

**Stock statistics 14 February 2008**

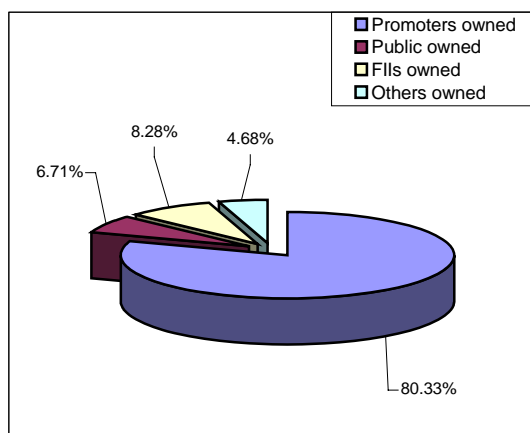
Market Cap (Rs Mn) :	49,867.97
52-Week high/low (Rs) :	598/222
Face value :	10
BSE Code :	532780
NSE Code :	PARSVNATH
Industry :	Real Estate
Shares outstanding :	18,46,96,200
Avg. daily vol. (30 days) :	193.90

Parsvnath Developers Limited a leading real estate developer in India has a PAN – India presence and an experience of more than 17 years in offering state of the art construction in 48 cities and 17 states with across key verticals of real state industry. The company has been associated with the real estate business since its incorporation in 1990 and its promoters have been associated with the real estate sector for more than two decades. The company is the most diversified and widespread real estate developer in India with 115 ongoing projects with a developable area of over 191 million sq. ft. all across verticals.

**INVESTMENT RATIONALE**

- The company is planning to invest up to \$5-6 billion over 5-7 years to develop its land bank and special economic zones (SEZs). The company is having land bank of 191 million sq. ft. which includes 57 million sq. ft. in six SEZs. The company with strong execution capabilities is expected to move ahead of its peers.
- The company together with Indiabulls Real Estate has coupled to bid for ten prime location plots, which are offered by Indian Railways for commercial development across various cities. There is about 700 acres of railway land in 107 sites across the country that has been short listed for development. This will provide altogether generate new line of revenues for the company.

**Shareholding Pattern (as on 31 Dec'07)**



**Key Statistics (as on 14 February 2008)**

CMP	:	270
BV	:	95.26
PE	:	11.55
PB	:	2.83
Beta	:	NA
Turnover (Rs Mn)	:	65.35
Net worth (Rs Mn)	:	14,626.80

(In million)

	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007
Sales	2,981.90	3,997.15	4,034.78	4,007.17	4,653.07
EBIT	817.37	1,339.19	1,362.80	1,492.34	1,486.86
EBITDA	937.53	1,513.95	1,521.45	1,658.02	1,866.51
PAT	538.67	1,324.38	1,021.75	1,027.73	1,125.71
EPS	2.92	7.17	5.53	5.56	6.09
Operating profit margin (%)	27.41	33.50	33.78	37.24	31.95
EBITDA margin (%)	31.44	37.88	37.71	41.38	40.11
Net profit margin (%)	18.06	33.13	25.32	25.65	24.19
Equity Capital	1,846.96	1,846.96	1,846.96	1,846.96	1,846.96

The company posted excellent results for the quarter ended Q3FY08. The net sales for the company rose to Rs 4,653 million for the Q3FY08 as against the net sales of Rs 2,982 million for the Q3FY07 posting the growth of 56%. The operating profit gone up by 82% to Rs 1,487 million for the Q3FY08 versus the operating profit of Rs 817 million for the Q3FY07. The EBITDA stood at Rs 1,867 for the Q3FY08 as against the EBITDA of Rs 938 for the Q3FY07 with the growth rate of 99%. The Operating profit margin, EBITDA margin and net profit margin stood at 31.95%, 40.11% and 24.19% respectively for the Q3FY08 as against 27.41%, 31.44% and 18.06% respectively for the Q3FY07.

**VALUATION**

The stock at the current market price of Rs 270 will trade 11.55 times to its earnings and 2.83 times to its book value and has great upside potential in medium to long – term. Therefore we are putting 'BUY' recommendation on the stock with the target price of Rs 472, which is approximately 75% up from the current market price of Rs 270.

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