DLF

INR 500-550

India play

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June 4, 2007

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Reuters	:	NA
Bloomberg	:	NA

Market Data

52-week range (INR)	:	NA
Post IPO share in issue (mn)	:	430.0
M cap (INR bn/USD mn)	:	NA
Avg. Daily Vol. BSE/NSE ('000)	:	NA

Share Holding Pattern Post IPO (%)

Promoter	:	87.0
Non-Promoter	:	13.0

Default play on rising real estate sector

The Indian real estate sector is on a strong growth path with likelihood of a 33% increase in total constructed area over the next five years. The country has investable real estate assets of USD 50-80 bn (6-10% of its GDP) compared with 40-50% in most developed countries. We expect the investable assets to increase to 20-25% of GDP over the next ten years. DLF is the best way to get exposure to India real estate, given its size, quality, and credentials. We consider the company a default play on the Indian real estate as well as growth story going forward.

High quality land bank to facilitate growth

DLF's land bank of 10,255 acres is among the largest in India. The company owns titles and development rights of ~90% of this land bank and has paid for 67% of the land cost. Around 80% of this land bank is in the metros and a significant portion of the balance is within master plans, making DLF unique among all other large-size real estate companies. It has locked in the land at a cost of INR 235 per sq. ft. DLF added another 554 acres to its land bank recently and intends to continue adding to its land bank over time.

Management bandwidth and strong track record provide comfort

DLF has developed 224 mn sq. ft. of land (including plots, residential, commercial, and retail properties) till date across the country, which is reflective of its pan-India presence. Currently, it has ~44 mn sq. ft. of land under project execution and is expected to deliver over 30 mn sq. ft. of projects annually. It has also managed to lease 11.2 mn sq. ft. of commercial properties. To strengthen its execution capabilities, DFL has tied up with WSP Group plc for engineering designs, Laing O'Rourke plc. for construction, and Feedback Ventures for project management. These tie-ups along with the company's high quality and broad-based management team will enable it to grow rapidly.

Valuations capture only existing land bank NPV; new businesses to provide upsides

Currently, we have valued DLF's existing land bank only and assumed execution period of 15 years for its residential business (versus management expectation of 10 years). We estimate the value of land for sale at INR 436 bn and the value of its rental business (commercial and retail) at INR 460 bn. Thus, we arrive at an NAV of INR 512-517 per share. The IPO at the price band of INR 500 to 550 is at 2 to -6% discount to its NAV.

Upsides to DLF valuation could arise from: a) the 554 acres of land not included in the land bank plus purchase of new land in the next few years, b) tie-up with Hilton to develop hotels on a pan-India basis (evaluating 22 sites), c) construction JV with Laing O'Rourke and d) venture into large SEZs and MoUs with Nakheel for two large projects.

Thus, the IPO provides option value to the new growth initiatives that DLF has undertaken, which are not included in its current land bank. Further, the company has an existing stock of more than 10 mn sq. ft. in commercial space (including plots) on its own books, which gives it visibility on the profit front. We believe that over a period of time, DLF could trade at P/E multiples rather than on NAV basis, as its project visibility starts yielding regular profits.

We recommend subscribe to the IPO.

Default play on Indian real estate sector

DLF is among India's largest and oldest real estate companies since 1946. It has developed 224 mn sq. ft. of land till date including plots, residential, commercial, and retail properties. Earlier, its focus was primarily on the NCR region. However, over the last few years, it has added land in various parts of the country, becoming a pan-India player. In our opinion, DLF's land bank quality is among the best in India, and its management team and credentials appropriate to execute this large land bank timely. Further, a significant part of the company's value is to be derived from its commercial and office space, making DLF unique amongst its peers.

The Indian real estate sector is on a strong growth path, led by rising GDP, improving demographics, growing affordability, increasing impact of IT/ITES, and organized retail sectors, supported by strong FDI and portfolio inflows. We estimate average annual addition of 2.3 bn sq. ft. in office, and 25 mn sq. ft. in retail space-resulting in 33% increase in total constructed area over the next five years. Investments in SEZ creation (~ USD 19 bn over the next five years) and hotel construction will further strengthen this growth profile. The unprecedented demand has driven the need for organized sources of funding, creating 'investability' and resulting in the emergence of real estate as a sustainable asset class. Investable real estate assets in India are only UDS 50-80 bn or 6-10% of India's GDP compared with 40-50% in most developed countries. As the sector becomes more organized and conducive to institutional funding, we expect investable assets to increase to 20-25% of GDP over the next ten years.

