

16 August 2011

MF Global Quarterly Report

# Jubilant Foodworks Ltd.

FMCG

## JUBI IN: Upgrade to NEUTRAL

RS 852

Jubilant Foodworks reported robust revenue and earnings growth for Q1FY12, ahead of estimates, by 18% with strong margin expansion. Key highlights of the results are:

**Strong same-store growth:** With robust same-store growth (SSG) of 37% YoY, the company has raised its estimate to 20%+ YoY in FY12E from 18% YoY+ guided in Q4FY10. Sri Lankan operations will be launched in August 2011 with three stores in FY12E. The company added 14 stores in Q1FY12, taking the total store count to 392, maintaining 80 store additions in FY12E. Robust growth is estimated to sustain as consumer demand and expansion plans hold strong and given the high success of forays in new cities.

**Resurgence in EBITDA margins, guidance for YoY margin expansion:** Gross margins remain under pressure due to high input cost, however, operating leverage benefits contributed to EBITDA margin expansion to 19.1%. The management expects margins to improve in FY12E from 17.7% in FY11. Price hike of ~3% will be taken in August 2011, with H1FY12 price hike at ~8%. Management expects margin expansion to continue with higher contribution of old stores and sustenance of operating leverage benefits. We estimate EBITDA margin of 18.3% for FY12E.

**Escalation in cost and capex:** Capex per store has increased to Rs. 8mn from Rs. 7mn on account of inflation. Capex for FY12E will be higher YoY, comprising of new store and maintenance capex, capex for *Dunkin Donuts* and the setting up of three commissaries. Employee costs are expected to remain at elevated levels. We have adjusted our EBITDA for elevated cost structure, leading to contraction in margin estimates.

**Estimates and target price revision, Upgrade rating:** We revised our revenue/store growth estimates from 18% 5-Yr. CAGR (FY2017E) to 25%, accounting for the robust pace of growth (above our estimates in the past 5 quarters) and sustenance of the same. We upgraded our FY17E exit EV/Sales multiple to 3x from our earlier 2.5x on account of higher-than-expected earnings growth, implying an exit PER of 15x. The company's ability to grow above category should translate to strong market share gains. We upgrade our rating from SELL to NEUTRAL with a roll-forward (March 2012) target price of Rs. 905 from Rs. 535 (Dec 2011).

### TARGET RS 905 (+6%)

#### STOCK RATING

BUY	NEUTRAL	SELL
> 15%	-15% TO +15%	< -15%

#### COMPANY DATA

O/S SHARES :	65MN
MARKET CAP (RS) :	55.1BN
MARKET CAP (USD) :	1.2BN
52 - WK HI/LO (RS) :	960/ 431
LIQUIDITY 3M (USD) :	31.7MN
FACE VALUE (RS) :	10

#### SHARE HOLDING PATTERN, %

PROMOTERS :	58.9
FII / NRI :	33.5
FI / MF :	1.8
NON-PROMOTER CORP. HOLDINGS :	2.1
PUBLIC & OTHERS :	3.7

#### PRICE PERFORMANCE, %

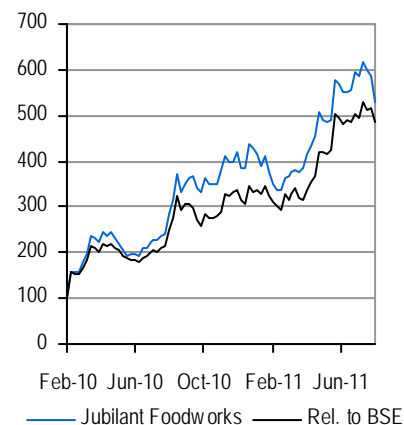
	1MTH	3MTH	1YR
ABS	1.9	22.8	87.2
REL TO BSE	10.5	30.9	94.0

