally higher than our estimates, mainly due execution of low margin projects. Reported PAT was aided by an extraordinary income to the tune `53.0cr, thus masking a growth of 39.0% yoy to `80.6cr (`58cr). Adjusting for this gain, the PAT de-grew by 25.9% yoy to `43.0cr, 16.6% higher than our estimates.

Outlook and valuation: KEC has geographically diversified business model which insulates itself from slowdown in any particular region. Further, the company has also ventured in new businesses of railway and water, which have fared well and order inflows as well revenues have picking up at measurable pace. Amidst strong order wins the stock has witnessed a substantial rally, gaining ~50% in past few days. Further, at the CMP, the stock trades at reasonable PE multiple of 5.7x FY2013E EPS given the sector is plagued with heightened competition and company is facing margin pressures. **Hence, we remain Neutral on the stock.**

Key financials (Consolidated)

Y/E March (` cr)	FY2010	FY2011	FY2012E	FY2013E
Net sales	**3,907**	**4,473**	**5,648**	**6,865**
% chg	*13.9*	*14.5*	*26.3*	*21.6*
Adj. PAT	**190.7**	**205.3**	**170.3**	**250.1**
% chg	*60.3*	*7.7*	*(17.1)*	*46.9*
EBITDA (%)	10.4	10.3	8.0	8.5
EPS (`)	**7.7**	**8.0**	**6.6**	**9.7**
P/E (x)	7.1	6.9	8.3	5.7
P/BV (x)	1.9	1.6	1.3	1.1
RoE (%)	44.4	34.7	23.9	27.6
RoCE (%)	32.3	24.1	17.0	19.0
EV/Sales (x)	0.5	0.6	0.6	0.5
EV/EBITDA (x)	5.1	5.8	6.9	5.5

Source: Company, Angel Research

NEUTRAL

CMP	`55
Target Price	-
Investment Period	-

Stock Info	
Sector	Capital Goods
Market Cap (` cr)	1,418
Beta	0.7
52 Week High / Low	95/32
Avg. Daily Volume	271,737
Face Value (`)	2.0
BSE Sensex	17,301
Nifty	5,236
Reuters Code	KECL.BO
Bloomberg Code	KECI IN

Shareholding Pattern (%)	
Promoters	42.0
MF / Banks / Indian Fls	43.4
FII / NRIs / OCBs	2.8
Indian Public / Others	11.8

Abs. (%)	3m	1yr	3yr
Sensex	(1.0)	(4.0)	(5.2)
KEC	(1.6)	(35.4)	(60.7)

Shailesh.kanani
+91 22 3935 7800 Ext: 6829
shailesh.kanani@angelbroking.com

Hemang Thaker
+91 22 3935 7800 Ext: 6817
hemang.thaker@angelbroking.com

Exhibit 1: Quarterly performance (Consolidated)