Investing in DLF is the best way to get exposure to the Indian real estate, given its size, quality, and credentials. We consider the company a default play on the Indian real estate as well as growth story going forward. We also believe that the listing of DLF will deepen understanding of how real estate companies will be valued in India,.

At the lower band of IPO price (INR 500), DLF will have a market cap of INR 852 bn – eighth largest market cap in the Indian stock markets. Further, DLF's IPO is likely to add 100% to the existing real estate market cap of USD 21 bn, representing 50% of the total real estate market cap in the country. Since the company has both sale and lease models, and rental business forms ~51 % of its overall value, we consider it to be a good exposure to the Indian real estate sector for the large long-term investors. With increasing acceptance of its longer-term business model and geographical spread, we believe DLF will not only become the default play on the real estate but also be an India play for investors over a period of time.

Table 1: The issue

Offering to investors (mn shares)	174	
Offering to employees (mn shares)	1	
Price band (INR)	500	550
Post issue total shares outstanding (mn)	1,705	1,705
Market cap (INR mn)	852	938
Promoter holding (%)	87	87

Source: Company, Edelweiss research

Valuation of current business

Of the 574 mn sq. ft. under DLF's land bank, we assume 474 mn sq. ft. to be developed for sale and 100 mn sq. ft. for rental business (including commercial and retail). We have assumed that the land for sale would be developed over a 15-year period against management expectation of 10 years. Further, for the rental business, we have assumed a six-year execution period, which is more or less in line with what the management expects to develop.

We have discounted the cash flows at a WACC of 12% and the rental business has been discounted using a cap rate of 10%.

The NAV of the business works out to INR 872-880 bn. The IPO, at the price band of INR 500 to 550, is at a 2% to -6% discount to its NAV.

Table 2: Valuation based on NAV approach

	Area (mn sft)	Sales price (INR psft)	Revenue (INR bn)	Total cost (INR bn)	PAT (INR bn)	Discounting for no. of Years *	Discounted PAT (INR bn)
Sale Business	474	4,503	2,133	790	1,067	7.5	454

	Area (mn sft)	Rental (INR psft p.m.)	Capitalised Value (INR bn)	Total Cost (INR bn)	PAT (INR bn)	Discounting for no. of Years *	Discounted PAT (INR bn)
Lease Business	100	96.90	1,163	354	648	3	460

Discounted PAT (INR bn)			914	
Less :	SG&A (INR bn)	82		
Discounted with 7.5 years			35	
Value of the business			879	
			@ Lower Band	@ Upper band
Add :	Cash		88	96
Less :	Net Debt		95	95
NAV (INR bn)			**872**	**880**
No of Shares (mn)			1704	1704
NAV / share			**512**	**517**
IPO Price (INR)			500	550
% Discount to NAV			2	(6)

Source: Company, Edelweiss research

*Note : * implies mid point of the total execution period*

Sensitivity to execution period and percentage change in prices

The table below provides an indication of how sensitive DLF's model is to execution period as well as pricing changes. For every one year delay in execution (both on the sale and rental business), the value reduces by 6%, and for every 5% change in both prices and rental yields, the value reduces by 4%. Our current model does not assume any price increase.

Table 3: Sensitivity of WACC% (1) and Cap rate (0.5)

		WACC Rate (%)				
		10	11	12	13	14
	9	608	580	555	531	508
	9.5	584	557	532	508	486
Cap rate (%)	10	562	536	510	488	467
	10.5	542	517	493	470	449
	11	525	500	476	454	433

Source: Company, Edelweiss research

Note: For simplicity of our sensitivity calculation, we have assumed that DLF will manage to raise money at the lower band of INR 500

Valuation does not include recent and future land acquisitions

Our valuation exercise and DLF's total land bank of 10,255 acres do not include the 554 acres of land which DLF has bought recently. This, we believe, could yield an additional 24-30 mn sq. ft. of land. Further, the company intends to use INR 35 bn raised through the IPO proceeds to buy further land. A quick calculation based on its current land bank yields an additional revenue stream of over INR 100 bn and INR 35 bn of profits, even after a 30% dip in the company's profitability. Thus, there exist substantial upsides to our valuation.

