

## DS Kulkarni Developers

 BSE code: 523890  
 NSE code: DSKDL

**CMP: Rs 230**
**Target: Rs 502**
**BUY**
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**Company data**
**Particulars**

Market cap (Rs mn / US\$ mn)	5,908/147.7
Outstanding equity shares (mn)	25.8
52-week high/low (Rs)	450/204
2-month average daily volume	22,775

**Financial snapshot**

Particulars	FY07	FY08E	FY09E
Sales (Rs mn)	2,502.0	4,402.0	8,802.0
Growth (%)	88.2	75.9	100.0
Adj net profit (Rs mn)	346.8	601.8	1288.1
Growth (%)	97.1	73.6	114.0
FDEPS (Rs)	13.4	23.3	49.9
Growth (%)	97.0	73.8	114.0
P/E (x)	17.1	9.9	4.6
ROE (%)	12.6	13.7	22.9

**Risk-return profile**

**Shareholding pattern**

(%)	Sep-07	Jun-07
Promoters	21.4	21.4
FIs	50.6	51.9
Banks & FIs	12.1	10.9
Public	15.9	15.8

**Stock performance**

Returns (%)	CMP	1-mth	3-mth	6-mth
DSK Developers	230	(15.0)	(11.0)	(0.4)
Sensex	17,614	6.3	12.0	26.6

**Company website**
[www.dskdl.com](http://www.dskdl.com)

### Going places!

Stronghold in commercial hub of Pune with robust business diversification strategy

**Investment rationale**

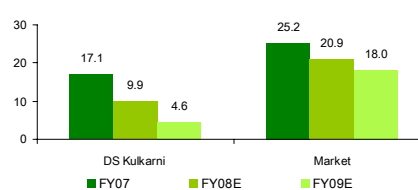
- ❖ Pune-based realty player with strong brand equity in residential property development. Recent entry into the commercial, retail and SEZ segments has strengthened the business model and enhanced earnings visibility.
- ❖ Saleable land bank of 34mn sq ft largely located in Pune, an important commercial hub with rising property absorption rates. Land acquired at a low average acquisition cost of Rs 292/per share.
- ❖ Entire land bank scheduled for execution by 2013, pointing to a substantial ramp up in execution capability. We expect execution to rise from 0.7mn sq ft in FY07 to 5.2mn sq ft in FY09.
- ❖ Foray into new segments and a shift towards own construction will aid robust margin expansion to 22–24% in FY08 as against 17.3% in FY07.
- ❖ Merger with group company Oyster Promoters and Developers has increased the company's land bank by 2mn sq ft. Further value to be derived from DSK Wood, its 100% overseas subsidiary, which is investing in real estate development in the US.
- ❖ Clear title on 250 acres of land in Pune earmarked for development of an SEZ, with in-principal government approval already in hand.

**Key concerns**

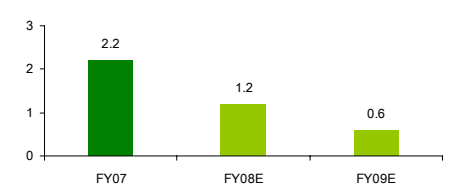
- ❖ Proposed development of 34mn sq ft of land by 2013 raises concerns over the significant scale-up required in execution skills.
- ❖ Concentration of land bank in Pune (98% of total) leaves DSK exposed to any downtrend in realty off-take or prices in the city.

**Valuation**

- ❖ Using the NAV approach, we have assigned the company a multiple of 0.8x on its one-year forward NAV of Rs 627. This gives us a target price of Rs 502, representing a 118% upside. We initiate coverage with a Buy.

**P/E multiple (x)**


Source: Religare Research

**Market cap/Sales multiple (x)**


Source: Religare Research

## Company profile

Incorporated in 1981, Pune-based DS Kulkarni Developers (DSK) has established itself as a prominent player in real estate development. Over the years, the company has developed 12.5mn sq ft of saleable land comprising a total of 70 projects. DSK has traditionally focused on the development of residential property in and around Pune, but has now spread its wings to cities like Mumbai, Bangalore, Chennai, Hyderabad and Coimbatore.