#### VALUATION SUMMARY

Y/E MAR, RS MN	FY2009	FY2010	FY2011	FY2012E	FY2013E
TOTAL INCOME	2,806	4,239	6,781	9,907	13,461
TOTAL INCOME GROWTH, %	32.9	51.1	59.9	46.1	35.9
CORE EBITDA	330	658	1,199	1,813	2,556
EBITDA MARGINS, %	11.8	15.5	17.7	18.3	19.0
NET PROFIT	67	334	720	984	1,417
PAT MARGINS, %	2.4	7.9	10.6	9.9	10.5
EPS, RS	1.2	5.6	11.3	15.3	22.0
EPS GROWTH, %	(13.5)	386.0	101.8	34.8	43.9
PER, X	738.4	151.9	75.3	55.8	38.8
EV/EBITDA, X	152.7	75.4	41.3	26.6	18.4
EV/NET SALES, X	17.9	11.7	7.3	4.9	3.5
PRICE/BOOK VALUE, X	206.9	43.6	28.3	19.0	12.7
ROIC, %	34.3	57.3	64.3	77.7	106.4
ROE, %	33.5	47.6	46.8	40.9	39.3

Source: Company, MF Global India Research Estimates

#### PRICE VS. SENSEX



Source: Bloomberg, MF Global India Research

#### QUARTERLY RESULTS

(RS MN)	Q1FY12	Q4FY11	QOQ, %	Q1FY11	YOY, %
NET SALES	2,169	1,936	12.0	1,355	60.0
GROWTH, %	60.0	56.1		59.4	
TOTAL INCOME	2,169	1,936	12.0	1,355	60.0
OPERATING EXPENSES	1,755	1,606	9.3	1,104	59.0
EBITDA	413	330	25.3	251	64.4
GROWTH, %	64.4	73.7			
MARGIN, %	19.1	17.0		18.6	
DEPRECIATION	87	83	4.6	63	37.9
EBIT	327	247	32.3	188	73.3
MARGIN, %	15.1	12.7		13.9	
INTEREST PAID	-	0	-100.0	2	-100.0
OTHER NON-OPERATING INCOME	12	9.41		1.02	
PRE-TAX PROFIT	339	256	32.3	187	81.1
TAX PROVIDED	107.7	64		34	214.1
MF NET PROFIT	231	193	20.1	153	51.3
REPORTED PAT	231	193	20.1	153	51.3
GROWTH, %	51.3	91.2		-	
MARGIN, %	10.7	9.9		11.3	
ADJ FULLY DILLUTED EPS, RS	3.59	2.99	20.1	2.6	36.6

Source: Company, MF Global India Research

#### REVISION OF ESTIMATES

(RS MN)	EARLIER ESTIMATES		REVISED ESTIMATES		UPGRADE/(DOWNGRADE) (%)	
	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E
NET SALES	9,275	11,848	9,907	13,461	6.8%	13.6%
EBITDA	1,757	2,282	1,813	2,556	3.2%	12.0%
EBITDA MARGIN (%)	18.9	19.3	18.3	19.0	(65)	(27)
PBT	1,392	1,844	1,468	2,115	5.5%	14.7%
ADJ PAT	933	1,236	984	1,417	5.5%	14.6%
ADJ PAT MARGIN (%)	10.1	10.4	9.9	10.5	(13)	9
ADJ EPS (RS)	14.7	19.4	15.25	21.96	4.0%	13.2%

Source: Company, MF Global India Research Estimates

#### Medium-term forecasts and revenue drivers

Volume-led revenue growth momentum is expected to sustain as consumer demand remains strong, the company executes strong expansion plans, particularly into new cities and product innovations. We observe that the Pizza market growth continues to be healthy even as concerns of the impact of inflation on consumer purchase decisions rise.

The company is to announce a price hike in August 2011, which will enable the improvement in gross margins in the forthcoming quarters and is not expected to dent robust volume growth.

Same-store growth of 37% YoY in Q1FY12 has improved sequentially from 33%. Management has guided for 20%+ same-store growth in FY12E. Same-store growth is likely to maintain a healthy double-digit trend in the next few years.