Upsides from new businesses not captured in current valuations

* Hotel business

Besides venturing into development of super luxury business hotels as well as budget ones, DFL has undertaken construction of serviced apartments through joint ventures with Bharat Hotels and Hilton. It already has plots which it expects to develop into 23 super luxury and luxury hotel sites as well as a golf course and community clubs.

Under the terms of the Alliance Agreement with Hilton, the joint venture company plans to acquire and develop 50-75 hotels and serviced apartments in India under certain Hilton brands. Hilton will manage all the hotels developed under this joint venture. Each hotel or serviced apartment will either be owned by the joint venture company or a company in which the joint venture company holds not less than 26% of the equity share capital. The joint venture will receive an equity investment of up to USD 550 mn over the next 5-7 years, of which, DLF will contribute approximately USD 407 mn, or 74% of the total equity share capital. The remaining USD 143 mn, or 26% of the total equity, will be contributed by Hilton.

The joint venture company is in the process of evaluating 22 sites for the construction of ~5,000 rooms catering to business, four star, five star, and deluxe segments of the hotel and serviced apartments market. DLF is looking at more such joint ventures with some of the leading hotel companies to develop hotels in all the aforementioned segments. Such growth initiatives are likely to complement the company's existing business and open up opportunities to undertake such developments strategically in commercial centers, IT parks, and shopping malls. DLF also intends to develop tourism and leisure related assets in future.

* SEZs

Currently, there is a lot of uncertainty regarding construction of large SEZs due to the prevailing farmer unrest in certain pockets. However, we believe that given the scope for employment generation and large scale FDI investment, SEZs are here to stay in the long run.

DLF has identified several potential locations for IT-specific SEZ development and has already obtained final approvals from the Board of Approvals, GoI, for two IT-specific SEZs in Gurgaon and Pune. It has also received final notification for its IT-specific SEZ in Chennai and in-principle approvals for IT-specific SEZs in Delhi and Bhubaneswar.

The company is in the process of seeking approvals for several SEZs, which will cover an aggregate area of 26,100 acres. Additionally, it has received in-principle approvals for a multi-product SEZ in Ludhiana, which will cover 2,500 acres and a multi-sector, product-specific SEZ in Amritsar covering 1,087.2 acres. It has received approvals from the Haryana Investment Promotion Board, which has agreed to provide support for setting up and developing a 20,000 acres multi-product SEZ in Gurgaon and 3,000 acres of land in Ambala.

All these SEZs provide upsides to DLF's value.

* Infrastructure and construction projects

DLF has recently entered into a joint venture with Laing O'Rourke plc, a leading UK-based construction company with a strong track record of major construction projects globally, and as of April 30, 2007, has commenced construction of 14 projects.

DLF through the joint venture company, DLF Laing O'Rourke, intends to continue benefiting from Laing O'Rourke's expertise in construction and experience in developing projects. Leveraging Laing O'Rourke's development expertise, DLF intends to begin construction of infrastructure projects including roads, bridges, tunnels, pipelines, harbors, runways, and power projects.

This joint venture has given DLF an opportunity to diversify its revenue stream and enabled its management to focus on new opportunities in core business areas. DLF Laing O'Rourke and its joint venture partner Laing O'Rourke plc have submitted 10 tenders for construction of various infrastructure projects including roads, laying of railway tracks, airport terminals and, a port.

These development plans, upon materializing, could provide investors further upsides.

Joint venture with Nakheel

DLF, in November 2006, signed an MoU with Nakheel to develop two projects in Gurgaon and South Maharashtra/Goa, through a 50:50 joint venture. Nakheel is one of the premier real estate developers in the UAE, focused on development of residential, tourist, commercial, and retail real estate. Properties developed by Nakheel include the Palm Islands, The World Islands, Jumeirah Lake Towers, Discovery Gardens, Lost City, and Ibn Battuta Mall.

This deal could prove to be of high value over the long term.

Multiplex business – DT Cinemas

DLF runs its multiplex cinema business under the brand name DT Cinemas and derives revenues from ticket receipts, advertisements, and concessions. DT Cinemas was incorporated in 1999 and opened its first multiplex with three screens and 895 seats in Gurgaon in March 2003. In July 2004, DT Cinemas opened its second multiplex at Mega Mall with three screens and 433 seats. DLF intends to open several new multiplexes in and around New Delhi, including a four-screen, 1,154 seat multiplex in Shalimar Bagh in north-west Delhi, a six-screen, 1,202 seat multiplex in Saket, a seven-screen, 1,465 seat multiplex in Vasant Kunj, New Delhi, a six-screen, 1,400 seat multiplex in Noida, and a three-screen, 754 seat multiplex in Chandigarh.

