



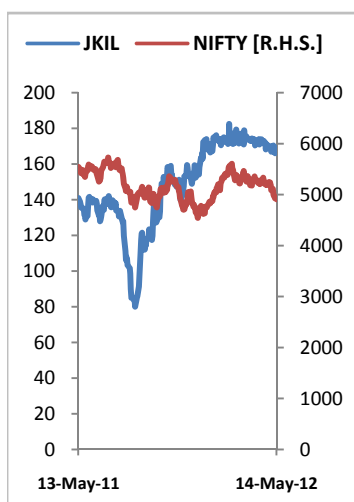
Date: 15th May, 2012

**Q4FY12 Financial Results Highlight:****Stock information**

<b>Sector</b>	<b>Construction &amp; Eng.</b>
<b>CMP</b>	<b>₹167.0</b>
<b>Target Price</b>	<b>₹183.0</b>
<b>Upside Potential</b>	<b>9.6%</b>
BSE Code	532940
NSE Code	JKIL
Bloomberg	JKIL.IN
Reuters	JKIP.BO
Mkt cap (mn)	4642.6
Equity shares(mn)	27.8
Face Value(INR)	10
52Weeks H/L	185.0/79.5
Sensex	16328.3
Nifty	4942.8

**Shareholding as on 31st March 2012 (%)**

Promoters	54.5
Mutual Funds/UTI	0.0
FII's	4.4
Bodies Corporate	19.9
Public	19.8
Others	1.4



□ In Q4FY12, J Kumar Infraprojects Ltd (JKIL) reported a revenue of ₹2900.1 mn, which has shown a substantial decline of 10.9% on Y-o-Y basis due to slower execution of project in the quarter compared to corresponding quarter previous year, however it has registered a revenue growth of 15.7% Q-o-Q basis. For FY12, revenue stood at ₹9315.9 mn which declined by 1.9% over last year.

□ JKIL's EBITDA margin during the quarter has declined by 60bps to 15.4% on Q-o-Q basis, whereas it has improved by 70 bps on Y-o-Y basis. The FY12 EBITDA margin has improved by 70bps to 15.8% compared to FY11.

□ In Q4FY12, JKIL reported a net profit of ₹227.7 mn, registering a decline of 7.8% Y-o-Y basis, however it has grown by whopping 16.2% on Q-o-Q basis. JKIL's net profit margin in Q4FY12 stood at 7.9% with 30bps improvement on Y-o-Y basis and 10bps improvement on Q-o-Q basis. For FY12, JKIL's net profit margin stood at 7.5%, registering a decline of 30bps compared to last year.

□ JKIL's order book has nearly doubled to ₹25125.3 mn as on 31<sup>st</sup> march 2012 compared to FY11 order book position of ₹12603.6 mn providing a strong revenue visibility for next two years. The order book position of ₹25125.3 mn as on FY12 includes 70.9% from transportation engineering (including flyover and roads), civil construction (24.5%), irrigation (3.8%) and piling (0.8%). During Q4FY12, the company has also managed to receive work order to the tune of ₹950.0 mn from various private parties.

□ During FY12, JKIL has deliberately changed its order book mix by shifting more towards roads and civil construction segment and decreasing its excessive concentration on flyover segment, this bring the much needed diversification to JKIL's order book.

**Valuation:**

At CMP of ₹167 the stock is trading at 5.5x its FY13E EPS of ₹30.5. We maintain our target price of ₹183/ share, which is at 6x P/E on FY13 EPS of ₹30.5 and maintain our " Hold" rating on the stock.

	Revenue (₹ mn.)	EBITDA (₹ mn.)	PAT (₹ mn.)	EPS (₹)	P/E (x)	EV/EBITDA (x)	ROE (%)
<b>FY10</b>	7642.4	1285	699.7	25.2	7.0	3.8	22.5
<b>FY11</b>	9491.9	1434.4	739.2	26.6	6.8	3.5	18.7
<b>FY12</b>	9315.9	1467.4	698.1	25.1	6.3	2.9	14.7
<b>FY13E</b>	11576.9	1759.7	847.3	30.5	5.5	2.6	13.9

KC Research reports are also available on Reuters, Thomson publishers, myiris.com and Bloomberg KCSL <GO>

