



United Spirits

BSE SENSEX 18,274
S&P CNX 5,481

Rs1,137

Neutral

Bloomberg UNSPIN
Equity Shares (m) 130.8
52-Week Range (Rs) 1,684/952
1,6,12 Rel. Perf. (%) -12/-20/-26
M.Cap. (Rs b) 148.7
M.Cap. (US\$ b) 3.3

YEAR	NET SALES	Adj.PAT	EPS	EPS	P/E	P/BV	ROE	ROCE	EV/	EV/
END	(RS M)	(RS M)	(RS)	GR. (%)	(X)	(X)	(%)	(%)	SALES	EBITDA
03/10A	63,623	3,026	25.8	12.3	44.0	3.6	8.0	11.5	2.7	17.2
03/11E	73,712	3,554	29.0	12.5	39.2	3.4	8.6	10.9	2.5	17.3
03/12E	86,779	4,741	38.7	33.4	29.4	3.0	10.4	12.3	2.2	14.3
03/13E	101,893	6,449	52.7	36.0	21.6	2.7	12.5	13.7	1.9	12.1

Earnings volatility warrants lower multiples, target price cut to Rs948: We are cutting the 12-month target price of United Spirits Ltd (USL) to Rs948 (18x FY13E) due to a 20-25% downgrade in EPS estimates over FY11-13. Although USL is a compelling play on double-digit volume growth in the Indian Made Foreign Liquor (IMFL) space, limited pricing power, volatility in input costs and high leverage have been a drag on its performance. Our estimates indicate 34.7% PAT CAGR over FY11-13, after an estimated 17.5% consolidated PAT growth in FY11. USL has been a case of continuous earnings disappointments over the past few years due to the below-average performance of its subsidiaries, high interest burden and input costs. We believe the stock needs to trade at a discount to other FMCG majors as it has (1) RoE of 8%, (2) dividend payout of 9.7%, (3) negative cash flow from operations and (4) Rs60b debt. Our downgrade in estimates follows disappointing consolidated number in 9MFY11 when adjusted PAT declined by 19.5% despite 10% PAT growth in standalone operations. Our revised estimates factor in:

- Lower ENA prices (Rs30/case) from 2HFY12 due to sourcing of ENA from newly acquired Pioneer Distilleries.
- One-time refinancing costs of GBP 5m in FY11 and 75bp higher interest rate on overseas debt of GBP 330m.
- An 8% increase in glass bottle prices following a 6% increase from August 2010. This will impact numbers in FY12.
- The merger of Balaji Distilleries, as the share capital increased by Rs52m.
- Lower sales and EBITDA estimates of Whyte and Mackay.

Distillery acquisitions positive, entry into container glass a negative: USL acquired Pioneer Distilleries, which will enable it to increase its proportion of in-house production of ENA. However we are negative about USL's planned entry in the container glass business as (1) it is a capital intense business, with a 300tpd unit costing Rs3b, (2) there is need to set up multiple units due to transportation difficulties and (3) it has poor free cash flow generation. USL is looking to refinance loans with delayed repayments but is also entering a capital intense business with little chance of free cash flow generation in the medium term. The stock trades at 29.4x FY12E EPS of Rs38.7 and 21.6x FY13E EPS of Rs52.7.

Neutral.

Y/E MARCH	QUARTERLY PERFORMANCE (STANDALONE)								(RS MILLION)	
	FY10				FY11				FY10	FY11E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Volume Growth %	17.0	10.0	12.3	16.0	6.0	16.0	14.0	15.0	13.5	12.8
ENA Price/Case	151	151	152	152	143	138	143	142	152	140
Net Sales	12,417	10,801	13,468	12,521	14,630	13,542	19,601	15,254	49,207	63,027
YoY Change (%)	22.5	19.7	30.8	37.9	17.8	25.4	45.5	21.8	27.9	28.1
Total Exp	10,198	8,980	11,256	10,708	11,818	11,351	16,840	13,102	52,500	53,112
EBITDA	2,219	1,821	2,212	1,813	2,811	2,191	2,761	2,152	8,065	9,915
Margins (%)	17.9	16.9	16.4	14.5	19.2	16.2	14.1	14.1	16.4	15.7
Depreciation	80	83	93	114	91	104	126	142	370	463
Interest	592	751	747	1,023	965	983	1,038	1,081	3,112	4,067
PBT From operations	1,547	987	1,372	677	1,755	1,104	1,597	930	4,583	5,385
Other income	82	109	85	146	68	29	-16	148	422	229
PBT	1,629	1,097	1,456	822	1,823	1,133	1,581	1,078	5,004	5,614
Tax	553	401	488	254	613	387	523	387	1,695	1,909
Rate (%)	34.0	36.5	33.5	30.9	33.6	34.1	33.1	35.9	33.9	34.0
PAT	1,076	696	968	569	1,211	746	1,058	691	3,309	3,705
YoY Change (%)	-8.1	-25.9	216.6	2.2	12.5	7.2	9.3	21.5	11.3	12.0
Extraordinary Inc/(Exp)	700	0	0	0	0	0	241	0	700	241
Reported PAT	1,776	696	968	569	1,211	746	1,300	691	4,009	3,947