(` cr)	3QFY12	3QFY11	% chg (yoy)	2QFY12	% chg (qoq)	9MFY12	9MHFY11	% chg (yoy)
Net Sales	**1,459**	**1,071**	***36.3***	**1,263**	***15.5***	**3,744**	**2,917**	***28.4***
Other operating income	0.8	0.3	*159.4*	-	-	1.4	1.0	-
Total income	**1,460**	**1,071**	***36.3***	**1,263**	***15.6***	**3,746**	**2,918**	***28.4***
Stock adjustments	(3.4)	(19.8)		(21.6)		(54.7)	(125.3)	
Raw Material	769.5	553.1	*39.1*	699.0	*10.1*	1,974	1,593	*23.9*
(% of total income)	*52.5*	*49.8*		*53.6*		*51.2*	*50.3*	
Erection and sub cont.exp.	317.1	211.2	*50.1*	230.8	*37.4*	789.9	609.8	*29.5*
(% of total income)	*21.7*	*19.7*		*18.3*		*21.1*	*20.9*	
Employee Cost	111.0	86.3	*28.7*	107.8	*3.0*	316.0	192.7	*64.0*
(% of total income)	*7.6*	*8.1*		*8.5*		*8.4*	*6.6*	
Other Expenses	153.1	115.6	***32.5***	156.6	*(2.2)*	421.7	337.4	*25.0*
(% of total income)	10.5	10.8		12.4		*11.3*	*11.6*	
Total Expenditure	**1,347**	**946.4**	***42.4***	**1,173**		**3,447**	**2,608**	***32.2***
EBITDA	**112.3**	**124.6**	***(9.9)***	**90.6**	***24.0***	**298.9**	**309.9**	***(3.6)***
(EBITDA %)	*7.7*	*11.6*		*7.2*		*8.0*	*10.6*	
Interest	37.2	28.7	*29.7*	37.6	*(1.1)*	108.0	75.5	*43.1*
Depreciation	12.6	11.3	***11.0***	12.1	*3.5*	36.4	28.9	*25.7*
Other Income	53.8	0.0		0		53.8	0.0	-
PBT	**116.3**	**84.6**	***37.4***	**40.8**	***184.9***	**208.2**	**205.5**	***1.3***
(% of total income)	*8.0*	*7.9*		*3.2*		*5.6*	*7.0*	
Total Tax	35.7	26.7	*33.8*	18.6	*91.5*	72	70	*3.4*
(% of PBT)	*30.7*	*31.5*		*45.6*		*34.7*	*34.0*	*2.1*
Reported PAT	**80.6**	**58.0**	***39.0***	**21.2**	***280.0***	**134.9**	**127.1**	***6.2***
PAT Margin (%)	*2.9*	*5.4*		*1.7*		*6.8*	*8.0*	
Extra ordinary (exp)/inc	37.6	-		(1.0)		36.6	(8.5)	
Adj PAT	**43.0**	**58.0**	***(25.9)***	**21.7**	***97.8***	**97.8**	**132.8**	***(26.4)***
Adj EPS (`)	1.7	2.3	*(25.9)*	0.8	*97.8*	3.8	5.2	*(26.4)*

Source: Company, Angel Research

Exhibit 2: Actual vs. estimates

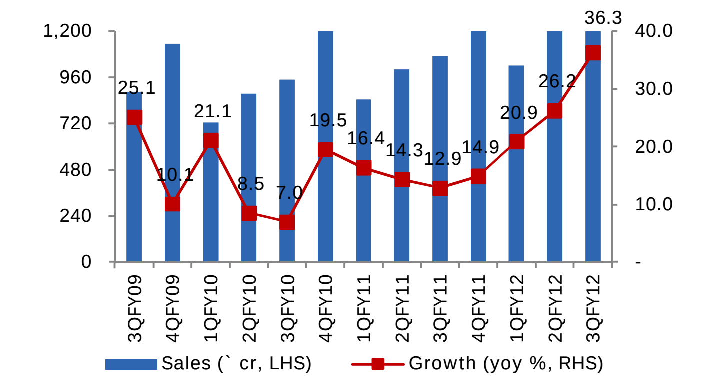
(` cr)	Actual	Estimates	Var (%)
Revenue	**1,460**	**1,266**	***15.3***
EBITDA	112.3	107.6	*4.3*
Interest	37.2	40.3	*(7.6)*
Tax	35.7	17.7	*100.9*
PAT	**43.0**	**36.9**	***16.6***

Source: Company, Angel Research

Execution picks up but remains under pressure: Consolidated revenue grew by 36.3% yoy to `1,460cr (`1,071cr). The upside in growth was largely aided by strong revenues in the domestic transmission business of 57.6% yoy to `402.0cr. SAE towers also posted a robust 76.5% yoy to `263.0cr. In addition, the Cables segment also reported a healthy growth of 30.0% yoy to `156.0cr.

