

Asia India
Property Property

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India Property

Dead cat bounceback; maintain Underweight

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"All talk and no action" will not go far

Granular data on select borrowings by the sector indicate a spike in borrowing costs and fall in tenure likely indicating "technical defaults". Unitech and Sobha have significant near-term redemptions. Despite RBI opening the flood gates, Bank Credit has actually dropped. Thus fund raising by developers is only on paper. Without aggressive price cuts, weakening consumer sentiment will continue to erode demand. We cut our TPs and maintain UW.

Increasing desperation...

Sketchy data on non-convertible debentures (NCD) raised by corporates and available from NSDL (National Securities Depository Ltd.) clearly reflects a sharp increase in borrowing costs (as high as 30%) and a sharp fall in tenure (as low as two months) for developers. Some of these rollovers appear to be "technical defaults". Sobha and Unitech should have significant repayments of such instruments (NA and INR 15bn respectively) in the next few weeks.

...as funding remains elusive

There was no equity issuance by developers at the corporate level last 2H. With the property sector in the doldrums in most markets, the tight liquidity and poor corporate transparency, we see a low probability of large strategic investments in the sector in the near term. Despite RBI moves to boost liquidity, Bank Credit fell in Dec'08. With developers refusing to slash prices and consumer sentiment weakening further (on global macro weakness and scams), we expect demand to weaken further. With no official confirmation in the past six weeks, significant fundraising plans remain more media hype than reality. This is a chicken and egg story as the situation is putting pressure on rating agencies to sharply lower ratings of all developers. On 22 Dec'08, Fitch stated in its downgrade note that Unitech has repayments of INR 15bn in Dec'08-Jan'09.

Cut TP, maintain UW as the sharp bounceback was unwarranted; risks

As of now, we maintain estimates. We try to factor in the increasing risks and no fundraising in the past six weeks, by increasing our discount to DCF by an additional 5% for debt-laden companies to 35-60%. Hence we do not cut TP for IBREL, a cash rich company but cut Sobha's TP by 51%. See narrow column on this page and Figure 9 inside for the changes in TP for individual companies. We maintain our underweight stance and individual company ratings.

Risks are the outlook of the macro environment, financial liquidity and fundraising. While the risk of bankruptcy for Unitech and Sobha remains, this is partly reflected in the market where their real estate businesses have been assigned negligible value. See p. 7 for details.

Deutsche Bank



Forecast change

Top picks

Indiabulls Real Estate (INRL.BO),INR116.80	Buy
Sobha Developers (SOBH.BO),INR83.90	Sell

Valuations & Ratings

Company featured (INR)	NAV	TP/ CMP	Ratings
IBREL	268	200/ 117	Buy
DLF	361	200/ 202	Hold
Unitech	141	30/ 32	Hold
Puravankara	115	42/ 39	Hold
Sobha	495	37/ 83	Sell

Changes in TP

Company featured (INR)	Old TP	New TP	% Chg
IBREL	200	200	0%
DLF	225	200	10%
Unitech	45	30	34%
Puravankara	50	42	16%
Sobha	75	37	51%

Related recent research

Date

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India Property - Fundamentally worse-off, but value emerging - Abhay Shanbhag/ Prakash Agarwal	24 Nov 2008

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Funding remains elusive

Granular data on borrowings reflect increasing desperation

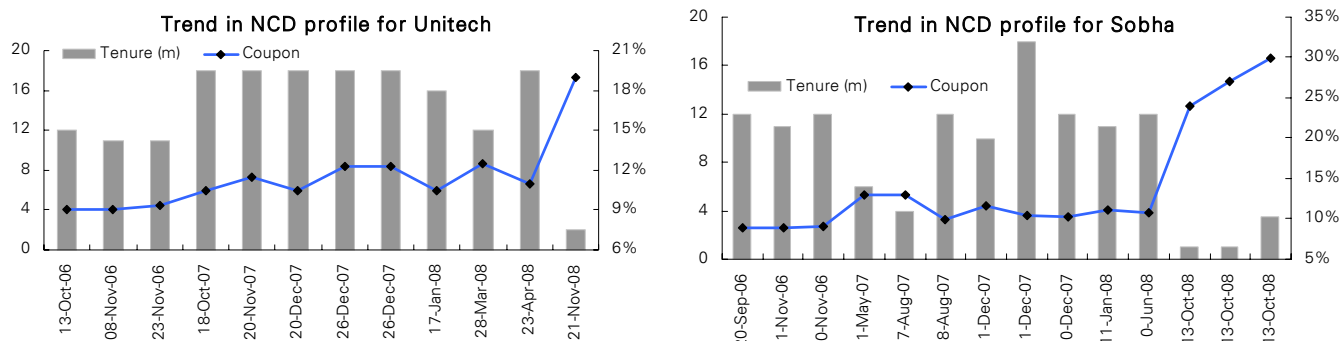
The data below is from the NSDL (National Securities Depository Ltd.) website, which has listed the non-convertible debentures (NCD) raised by corporates from mutual funds, cash rich companies and individuals, etc. In this section, we analyse data for the developers. A couple of disclaimers:

- While the website also shows the amount proposed to be raised per instrument, this may be indicative, as liquidity in the financial markets has been very poor in the past three months. (See Figure 10 for full details on all such fundraisings in the past three years).
- We also believe that not all the NCDs raised by companies have been listed on NSDL. Thus this list is not exhaustive.

Sharp increase in interest rates on borrowings in 4QCY08 (mainly Unitech and Sobha)

As seen in Figure 1, there has been a sharp increase in interest rates (from ~11% in early CY08 to ~20% for Unitech and ~30% for Sobha by end CY08).

Figure 1: Deterioration of profile of NCD issued over time (higher interest rate & shorter tenure) for Unitech & Sobha



Source: NSDL, Deutsche Bank

Significant fall in tenure of borrowings (mainly Unitech and Sobha)

As seen in Figure 1, there has been a sharp fall in tenure of NCDs issued by Unitech and Sobha with tenures dropping to 1-2 months for issuances in late CY08.

Roll-over of debt at much higher interest rates probably indicates "technical defaults"

Analysis of the data available on the website seems to indicate that Sobha rolled over its NCDs at a very high rate of interest. This probably indicates a "technical default" with the interest rate jumping from 11% to 24%.

Figure 2: Roll-over of NCD at higher interest rate likely indicates "technical default" by Sobha

Instrument	Issue Date	Redemption Date	Coupon	Put/ Call Option with specified dates
Secured NCD	11/01/2008 (original date)	10/12/2008 (original date)	11.1%	
Secured NCD	11/12/2008 (reset date)	08/01/2010 (reset date)	24.0%	Put: Monthly from 09/01/2009; Call: Daily from 09/01/2009

Source: NSDL, Deutsche Bank

Significant redemption/ rollover risks for Unitech in the near term

As per the press release by Fitch on 22 Dec'08, Unitech faces redemptions on INR 27bn of debt in 1H CY09 and INR 15bn in Dec'08-Jan'09. As per the NSDL website, Unitech has redemption of 19% NCDs issued on 22 Nov'08 with face value of INR 15bn on 19 Jan'09.

Most other developers face similar predicaments

While Figure 10 seems to indicate that only Sobha and Unitech have significant repayment worries, we believe that other developers face similar predicaments.

Fundraising is getting increasingly difficult**Equity issuances by developers collapse in CY08 with none in 2H CY08**

As seen in Figure 3, equity issuances by India Property sector at the corporate level dropped by 90% in CY08 to USD 343m. This was raised by two companies – USD 150m ADR by Anant Raj Industries in Mar'08 and USD 192m Singapore REITs by Indiabulls Properties Investment Trust (IPIT) in Jun'08. Thus, there was no equity raising by the sector in 2H CY08.

Figure 3: Fresh equity raised by India Property sector

Y/E Dec (in USD m)	2005	2006	2007	2008
Total	108	2,709	3,938	343

Source: Press, Deutsche Bank

With real estate in most markets having collapsed, the likelihood of a large strategic investor buying into an Indian developer seems low

We believe that the property market in most countries has collapsed. Considering poor liquidity in financial markets and poor corporate transparency by Indian developers

- with most of them having a complex corporate structure with large number of subsidiaries and associates, in which their stake is generally not disclosed and is <100%,
- by raising funds through structured instruments whose terms are not fully disclosed,

the possibility of any strategic investor buying into them in the near term seems remote.

Discussions with private equity players indicate they are waiting by the sidelines

Our discussions with private equity players in India indicate that despite the cash that they have, most of them are waiting by the sidelines as developers are unwilling to be realistic in their valuation expectations.

While developers can now partly access ECBs, credit spreads seem too large

- In Dec'08, RBI reclassified IT SEZs enabling developers to raise ECBs against them
- On 6 Jan'09, our Singapore property analyst released a note stating that quite a few Singapore REITs have been able to refinance debt (Commercial Mortgage Backed, CMB) at attractive rates. Thus (a) Capita Commercial Trust raised \$580m with a tenure of three years at an all-in interest cost of 4.4%, (b) Cambridge REIT raised a S\$390m three-year syndicated term loan at 6.6%, and (c) Ascendas REIT secured S\$200m of a loan at 6.6%.