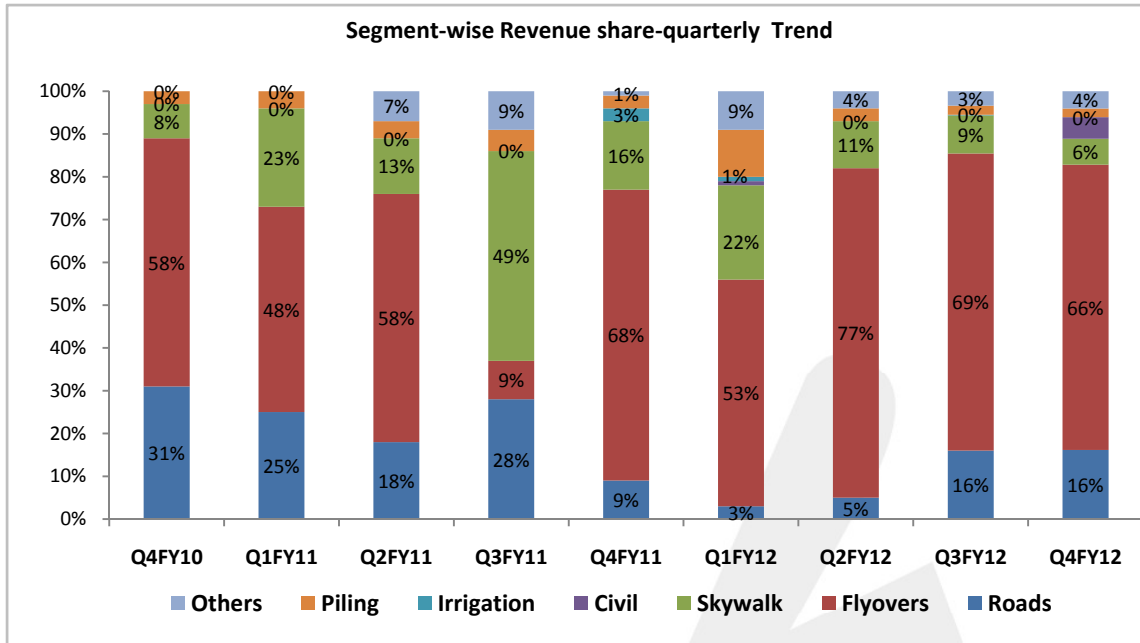
## J Kumar Infraprojects Ltd-Q4FY12 Result Update



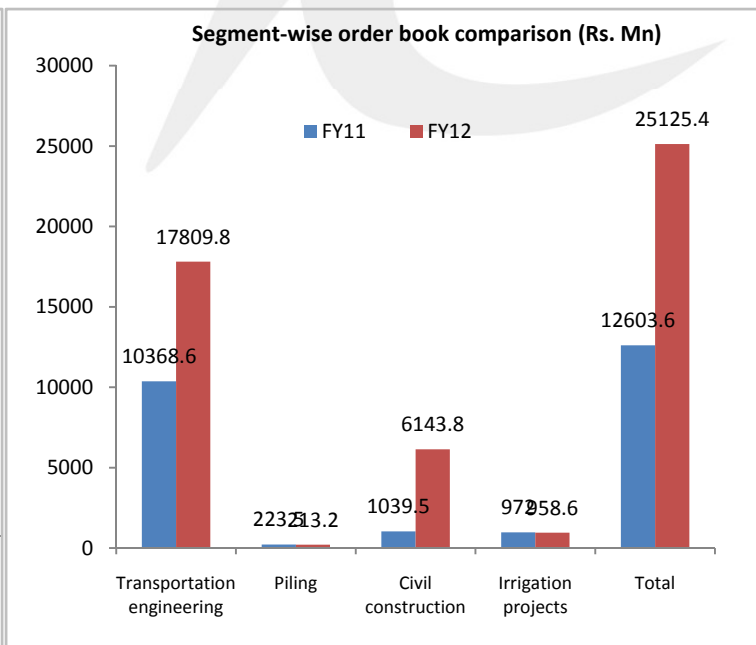
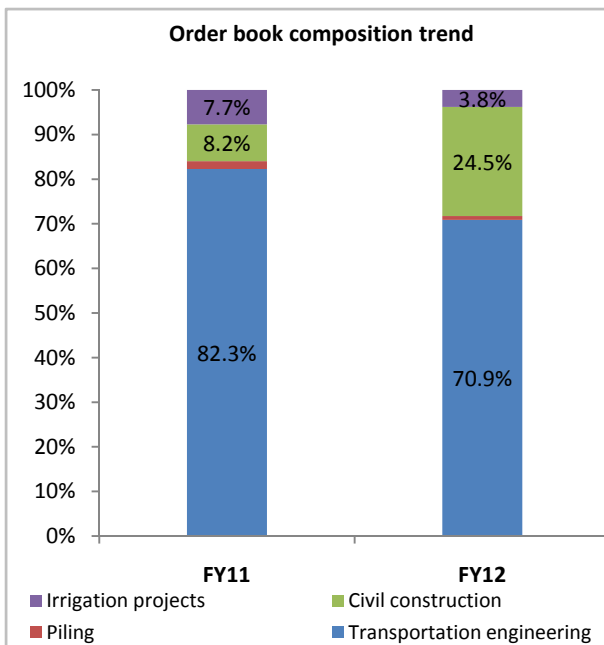
### Q4FY12 Financial Result Analysis (₹ in Mn):