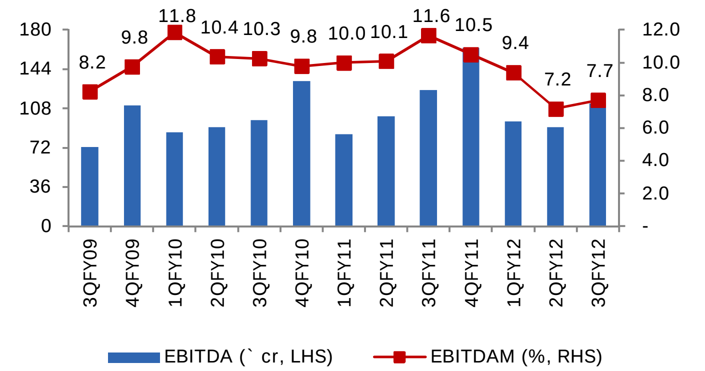
Nonetheless, margins continued to remain under pressure – consolidated EBITDAM for the quarter contracted by 394 yoy to 7.2% mainly due to execution of some thin margin orders and slower project execution in MENA regions (Egypt and Libya). In addition, new businesses of cable, telecom and water currently operate at low margins, which exerted additional pressure on the company's operating margin. As indicated by the management, high margins of SAE towers (~13%), which has cushioned the EBITDAM since last one year, is also expected to compress as competition is high in all the geographies and it is not expected to cool down in the near future. In-line of competitive pressures, management has guided a consolidated EBITDAM of 9.0%.

Exhibit 3: Top line remains buoyant...



Source: Company, Angel Research

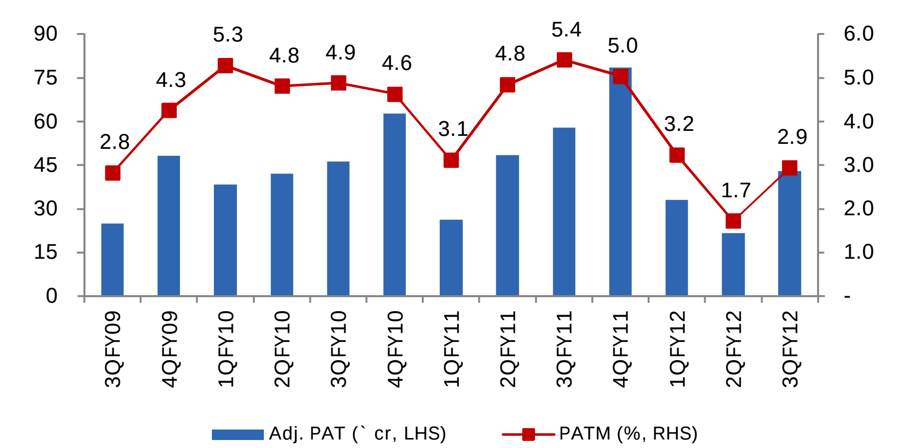
Exhibit 4: ...but margin pressures continue



Source: Company, Angel Research

Bottom line largely remains weak: PAT during the quarter was aided by an extraordinary income to the tune of `53.0cr, thus masking a growth of 39.0% yoy to `80.6cr (`58.0cr). Adjusting for this gain, the PAT de-grew by 25.9% yoy to `43.0cr, 16.6% higher than our estimates estimate of `36.9cr.

Exhibit 5: Trend in PAT (Consolidated)



Source: Company, Angel Research

Robust order book: Order intake during the quarter totaled `2,500cr, the highest-ever for last many quarters. The orders were diversified across all of its operating segments (transmission, power systems, water, cables, and railways) as well as geographies (Philippines, Americas, Middle East, Kenya etc.)

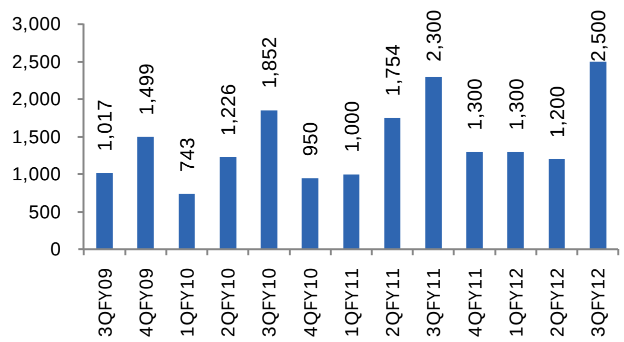
Key orders during the quarter include:

- `616cr of order from Saudi Arabia – consists of two large orders
- `340 cr of order from Sterlite Technologies
- `328cr orders from PGCIL

The strong order accretion led to a robust order backlog of 9,200cr (2.0x FY2011 revenues) split across transmission (67.2%), power systems (22.9%), railways (4.4%), cables (1.5%) and telecom and waters (4.1%). Geographically, order backlog is spread across South Asia (43.2%), MENA (17.8%), Americas, (17.3%) and Central Asia and Africa (18.6%) and others 3.1%.