Thus Indian developers may attempt to tap into Singapore banks for raising ECBs against IT SEZs. However with most Singapore REITs (these are finished and leased properties) trading at 1000bps (see Figure 4) below the 10-year government paper (indicating significant risk aversion), we are not clear whether there would be an appetite for Indian real estate paper.

Figure 4: Singapore REITs (avg) trade at 1,000bps more than its government 10-year bond yield

Singapore REITs (Year to Dec)	Rating	Year end	Price (\$\$) 09/1/09	Mkt cap (US\$m)	DPU 09F	DPU 10F	Yield 09F	Yield 10F	Gearing (%)
A-REIT (AREIT SP)	Buy	3	\$1.54	1,386	15.7c	16.6c	10.2%	10.8%	41.6
CapitaMall Trust (CT SP)	Buy	12	\$1.71	1,926	16.0c	17.3c	9.4%	10.1%	43.6
Suntec REIT (SUN SP)	Buy	9	\$0.84	872	10.6c	10.6c	12.6%	12.6%	32.8
Mapletree (MLT SP)	Buy	12	\$0.40	524	5.5c	5.6c	13.7%	13.9%	38.2
CapitaCommercial Trust (CCT SP)	NR	12	\$1.03	972	11.3c	10.6c	11.0%	10.3%	36.3
CDL Hospitality REIT (CDREIT SP)	NR	12	\$0.72	403	9.2c	8.8c	12.8%	12.2%	18.4
CapitaRetail China Trust (CRCT SP)	NR	12	\$0.68	284	9.9c	8.2c	14.6%	12.1%	30.0
First REIT (FIRT SP)	NR	12	\$0.41	76	7.2c	0.0c	17.6%	0.0%	15.6
Fortune REIT, HK\$ (FRT SP)	NR	12	\$2.25	237	37.0c	34.0c	16.4%	15.1%	24.1
Ascendas India Trust (AIT SP)	NR	3	\$0.51	260	7.2c	9.1c	14.1%	17.8%	5.2
Indiabulls Properties Investment Trust (IPIT SP)	NR	3	\$0.23	366	2.6c	2.7c	11.3%	11.6%	5.1
Singapore G- bonds 10 yr bond yield							2.18%		

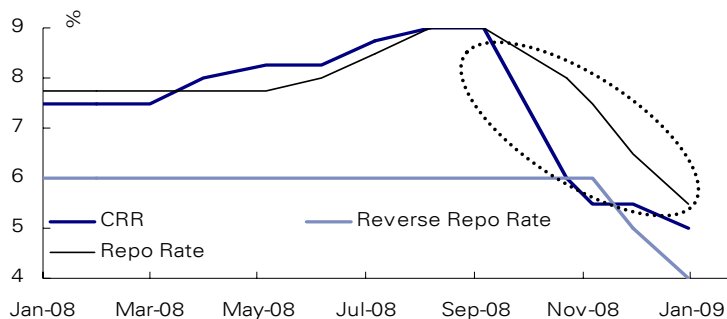
Source: Deutsche Bank, Bloomberg consensus estimates

Despite the RBI moves to boost liquidity, bank lending has slowed significantly

As seen in Figure 5, RBI has sharply cut CRR, Repo rate and Reverse repo rate to boost liquidity. However, as seen in Figure 6, Bank Credit did not improve sharply above trend lines in Oct and Nov and actually dropped sharply in Dec'08. As per the granular data:

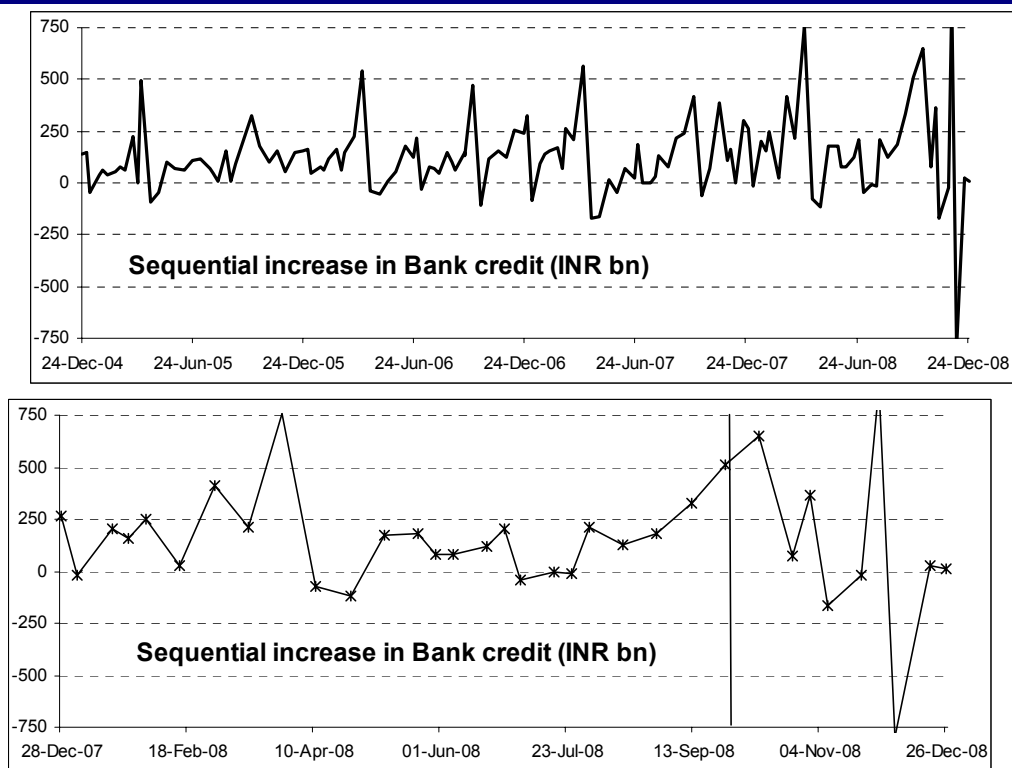
- while the CRR cut by 400bp from early Oct'08 has infused INR 1,600bn to banks,
- Bank Credit in 4Q CY08 has increased by only INR 1,029bn as on 26 Dec'08.
- In fact, Bank Credit increased by INR 1294bn in the previous quarter, despite the increase in CRR and Repo rate.
- In the two weeks leading up to 5 Dec'08, Bank Credit declined by a massive INR 796bn in India, an emerging market, while sequential decline in Bank Credit is quite infrequent and quite nominal, when it happens. However this quantum of decline recorded in early Dec'08 was quite large and never seen in past 10 years for which we have the data.

Figure 5: Despite sharp cut in CRR, Repo rate and Reverse repo rate by RBI from Oct'08...



Source: Reserve Bank, Deutsche Bank

Figure 6: ...Bank Credit declined sharply in Dec'08 by levels not seen in the past 10 years



Source: Reserve Bank, Deutsche Bank

More negative news flows

Rating downgrades accelerate

As seen in Figure 7, there has been a sharp increase in rating downgrades in 2H CY08.

Figure 7: Rating downgrade across companies

Date	Company	Rating Agency	Instrument	From	To
DLF	17th Nov 08	ICRA	Short Term debt of INR30bn	A1+	A1
	18th Nov 08	Crisil	INR 50bn NCD	AA	AA-
			INR 67.9bn term loans	AA	AA-
			INR 5.84bn OD facility	AA	AA-
1st Dec 08	Fitch	Single loan sell down of INR 12bn	F1+	F1	
Unitech	11th Nov 08	Fitch	Short Term debt of INR15bn	F1	F2
			Long Term debt of INR44bn	A+	A-
	22rd Dec 08	Fitch	Long Term debt of INR44bn	A-	BBB
			Short Term debt of INR11bn	F2+	F3
			2nd Jan 09	CARE	Short Term debt
14th Jan 09	Fitch	Secured NCD of INR2bn	A-	BB	
		Long Term debt of INR44bn	BBB	B	
Puravankara	18th Jul 08	Fitch	Short Term debt of INR11bn	F3	F4
			Short Term debt of 0.75bn	F1	F2+
Sobha	28th Jun 08	ICRA	Long Term debt of INR 2.5bn	LA	LBBB+
			Short Term debt of INR 1.5bn	A1	A2+
	18th Jul 08	Fitch	Short Term debt 1bn	F1	F2+
	27th Aug 08	CARE	Short Term debt 2bn	PR1	PR2

Source: Crisil, CARE, ICRA, Fitch

Scams, job losses, and developers' unwillingness to slash property prices should further constrain demand

While global sub-prime woes have been making headlines in 2Q and 3QCY08, we believe the actual impact was acutely felt in India only in 4Q CY08. This impact was seen in the following forms:

- Commencement of downsizing in domestic financial services
- Commencement of downsizing in IT with significant cutback in hiring of new recruits
- Significant fall in expectations of bonus/ salary increments
- 10% decline in product exports in Nov'08 due to global slowdown

All this has been aggravated by a sharp fall in capital investments. Furthermore, significant tightening of liquidity also affects unorganized businesses. All of these factors significantly weaken consumer sentiment. This was further aggravated by the recent Satyam debacle.