It is also in the final stage of planning the development of multiplexes in other locations across India, including Chennai, Hyderabad, Ludhiana, Mumbai, and Bangalore.

Joint Venture with Prudential Insurance

In February 2007, DLF entered into an agreement with US-based Prudential Insurance to establish a joint venture company to develop, promote, market, and sell life insurance products in India. Under the terms of the agreement, the parties will contribute a joint equity investment of up to USD 250 mn in the joint venture company over seven years in proportion to their respective shareholdings, of which, DLF is currently holding 74%.

Comparison with Unitech

Any valuation discussion on DLF veers on comparison with Unitech, one of the largest Indian real estate companies and the only very large listed real estate company in India. Unitech currently has a market cap of INR 461 bn. We expect DLF to trade at a high premium to Unitech as:

- It has a larger land bank of 574 mn sq. ft. compared with 472 mn of Unitech. Further, DLF has not included the additional 10 mn sq. ft. and 554 acres in its land bank as of now.
- A major portion of DLF's land is highly-priced and there is considerable clarity on its land holdings, given the good disclosure in its prospectus. This gives the investor community a fair idea of the company's land bank details. This is however not the case with Unitech, as it has not disclosed its land bank details fully so far.
- Around 51% of DLF's land is in the highly valued NCR region as against 17% in the case of Unitech. Further, 79% of DLF's land bank is in metros as against 58% for Unitech.
- Based on street estimates, Unitech is already trading at a 15–20% premium to its NAV. We think this could be due to lower availability of quality large cap real estate stocks in the market. We believe that with DLF's listing, some of the scarcity premium for real estate stocks may come down.
- We believe that DLF has stronger execution capabilities and greater management competence to manage large businesses.

Table 4: DLF vs Unitech

Location	DLF	Unitech
Inside Metro*	79	58
Outside Metro*	21	42
Total	100	100

Type of project	DLF	Unitech
Plots	8	-
Residential	67	74
Commercial	15	13
Retail	9	5
Hotel & others	-	8
Total	100	100

Source: Company, Edelweiss research

** Metro includes NCR, Kolkata, Mumbai, Channai*

(INR bn)	DLF		Unitech
Land bank (acres)	10,255		10,332
Developable land (mn sft)	574		472
CMP	@ Lower Band	@ Higher Band	569
	500	550	
No. of shares (mn)	1,704		812
Mkt cap	852	937	461
Net debt	95		26
IPO cash	88	96	
EV	859	936	487
EV / sft (INR)	1,498	1,631	1,032