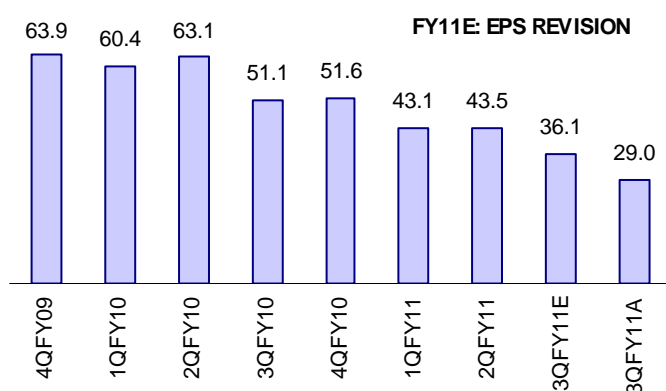
E: MOSL Estimates

Target price cut to Rs948; earnings volatility warrants lower multiples

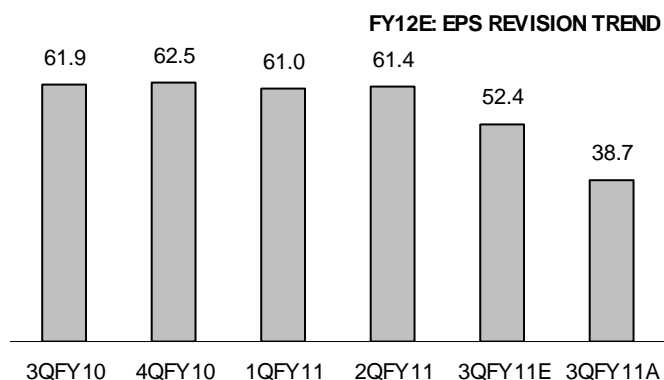
We are cutting USL's 12-month target price to Rs948 (18x FY13E) due to a 20-25% downgrade in EPS estimates over FY11-13. Although USL is a compelling play on double-digit volume growth in the IMFL space, limited pricing power, volatility in input costs and high leverage have been a drag on USL's performance. Our estimates indicate 34.7% PAT CAGR over FY11-13, after estimated 17.5% consolidated PAT growth in FY11.

However, USL's earnings have been disappointing over the past few years due to below-average performances of its subsidiaries, high interest burden and input costs. The stock has had earnings downgrade over the past three years as EPS CAGR has been only 11%. We believe the stock needs to trade at a discount to other FMCG majors as it has (1) RoE of 8%, (2) dividend payout of 9.7%, (3) negative cash flow from operations and (4) Rs60b debt.

FY11: 55% EPS downgrade in past eight quarters (Rs)



FY12: 38% EPS downgrade in past five quarters (Rs)



Source: Company/MOSL

Standalone sales and EBITDA increased steadily except in FY09. However an increase in the interest burden has been a drag on bottom-line growth. Interest burden increased from Rs873m in FY07 to Rs6.3b in FY10 due to the Whyte and Mackay acquisition and working capital requirements. Equity dilution has been 80% over the past four years.

Equity dilution, high input costs, interest burden hit standalone profits (Rs m)

	FY07	FY08	FY09	FY10	FY11E	FY12E	FY13E
Sales	27,205	31,731	40,895	49,289	63,027	74,384	87,801
Sales Growth (%)	32.8	16.6	28.9	20.5	27.9	18.0	18.0
EBITDA	4,262	5,974	6,277	7,740	9,978	12,521	15,237
EBITDA Margin (%)	15.7	18.8	15.3	15.7	15.8	16.8	17.4
Interest	1,068	1,285	1,958	3,096	4,053	4,752	4,452
PAT	2,313	3,113	2,967	3,060	3,757	5,045	6,968
PAT Growth (%)	449.6	34.6	-4.7	3.1	22.8	34.3	38.1
No of Shares	72.1	89.4	81.6	117.2	122.4	122.4	122.4
EPS (Rs)	32.1	34.8	36.4	26.1	30.7	41.2	56.9
EPS Growth (%)		8.5	4.5	-28.2	17.5	34.3	38.1

