

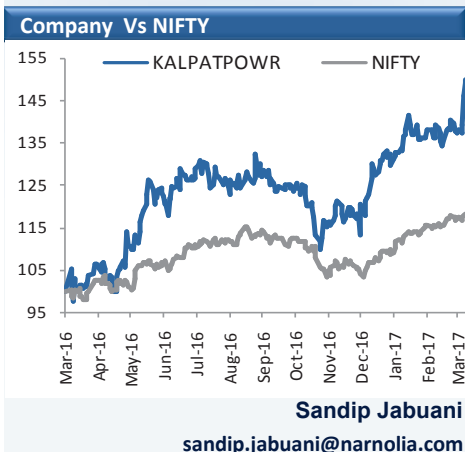
Kalpatru Power Transmission Ltd.

Result Update	
CMP	322
Target Price	350
Previous Target Price	320
Upside	9%
Change from Previous	9%

Market Data	
BSE Code	522287
NSE Symbol	KALPATPOWER
52wk Range H/L	333/202
Mkt Capital (Rs Cr)	4,942
Av. Volume	23737
Nifty	9174

Stock Performance			
	1Month	3 Month	1Year
Absolute	14.5	29.9	57.4
Rel.to Nifty	12.0	17.8	38.8

Share Holding Pattern-%			
	3QFY17	2QFY17	1QFY17
Promoters	59%	59%	59%
Public	41%	41%	41%
Others	0%	0%	0%
Total	100%	100%	100%



Recent Development :-

Recently, KALPATPOWER has received orders worth of Rs. 1202 Cr in Transmission and Railway segment. Company has secured 738 Cr worth of transmission projects in Telengana (Rs.402 Cr) and Abu Dhabi (Rs.336 Cr) and big ticket size order worth of Rs.464 Cr in key Railway segment from Railway Vikas Nigam Limited. With this order win KALPATPOWER standalone order book stands at Rs.9502 Cr, which gives strong revenue visibility (1.95x of TTM revenue) going forward. Managements has reiterated 15-20% revenue growth in FY 18 based on the current order book and company will continue to build portfolio of projects in Railway EPC sector, which will be key growth driver going forward. Company's real estate arm JMC has also won orders in Residential and commercial building worth of Rs.1058 Cr.

Strong Opportunity in Infra Segment:-

Currently, Infra segment (Pipeline and Railway) contributes only 10% of the Order book but we see huge opportunity going forward especially in Railway segment. KALPATPOWER has strong order pipeline of 3000 Cr and 1500 Cr in Railway and Pipeline business respectively. Railway Ministry has set a target to award 2000 Km, 4000 Km and 6000 km of overhead electrification orders in FY17, FY18 and FY19 respectively which provides huge opportunity going forward. Shri Shubham logistics business remained muted in Q3FY17 due to demonization and we do not expect significant improvement in it in FY17

Outlook & Valuation:-

The current order win of Rs.1202 Cr further strengthen the standalone order book position, which provides strong revenue visibility (1.95x of TTM revenue) going ahead. Advanced stage of overseas projects in transmission will help to register strong revenue growth of 20% in FY17. Considering the railway ministries ambitious target, we see tremendous growth opportunity for the company like KALPATPOWER. Based on the recent order win, especially from Railway we have revised our target price to Rs.350 (Standalone business at 290 per share and Subsidiaries at 60 per share) and we recommend "HOLD" on the stock.

Financials	Q3FY17	Q2FY17	Q3FY16	YoY %	QoQ %
Sales	1158	1143	899	29%	1%
EBITDA	119	122	90	32%	-2%
Net Profit	47	58	28	68%	-19%
EBIDTA%	10.3%	10.7%	10.0%	30 bps	(40 bps)
PAT	4.1%	5.1%	3.1%	100 bps	(100 bps)