DESCRIPTION	Q4FY12	Q4FY11	Y-o-Y (%)	Q3FY12	Q-o-Q (%)	FY12	FY11	Y-o-Y (%)
			Change		Change			Change
Net Sales	2818.4	3171.8	-	2450.0	-	9030.0	9198.7	-
Other operating income	82.6	85.2	-	57.1	-	285.9	293.2	-
<b>Net Sales &amp; Other Operating Income</b>	<b>2900.9</b>	<b>3256.9</b>	<b>-10.9</b>	<b>2507.1</b>	<b>15.7</b>	<b>9315.9</b>	<b>9491.9</b>	<b>-1.9</b>
(Increase) / Decrease In Stocks	-302.5	-115.0	163.0	62.5	-584.0	-690.0	-435.0	58.6
Consutruction & other cost	2145.8	2362.9	-9.2	1652.6	29.8	6959.8	6672.3	4.3
Employee benefit expense	92.3	68.2	35.3	65.4	41.1	278.7	224.6	24.1
Labour charges	222.4	142.9	55.6	160.9	38.2	621.7	451.7	37.6
Other Expenditure	297.4	320.0	-7.1	165.6	79.5	678.3	1144.0	-40.7
Total Expenditure	2455.4	2779.0	-11.6	2107.0	16.5	7848.5	8057.5	-2.6
PBIDT (Excl OI)	445.5	478.0	-6.8	400.0	11.4	1467.4	1434.4	2.3
<b>EBITDA Margin (%)</b>	<b>15.4%</b>	<b>14.7%</b>	<b>-</b>	<b>16.0%</b>	<b>-</b>	<b>15.8%</b>	<b>15.1%</b>	<b>-</b>
Other Income	23.2	22.2	4.4	7.5	208.5	61.7	70.9	-12.9
Operating Profit	468.8	500.2	-6.3	407.6	15.0	1529.1	1505.3	1.6
Interest	96.1	98.4	-2.4	88.1	9.1	330.0	277.1	19.1
PBDT	372.7	401.8	-7.2	319.5	16.7	1199.1	1228.2	-2.4
Depreciation	54.3	43.5	24.9	48.6	11.8	187.7	158.5	18.4
PBT	318.4	358.4	-11.1	270.9	17.5	1011.4	1069.6	-5.4
Tax	90.66	111.3	-18.5	75.0	20.9	313.3	330.5	-5.2
Net Profit	227.7	247.1	-7.8	195.9	16.2	698.1	739.2	-5.5
<b>Net Profit Margin (%)</b>	<b>7.9%</b>	<b>7.6%</b>	<b>-</b>	<b>7.8%</b>	<b>-</b>	<b>7.5%</b>	<b>7.8%</b>	<b>-</b>
EPS (Not Annulised)	8.2	8.9	-	7.1	-	25.1	26.6	-