Standalone Financials: Sustained improvement in performance

Source: Company/MOSL

Whyte and Mackay acquisition fails to pay off (Rs m)

	FY07	FY08	FY09	FY10	FY11E	FY12E	FY13E
Sales	29,619	46,275	54,681	63,623	73,712	86,779	101,893
Sales Growth (%)		56.2	18.2	16.4	15.9	17.7	17.4
EBITDA	4,358	9,723	9,853	11,123	11,795	14,690	17,732
EBITDA Margin (%)	14.7	21.0	18.0	17.5	16.0	16.9	17.4
Interest	873	5,448	7,176	6,069	5,597	6,438	6,615
PAT	2,535	1,826	1,875	3,026	3,554	4,741	6,449
PAT Growth (%)		-28.0	2.7	61.4	17.5	33.4	36.0
No of Shares	72.1	89.4	81.6	117.2	122.4	122.4	122.4
EPS (Rs)	35.2	20.4	23.0	25.8	29.0	38.7	52.7
EPS Growth (%)		-41.9	12.5	12.3	12.5	33.4	36.0

Consolidated Financials: Impacted by W&M and other subsidiaries

Source: Company/MOSL

Subsidiary financials: significant fall in profitability (Rs m)

	FY07	FY08	FY09	FY10	FY11E	FY12E	FY13E
Sales	2,413	14,544	13,785	14,334	10,686	12,395	14,092
Sales Growth (%)		502.7	-5.2	4.0	-25.5	16.0	13.7
EBITDA	96	3,750	3,576	3,383	1,817	2,169	2,494
EBITDA Margin (%)	4.0	25.8	25.9	23.6	17.0	17.5	17.7
Interest	-194	4,162	5,218	2,973	1,545	1,686	2,163
PAT	222	-1,287	-1,092	-35	-203	-303	-520
PAT Growth (%)		-679.2	-15.1	-96.8	486.4	49.6	71.4
No of Shares	72.1	89.4	81.6	117.2	122.4	122.4	122.4
EPS (Rs)	3.1	-14.4	-13.4	-0.3	-1.7	-2.5	-4.2
EPS Growth (%)		-566.8	-7.0	-97.8	461.5	49.6	71.4

Source: Company/MOSL

3QFY11, 9MFY11 results disappoint

USL's 3QFY11 results were below estimates. Volumes grew 14% (against our estimate of 15.5%) and sales grew by 17.6% to Rs15.8b (against our estimate of Rs16.5b). Comparable gross margins declined 70bp to 42.7% and EBITDA margin expanded 50bp to 16.9% even after providing for initial brand launch expenses of Rs200m. Staff costs and overheads declined by 1% to Rs2.4b. EBITDA grew 20% to Rs2.67b (against our estimate of Rs2.79b). Interest burden of Rs960m was lower than estimates of Rs1.1b and other income declined from Rs85m to a negative Rs16m due to higher forex losses. Adjusted PAT grew by 7% to Rs1.04b (against our estimate of Rs1.15b). The numbers are not comparable as 3QFY11 numbers include the nine-month working results of Balaji Distilleries.

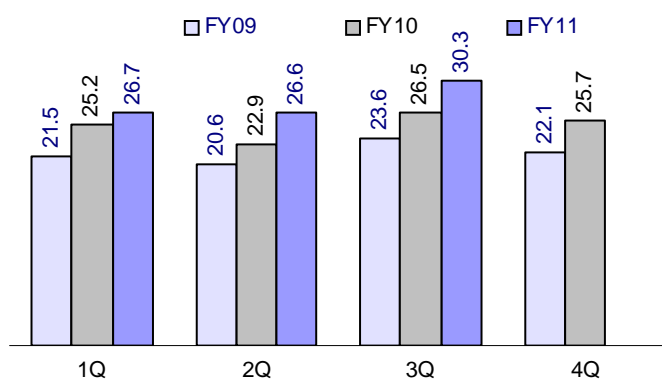
Whyte and Mackay reported 3QFY11 sales of GBP 97.8m v/s GBP 146.3m. EBITDA was GBP 22.5m v/s GBP 52.9m. The decline in sales and EBITDA was due to the exit from the bulk scotch business. 9MFY11 numbers were disappointing as adjusted consolidated PAT declined by 19.5%, despite a 10% PAT growth in standalone operations.