#### REVENUE MODEL

PARTICULARS	FY06	FY07	FY08	FY09	FY10E	FY11E	FY12E	FY13E	FY14E	FY15E	FY16E	FY17E
GROSS SALES (IN RS MN)	1,086	1,552	2,360	3,139	4,755	7,583	11,102	15,086	19,507	24,467	29,918	35,269
GROWTH (%)	34.7	42.9	52.1	33.0	51.5	59.5	46.4	35.9	29.3	25.4	22.3	17.9
TOTAL STORES	79	104	154	215	280	350	430	510	590	670	750	800
GROWTH (%)	NMF	31.6	48.1	39.6	30.2	25.0	22.9	18.6	15.7	13.6	11.9	6.7
AVERAGE STORES	NMF	92	129	185	248	315	390	470	550	630	710	775
GROWTH (%)	NMF	NMF	41.0	43.0	34.1	27.3	23.8	20.5	17.0	14.5	12.7	9.2
REVENUE PER STORE (IN RS MN)	NMF	17.0	18.3	17.0	19.2	24.1	28.5	32.1	35.5	38.8	42.1	45.5
GROWTH (%)	NMF	NMF	7.9	-7.0	12.9	25.3	18.3	12.8	10.5	9.5	8.5	8.0
SAME STORE COUNT	NMF	NMF	79	104	154	215	280	350	430	510	590	670
SAME STORES AS % OF TOTAL STORES			51.3	48.4	55.0	61.4	65.1	68.6	72.9	76.1	78.7	83.8
SAME STORE GROWTH (%)*	22.0	22.2	19.9	6.0	17.0	30.0	20.0	16.0	12.0	10.0	8.0	8.0

Source: Company, MF Global India Research Estimates

We expect gross margins to trend in the range of 74%-74.5% over the medium term.

#### COST MODEL

GROSS MARGIN ANALYSIS	FY06	FY07	FY08	FY09	FY10E	FY11E	FY12E	FY13E	FY14E	FY15E	FY16E	FY17E
GROSSL SALES (RS MN)	1,086	1,552	2,360	3,139	4,755	7,583	11,102	15,086	19,507	24,467	29,918	35,269
PIZZA SALES	1,029	1,484	2,263	3,018	4,421	7,204	10,547	14,331	18,532	23,244	28,422	33,506
GROWTH (%)	34	44	53	33	46	63	46	36	29	25	22	18
NET SALES (EX VAT RS MN)	972	1,387	2,113	2,810	4,242	6,781	9,957	13,526	17,488	21,926	26,799	31,583
CHEESE VOLUME QTY	659,306	872,116	1,227,017	1,357,435	2,548,351	3,762,023	5,018,718	6,367,659	7,851,866	9,455,788	11,089,538	12,518,682
GROWTH (%)	31.3	32.3	40.7	10.6	87.7	47.6	33.4	26.9	23.3	20.4	17.3	12.9
CHEESE VALUE (RS MN)	91	125	201	255	442	698	978	1303	1671	2093	2553	2997
GROWTH (%)	31.4	37.4	61.3	26.9	73.1	58.1	40.1	33.2	28.2	25.2	22.0	17.4
AS % OF NET SALES	9.3	9.0	9.5	9.1	10.4	10.3	9.8	9.6	9.6	9.5	9.5	9.5
CHICKEN VOLUME QTY	128,925	173,484	278,321	361,390	466,473	736,766	1,019,719	1,314,196	1,620,515	1,935,337	2,250,367	2,517,875
GROWTH (%)	11.7	34.6	60.4	29.8	29.1	57.9	38.4	28.9	23.3	19.4	16.3	11.9
CHICKEN VALUE (RS MN)	21	28	47	65	84	145	211	285	370	463	566	665
GROWTH (%)	22.8	32.0	68.7	38.1	29.2	73.7	45.3	35.3	29.5	25.4	22.1	17.5
AS % OF NET SALES	2.16	2.00	2.22	2.30	1.97	2.14	2.12	2.11	2.11	2.11	2.11	2.10
OTHERS VALUE (RS MN)	103	156	220	323	458	747	1,056	1,403	1,787	2,205	2,652	3,074
GROWTH (%)	25.7	52.1	40.9	46.5	41.8	63.1	41.4	32.9	27.3	23.4	20.3	15.9
AS % OF NET SALES	10.57	11.27	10.43	11.5	10.8	11.01	10.61	10.38	10.22	10.06	9.90	9.73
COST OF TRADED GOODS	38	48	64	76	155	263	355	483	624	783	957	1129
GROWTH (%)		27.2	32.9	19.8	103.1	69.3	35.1	35.9	29.3	25.4	22.3	17.9
AS % OF NET SALES	3.89	3.46	3.02	2.7	3.66	3.88	3.57	3.57	3.57	3.57	3.57	3.57
TOTAL COGS	252	357	532	719	1,139	1,853	2,601	3,475	4,452	5,545	6,729	7,865
GROSS PROFITS (RS MN)	718	1,030	1,580	2,088	3,190	5,076	7,313	9,986	12,954	16,287	19,967	23,606
AS % OF NET SALES	73.9	74.2	74.8	74.3	75.2	74.8	73.4	73.8	74.1	74.3	74.5	74.7