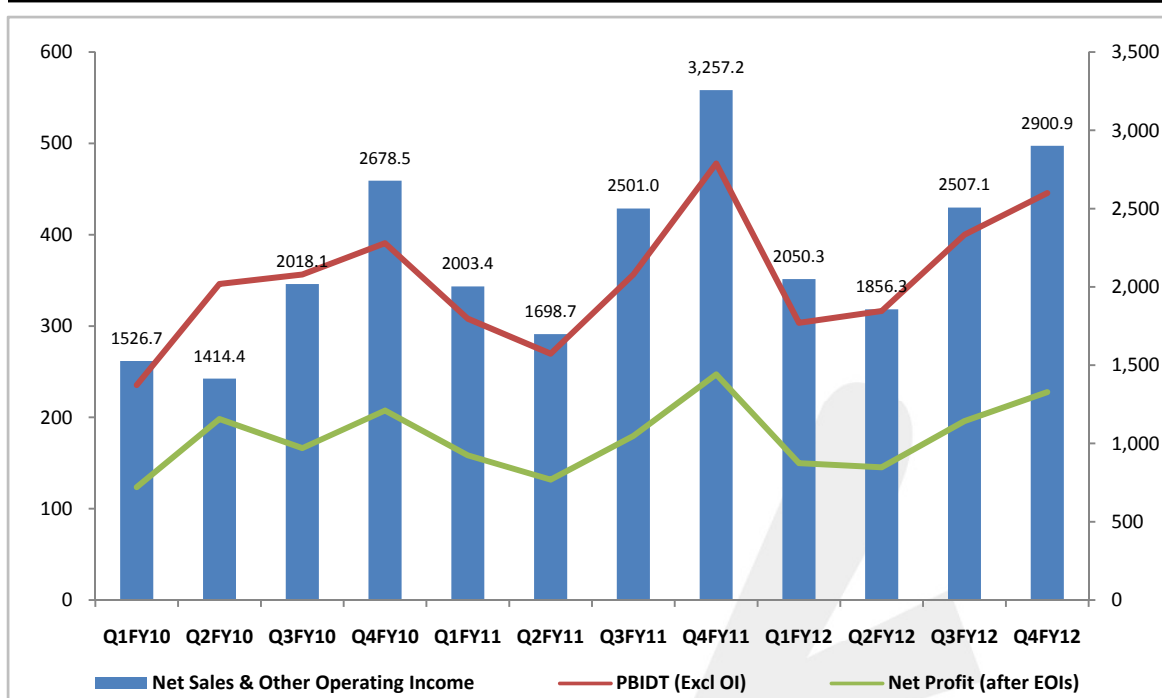
Segment-wise Revenue share trend from Q4FY10 to Q4FY12



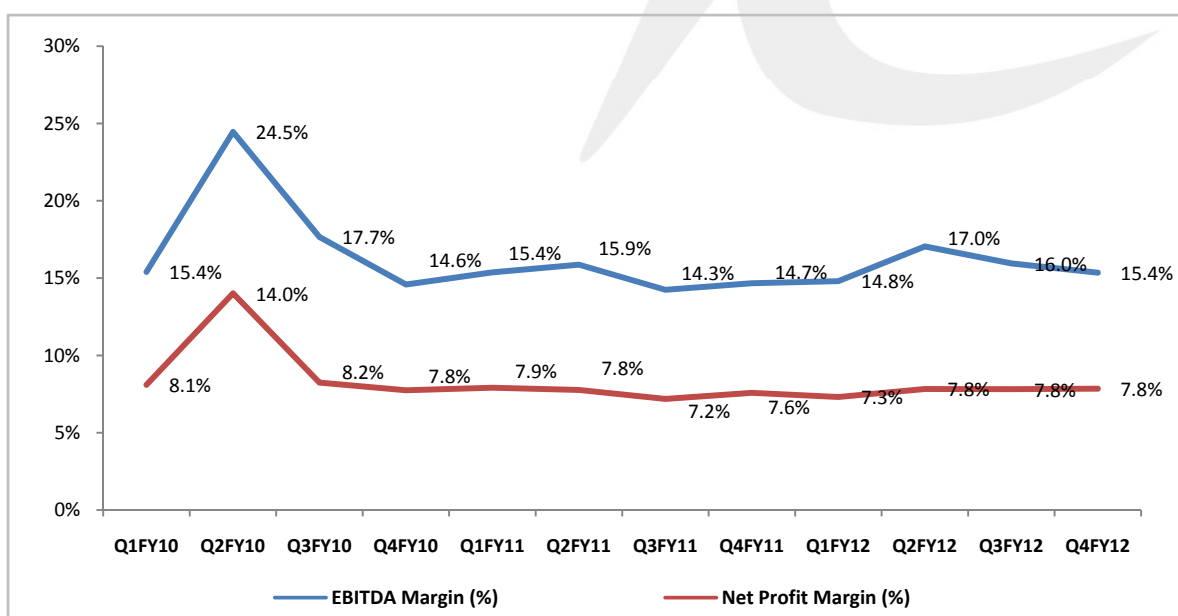
Segment-wise Order Book share trend from FY11 to FY12