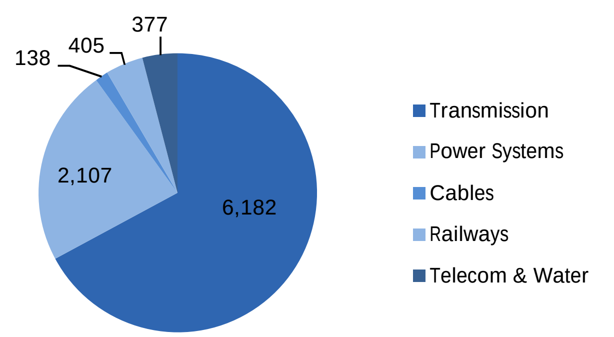
Apart from international orders, we expect a healthy ordering from the domestic markets in coming months, especially from PGCIL (4Q has been the seasonally strongest quarter). Coupled with management guidance, we estimate order inflows and backlog to the tune of `6,735cr and `9,150cr, respectively for FY2012E.

Exhibit 6: Order inflow (` cr)



Source: Company, Angel Research

Exhibit 7: Order backlog – Segment wise (` cr)



Source: Company, Angel Research

Key takeaways from the conference call:

- Net working capital as on 3QFY2012 is `1,511cr, decreasing from `1,587cr as on 1HFY2012.
- Work on Baroda plant is progressing on track and will start trial production during 1QFY2013. The capacity of the plant is 3000 cable km/annum of HT Cable/EHV cables upt 220 kv & 400 kv.

Investment arguments:

Growth opportunity on cards: Globally the thumb rule entails that for every rupee invested in generation, an equivalent amount is to be invested in T&D; however, India has spent only 50%, thus creating a huge opportunity for players in the T&D space. PGCIL has envisaged T&D capex of ~`1 lakh cr for the 12th plan, 55% of which is estimated to be transmission and sub-station capex, thus providing a number of opportunities to the company, given its strong presence in the domestic T&D market.

Outlook and valuation: KEC has geographically diversified business model which insulates itself from slowdown in any particular region. Further, the company has also ventured in new businesses of railway and water, which have fared well and order inflows as well revenues have picking up at measurable pace. Amidst strong order wins the stock has witnessed a substantial rally, gaining ~50% in past few days. Further, at the CMP, the stock trades at reasonable PE multiple of 5.7x FY2013E EPS given the sector is plagued with heightened competition and company is facing margin pressures. **Hence, we remain Neutral on the stock.**

Change in estimates: We raise our revenue growth estimates by 4.5%/10.7% for FY2012E and FY2013E, respectively, factoring in strong execution and strong order intake. This has lead to earnings revision of 9.2% for FY2013E (despite factoring in margin contraction of ~50bps).

Exhibit 8: Change in estimates

	FY2012E			FY2013E		
(` cr)	**Earlier estimates**	**Revised estimates**	***Var. (%)***	**Earlier estimates**	**Revised estimates**	***Var. (%)***
Revenue	5,407	5,648	*4.5*	6,204	6,865	*10.7*
EBITDA	462.0	452.6	*(2.0)*	561.0	586.3	*4.5*
EBITDA (%)	8.5	8.0	*(53)bp*	9.0	8.5	*(50)bp*
Adj. PAT	173.0	170.3	*(1.6)*	229.0	250.1	9.2
EPS (`)	6.7	6.6	*(1.1)*	8.9	9.7	9.3
Order Inflows	5,500	6,735	*22.5*	6,500	7,072	8.8