Source: Company, MF Global India Research Estimates

With volume growth estimated to remain robust, operating costs are expected to escalate, particularly, employee costs. Hence, accounting for wage inflation and the expanding employee base, we have adjusted our EBITDA estimate downwards. Our EBITDA margins for FY12E and FY13E have contracted by 65bps and 30bps accordingly to 18.3% and 19%, respectively.

#### FIXED COST ANALYSIS

	FY06	FY07	FY08	FY09	FY10E	FY11E	FY12E	FY13E	FY14E	FY15E	FY16E	FY17E
GROSS PROFITS (RS MN)	718	1,030	1,580	2,088	3,190	5,076	7,313	9,986	12,954	16,287	19,967	23,606
AS % OF NET SALES	73.9	74.2	74.8	74.3	75.2	74.8	73.4	73.8	74.1	74.3	74.5	74.7
MANUFACTURING AND OTHER EXPENSES	439	594	887	1,196	1,727	2,520	3,495	4,675	5,964	7,377	8,979	10,586
GROWTH (%)	30.9	35.3	49.2	35.0	44.4	45.9	38.7	33.8	27.6	23.7	21.7	17.9
AS % OF NET SALES	45.2	42.8	42.0	42.6	40.7	37.2	35.3	34.7	34.3	33.8	33.6	33.6
EMPLOYEE EXPENSES	162	256	425	556	805	1,355	2,005	2,755	3,578	4,509	5,437	6,350
GROWTH (%)	30.3	57.4	66.2	30.7	44.8	68.4	48.0	37.4	29.9	26.0	20.6	16.8
AS % OF NET SALES	16.7	18.4	20.1	19.8	19.0	20.0	20.2	20.5	20.6	20.7	20.4	20.2
AVERAGE STORES (NOS)		92	129	185	248	315	390	470	550	630	710	775
GROWTH (%)	NA	NA	41.0	43.0	34.1	27.3	23.8	20.5	17.0	14.5	12.7	9.2
EBIDTA (RS MN)	112	172	262	336	658	1,200	1,813	2,556	3,412	4,401	5,550	6,670
AS % OF NET SALES	11.5	12.4	12.4	12.0	15.5	17.7	18.3	19.0	19.6	20.2	20.8	21.2

Source: Company, MF Global India Research Estimates

#### Fair value calculation

We have valued JFL based on an explicit medium-term forecast for the next seven years and our estimated normalised EBIDTA and PAT margins, which we believe is likely to be sustainable in the long run. We expect the company to have EBIDTA margins in the range of 21% and PAT margins to trend in the range of 12%-13%. We have not included estimates for *Dunkin Donuts* in our valuation and should do so once we gain further clarity.