**Sales, EBITDA and PAT trend between Q1FY10-Q4FY12 (₹ in mn):**



**EBITDA margin & Net profit margin trend between Q1FY10-Q4FY12:**



## J Kumar Infraprojects Ltd-Q4FY12 Result Update



### Annual Income Statement (₹ in mn)

Particulars	FY09	FY10	FY11	FY12	FY13E
Revenue	4044.9	7642.4	9491.9	9315.9	11576.9
<b>Sales Growth (%)</b>	<b>88.8</b>	<b>88.9</b>	<b>23.8</b>	<b>-1.9</b>	<b>24.3</b>
Total Operating Expenses	3460.8	6357.4	8057.5	7848.5	9817.2
EBITDA	584.1	1285.0	1411.0	1606.6	1759.7
<b>EBITDA margin (%)</b>	<b>14.4</b>	<b>16.8</b>	<b>15.1</b>	<b>15.8</b>	<b>15.2</b>
Other Income	86.5	58.7	70.9	61.7	70.4
Gross Profit	670.6	1343.7	1505.3	1529.1	1830.1
Interest	77.5	148.1	277.1	330.0	335.2
EBDT	593.1	1195.7	1228.2	1199.1	1494.9
Depreciation	102.5	144.7	158.5	187.7	266.9
PBT	490.6	1051.0	1069.6	1011.4	1228.0
Tax	161.9	351.3	330.5	313.3	380.7
Net Profit	328.7	699.7	739.2	698.1	847.3
<b>Net Profit Margin (%)</b>	<b>8.1</b>	<b>9.2</b>	<b>7.8</b>	<b>7.5</b>	<b>7.3</b>
EPS	15.9	25.2	26.6	25.1	30.5

### Annual Balance Sheet (₹ in mn)

Particulars	FY09	FY10	FY11	FY12E	FY13E
<b>Sources Of Funds</b>					
Equity Share Capital	207.2	278.0	278.0	278.0	278.0
Reserves	1300.5	2837.8	3553.0	4695.2	5823.3
<b>Networth</b>	<b>1507.7</b>	<b>3115.8</b>	<b>3831.0</b>	<b>4973.2</b>	<b>6101.3</b>
<b>Total Debt</b>	<b>485.1</b>	<b>565.1</b>	<b>1674.0</b>	<b>1674.0</b>	<b>1674.0</b>
<b>Total Liabilities</b>	<b>1992.8</b>	<b>3680.9</b>	<b>5505.0</b>	<b>6647.2</b>	<b>7775.3</b>
<b>Application Of Funds</b>					
Gross Block	1212.5	1368.5	2236.0	2429.5	2620.6
Less: Accum. Depreciation	201.8	339.2	497.7	778.8	1045.7
<b>Net Block</b>	<b>1010.7</b>	<b>1029.3</b>	<b>1738.3</b>	<b>1650.7</b>	<b>1574.9</b>
Investments	9.5	9.5	9.9	9.9	9.9
Inventories	362.3	1132.5	1562.2	1778.8	1963.4
Sundry Debtors	373.0	672.8	909.0	1009.0	1112.4
Cash and Bank Balance	242.5	786.3	622.5	1271.0	2091.7
<b>Total Current Assets</b>	<b>977.8</b>	<b>2591.6</b>	<b>3093.7</b>	<b>4058.8</b>	<b>5167.6</b>
Loans and Advances	825.3	2093.2	2480.6	2753.5	3035.7
<b>Total CA, Loans &amp; Advances</b>	<b>1803.1</b>	<b>4684.8</b>	<b>5574.3</b>	<b>6812.3</b>	<b>8203.3</b>
Current Liabilities	546.5	1192.8	702.3	727.4	802.0
Provisions	330.9	865.5	1122.5	1162.7	1281.8
<b>Total CL &amp; Provisions</b>	<b>877.4</b>	<b>2058.3</b>	<b>1824.8</b>	<b>1890.1</b>	<b>2083.8</b>
Net Current Assets	925.8	2626.5	3749.5	4922.2	6119.4
Miscel. Expenses/ Deferred Tax (net)	46.9	15.6	7.3	64.4	71.0
<b>Total Assets</b>	<b>1992.9</b>	<b>3680.9</b>	<b>5505.0</b>	<b>6647.2</b>	<b>7775.3</b>

