

ET 500 2011: Chart busters; fastest growing companies in the list

Ramkrishna Kashelkar, ET Bureau Dec 20, 2011, 03.30pm IST

Being part of the ET 500 list is all about size and about those firms which are poised to make it big. A company growing fast today could prove a better bet than a sluggish one which is ranked higher. ET identifies tomorrow's winners.

Jaypee Infratech's rapid rise in the past three years takes it to the top of the list of fastest-growing companies as it debuts in the ET 500. It is constructing the Rs 13,300-crore Yamuna Expressway which is expected to be completed by March 2012. It also has development rights of 25 million square metres of land across five locations along the expressway. Selling this real estate has been an important source of funding for the mega project.

Kerala-based [Manappuram Finance](#) is India's second-largest non-banking financial company in gold financing. Rising prices of gold have helped the company grow its business rapidly, propelling it to the second rank. The company's assets under management have jumped four-fold in the last 18 months to Rs 10,000 crore at the end of September 2011.

Anil Ambani-owned [Reliance Power](#) stands third in the list of fastest-growing companies, thanks to the commissioning of the first unit of 600 MW at Rosa in FY11 and substantial other income on idle funds. The company plans to ramp up its capacity to 5,000 MW by end 2012 and further to 35,000 MW over the next few years.

Shree Renuka Sugars acquired two Brazilian companies in the year ended September 2010 to post a substantial jump in revenues and profits that places it at fourth among the fastest-growing companies. However, things have turned for the worse since then. Cane shortage problems in Brazil and subdued global sugar prices have deteriorated the company's performance in the 12-month period ended September 2011. Its debt-equity ratio remains high at above 4, which is costing the company dear because of higher interest rates and the depreciating rupee.

INDIA'S FASTEST GROWING COS

2011 Rank	COMPANY	REVENUES CAGR(%)	PBDIT CAGR(%)	PAT CAGR
239	Jaypee Infra	1437.5	LP	LP
498	Manappuram Fin	145.7	152.7	137.9
340	Reliance Power	143.5	123.4	107.3
84	Shree Renuka	103.9	108.6	103.9
469	SKS Microfinance	95.5	81.0	88.9
183	IL&FS Trans.	111.3	70.9	66.8
279	Muthoot Finance	84.5	85.1	98.1
265	Polyplex Corp	47.2	105.9	134.0

Methodology

ET calculated the cumulative annualised growth rate (CAGR) of the revenue, [PBDIT](#) and net profit of all the 500 companies over the past three years. The weighted average of these growth rates was considered for ranking the companies. Being the primary criteria, revenue was given a weightage of 50% while growth in PBDIT and net profit were given equal weightage of 25% each. The list had a few companies for which the three-year CAGR couldn't be calculated either because their numbers for FY08 were not available or they had posted losses back then.

However, mere change is not growth. So we excluded a few companies. For example, a merger with sister concern in FY10 enabled Dhunseri Petrochemicals to boost its numbers. Piramal Healthcare, on the other hand, sold part of its business in FY11 to boost its revenues.