#### MEDIUM-TERM FORECASTS

	SALES	CAGR	SALES	EBIDTA MARGIN	EBIDTA EBIT MARGIN	EBIT	PAT (%)	PAT
RS MN	2011	(6 YEARS)	2017 E	(%) (N)	(N)	(N)	(N)	(N)
DOMINOES (INDIA OPERATIONS)	6,781	29.2	31,583	21.0	6,632	18.5	5,843	3,973
JFL GROUP	6,781	29.2	31,583	21.0	6,632	18.5	5,843	3,973

Source: Company, MF Global India Research Estimates

We assign an exit multiple of 3x EV/sales, implicitly building the assumption of the company remaining in a growth phase post FY17. Our assumption is not conservative, considering our assigned multiple is at a 10% premium to FMCG play, Marico, which is a diversified play with market leadership in most of the categories in which it operates.

#### DERIVATION OF ENTERPRISE VALUE 2017 (EXCLUDING INTERMEDIATE FCF)

	SALES	EBIDTA	EBIT	PAT	EV/SALES	EV/EBIDTA	EV/EBIT	P/E	EV
RS MN	2017E	2017 (N)	2017 (N)	2017 (N)	2017	2017	2017	2017	2017
DOMINOES (INDIA OPERATIONS)	31,583	6,632	5,843	3,973	3.0	14.3	16	23.8	94,748
JFL GROUP	31,583	6,632	5,843	3,973	3.0	14.3	16	23.8	94,748

Source: Company, MF Global India Research Estimates

We have discounted the medium-term cash flows at 14%, considering a risk-free rate of 8% and equity risk premium of 6%, implying a Beta of 1.

#### MEDIUM-TERM CASH FLOW GENERATION

RS MN	2011E	2012E	2013E	2014E	2015E	2016E	2017E
NET INCOME	721	984	1,417	1,924	2,517	3,216	3,902
CASH CONVERSION	12	123	78	100	91	102	99
FCF	89	1,215	1,110	1,919	2,301	3,264	3,879
PV FACTOR	0.9	0.9	0.8	0.7	0.6	0.5	0.5
PV FCF	78	1,065	854	1,295	1,362	1,695	1,767
NPV FCF	78	1,065	1,919	3,215	4,577	6,272	8,039

Source: Company, MF Global India Research Estimates

On the basis of our DCF valuation, the fair value of the company is computed at Rs 905. We upgrade our rating to NEUTRAL from SELL with a 6% upside from the CMP of Rs. 852. We estimate the positive factors to be fully priced in the stock price, thereby providing lower near-term value.

#### DERIVATION OF FUNDAMENTAL VALUE

RS MN/ RS PER SHARE	VALUE
ENTERPRISE VALUE-2017	94,748
NPV FCF	8,039
NET CASH- END OF FY2010	86
RETURN REQUIREMENT	14%
FUTURE VALUE END OF FY2010	51,206
NUMBER OF SHARES OUTSTANDING (MN)	65
TARGET VALUE PER SHARE (END OF MARCH 2011)	905
IMPLIED FY11 MULTIPLE	59
CMP	852
CMP AT 1-YEAR FORWARD MULTIPLE (P/E)	56
% UPSIDE	6.2

Source: Company, MF Global India Research

## FINANCIALS

### INCOME STATEMENT

Y/E MAR, RS MN	FY2009	FY2010	FY2011	FY2012E	FY2013E
NET SALES	2,806	4,239	6,781	9,907	13,461
GROWTH, %	32.9	51.1	59.9	46.1	35.9
OTHER OPERATING INCOME	0	0	0	0	0
TOTAL INCOME	2,806	4,239	6,781	9,907	13,461
OPERATING EXPENSES	-2,476	-3,582	-5,582	-8,094	-10,905
EBITDA	330	658	1,199	1,813	2,556
GROWTH, %	26.0	99.4	82.3	51.2	41.0
MARGIN, %	11.8	15.5	17.7	18.3	19.0
DEPRECIATION	-169	-243	-293	-394	-506
EBIT	160	414	906	1,419	2,049
GROWTH, %	26.0	99.4	82.3	51.2	41.0
MARGIN, %	11.8	15.5	17.7	18.3	19.0
INTEREST RECEIVED/(PAID)	-89	-83	-3	0	0
OTHER INCOME	4	4	22	50	66
PRE-TAX PROFIT	75	335	924	1,469	2,115
TAX PROVIDED	-8	-1	-204	-485	-698
PROFIT AFTER TAX	67	334	720	984	1,417
MF NET PROFIT	67	334	720	984	1,417
GROWTH, %	-13.5	397.4	115.7	36.7	43.9
EXTRAORDINARY ITEMS: GAINS/(LOSSES)	0	0	0	0	0
UNADJ. SHARES (M)	58	64	64	65	65
WTD AVG SHARES (M)	58	64	64	65	65