With developers unwilling to slash property prices, we believe that demand (which has been weak since early CY08) will continue to weaken further.

With most financial intermediaries (bankers, IPCs, analysts and auditors) losing credibility, we believe due diligence will now be a more drawn-out process for any large deal

- Significant fall in equity and property markets has taken a toll on the credibility of bankers, Independent Property Consultants (IPCs) and analysts.
- The recent Satyam debacle will likely take a toll on the credibility of auditors.

Bounceback in stock prices was unwarranted

"All talk and no action" – it seems that there has been no significant long-term fundraising by developers in the past three months

While the media continues to indicate that nearly all developers are in talks to raise funds from multiple sources (sell land or semi-finished projects, sell stake from parent or SPVs to strategic/ financial investors, etc), there is no official confirmation of any large fundraising/ rollovers/ restructuring of existing debt by any of these developers.

Despite deteriorating fundamentals, pump priming of liquidity resulted in property stocks bouncing too strongly

As seen in Figure 8, the property stocks bounced sharply in Dec'08 driven by a significant boost to liquidity by RBI. However as stated above, we believe that fundamentals have actually deteriorated.

Figure 8: BSE Real Index outperforming the Sensex despite poor fundamentals

	28/11/2008	12/19/2008 (Peak)	14/01/2009	% Change for 28/11	Relative to Sensex
Sensex	9,092	10,100	9,370	3%	
BSERIAL Index	1,561	2,525	1,853	19%	16%
DLF	198.4	307.9	212.4	7%	4%
Unitech	23.15	44.25	34.95	51%	48%
Indiabulls	94.05	159.35	122.25	30%	27%
Puravankara	30.6	54.5	41.35	35%	32%
Sobha	92.5	117.3	86.2	-7%	-10%

Source: Bloomberg

Valuations and rating

Increase discount and cut TP

Maintain estimates as of now

As of date, we maintain estimates for our companies under coverage. We try to factor in the increasing risks and no fundraising in the past six weeks, by increasing our discount to DCF by an additional 5% for debt-laden companies to 35-60%. Hence we do not cut TP for IBREL, a cash rich company but cut Sobha's TP by 51%. See narrow column on this page and Figure 9 inside for the changes in TP for individual companies

We further increase the discount to DCF for all companies under coverage and cut TP

Considering the significant increase in risk (deteriorating macro economics, liquidity remaining tight, no official confirmation of any long-term fundraising in the past two months), we raise the discount to DCF by an additional 5% for all companies with net debt (other than IBREL).

- Thus, we maintain a TP of INR 200 and a Buy rating (71% upside potential) on **IBREL**
- We cut TP by 11% to INR 200, while maintaining a Hold rating on **DLF**
- We cut TP by 16% to INR 43, while maintaining a Hold rating on **Puravankara**
- We cut TP by 34% to INR 30 (also cutting the telecom valuation by 25% considering the increasing competition in that space even before the entry of Unitech), while maintaining a Hold rating on **Unitech**
- We cut TP by 51% to INR 37, while maintaining a Sell rating on **Sobha**.

Figure 9: Valuations and ratings

	WACC	DCF of RE-GAV (a)	Disc. To DCF	Liabilities* (b)	Adj. RE NAV (c)	Others (d)	Total NAV (a-b+d)	Current TP (c+d)	Old TP	CMP (15/01/09)	Current disc. to NAV (Downside)	Upside/	Rating
IBREL	18.0%	225	30%	-42	200		268	200	200	117	-56%	71%	Buy
DLF	16.5%	450	35%	102	190	13	361	200	226	202	-44%	1%	Hold
Puravankara	17.5%	162	45%	47	42		115	42	50	39	-66%	8%	Hold
Unitech	17.5%	184	60%	63	11	19	141	30	45	32	-77%	-6%	Hold
Sobha	18.5%	762	60%	302	3	34	495	37	75	83	-83%	-55%	Sell

Source: Bloomberg, Deutsche Bank, * Liabilities = net debt + payables on land bank

Risks

Risks for Underweight rating on sector

- Improving macro environment (with higher GDP growth and a better outlook for IT/ITES)
- Aggressive price cuts by developers kick-starting demand
- Easing liquidity across financial markets
- Raising long-term funds and restructuring of loans by banks.