In addition, it has expanded across segments with commercial and retail development projects, as well as a major foray into special economic zones (SEZ). DSK is also eyeing realty projects in overseas markets like the US and UK where it expects to construct hotels and malls.

### Aims to execute 34mn sq ft by 2013

The company's land reserve aggregated 34mn sq ft of saleable area as at the end of August 2007, with a bulk of the property located in Pune. This excludes land and development rights which DSK may be in the process of acquiring. The average cost of the land bank is ~Rs 292 per share. DSK currently has nine projects totalling 4.6mn sq ft under development, with eight more aggregating 29.4mn sq ft planned for execution by 2013.

### Near doubling of revenues in FY07

During FY07, the company recorded an 88% rise in turnover from Rs 1.3bn in FY06 to Rs 2.5bn. This was primarily due to a ramp up in project execution which led to a higher proportion of work in progress being booked during the fiscal, as per the company's accounting policy.

**Nine projects totalling 4.6mn sq ft currently under development**

### Project profile

Particulars	No of projects	Total development (mn sq ft)
Completed projects	70	12.5
Projects under construction	9	4.6
Projects under planning	8	29.4
<b>Total</b>	<b>87</b>	<b>46.5</b>

Source: Company, Religare Research

### Segmental break-up of projects

Segments (mn sq ft)	Completed	Ongoing	Planned
Residential	11.5	3.3	16.9
Commercial	1.0	1.3	12.3
Retail	-	-	0.2
<b>Total</b>	<b>12.5</b>	<b>4.6</b>	<b>29.4</b>

Source: Company, Religare Research

## Business segments

DSK's core focus is on residential development, though it is displaying an increasing thrust on the commercial space and SEZ projects. We have discussed the company's business lines in greater detail below.

**Close to 60% of the land bank comprises residential projects which total 20.2mn sq ft**

### Residential business

DSK's residential projects consist of multi-storied apartment complexes and integrated townships which have a blend of residential and commercial space. The company currently has 20.2mn sq ft of residential projects (ongoing plus planned) in Pune, Mumbai and Bangalore, which will be developed over the next five to six years. Prime locations, quality construction and strong brand equity allow the company to pre-sell a significant portion of its residential units. The company also intends to develop integrated townships in countries like the US and UK.

#### Residential projects

Location (mn sq ft)	Ongoing	Planned	No. of projects
Pune	3.0	16.7	14
Mumbai	0.3	0.0	1
Bangalore		0.2	2
<b>Total</b>	<b>3.3</b>	<b>16.9</b>	<b>17</b>

*Source: Company, Religare Research*

### Commercial business

DSK has developed commercial and office spaces around Pune, largely catering to financial and service sector companies. The company has also undertaken the development of several multiplex projects, either as standalone structures or within upcoming malls. DSK follows the build-and-sell model of development and does not retain ownership or managerial responsibilities for any of its projects. It currently has 13.8mn sq ft both under development and in the planning stage in the commercial and retail space.

**Owns 250 acres of SEZ land in Pune; final approval awaited**

### SEZ business

The company has taken possession of close to 250 acres of land in Pune for SEZ development, and has already begun making payments to farmers for the land. It has received in-principal approval for the SEZ and we expect the company to apply for BoA approval shortly. Regulatory approvals should be expeditious considering that DSK already has possession of the land.

