

## TECHNICAL REPORT – MCDOWELL-N (UNITED SPIRITS LIMITED)

Research Report Rating: **'BUY'** (Above 1045, Med Term Target: 1300/1410)  
(Report Date – 31-07-2009)

### BUSINESS DESCRIPTION

United Spirit (formerly known as McDowell & Company) is the spirits division of the UB Group. The company was incorporated in 1999 and in order to consolidate the spirit business and to achieve synergies in production, bottling, and distribution of spirits the erstwhile McDowell & company was amalgamated with five other unlisted subsidiaries in 2001. The company's products include whisky, brandy, rum, gin, wine, vodka and other white spirits. The company's business focus is primarily IMFL. It manufactures liquor and beer in several locations. It offers 140 brands at varying price points. Some of its brands like McDowell's No.1 Whisky, No.1 Celebration Rum and No.1 Brandy occupy the top rungs in India in terms of volume. Its key liquor brand McDowell No.1 Brandy has retained the top slot in brandy sales across world for the third successive year. In FY 05, the company, in order to finance the acquisition of Shaw Wallace & company from the Chabrias, had raised a considerable amount of debts. Consequently in March 06, the company raised a total of USD 230 million from overseas issues of depository shares and convertible bonds. The company would use the funds to retire high cost debt. These GDS would be listed on the Luxembourg Stock Exchange and the bonds would be listed on the Singapore Stock Exchange.

Name of the Company	UNITED SPIRITS Limited
Chairman	Mr. VIJAY MALLYA
Industry	BREWERIES/DISTILLERIES
BSE Code	532432
NSE Code	MCDOWELL-N
Segment	EQ
Market Cap	Rs.10201 Cr
Constituent Indices	CNX 100/ CNX 500/JR. NIFTY
Paid up Value	10
Face Value	10
Market Lot	1
ISIN Code	INE854D01016
Listing Date	27-SEP-2001
Volume	614835 (As on 30.07.2009)

10 DAYS AVERAGE VOLUME	624483
5 DAYS AVERAGE VOLUME	504000
52 WEEK HIGH/DATE	1471/30.09.2008
52 WEEK LOW/DATE	426.05/27.01.2009
CIRCUIT FILTERS	NO

<b>STOCK PERFORMANCE</b>	<b>0.84% in 1 Week</b> <b>11.63% in 1 Month</b> <b>-24.65% in 1 Year</b>
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## MCDOWELL-N Vs PEERS

(Rs. in Cr)

COMPANY	SALES	NET PROFIT	MARKET CAP
UNITED SPIRITS LTD.	3,890.32	297.23	10,201
UNITED BREWERIES LTD.	1,672.33	62.50	3,595
RADICO KHAITAN LTD.	696.03	6.54	881
EMPEE DISTILLERIES LTD.	665.53	10.12	187
GM BREWERIES LTD.	209.79	9.06	69

## STOCK TECHNICAL

SMA-7: 945.10	SMA-13: 929.96	SMA-26: 903.73	SMA-50: 892.24	SMA-200: 790.11
EMA-12: 934.06	EMA-26: 909.80	EMA-50: 876.30	EMA-200: 887.25	MACD: 24.26

MCDOWELL-N JULY MONTH FUTURE	MCDOWELL-N JULY MONTH OPTION
Close: 936.80 (As on 30.07.2009)	Most Active Call: 600
Contracts Traded: 1978	Most Active Put: 600
Open Interest: 242750	Highest O.I Buildup Call: 900
Change in OI: -161750	Highest O.I Buildup Put: 600
Lot Size: 250	Expiry Date: 30-Jul-2009

## RESEARCH PERCEPTION

We initiate a **'BUY'** signal on the stock with a Target price of Rs.1300/1410 in 3 to 6 months investment horizon expecting an appreciation of about 30-40% from the current level of Rs.1015. Keeping a stop loss below 900 on closing basis.

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