Risks for Buy rating on IBREL/ neutral rating on DLF, Puravankara and Unitech

- Execution risks
- Inability to raise long-term resources (equity/debt at company/SPV level) for all the companies and the resultant risk of bankruptcy for Unitech

Risks for Sell rating on Sobha

- Ability to raise long-term resources (equity/debt at company/SPV level) including the proposed large rights issuance and the resultant decline in bankruptcy risk.

Appendix A

Details of Non Convertible Debentures (NCDs)

Figure 10 gives details of NCDs of developers as per the data available in the NSDL website. The shaded rows represent NCDs which are outstanding.

Figure 10: Details of the Non Convertible Debentures (NCDs)					
Company	Issue Date/ Date of Allotment	Redemption	Amount (INR m)	Coupon rate @ cap	
DLF	27/08/2008	18/08/2013		13.7%	
	03/10/2008	03/01/2010		14.0%	
HDIL	14/08/2007	11/08/2008	1,500	10.0%	
	16/08/2007	15/03/2008	1,000	9.5%	
	03/10/2007	5 monthly installments from 01/06/2009	2,500	11.8%	
	16/10/2007	5 monthly installments from 15/06/2009	3,000	11.8%	
	18/12/2007	18/12/2009	250	12.1%	
	28/12/2007	28/12/2009	250	12.2%	
	20/02/2008	19/02/2010	3,250	13.3%	
	09/04/2008	03/10/2008	250	10.9%	
	21/05/2008	2 installments - 25/03/2009 & on 25/06/2009	2,500	13.3%	
	27/05/2008	5 monthly installments from 27/04/2009	3,000	12.3%	
	24/06/2008	23/06/2010	150	13.3%	
	Debt Outstanding			14,650	
	Omaxe	30/08/2006	2 instalments - 30/07/2007 & 29/08/2007	1,000	9.0%
		09/11/2006	50% on 08/10/2007 & 50% on 08/11/2007	1,000	9.0%
12/09/2006		50% on 11/08/2007 & 50% on 11/09/2007	1,000	9.0%	
15/12/2006		3 half yearly installment starting 14/12/2008	1,000	10.8%	
03/07/2007		4 quarterly installment starting 29/09/2008	-	14.0%	
03/07/2007		4 quarterly installment starting 29/09/2008	-	14.0%	
26/07/2007		26/01/2009	400	10.5%	
27/07/2007		27/01/2009	300	10.5%	
25/09/2007		23/09/2008	1,000	10.5%	
08/10/2007		14/03/2008	300	9.8%	
11/10/2007		09/10/2008	700	10.0%	
10/04/2008		25/02/2009	250	12.5%	
10/04/2008		31/10/2008	300	12.0%	
23/05/2008		22/05/2009	1,000	12.0%	
Parsvanath	18/08/2006	17/08/2007	1,000	9.1%	
	19/09/2006	18/09/2007	500	9.1%	
	19/09/2006	19/08/2007	500	9.1%	
	01/11/2006	28/09/2007	500	9.1%	
	01/11/2006	31/10/2007	500	9.1%	
	14/08/2007	11/08/2008	1,000	10.0%	
	14/09/2007	12/09/2008	500	12.8%	
	20/02/2008	3 monthly installments starting 15/06/2009 in the ratio 30:30:40	400	12.2%	
	Debt Outstanding			400	

Puravankara	05/06/2007	03/06/2008	250	12.3%
	10/09/2008	30/11/2010	550	15.8%
	Debt Outstanding		550	
Sobha	20/09/2006	19/09/2007		8.9%
	01/11/2006	50% each on 28/09/2007 & 31/10/2007		8.9%
	10/11/2006	09/11/2007		9.1%
	22/05/2007	18/11/2007		13.0%
	17/08/2007	28/12/2007		13.0%
	28/08/2007	26/08/2008		10.0%
	11/12/2007	14/10/2008		11.6%
	11/12/2007	29/05/2009		10.4%
	20/12/2007	18/12/2008		10.3%
	11/01/2008	08/01/2010		11.1%
	11/01/2008	08/01/2010		24.0%
	10/06/2008	11/05/2009		10.8%
	13/10/2008	11/11/2008		24.0%
	13/10/2008	12/11/2008		27.0%
13/10/2008	27/01/2009		30.0%	
Unitech	13/10/2006	18/09/2007	1,000	9.1%
	08/11/2006	50% on 28/09/2007 & 50% on 31/10/2007	2,000	9.1%
	23/11/2006	Rs.150 Crores on 23/10/2007 & Rs.150 Crores on 22/11/2007	3,000	9.4%
	18/10/2007	17/04/2009	2,000	10.5%
	20/11/2007	20/05/2009	250	11.5%
	20/12/2007	4 monthly installment starting 20/03/2009	1,000	10.5%
	26/12/2007	2 installments on 26/06/2009 & 24/12/2009	1,000	12.3%
	26/12/2007	26/06/2009	250	12.3%
	17/01/2008	4 installments starting from 16/04/2009 to 16/07/2009	1,000	10.5%
	28/03/2008	15/04/2009	500	12.5%
	23/04/2008	22/10/2009	1,500	11.0%
	21/11/2008	19/01/2009	15,000	19.0%
Debt Outstanding		22,500		