#### SEZ project

Particulars (mn sq ft)	Area (acres)	Saleable area (mn sq ft)	Value (Rs mn)
Processing	125	12.5	40,701
Non-processing	125	7.1	24,775
<b>Total</b>	<b>250</b>	<b>19.6</b>	<b>65,476</b>

*Source: Company, Religare Research*

## Investment rationale

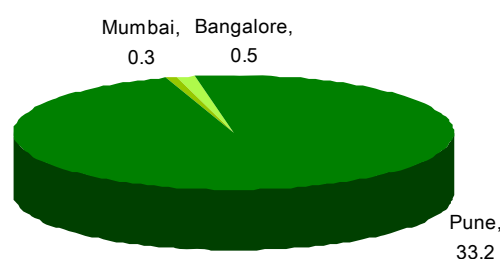
### Large land reserve concentrated in business hub of Pune

DSK has consistently been an early mover in terms of strategic land acquisition. By identifying and acquiring land development rights in up and coming locations early on, it has managed to stay ahead of competition and incur relatively low acquisition costs.

DSK currently has a saleable land bank of 34mn sq ft, providing profit streams up to 2013. About 33.2mn sq ft (98%) of the land reserve is located in and around Pune, regarded as the country's second commercial capital and an important real estate market. The remaining projects totalling 800,000sq ft are located in Mumbai and Bangalore. In all, the company has nine projects aggregating 4.6mn sq ft under development, with a cumulative area of 29.4mn sq ft planned for execution by 2013.

### Land bank distribution

98% of DSK's land reserve is located in Pune, an important commercial hub



Source: Company, Religare Research

### Project completion timeline

Project	City	Saleable area	Scheduled
		(sq ft)	completion
Frangipani	Pune	132,220	FY08
Rohan	Pune	14,997	FY08
Garden Enclave	Pune	244,176	FY09
Saptasur	Pune	475,296	FY09
Syantara	Pune	494,463	FY09
Sunderban	Pune	626,016	FY09
Fortuna	Bangalore	307,915	FY09
Madhuban	Mumbai	309,024	FY10
Vishwa V,VI,VII	Pune	1,055,000	FY10
Vishwa IT PARK	Pune	1,306,800	FY10
Balewadi	Pune	1,214,258	FY11
Bavdhan	Pune	770,712	FY11
Meenakshi	Bangalore	175,200	FY11
Vishwa VIII	Pune	2,000,000	FY12
Vishwa IX	Pune	1,664,096	FY13
SEZ Processing	Pune	12,523,500	FY13
SEZ Non-processing	Pune	7,078,500	FY13
Township	Pune	3,680,820	FY13
<b>Total</b>		<b>34,072,993</b>	

Source: Company, Religare Research

### Low cost of land acquisition

Unlike a majority of its peers, DSK holds its entire land reserve of 34mn sq ft on ownership basis with sole development rights for the same. The land has been acquired at a total estimated cost of Rs 7.5bn. We thus reckon that DSK's average land acquisition cost is as low as Rs 292/share and Rs 221/sq ft.

#### Land acquisition cost

Particulars	
<b>Total land bank (mn sq ft)</b>	<b>34</b>
Total acquisition cost (Rs bn)	7.5
Average cost (Rs/per sq ft)	221

Source: Company, Religare Research

#### Land reserve

Name of project	Land area (sq ft.)	Payment status	Payment made (Rs mn)	Payment o/s (Rs mn)
DSK Garden Enclave	187,828	✓	24.4	-
DSK Vishwa Saptasur	365,612	✓	50.9	-
DSK Sayantara	73,077	✓	5.8	-
DSK Sunderban	481,551	✓	45.7	-
DSK Madhuban	237,711	✓	174.9	-
DSK Vishwa Ph. V, VI & VII	811,538	✓	476.9	-
DSK Vishwa IT Park	1,136,348	✓	111.4	-
DSK Meenakshi	134,769	✓	141.1	-
DSK Fortuna	236,858	✓	189.1	-
DSK Vishwa Ph. VIII	1,538,462	X	-	692.3
DSK Vishwa Ph. IX	1,280,074	X	-	576.0
DSK Site at Balewadi	934,045	Merger	-	-
DSK Site at Bavdhan	592,855	Merger	-	-
DSK - SEZ	16,335,000	X	1,100.0	2,150.0
DSK Integrated Township	2,831,400	X	165.0	1,525.0
DSK Site at Vidyanagri	130,000	✓	110.5	-
<b>Total</b>	<b>27,307,127</b>		<b>2,595.6</b>	<b>4,943.3</b>