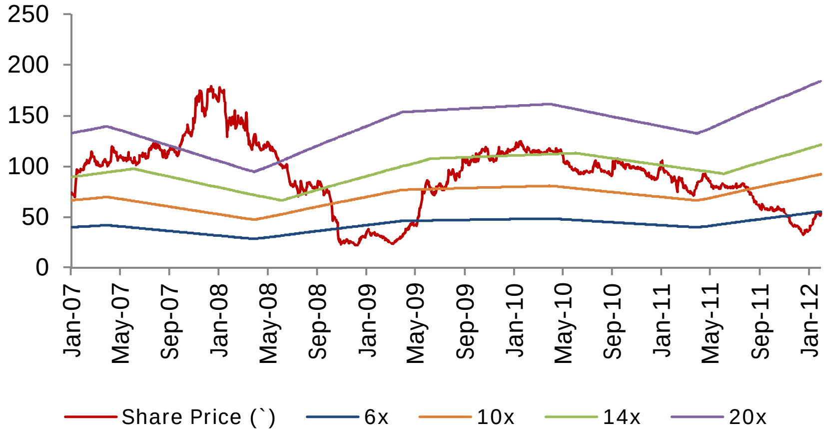
Source: Company, Angel Research

Exhibit 9: Angel EPS forecast

	Angel	**B'berg**	**Var**
FY2012E	6.6	7.0	(4.7)
FY2013E	9.7	8.9	9.3

Source: Company, Angel Research

Exhibit 10: One-year forward P/E band



Source: Company, Angel Research

Exhibit 11: Peer comparison

Company	Reco.	CMP (`)	Tgt. price (`)	*Upside/ (Downside) (%)*	P/BV(x) FY12E	P/BV(x) FY13E	P/E(x) FY12E	P/E(x) FY13E	FY2011-13E EPS CAGR	RoCE (%) FY12E	RoCE (%) FY13E	RoE (%) FY12E	RoE (%) FY13E
ABB*	Sell	820	427	*(47.9)*	6.8	6.0	92.3	46.1	144.2	11.4	20.2	7.6	13.9
BHEL	Neutral	255	-	-	2.5	2.1	9.0	10.8	(2.4)	39.5	26.5	30.6	21.1
BGR Energy	Neutral	238	-	-	1.5	1.3	6.6	7.1	(13.4)	14.2	10.6	25.0	23.4
Crompton Greaves	Accum.	144	152	*5.6*	2.6	2.3	21.8	13.3	(13.3)	13.7	19.5	12.5	20.1
JSL	Buy	48	54	*12.9*	0.6	0.5	4.0	4.4	(5.3)	21.7	18.2	15.8	12.7
KEC International	**Neutral**	**55**	**-**	**-**	**1.3**	**1.1**	**8.3**	**5.7**	**10.4**	**17.0**	**19.0**	**23.9**	**27.6**
Thermax	Neutral	488	-	-	3.6	3.0	14.1	15.0	0.9	32.8	26.0	28.0	21.9

*Source: Company, Angel Research. Note: *December year ending*

Profit & Loss Statement (Consolidated)

Y/E March (` cr)	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
Operating income	**2,818**	**3,430**	**3,907**	**4,473**	**5,648**	**6,865**
% chg	*38.0*	*21.7*	*13.9*	*14.5*	26.3	21.6
Total Expenditure	**2,460**	**3,128**	**3,501**	**4,011**	**5,195**	**6,279**
Raw Materials	1,415	1,976	2,013	2,255	2,881	3,576
Mfg costs	618	575	958	981	1,285	1,513
Personnel Costs	121	142	169	283	386	446
Other Costs	306	435	362	493	643	744
EBITDA	**358**	**302**	**406**	**462**	**453**	**586**
% chg	*41.2*	*(15.7)*	*34.6*	*13.8*	(2.1)	29.5
(% of Net Sales)	*12.7*	*8.8*	*10.4*	*10.3*	8.0	8.5
Depreciation& Amortisation	25	23	27	41	50	58
EBIT	**333**	**279**	**379**	**421**	**403**	**528**
% chg	*51.2*	*(16.3)*	*36.0*	*11.2*	*(4.4)*	*31.1*
(% of Net Sales)	*11.8*	*8.1*	*9.7*	*9.4*	7.1	7.7
Interest & other Charges	68	100	86	108	147	158
Other Income	-	2	2	3	57	4
(% of PBT)	*0.1*	*1.1*	*0.6*	*0.8*	*18.3*	*0.9*
Recurring PBT	**266**	**181**	**294**	**316**	**314**	**373**
% chg	*64.3*	*(31.9)*	*62.9*	*7.5*	*(0.9)*	*19.1*
Extraordinary Expense/(Inc.)	-	-	-	-	0	0
PBT (reported)	**266**	**181**	**294**	**316**	**314**	**373**
Tax	90	62	104	111	107	123
(% of PBT)	*33.8*	*34.2*	*35.2*	*35.1*	34.0	33.0
PAT (reported)	**176**	**119**	**191**	**205**	**207**	**250**
Add: Share of earnings of asso.	-	-	-	-	0	0
Less: Minority interest (MI)	-	-	-	-	0	0
Prior period items	-	-	-	-	0	0
PAT after MI (reported)	**176**	**119**	**191**	**205**	**207**	**250**
ADJ. PAT	**176**	**119**	**191**	**205**	**170**	**250**
% chg	*65.3*	*(32.4)*	*60.3*	*7.7*	(17.1)	46.9
(% of Net Sales)	*6.2*	*3.5*	*4.9*	*4.6*	3.0	3.6
Basic EPS (`)	**7.1**	**4.8**	**7.7**	**8.0**	**6.6**	**9.7**
Fully Diluted EPS (`)	**7.1**	**4.8**	**7.7**	**8.0**	**6.6**	**9.7**
% chg	*26.2*	*(32.4)*	*60.3*	*3.3*	(17.1)	46.9