Source: Company, KC Research

## J Kumar Infraprojects Ltd-Q4FY12 Result Update



### Annual Cash Flow Statement (₹ in mn)

Particulars	FY09	FY10	FY11	FY12E	FY13E
<b>Cash Flow Summary</b>					
<b>Opening Cash and Cash Equivalents</b>	<b>442.5</b>	242.5	786.3	622.5	1271.0
Net Profit before Tax &EIs	488.9	1051.0	1045.9	1060.8	1228.0
Total Adjustments (PBT & EIs)	159.0	269.3	423.1	616.2	602.1
Op. Profit before Working Capital Changes	647.9	1320.2	1469.0	1677.0	1830.1
Working Capital Changes	-506.1	-1158.1	-1543.8	-564.3	-495.7
Tax Paid	0.0	0.0	-330.0	-328.8	-380.7
Cash Generated from/(used in) Operations	141.8	162.1	-404.8	783.8	953.7
Extraordinary Items	0.0	-146.6	0.0	0.0	0.0
<b>Net Cash from Operating Activities</b>	<b>141.8</b>	<b>15.5</b>	<b>-404.8</b>	<b>783.8</b>	<b>953.7</b>
Cash Flow from Investing Activities	0.0	0.0	0.0	0.0	0.0
Purchased of Fixed Assets(net)	-539.2	-169.5	-867.5	-193.5	-191.1
Purchase/sale of Investments(net)	174.6	0.0	-0.4	0.0	0.0
Interest Received	290.0	291.0	-2770.0	-2770.0	-2770.0
Dividend Received	98.0	6.0	87.0	0.0	0.0
<b>Net Cash Used in Investing Activities</b>	<b>-325.8</b>	<b>-139.7</b>	<b>-1136.2</b>	<b>-470.5</b>	<b>-468.1</b>
Cash Flow From Financing Activities	0.0	0.0	0.0	0.0	0.0
Proceeds from Issue of shares (inc share pr.)	0.0	794.7	0.0	0.0	0.0
Proceed from Other Long Term Borrowings	102.5	61.1	1127.8	0.0	0.0
Of the short term Borrowings	0.0	18.9	-18.9	0.0	0.0
Dividend Paid	-36.4	-57.9	0.0	0.0	0.0
Interest Paid	-79.8	-148.1	277.0	335.2	335.2
Others	-2.3	-0.7	-8.7	0.0	0.0
<b>Net Cash Used in Financing Activities</b>	<b>-16.0</b>	668.0	1377.2	335.2	335.2
	<b>0.0</b>	0.0	0.0	0.0	0.0
<b>Net Inc/(Dec) in Cash and Cash Equivalent</b>	<b>-200.0</b>	<b>543.8</b>	<b>-163.8</b>	<b>648.5</b>	<b>820.7</b>
<b>Year End Cash and Cash Equivalents</b>	<b>242.5</b>	<b>786.3</b>	<b>622.5</b>	<b>1271.0</b>	<b>2091.7</b>

### Key Financial Ratios:

Valuation Ratio	FY09	FY10	FY11	FY12E	FY13E
Operating Margin (%)	14.4%	16.8%	15.1	15.8	15.2%
Net Margin (%)	8.1%	9.2%	7.8	7.5	7.3%
Debt/ Equity (x)	0.3	0.2	0.4	0.3	0.3
ROCE (%)	22.7%	28.1%	14.9%	12.4%	12.2%
ROE (%)	21.8%	22.5%	18.7%	14.7%	13.9%
EV/EBITDA (x)	1.5	3.1	3.0	3.1	2.8
EV/Sales (x)	0.2	0.5	0.4	0.5	0.4
P/E (x)	2.6	5.8	5.7	6.7	5.8
P/BV (x)	2.6	1.8	1.1	1.0	0.8
EPS (Rs)	15.9	25.2	25.1	26.6	30.5

Source: Company, KC Research

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