Whyte and Mackay, consolidated numbers disappoint

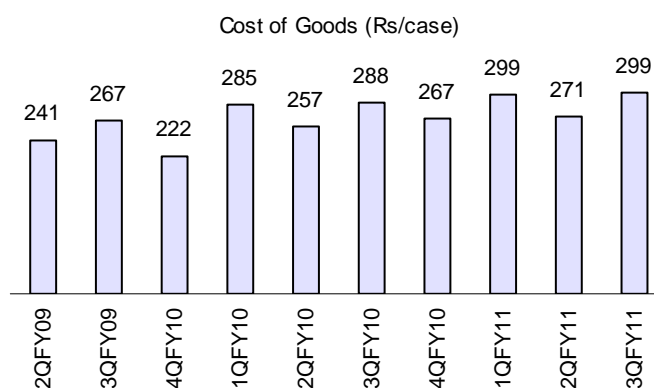
Rsm	Standalone			Whyte and Mackay (GBP)			Consolidated		
	9mFY11	9mFY10	Chg %	9mFY11	9mFY10	Chg	9mFY11	9mFY10	Chg %
Sales	47,772	36,685	30.2	98	146	-33.2	55,376	48,630	13.9
Gross Profit	21,004	15,990	31.4	49	79	-38.2	25,126	23,511	6.9
Gross Margin (%)	44.0	43.6		49.7	53.8		45.4	48.3	
EBITDA	7,763	6,251	24.2	23	53	-57.5	8,222	9,220	-10.8
EBITDA Margin (%)	16.2	17.0		23.0	36.2		14.8	19.0	
Interest	2,986	2,089	42.9	7	9	-15.3	3,625	4,312	-15.9
Depreciation	321	256	25.5	3	3	0.0	699	679	2.9
Other Income	-202	26	-884.4				519	600	-13.5
PBT	4,254	3,932	8.2	12	36	-67.8	4,417	4,829	-8.5
Tax	1,522	1,442	5.6				1,739	1,504	15.6
PAT	2,732	2,490	9.7				2,678	3,325	-19.5
Exceptionals	241	700	-65.5				497	-1,975	-125.2
Reported PAT	2,973	3,190	-6.8				3,175	1,350	135.2

Source: Company/MOSL

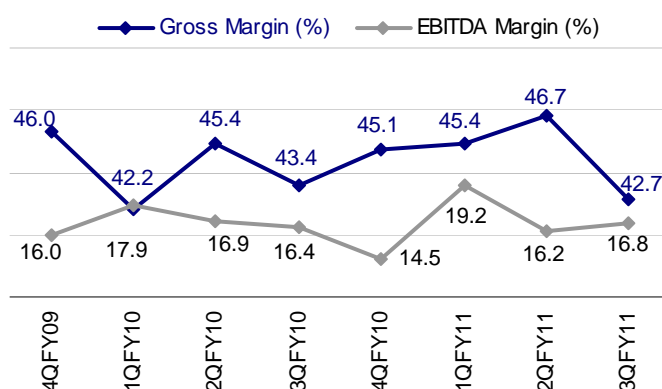
3QFY11 volumes up 14%, 9MFY11 volumes up 12%



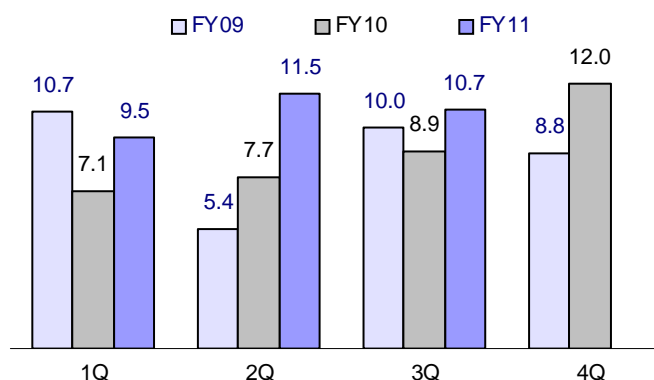
RM costs (Rs/case) up ~10% QoQ, up 3.2% YoY