Source: Company, Religare Research      ✓ Fully paid for      \* Payment outstanding

**We expect execution to rise from 0.7mn sq ft in FY07 to 5.2mn sq ft in FY09**

### Significant ramp up in execution capabilities

Since its venture into construction in 1981, DSK has completed 70 projects covering ~12.5mn sq ft of saleable area. Of this, 0.7mn sq ft was executed in FY07. DSK now aims to scale up its execution capability to 34mn sq ft over the next five to six years, which implies 6.8mn sq ft of development per year. We believe that the company will be able to achieve its targeted execution levels and have factored in a phased scale up to 1.9mn sq ft in FY08 and further to 5.2mn sq ft in FY09.

An important aspect governing the pace of real estate development is the accompanying absorption rate or realty demand. With a majority of DSK's projects coming up in the fast-growing business hub of Pune, we expect the absorption rate to remain firm. DSK's sound reputation in the region as a quality developer will further ensure strong demand traction for its projects. We expect the scale up of execution capabilities accompanied by buoyant absorption rates to generate strong growth for the company through FY09.

### Strong revenue visibility

Particulars (sq ft)	FY07	FY08E	FY09E
Project execution forecast	660,798	1,957,345	5,171,664
Revenue booking	743,058	3,434,392	3,490,636

Source: Company, Religare Research

**New commercial and retail projects coupled with a shift in business model to grow margins**

**Margins to expand substantially**

DSK has traditionally focused on the development of residential property with a minor interest in commercial development. The company is now gradually increasing its presence in the commercial and retail space with 13.8mn sq ft to be executed over the next five to six years (as compared with just 1mn sq ft completed to date). This together with the foray into SEZs will serve to diversify and de-risk the business model. The company has also begun to concentrate on construction as opposed to its earlier practice of operating through sub-contractors. We expect these steps together with the low land acquisition cost to aid a 500-600bps in EBITDA margin to 22-23% in FY08E as against 17.3% in FY07.

**Land assets enhanced by merger with group company**

DSK has recently merged group company Oyster Promoters & Developers with itself. Under the scheme of merger, DSK has issued 3.8mn equity shares at Rs 290 each to Oyster (share swap ratio of 380:1) which aggregates to Rs 1.1bn. Oyster has ~2mn sq ft of land at two locations in Pune, namely Balewadi and Bavdhan (included in our land estimates for DSK). In addition to enhancing DSK's land bank, we expect the merger to add value to the company's topline and bottomline.

**Engaged in overseas projects**

DSK has a 100% subsidiary in the US, DSK Woods, through which it is investing in real estate development in New Jersey. The company has a land bank of 17 acres in the US through this subsidiary and plans to commence development shortly. We have not considered the value of the subsidiary into our estimates.

**Foray into the high-potential SEZ space**

DSK has one SEZ in Pune spread across 250 acres for which the process of land acquisition has been completed. The company has received in-principal approval for this SEZ and will shortly approach the BoA for formal approval. We expect rapid board clearance since the land is already in the company's possession. DSK plans to tie-up with foreign co-developers for the SEZ and complete the project by FY13.

We have not built the value of this zone into our estimates, since the company is yet to acquire final notification. As and when notification is received, DSK's valuations will receive a significant boost.