Source: NSDL

Appendix 1

Important Disclosures

Additional information available upon request

Disclosure checklist			
Company	Ticker	Recent price*	Disclosure
Indiabulls Real Estate	INRL.BO	116.80 (INR) 15 Jan 09	6
DLF	DLF.BO	202.30 (INR) 15 Jan 09	8,SD11
Puravankara Projects	PPRO.BO	39.00 (INR) 15 Jan 09	NA
Sobha Developers	SOBH.BO	83.90 (INR) 15 Jan 09	8
Unitech	UNTE.BO	31.85 (INR) 15 Jan 09	7,8,17

*Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies.

Important Disclosures Required by U.S. Regulators

Disclosures marked with an asterisk may also be required by at least one jurisdiction in addition to the United States. See "Important Disclosures Required by Non-US Regulators" and Explanatory Notes.

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Historical recommendations and target price: Indiabulls Real Estate (INRL.BO)

(as of 1/15/2009)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9, 2002

1. 2/9/2008:	Hold, Target Price Change INR300.00	3. 8/10/2008:	Buy, Target Price Change INR274.00
2. 1/10/2008:	Upgrade to Buy, Target Price Change INR288.00	4. 24/11/2008:	Buy, Target Price Change INR200.00

Historical recommendations and target price: DLF (DLF.BO)

(as of 1/15/2009)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

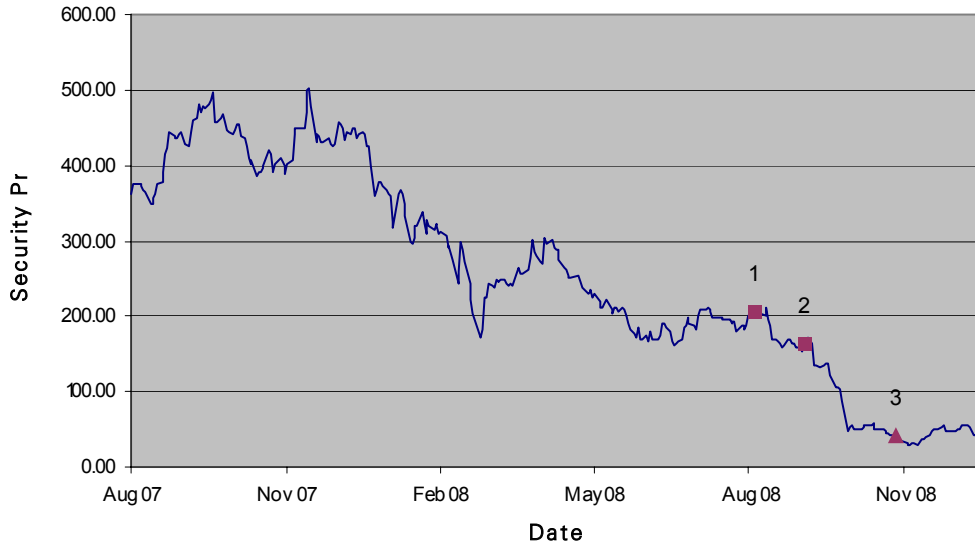
- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9, 2002

1. 3/9/2007:	Buy, Target Price Change INR670.00	6. 6/5/2008:	Buy, Target Price Change INR770.00
2. 19/10/2007:	Downgrade to Sell, Target Price Change INR760.00	7. 1/8/2008:	Buy, Target Price Change INR700.00
3. 1/2/2008:	Upgrade to Hold, Target Price Change INR875.00	8. 2/9/2008:	Downgrade to Hold, Target Price Change INR425.00
4. 7/3/2008:	Upgrade to Buy, INR875.00	9. 1/10/2008:	Hold, Target Price Change INR350.00
5. 2/5/2008:	Buy, Target Price Change INR800.00	10. 24/11/2008:	Hold, Target Price Change INR225.00

Historical recommendations and target price: Puravankara Projects (PRO.BO)