3QFY11 gross margins contract 70bp YoY



Brand launches boost ad-spend by 180bp

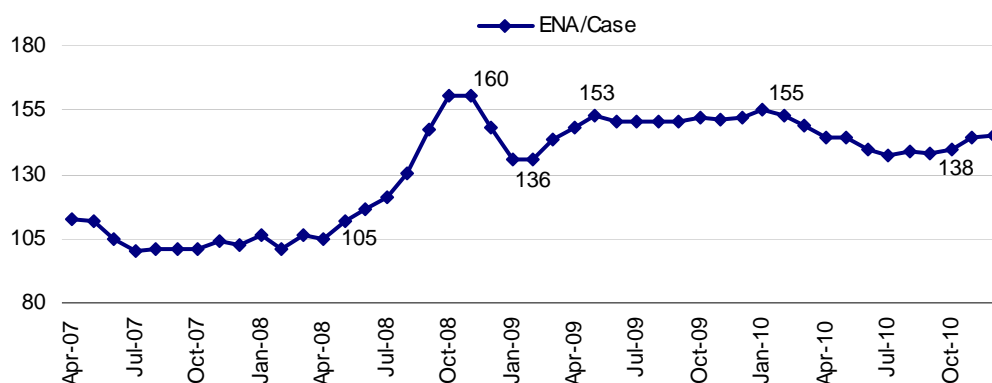


Source: Company/MOSL

ENA prices unlikely to soften; glass prices to increase 8-10%

In 3QFY11 ENA prices increased 3% QoQ despite bumper sugarcane production and the commencement of the crushing season. However industry sources ruled out a significant decline in ENA prices. The USL management expects prices to soften from current levels of Rs135-138/case but not below Rs130. Some distillers expect ENA prices to firm up after the crushing season, in a couple of months.

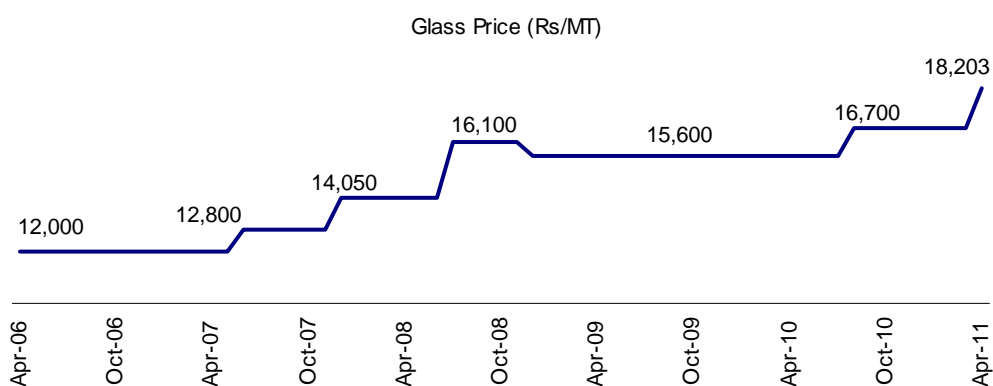
ENA prices up 3% QoQ, decline unlikely from current levels



Source: Company/MOSL

Leading container glass makers like HNGIL and HSIL have announced an 8-10% increase in container glass prices from February/March in response to a recent spike in crude prices. This follows a 6-7% increase in glass prices in August 2010. Energy/furnace oil costs comprise 23-25% of sales for glass makers. Although the USL management indicated a small increase in glass prices for USL it hoped crude prices would decline to US\$80/barrel in the next 2-3 months. We estimate glass prices for USL will increase by 8%, the impact of which will be fully reflected in 1QFY12.

Glass prices to rise by 8-10% in February/March



Source: Company/MOSL

Distillery acquisitions positive, entry into container glass a negative

USL acquired Pioneer Distilleries, which will enable it to increase the proportion of in-house production of ENA. This is in line with USL's stated objective to increase its share of ENA produced in-house to 35-40% in the next 2-3 years. We expect USL to acquire/set up more units to increase ENA production. The management indicated its intention undertake backward integration by entering the container glass business but we are negative about USL's planned entry in the container glass business as (1) it is a capital intense business, with a 300tpd unit costing Rs3b, (2) there is need to set up multiple units due to transport difficulties and (3) it has poor free cash flow generation. USL is looking to refinance loans with delayed repayments, which will increase its interest costs, but it is entering another capital intensive business, which has little chance of free cash-flow generation in the medium term.

EPS estimates cut by 20-25% over FY11-13

We are lowering USL's FY11, FY12 and FY13 estimates by 20-25%. The cut in estimates has been prompted by an increase in glass prices, equity dilution due to the Balaji merger, lower profitability in subsidiaries including Whyte and Mackay and the impact of planned debt refinancing by USL.