**Clear title on ~250 acres of SEZ land in Pune should ensure rapid regulatory approval**

**Pune SEZ project**

Particulars	Area (sq ft)
Processing	6,261,750
Non-processing	3,539,350
<b>Total</b>	<b>9,801,100</b>

Source: Company, Religare Research

## SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>❖ Large land bank with saleable area of 34mn sq ft, of which 4.6mn sq ft is currently being executed.</li> <li>❖ Diversified business model including residential and commercial projects, and SEZs with a presence in Pune, Mumbai and Bangalore.</li> <li>❖ Strong financial performance and SEZ foray to add significant value.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Concentration of land bank in Pune.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>❖ Geographical expansion beyond Pune will open up fresh opportunities.</li> <li>❖ SEZs hold immense potential.</li> <li>❖ Urbanisation, rising purchasing power and lifestyle changes will create more demand.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Delay in project execution.</li> <li>❖ Changes in regulatory policies.</li> <li>❖ Rising interest rates and construction costs.</li> </ul>

## Key concerns

**Planned execution of 6.8mn sq ft per year could prove a challenge**

### Risk of execution delays

The company has developed a total of 12.5mn sq ft since 1981. In comparison, it plans to execute 34mn sq ft by 2012-13 (implying 6.8mn sq ft of development per year) which would prove challenging. DSK's ability to progressively expand execution skills and meet development targets would be crucial to future performance.

### Asset / business cycle risk

Over the last few years, land prices have been rising across India, translating into immediate gains on the existing land banks of realty players. The high prices expose DSK to an asset cycle risk since any fall in prices would have a significant impact on profitability. A price downtrend could also result in customers adopting a wait-and-watch approach before booking new properties, specifically in the residential segment, while existing customers may cancel bookings. This would impact cash flows and significantly affect the company's ability to complete projects or start new ones.

### SEZ foray may not pan out as expected

DSK plans to foray into SEZ development where success would depend on its ability to attract industrial- and service-oriented companies. Threats to players in this space include uncertainty over the status of project applications, changing SEZ laws and the possibility of withdrawal of benefits introduced under the SEZ Act. Additionally, DSK aims to enter into foreign collaborations to fund its SEZ projects. Any delay or hurdle in these tie-ups is likely to affect the company's earnings.

### Concentration of land reserves

Close to 98% of the company's land reserve is located in Pune. A downturn in the region's realty market will thus affect the company's financials significantly.

## Financial review and outlook

### Quarterly results

(Rs mn)	Q1FY08	Q1FY07	% Chg	FY07	FY06	% Chg
Net sales	1,440.5	9.8*	NA	2,502.0	1,329.6	88.2
Other income	6.0	1.7*	NA	96.0	5.1	1,793.5
EBIDTA	123.0	114.6*	NA	433.1	220.8	96.2
EBITDA margin (%)	8.5	NA*	NA	17.3	16.6	4.2
Interest	0.5	0.9	(47.3)	26.1	21.3	22.5
Depreciation	1.6	0.9	84.7	4.6	3.0	53.3
PBT	121.0	112.8	7.2	402.4	196.5	104.8
Tax	14.0	15.3	(8.5)	55.6	20.6	169.9
PAT	107.0	97.6	9.7	346.8	175.9	97.2
Equity capital (diluted)	258.0	258.0	-	258.0	258.0	-

Source: Company, Religare Research \*Disclosed figure does not include the sale and purchase of land which has been booked as part of inventory

### 88% rise in FY07 revenues

Consolidated revenues logged 88% growth in FY07 to Rs 2.5bn as against Rs 1.3bn in FY06. The EBIDTA margin improved 70bps to 17.3% in FY07 from 16.6% on account of a greater contribution from in-house construction and forays into new project segments.

### We expect an 87% revenue CAGR over FY07- FY09

We expect DSK to record an 87% revenue CAGR over FY07-FY09 accompanied by a net profit CAGR of 93%. The company's performance will primarily be driven by its strong project pipeline across the residential, commercial and integrated township segments.

## Valuation

### We initiate a Buy call with a target of Rs 502

At the current price of Rs 230, DSK trades at a P/E of 9.9x on FY08E EPS of Rs 23.3 and 4.6x on FY09E EPS of Rs 49.9. We have adopted the NAV valuation approach for the company and accordingly arrive at a one-year forward NAV of Rs 627. We have assigned DSK a multiple of 0.8x on its one-year forward NAV, which gives us a target price of Rs 502.