Source: Company, Edelweiss research

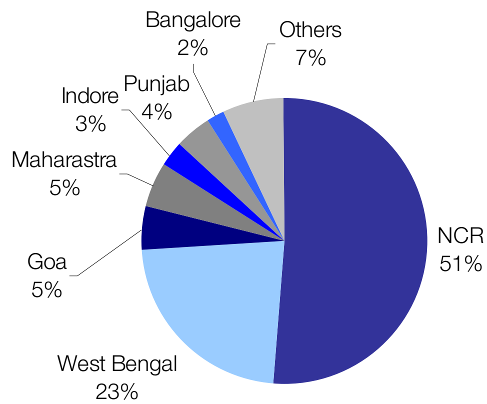
FY07 – the year gone by

- DLF's total income increased by 225% to INR 4.0 bn in FY07, driven by 144% increase in sales to INR. 22.4 bn.
  - Part of this increase in sales revenue was due to recognized income from bookings as well as the progress of construction in relation to residential projects, including Trinity Towers, DLF Exclusive Floors, Westend Heights, the Aralias, Royalton Tower, the Pinnacle, the Icon, the Summit, the Magnolias, Belaire (which was launched in August 2006 and received substantial early bookings), and retail projects including Grand Mall and South Point in Gurgaon, and the commercial and retail complex at Jasola in Delhi.
- The main reason for the increase in sales revenue was the sale of certain commercial properties to DAL. (DLF Asset Pvt Ltd) The total consideration for these sales was INR 2,4.01 bn.
  - Of this amount, two sales [by DLF Info City Developers (Chennai) Limited and DLF Commercial Developers Limited, subsidiaries of the Company] of INR 8.8 bn were recognized as sales revenue.
  - Of the remaining INR 15.21 bn, INR 13.27 bn was recognized under other income after deducting the associated costs.
  - Of this amount, the proceeds of INR 5.56 bn from the sale of two properties by DLF Cyber City Developers Limited were treated as profit on disposal of fixed assets; proceeds of INR 7.7 bn from the sale of shares of two companies by DLF Commercial Developers Limited were treated as profit on disposal of current investments.
- As of FY07 end, DAL owed DLF INR. 23.51 bn in respect to the above sales. DAL is currently in negotiations to arrange finance to pay DLF this amount, and expects to be able to pay approximately INR 15 bn in the near future. DAL is also making arrangements to raise financing for the remaining amount.
- Rent and license fee income increased 260% to INR 1.55 bn, primarily reflecting the leasing of commercial and retail properties.
- Profit before tax and minority interest was INR 25.5 bn compared with INR 3.6 bn, reflecting increases in sale price, rental rates on newly leased properties, and number of residential properties sold and the sale of certain commercial properties that were previously leased.
- As a result, net profit increased to INR 19.4 bn in FY07 as against INR 1.92 bn in FY06.

Balance sheet and cash flows

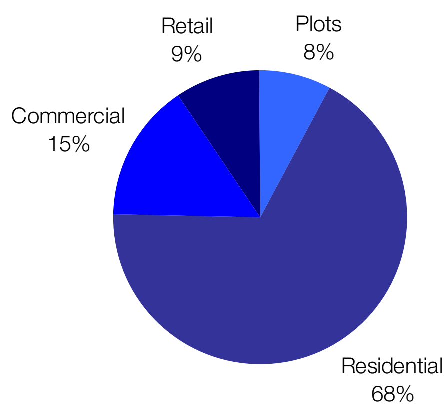
- In FY07 end, DLF had capital expenditure commitments (net of advances) of INR 6.54 bn. As on April 30, 2007 it had outstanding INR. 49.35.6 bn towards payment for the acquisition of Land Reserves and INR 10.54 bn for the acquisition of 554 acres of land for which development plans are at a preliminary stage.
- Debtors aggregated INR 15.2 bn. Of this amount, INR 8.56 bn represented amounts due from DAL for some of the commercial sales discussed above. The remainder owed by DAL for the commercial sales of shares/buildings has been recorded as loans and advances and aggregated INR 14.95 bn.In addition, DLF also had future receivables of INR 22.94 bn against sales made or booked in advance.

Chart 1: Geographical break-up



Source: Company, Edelweiss research

Chart 2: Business mix



Source: Company, Edelweiss research

Strong execution capabilities

Given the large land bank and significant scale up in project size, DLF is focused strongly on project execution, to ensure timely completion of projects. Currently, the company has 44 mn sq. ft. of land under execution. This indicates that DLF is on course to deliver over 30 mn sq. ft. of projects on a annually.

Its MoUs and agreements include the following clauses:

Design and engineering

DLF recently entered into a joint venture agreement with WSP to form an equal joint venture company thorough which it will provide engineering and design services, environmental and infrastructural facilities, and project management services.

Construction

In 2006, DLF entered into a joint venture with a leading UK-based construction company, Laing O'Rourke plc, which has been the principal contractor for a number of major construction projects globally. These include the construction of Terminal 5 at London Heathrow airport and a terminal at the Dubai international airport. Laing O'Rourke currently operates worldwide, with operations in the UK, Ireland, Middle East, Asia, Europe, Far East, and Australia, employing above 23,000 people. Through the joint venture company, DLF Laing O'Rourke, DLF is likely to benefit from Laing O'Rourke's construction expertise and experience, which will enable its management to focus on the development rather than mere construction of projects. We believe the joint venture company will improve the quality of construction in its developments and also allow DLF to embark on more complex and ambitious projects. As on April 30, 2007, the joint venture company had commenced the development of 14 projects covering a total area of 25.7 mn sq. ft. with an order-book of INR 41.7 bn. DLF Laing O'Rourke is currently executing residential projects such as The Magnolias and The Belaire, commercial projects such as the IT parks in Hyderabad, Gurgaon and Bangalore, and retail projects such as Town Square Mall in Noida, Mumbai Mills Mall, and the Mall of India in Gurgaon and Jasola in Delhi.