Our EPS downgrade factors in:

- Gains from lower ENA prices after the acquisition of Pioneer Distilleries. The gains are estimated at Rs30 a case and are expected to kick in from 2HFY12. We estimate USL will source 12m liters in FY12 and about 40m liters in FY13.
- One-time refinancing costs of GBP 5m in FY11 and 75bp higher interest rate on overseas debt of GBP 330m. The refinancing is an attempt by USL to have a three-year moratorium and back-ended repayments.
- An 8% increase in glass bottle prices following a 6% increase from August 2010. This will impact numbers in FY12.
- An increase in share capital by Rs52m consequent to the merger of Balaji Distilleries.
- Lower sales and EBIDTA margin estimates of Whyte and Mackay. We are now factoring in GBP 30m and GBP 34m EBIDTA in FY11 and FY12 respectively against GBP 33m and GBP 38m earlier. Whyte and MacKay's branded business will pay off in the long term and requires investment in brand building and distribution, especially outside the UK and Ireland.

Low cost ENA from Pioneer Distilleries to cushion decline in estimates for standalone Financials (Rs m)

	FY11E			FY12E			FY13E		
	Old	Rev.	% Chg.	Old	Rev.	% Chg.	Old	Rev.	% Chg.
Sales	59,597	63,027	5.8	70,455	74,384	5.6	83,234	87,801	5.5
Sales Growth (%)	20.9	27.9		18.2	18.0		18.1	18.0	
EBITDA	10,096	9,978	-1.2	12,872	12,521	-2.7	15,368	15,237	-0.9
EBITDA Margin (%)	16.9	15.8		18.3	16.8		18.5	17.4	
Interest	4,257	4,053	-4.8	4,693	4,752	1.2	4,612	4,452	-3.5
PAT	3,941	3,757	-4.7	5,464	5,045	-7.7	7,124	6,968	-2.2
PAT Growth (%)	28.8	22.8		38.7	34.3		30.4	38.1	

Source: MOSL

Consolidated estimates face downgrade due to W&M, interest costs (Rs m)

	FY11E			FY12E			FY13E		
	Old	Rev.	% Chg.	Old	Rev.	% Chg.	Old	Rev.	% Chg.
Sales	70,447	73,712	4.6	82,807	86,779	4.8	97,203	101,893	4.8
Sales Growth (%)	10.7	15.9		17.5	17.7		17.4	17.4	
EBITDA	12,476	11,795	-5.5	15,560	14,690	-5.6	18,501	17,732	-4.2
EBITDA Margin (%)	17.7	16.0		18.8	16.9		19.0	17.4	
Interest	5,856	5,597	-4.4	6,063	6,438	6.2	5,899	6,615	12.1
PAT	4,234	3,554	-16.1	6,146	4,741	-22.9	8,185	6,449	-21.2
PAT Growth (%)	39.9	17.5		45.1	33.4		33.2	36.0	

Source: MOSL

We believe the stock needs to trade at a discount to other FMCG majors as it has (1) an RoE of 8%, (2) dividend payout of 9.7%, (3) negative cash flow from operations and (4) Rs60b debt. The stock trades at 29.4x FY12E EPS of Rs38.7 and 21.6x FY13E EPS of Rs52.7. **Neutral.**

United Spirits: an investment profile

Company description

United Spirits Ltd (USL) is the market leader in the ~200m-case spirits segment of India's alcoholic beverage industry. USL, the world's second largest spirits group, has 60% share of the Indian market and dominance across product segments and categories. The company has 20 millionaire brands and derives 92% of sales from mainline brands.

Key investment arguments

- USL is best placed to gain from double-digit volume growth in Indian Made Foreign Liquor (IMFL) due to (1) a strong demographics push, (2) high entry barriers, (3) a wide product range and (4) a strong distribution network. We expect 12-14% volume growth in the next few years.
- The mix improvement in IMFL is likely to enable strong realization growth in an environment in which pricing power is constrained.
- The management is aggressively working at reducing its debt. It recently sold 10.3m shares for Rs9b and has completed a Rs16b QIP.

Key investment risks

- FY12 margins are likely to be under pressure due to firm prices of ENA and glass bottles.
- About 55% of sales, by volume, are generated from states in which state governments control prices.