Balance Sheet (Consolidated)

Y/E March (` cr)	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
SOURCES OF FUNDS						
Equity Share Capital	60	49	49	51	51	51
Preference Capital	10	-	-	-	-	-
Reserves & Surplus	435	509	736	895	1,066	1,280
Shareholders' Funds	**506**	**558**	**785**	**947**	**1,117**	**1,331**
Minority Interest	-	-	-	-	-	-
Total Loans	592	622	787	1,432	1,782	1,882
Deferred Tax Liability	20	30	46	50	50	50
Total Liabilities	**1,107**	**1,210**	**1,620**	**2,428**	**2,949**	**3,263**
APPLICATION OF FUNDS						
Gross Block	521	632	836	1,038	1,213	1,413
Less: Acc. Depreciation	90	125	157	237	286	344
Net Block	**431**	**507**	**679**	**802**	**927**	**1,069**
Capital Work-in-Progress	19	51	38	39	40	35
Goodwill	-	-	-	281	281	281
Investments	-	-	-	-	-	-
Deferred Tax Asset	-	-	-	-	-	-
Current Assets	**1,973**	**2,539**	**2,680**	**3,587**	**4,594**	**5,335**
Cash	68	144	73	161	63	104
Loans & Advances	270	303	396	472	757	725
Inventories	205	226	250	336	524	575
Debtors	1,430	1,866	1,962	2,618	3,249	3,932
Others	-	-	-	-	-	-
Current liabilities	1,317	1,888	1,778	2,281	2,893	3,457
Net Current Assets	**656**	**651**	**903**	**1,306**	**1,701**	**1,878**
Mis. Exp. not written off	-	-	-	-	-	-
Total Assets	**1,107**	**1,210**	**1,620**	**2,428**	**2,949**	**3,263**

Cash flow statement (Consolidated)

Y/E March (` cr)	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
Profit before tax	**266**	**181**	**294**	**316**	**314**	**373**
Depreciation	25	23	27	41	50	58
(Inc)/Dec in Working Capital	(353)	81	(323)	(315)	(493)	(136)
Less: Other income	(0.3)	(2)	(2)	(3)	(57)	(4)
Direct taxes paid	(90)	(62)	(104)	(111)	(107)	(123)
Cash Flow from Operations	**(152)**	**221**	**(107)**	**(71)**	**(293)**	**168**
(Inc.)/Dec.in Fixed Assets	(75)	(147)	(201)	(211)	(176)	(195)
(Inc.)/Dec. in Investments	20	-	-	-	-	-
Other income	0.3	2	2	3	57	4
Cash Flow from Investing	**(55)**	**(144)**	**(199)**	**(208)**	**(118)**	**(192)**
Issue of Equity	9.1	(10.4)	-	2.1	-	-
Inc./(Dec.) in loans	205	30	165	645	350	100
Dividend Paid (Incl. Tax)	(29)	(29)	(36)	(36)	(36)	(36)
Others	68	9	106	(243)	-	-
Cash Flow from Financing	**186**	**(9)**	**129**	**611**	**314**	**64**
Inc./(Dec.) in Cash	47	76	(71)	89	(98)	41
Opening Cash balances	**21**	**68**	**144**	**73**	**161**	**63**
Closing Cash balances	**68**	**144**	**73**	**161**	**63**	**104**