### CASH FLOW

Y/E MAR, RS MN	FY2009	FY2010	FY2011	FY2012E	FY2013E
PRE-TAX PROFIT	75	335	924	1,469	2,115
DEPRECIATION	169	243	293	394	506
CHG IN WORKING CAPITAL	-9	118	-13	690	221
TOTAL TAX PAID	-8	-1	-204	-485	-698
OTHER OPERATING ACTIVITIES	40	17	0	0	0
CASH FLOW FROM OPERATING ACTIVITIES	267	713	1,000	2,069	2,145
CAPITAL EXPENDITURE	-538	-517	-703	-854	-1,035
CHG IN INVESTMENTS	0	0	-216	0	0
CHG IN MARKETABLE SECURITIES	0	0	0	0	0
OTHER INVESTING ACTIVITIES	0	0	0	0	0
CASH FLOW FROM INVESTING ACTIVITIES	-538	-517	-919	-854	-1,035
FREE CASH FLOW	-271	196	81	1,215	1,110
EQUITY RAISED/(REPAID)	0	593	351	984	1,417
DEBT RAISED/(REPAID)	308	-739	-86	0	0
DIVIDEND (INCL. TAX)	0	0	0	0	0
OTHER FINANCING ACTIVITIES	0	0	0	0	0
CASH FLOW FROM FINANCING ACTIVITIES	308	-145	266	984	1,417
NET CHG IN CASH	37	50	347	2,199	2,527

## BALANCE SHEET

AS AT 31ST MAR, RS MN	FY2009	FY2010	FY2011	FY2012E	FY2013E
CASH & BANK	30	70	89	1,303	2,413
MARKETABLE SECURITIES AT COST	0	0	0	0	0
DEBTORS	12	29	45	87	92
INVENTORY	55	71	142	205	259
LOANS & ADVANCES	239	362	697	503	624
OTHER CURRENT ASSETS	0	0	9	0	0
TOTAL CURRENT ASSETS	336	533	981	2,098	3,389
INVESTMENTS	0	0	216	216	216
GROSS FIXED ASSETS	1,710	2,276	2,904	3,763	4,729
LESS: DEPRECIATION	644	873	1,103	1,466	1,904
ADD: CAPITAL WIP	89	26	36	0	0
NET FIXED ASSETS	1,155	1,428	1,838	2,297	2,825
OTHER NON-CURRENT ASSETS	0	0	0	0	0
<b>TOTAL ASSETS</b>	<b>1,491</b>	<b>1,961</b>	<b>3,066</b>	<b>4,654</b>	<b>6,410</b>
CURRENT LIABILITIES	398	663	1,085	1,682	2,015
PROVISIONS	0	0	0	0	0
TOTAL CURRENT LIABILITIES	398	663	1,085	1,682	2,015
NON-CURRENT LIABILITIES	824	86	0	0	0
TOTAL LIABILITIES	1,251	787	1,149	1,753	2,093
PAID-UP CAPITAL	582	636	645	645	645
RESERVES & SURPLUS	-342	526	1,272	2,255	3,672
SHAREHOLDERS' EQUITY	240	1,162	1,917	2,901	4,318
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,491</b>	<b>1,961</b>	<b>3,066</b>	<b>4,654</b>	<b>6,410</b>