Comparative valuations

		United Spirits	ITC	Nestle
P/E (x)	FY11E	39.2	24.3	37.4
	FY12E	29.4	20.7	31.1
EV/EBITDA (x)	FY11E	17.3	15.1	25.0
	FY12E	14.3	12.7	20.6
EV/Sales (x)	FY11E	2.5	5.4	4.9
	FY12E	2.2	4.6	4.0
P/BV (x)	FY11E	3.4	6.9	38.3
	FY12E	3.0	5.9	26.8

Shareholding Pattern (%)

	Dec-10	Sep-10	Dec-09
Promoter	29.2	29.2	29.2
Domestic Inst	3.8	4.5	6.7
Foreign	56.0	55.2	52.5
Others	11.0	11.2	11.7

Changes in distribution controls and a freeze on pricing can impact USL's margins.

- An increase in interest costs due to (1) foreign exchange fluctuations, (2) hedges and (3) rising working capital requirements will impact the company's performance.

Recent developments

- USL launched McDowell Platinum, which is likely to sell 1m cases in its first year of operation.
- USL is likely to re-finance its overseas debt to obtain a three-year moratorium and delayed repayment.

Valuation and view

- We expect the company to post a PAT CAGR of 34.7% in FY12 and FY13.
- The stock trades at 29.4x FY12E EPS of Rs38.7 and 21.6x FY13E EPS of Rs52.7. **Neutral.**

Sector view

- We are cautious about the USL stock due to likely pressure on margins in FY12. The long-term potential is favorable, due to favorable demographics, high entry barriers and consolidation in the industry.
- Companies with wide product portfolios and a presence across segments will lead growth rates and expand margins.

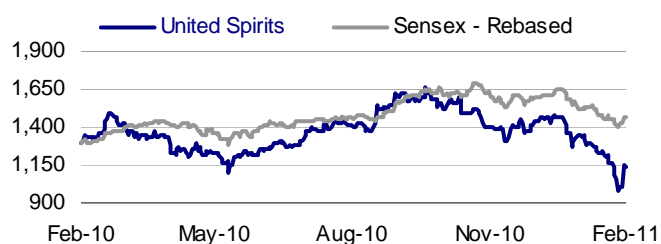
EPS: MOSL forecast v/s Consensus (Rs)

	MOSL Forecast	Consensus Forecast	Variation (%)
FY11	29.0	38.4	-24.6
FY12	38.7	54.5	-28.9

Target Price and Recommendation

Current Price (Rs)	Target Price (Rs)	Upside (%)	Reco.
1,137	948	-16.6	Neutral

Stock performance (1 year)



Financials and Valuation

INCOME STATEMENT		(RS MILLION)				
Y/E MARCH	2009	2010	2011E	2012E	2013E	
Net Sales	50,541	58,530	69,426	81,914	96,455	
Other Operating Inc	4,139	5,093	4,286	4,865	5,438	
Total Revenue	54,681	63,623	73,712	86,779	101,893	
Change (%)	18.2	16.4	15.9	17.7	17.4	
Total Expenditure	-44,827	-52,500	-61,918	-72,089	-84,161	
EBITDA	9,853	11,123	11,795	14,690	17,732	
Change (%)	1.3	12.9	6.0	24.5	20.7	
Margin (%)	18.0	17.5	16.0	16.9	17.4	
Depreciation	-926	-950	-1,054	-1,186	-1,282	
Int. and Fin. Charges	-7,176	-6,069	-5,597	-6,438	-6,615	
Other Income - Recurring	1,038	849	682	707	736	
Profit before Taxes	2,790	4,952	5,826	7,773	10,572	
Change (%)	-39.3	77.5	17.6	33.4	36.0	
Margin (%)	5.1	7.8	7.9	9.0	10.4	
Tax	916	1,932	2,272	3,031	4,123	
Tax Rate (%)	32.8	39.0	39.0	39.0	39.0	
Minority Interest	-0.43	-4.9	0	0	0	
Adjusted PAT	1,875	3,026	3,554	4,741	6,449	
Change (%)	14.0	61.4	17.5	33.4	36.0	
Margin (%)	3.4	4.8	4.8	5.5	6.3	
Non-rec. (Exp)/Income	-5,959	-3,253	241	0	0	
Reported PAT	-4,084	-227	3,795	4,741	6,449	