Key Ratios

Y/E March	FY2008	FY2009	FY2010	FY2011E	FY2012E	FY2013E
Valuation Ratio (x)						
P/E (on FDEPS)	7.7	11.4	7.1	6.9	8.3	5.7
P/CEPS	6.8	9.6	6.2	5.8	6.4	4.6
P/BV	3.3	2.7	1.9	1.6	1.3	1.1
Dividend yield (%)	1.8	1.8	2.2	2.2	2.2	2.2
EV/Sales	0.7	0.5	0.5	0.6	0.6	0.5
EV/EBITDA	5.3	6.1	5.1	5.8	6.9	5.5
EV / Total Assets	2.3	1.9	1.5	1.3	1.2	1.1
OB/Sales	1.5	1.5	1.4	1.7	1.7	1.4
Per Share Data (`)						
EPS (Basic)	7.1	4.8	7.7	8.0	6.6	9.7
EPS (fully diluted)	7.1	4.8	7.7	8.0	6.6	9.7
Cash EPS	8.1	5.8	8.8	9.6	8.6	12.0
DPS	1.0	1.0	1.2	1.2	1.2	1.2
Book Value	16.7	20.1	29.8	35.4	42.0	50.3
DuPont Analysis (%)						
EBIT margin	11.8	8.1	9.7	9.4	7.1	7.7
Tax retention ratio (%)	66.2	65.8	64.8	64.9	66.0	67.0
Asset turnover (x)	4.5	4.0	3.5	2.7	2.5	2.5
RoIC (Pre-tax)	52.8	32.7	33.8	25.1	17.6	19.3
RoIC (Post-tax)	35.0	21.5	21.9	16.3	11.6	12.9
Cost of Debt (Post Tax)	9.2	10.8	8.0	6.3	6.0	5.8
Leverage (x)	3.6	2.0	1.4	1.7	2.1	1.9
Operating ROE	128.1	42.4	41.3	33.1	23.2	26.7
Returns (%)						
RoCE (Pre-tax)	51.3	31.3	32.3	24.1	17.0	19.0
Angel RoIC (Pre-tax)	53.8	34.1	35.2	25.7	17.9	19.5
RoE	142.7	46.7	44.4	34.7	23.9	27.6
Turnover ratios (x)						
Asset Turnover (Gross Block) (X)	5.7	6.0	5.3	5.6	6.7	6.7
Inventory / Sales (days)	23	23	22	24	28	29
Receivables (days)	151	175	179	187	190	191
Payables (days)	164	181	186	180	174	175
WC cycle (ex-cash) (days)	53	58	62	81	90	91
Solvency ratios (x)	7.7	11.4	7.1	6.9	8.3	5.7
Net debt to Equity	6.8	9.6	6.2	5.8	6.4	4.6
Net debt to EBITDA	3.3	2.7	1.9	1.6	1.3	1.1
Interest Coverage	1.8	1.8	2.2	2.2	2.2	2.2

Research Team Tel: 022 – 3935 7800 E-mail: research@angelbroking.com Website: www.angelbroking.com

DISCLAIMER

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Angel Broking Limited, its affiliates, directors, its proprietary trading and investment businesses may, from time to time, make investment decisions that are inconsistent with or contradictory to the recommendations expressed herein. The views contained in this document are those of the analyst, and the company may or may not subscribe to all the views expressed within.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel Broking Limited or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Angel Broking Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel Broking Limited endeavours to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Angel Broking Limited and its affiliates may seek to provide or have engaged in providing corporate finance, investment banking or other advisory services in a merger or specific transaction to the companies referred to in this report, as on the date of this report or in the past.

Neither Angel Broking Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

Note: Please refer to the important `Stock Holding Disclosure' report on the Angel website (Research Section). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. Angel Broking Limited and its affiliates may have investment positions in the stocks recommended in this report.

Disclosure of Interest Statement	KEC International
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below `1 lakh for Angel, its Group companies and Directors.

Ratings (Returns):	*Buy (> 15%)*	*Accumulate (5% to 15%)*	*Neutral (-5 to 5%)*
	Reduce (-5% to 15%)	Sell (< -15%)	