The company currently quotes at 0.4x one-year forward NAV of Rs 627 which is at a discount to Mumbai- and Pune-based realty players. We initiate coverage with a Buy and a target price of Rs 502 – an upside of 118%.

**Our NAV-based target of Rs 502 represents an upside of 118%; Buy**



### Comparative valuation

Particulars	HDIL	Parsvnath	DSK
Current market price	630	330	223
O/S equity shares	214.2	184.6	25.8
Market cap (Rs bn)	135.0	58.3	5.8
<b>Sales (Rs mn)</b>			
FY06	4,222	6,438	1,330
FY07	12,034	15,103	2,502
FY08E	20,780	25,740	4,402
FY09E	37,160	43,244	8,802
<b>EBIDTA (%)</b>			
FY06	33.2	24.0	16.4
FY07	55.0	29.2	17.3
FY08E	58.5	36.8	23.8
FY09E	57.9	38.1	24.0
<b>PAT (Rs mn)</b>			
FY06	1,139	1,062	176
FY07	5,418	2,923	346
FY08E	8,615	5,553	602
FY09E	15,573	9,703	1,288
<b>P/E (x)</b>			
FY06	85.7	56.8	33.8
FY07	20.9	20.7	17.1
FY08E	15.6	10.9	9.9
FY09E	8.6	6.2	4.6
<b>NAV (Rs)</b>			
	871	512	627
<b>M/Cap/NAV (x)</b>			
FY07	0.7	0.7	0.4

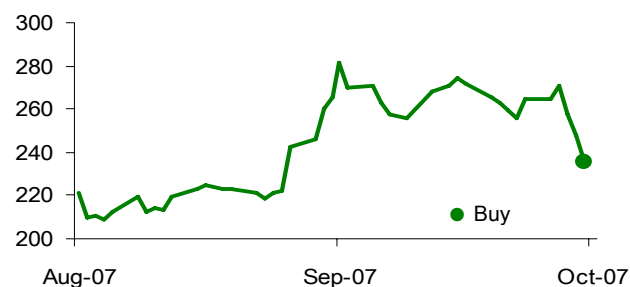
Source: Company, Religare Research

### Recommendation history

Date	Event	Reco price	Tgt price	Reco
23-Oct-07	Initiating Coverage	230	502	Buy

Source: Religare Research

### Stock performance



Source: Religare Research

## Consolidated financials

### Profit and Loss statement

(Rs mn)	FY06	FY07	FY08E	FY09E
Revenues	1,329.6	2,502.0	4,402.0	8,802.0
Growth (%)	149.0	88.2	75.9	100.0
EBITDA	215.8	337.1	906.8	1,989.6
Growth (%)	223.2	56.2	169.0	119.4
Depreciation & Amortisation	3.0	4.6	6.2	8.0
EBIT	212.8	332.5	900.6	1,981.6
Growth (%)	-	56.3	170.9	120.0
Interest	21.3	26.1	180.0	260.0
Other income	5.1	96.0	140.0	120.0
EBT	196.5	402.4	860.6	1,841.6
Growth (%)	-	104.7	113.9	114.0
Tax	20.6	55.6	258.8	553.5
Effective tax rate (%)	10.5	13.8	30.1	30.1
Net income (adjusted)	176.0	346.8	601.8	1,288.1
Growth (%)	-	97.1	73.6	114.0
Shares outstanding(mn)	110.0	220.0	258.0	258.0
FDEPS (Rs)	6.8	13.4	23.3	49.9
DPS (Rs)	-	-	2.1	2.1
CEPS(Rs)	16.3	16.0	23.6	50.2