BALANCE SHEET		(RS MILLION)				
Y/E MARCH	2009	2010	2011E	2012E	2013E	
Share Capital	1,002	1,207	1,259	1,259	1,259	
Reserves	22,854	36,529	40,198	44,482	50,321	
Minority Interest	63	85	0	0	0	
Net Worth	23,919	37,820	41,457	45,741	51,579	
Loans	78,036	58,506	63,734	69,424	73,814	
Deferred Tax Liabilities	-918	-715	0	0	0	
Capital Employed	101,037	95,612	105,191	115,165	125,393	
Gross Block	22,919	23,745	26,345	29,645	32,045	
Less: Accum. Depn.	-6,650	-6,493	-7,547	-8,733	-10,015	
Net Fixed Assets	16,269	17,251	18,798	20,912	22,030	
Capital WIP	288	943	900	900	1,000	
Goodwill	44,738	42,444	43,224	43,224	43,224	
Investments	9,501	1,265	1,265	1,265	1,265	
Foregin Monetary term	5,598	1,413	1,413	1,413	1,413	
Curr. Assets, L&A	40,372	49,579	59,178	70,481	82,707	
Inventory	17,458	17,462	23,224	27,817	32,941	
Account Receivables	8,880	13,401	17,166	20,684	24,566	
Cash and Bank Balance	2,655	3,189	1,038	1,641	1,916	
Bank Deposit	1,835	4,497	4,420	4,648	4,860	
Others	9,544	11,029	13,329	15,692	18,424	
Curr. Liab. and Prov.	16,463	17,732	19,810	23,030	26,246	
Account Payables	9,791	10,308	11,511	13,552	15,354	
Other Liabilities	4,088	4,604	5,251	6,182	7,258	
Provisions	2,584	2,819	3,048	3,297	3,634	
Net Current Assets	23,909	31,848	39,367	47,451	56,461	
Misc Expenses	733	448	224	-	-	
Application of Funds	101,037	95,612	105,191	115,165	125,393	

E: MOSL Estimates

RATIOS						
Y/E MARCH	2009	2010	2011E	2012E	2013E	
Basic (Rs)						
EPS	23.0	25.8	29.0	38.7	52.7	
Cash EPS	28.0	32.9	37.6	48.4	63.2	
BV/Share	238.8	313.4	338.7	373.7	421.4	
DPS	1.5	2.5	2.5	3.0	4.0	
Payout %	6.5	9.7	8.6	7.7	7.6	
Valuation (x)						
P/E	49.5	44.0	39.2	29.4	21.6	
Cash P/E	40.7	34.5	30.2	23.5	18.0	
EV/Sales	2.9	2.7	2.5	2.2	1.9	
EV/EBITDA	18.2	17.2	17.3	14.3	12.1	
P/BV	4.8	3.6	3.4	3.0	2.7	
Dividend Yield (%)	0.1	0.2	0.2	0.3	0.4	
Return Ratios (%)						
RoE	7.8	8.0	8.6	10.4	12.5	
RoCE	9.9	11.5	10.9	12.3	13.7	
Working Capital Ratios						
Debtor (Days)	59	77	85	87	88	
Asset Turnover (x)	0.5	0.7	0.7	0.8	0.8	
Leverage Ratio						
Debt/Equity (x)	3.3	1.5	1.5	1.5	1.4	

CASH FLOW STATEMENT		(RS MILLION)				
Y/E MARCH	2009	2010	2011E	2012E	2013E	
OP/(loss) before Tax	9,853	11,123	11,795	14,690	17,732	
Int./Div. Received	1,038	849	682	707	736	
Interest Paid	-7,176	-6,069	-5,597	-6,438	-6,615	
Direct Taxes Paid	-916	-1,932	-2,272	-3,031	-4,123	
Incr/Decr in W/C	-3,540	-4,743	-9,747	-7,253	-8,523	
CF from Operations	-740	-772	-5,140	-1,326	-793	
Extraordinary Items	-5,959	-3,253	241	0	0	
(Incr)/Decr in FA	2,833	815	-3,337	-3,300	-2,500	
(Pur)/Sale of Investments	-7,382	8,236	0	0	0	
Misc Exp	-234	-285	-224	-224	0	
CF from Invest	-10,742	5,513	-3,320	-3,524	-2,500	
Issue of Shares	5,412	14,494	223	0	0	
(Incr)/Decr in Debt	11,995	-19,530	5,228	5,690	4,390	
Dividend Paid	-174	-366	-381	-458	-610	
Others	-6,698	3,857	1,162	448	0	
CF from Fin. Activity	10,535	-1,545	6,231	5,680	3,780	
Incr/Decr of Cash	-948	3,197	-2,228	830	487	
Add: Opening Balance	5,438	4,490	7,686	5,458	6,289	
Closing Balance	4,490	7,687	5,458	6,288	6,776	

N O T E S



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| 2. Group/Directors ownership of the stock | No |
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