## PER-SHARE DATA

	FY2009	FY2010	FY2011	FY2012E	FY2013E
MF EPS (INR)	1.2	5.6	11.3	15.3	22.0
GROWTH, %	-13	386	102	35	44
BOOK NAV/SHARE (INR)	4.1	19.5	30.1	45.0	66.9
FDEPS (INR)	1.2	5.2	11.3	15.3	22.0
CEPS (INR)	4.1	9.7	15.9	21.4	29.8
CFPS (INR)	3.8	11.6	15.4	31.3	32.2

## FINANCIAL STRUCTURE

	FY2009	FY2010	FY2011	FY2012E	FY2013E
TOTAL DEBT/EQUITY (%)	344.2	7.4	0.0	0.0	0.0
NET DEBT (CASH)/EQUITY (%)	331.6	1.3	-4.6	-44.9	-55.9

**PROFITABILITY, PRODUCTIVITY, LIQUIDITY AND VALUATION RATIOS**

	FY2009	FY2010	FY2011	FY2012E	FY2013E
RETURN ON ASSETS (%)	9.9	22.4	28.7	25.5	25.6
RETURN ON EQUITY (%)	33.5	47.6	46.8	40.9	39.3
RETURN ON INVESTED CAPITAL (%)	34.3	57.3	64.3	77.7	106.4
ROIC/COST OF CAPITAL (X)	3.3	5.4	6.1	7.3	10.0
ROIC - COST OF CAPITAL (%)	23.8	46.7	53.7	67.1	95.8
RETURN ON CAPITAL EMPLOYED (%)	14.0	32.5	44.2	39.8	38.5
COST OF CAPITAL (%)	10.5	10.6	10.6	10.6	10.6
ROCE - COST OF CAPITAL (%)	3.5	21.9	33.6	29.2	27.9
ASSET TURNOVER (X)	3.3	3.7	4.7	6.3	8.4
SALES/TOTAL ASSETS (X)	2.2	2.5	2.7	2.6	2.4
SALES/NET FA (X)	2.9	3.3	4.2	4.8	5.3
WORKING CAPITAL/SALES (X)	0.0	0.0	0.0	-0.1	-0.1
FIXED CAPITAL/SALES (X)	0.0	0.0	0.0	0.0	0.0
RECEIVABLE DAYS	1.5	2.5	2.4	3.2	2.5
INVENTORY DAYS	7.2	6.1	7.7	7.5	7.0
PAYABLE DAYS	58.7	67.5	70.9	75.8	67.4
CURRENT RATIO (X)	0.8	0.8	0.9	1.2	1.7
QUICK RATIO (X)	0.7	0.7	0.8	1.1	1.6
INTEREST COVER (X)	1.8	5.0	264.8		
PER (X)	738.4	151.9	75.3	55.8	38.8
PEG (X) - Y-O-Y GROWTH	-54.8	0.4	0.7	1.6	0.9
PRICE/BOOK (X)	206.9	43.6	28.3	19.0	12.7
YIELD (%)	0.0	0.0	0.0	0.0	0.0
EV/NET SALES (X)	17.9	11.7	7.3	4.9	3.5
EV/EBITDA (X)	152.7	75.4	41.3	26.6	18.4
EV/EBIT (X)	152.7	75.4	41.3	26.6	18.4
EV/NOPLAT (X)	170.8	75.5	53.0	39.7	27.5
EV/CE	46.1	38.5	25.0	16.2	10.7
EV/IC (X)	58.6	43.3	34.1	30.9	29.3

Source: Company, MF Global India Research Estimates



**RECOMMENDATION HISTORY**

RECOMMENDATION	TARGET, RS	CMP, RS	DATE
NEUTRAL	905	852	16-AUG-2011
SELL	535	703	16-MAY-2011
SELL	430	497	9 -FEB-2011
SELL	440	551	8-NOV-2010
SELL	305	374	3-AUG-2010
SELL	265	331	12-MAY-2010
SELL	190	277	11-MAR-2010

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#### Rating Rationale

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