(as of 1/15/2009)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

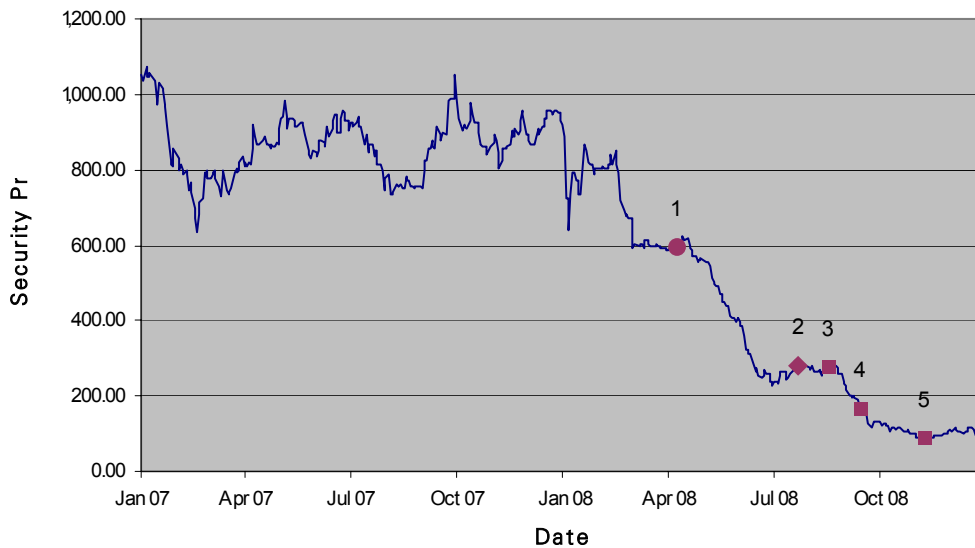
- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9, 2002

1.	2/9/2008:	Sell, Target Price Change INR165.00	3.	24/11/2008:	Upgrade to Hold, Target Price Change INR50.00
2.	1/10/2008:	Sell, Target Price Change INR135.00			

Historical recommendations and target price: Sobha Developers (SOBH.BO)

(as of 1/15/2009)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9, 2002

1.	25/4/2008:	Transferred to EMC coverage.	4.	1/10/2008:	Sell, Target Price Change INR125.00
2.	8/8/2008:	Transferred to sector coverage.	5.	24/11/2008:	Sell, Target Price Change INR75.00
3.	2/9/2008:	Sell, Target Price Change INR200.00			

Historical recommendations and target price: Unitech (UNTE.BO)

(as of 1/15/2009)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9, 2002

1.	3/9/2007:	Buy, Target Price Change INR285.00	4.	1/10/2008:	Sell, Target Price Change INR102.00
2.	19/10/2007:	Downgrade to Sell, Target Price Change INR300.00	5.	24/11/2008:	Upgrade to Hold, Target Price Change INR45.00
3.	2/9/2008:	Sell, Target Price Change INR130.00			

Equity rating key **Equity rating dispersion and banking relationships**

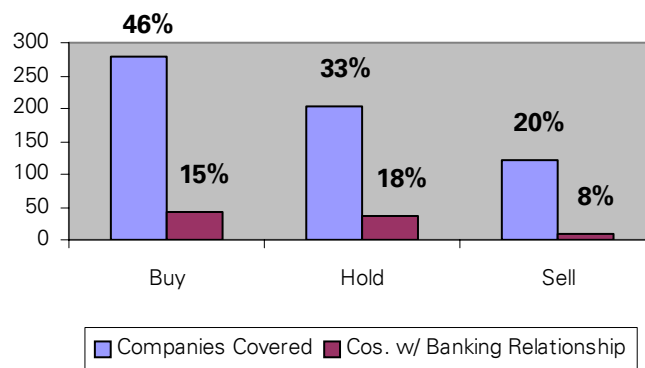
Buy: Based on a current 12- month view of total shareholder return (TSR = percentage change in share price from current price to projected target price plus projected dividend yield) , we recommend that investors buy the stock.

Sell: Based on a current 12-month view of total shareholder return, we recommend that investors sell the stock

Hold: We take a neutral view on the stock 12-months out and, based on this time horizon, do not recommend either a Buy or Sell.

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2. Ratings definitions prior to 27 January, 2007 were:
 - Buy: Expected total return (including dividends) of 10% or more over a 12-month period
 - Hold: Expected total return (including dividends) between -10% and 10% over a 12-month period
 - Sell: Expected total return (including dividends) of -10% or worse over a 12-month period



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