Source: Company, Religare Research

### Cash flow statement

(Rs mn)	FY06	FY07	FY08E	FY09E
Net income (E BT)	196.5	402.4	860.6	1,841.6
Depreciation	3.0	4.6	6.2	8.0
Other non-cash adjustments	(85.8)	26.2	121.6	22.6
Changes in working capital	(1,282.4)	(1,809.9)	(2,134.3)	(2,588.1)
Operating cash flow	(1,168.7)	(1,376.8)	(1,145.9)	(715.9)
Capital expenditure	(19.2)	(31.1)	(30.0)	(50.0)
Investments	(532.1)	0.2	-	-
Other investing cash flow	(10.2)	-	-	-
Investing cash flow	(561.5)	(30.9)	(30.0)	(50.0)
Free cash flow	(1,730.2)	(1,407.7)	(1,175.9)	(765.9)
Issue of equity / warrants	(7.4)	2,046.6	1,102.0	-
Issue/repay debt	1,050.8	270.9	487.8	1,099.3
Dividends paid	(8.8)	(50.2)	(51.5)	(64.1)
Int Paid	(30.9)	(26.1)	(180.0)	(260.0)
Financing cash flow	1,003.7	2,241.3	1,358.3	775.2
Beginning cash & cash eq	(726.5)	833.6	182.4	9.3
Change in cash & cash eq	20.0	84.6	909.2	1,100.0
Closing cash & cash eq	84.6	909.2	1,100.0	1,110.0

Source: Company, Religare Research

### Balance sheet

(Rs mn)	FY06	FY07	FY08E	FY09E
Cash and cash	84.6	909.2	1,100.0	1,110.0
Accounts receivable	22.3	39.9	60.0	120.0
Inventories	2,243.9	4,442.0	7,002.0	11,041.8
Others current assets	262.9	526.7	667.3	644.4
Current assets	2,613.7	5,917.8	8,829.3	12,916.2
LT investments	0.2	-	-	-
Net fixed assets	16.5	43.0	66.8	108.8
CWIP	-	-	-	-
Total assets	2,630.4	5,960.8	8,896.1	13,025.0
Payable	1,162.4	1,760.9	2,370.9	3,881.1
Others	74.6	132.0	322.3	618.0
Current liabilities	1,236.9	1,892.9	2,693.2	4,499.1
LT debt	1,042.0	1,313.7	1,800.0	2,900.0
Other liabilities	6.9	6.4	5.5	4.5
Equity capital	110.0	220.0	258.0	258.0
Reserves	234.6	2,528.1	4,139.3	5,363.4
Net Worth	344.6	2,748.1	4,397.4	5,621.4
Total liabilities	2,630.4	5,961.1	8,896.1	13,025.0
BVPS(Rs)	31.3	124.9	170.4	217.9

Source: Company, Religare Research

### Financial ratios

	FY06	FY07	FY08E	FY09E
EBITDA margin (%)	16.6	17.3	23.8	24.0
EBIT margin (%)	16.4	17.1	23.6	23.9
Net profit margin (%)	13.2	13.9	13.7	14.6
FDEPS growth (%)	-	97.0	73.8	114.0
Receivables (days)	6.1	5.8	5.0	5.0
Tax/EBT	10.5	13.8	30.1	30.1
Payables (days)	254.6	268.7	233.5	181.4
Current ratio(x)	2.1	3.1	3.3	2.9
Interest coverage(x)	10.4	16.6	5.8	8.1
Debt/equity ratio (x)	3.0	0.5	0.4	0.5
ROE (%)	51.1	12.6	13.7	22.9
ROCE (%)	15.7	10.5	16.8	24.7
ROAE (%)	6.7	5.8	6.8	9.9
EV/Sales(x)	2.0	1.8	1.5	0.9
EV/EBITDA(x)	12.3	10.3	6.3	3.7
P/E (x)	33.8	17.1	9.9	4.6
P/BV (x)	7.3	1.8	1.3	1.1
P/CEPS (x)	14.1	14.4	9.8	4.6

Source: Company, Religare Research

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**Recommendation parameters**

<b>Large-caps*</b>	> 10%	< - 5%	<b>Returns</b>	<b>Absolute</b>
	BUY	SELL		
<b>Mid-caps**</b>	> 25%	< 10%		

*\*Market cap over US\$ 1bn \*\*Market cap less than US\$ 1bn*

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