Project management

DLF recently paid INR 158.3 mn to acquire a 19% share interest in Feedback Ventures, a company established in 1989 with ~500 technically qualified employees currently, specializing in assisting Indian and international firms to set up new projects in infrastructure, SEZs, townships, retail, and hospitality sectors across India. Feedback Ventures has become one of the largest companies providing consulting, engineering, project management and project development services for infrastructure projects in India. DLF intends to benefit from Feedback Ventures' experience by streamlining its planning and execution capabilities, particularly in relation to infrastructure projects, SEZs, and townships.

Key Risks

* Macroeconomic factors

Currently, the macro economic indicators are on upswing. However, any significant downturn could lead to slowdown in the real estate sector. In such a scenario, DLF being one of the largest real estate companies in India and a leveraged play on the country's real estate as well as growth story, could be affected the most.

* Regional concentration

Two-thirds of DLF's land bank is regionally concentrated in NCR and Kolkata. Therefore, any negative event affecting the property markets in the above regions could hurt DFL's profitability.

* Execution risk

We believe DLF will take 12-15 years to complete its current projects. Delays in execution of any major project can deter timely completion of others and the company's future plans.

Since its inception in 1946, DLF has constructed approximately 224 mn sq. ft., which is less than 40% of the company's plans for the next 10–12 years.

* Interest rate

As of March 2007, DLF has total debt of INR 99.3 bn. Of this, close to 75% is on floating rate. Any sustainable hike in interest rates from the current levels can affect the profitability of the company.

* Revenue from DAL

Sale of commercial properties to DAL, the promoter group company, constituted almost 55% and 77% of DLF's FY07 revenue and PAT respectively. DLF plans to sell more such commercial and retail properties to DAL or other institutions in future. Currently, DAL is not listed and held by the promoters. Any funding issue at DAL can affect the DLF's future cash flows.

Financial Statements

Income statement (INR mn)

Year to March	FY05	FY06	FY07
Income from operations	6,081	11,536	26,152
Direct costs	3,165	5,243	7,090
Other expenses	1,234	1,536	4,109
Total operating expenses	4,399	6,779	11,199
EBITDA	1,682	4,757	14,953
Depreciation and amortisation	333	361	571
EBIT	1,349	4,396	14,382
Interest expenses	390	1,685	3,076
Other income	179	884	14,189
Profit before tax	1,138	3,595	25,495
Provision for tax	259	1,668	6,058
Reported rofit	879	1,927	19,437
Shares outstanding	17.5	189.0	6,278.5

Common size metrics- as % of net revenues

Year to March	FY05	FY06	FY07
Operating expenses	72.3	58.8	42.8
Depreciation	5.5	3.1	2.2
Interest expenditure	6.4	14.6	11.8
EBITDA margins	27.7	41.2	57.2
Net profit margins	14.5	16.7	74.3

Growth metrics (%)

Year to March	FY06	FY07
Revenues	89.7	126.7
EBITDA	182.8	214.3
PBT	215.9	609.2
Net profit	119.2	908.7

Cash flow statement (INR mn)

Year to March	FY05	FY06	FY07
Net profit	879	1,927	19,437
Add: Depreciation	333	361	571
Gross cash flow	1,212	2,288	20,008
Less: Changes in W. C.	(5,535)	8,589	67,025
Operating cash flow	6,747	(6,301)	(47,017)
Less: Capex	5,460	23,061	19,653
Free cash flow	1,287	(29,362)	(66,670)

Balance sheet (INR mn)

As on 31st March	FY05	FY06	FY07
Equity capital	35	378	12,557
Reserves & surplus	7,436	9,123	27,115
Shareholders funds	7,471	9,501	39,672
Minority interest	43	54	92
Borrowings	9,676	41,320	99,328
Sources of funds	17,190	50,875	139,092
Gross block	8,253	13,023	17,787
Depreciation	1,549	1,891	2,412
Net block	6,704	11,132	15,375
Capital work in progress	3,506	5,911	26,497
Total fixed assets	10,210	17,043	41,872
Goodwill	522	8,489	8,935
Investments	400	8,300	2,107
Inventories	7,049	16,409	57,006
Sundry debtors	2,852	6,580	15,195
Cash and equivalents	424	1,950	4,155
Loans and advances	6,039	10,665	52,438
Total current assets	16,364	35,604	128,794
Sundry creditors and others	8,383	15,095	33,450
Provisions	961	3,374	8,979
Total CL & provisions	9,344	18,469	42,429
Net current assets	7,020	17,135	86,365
Net deferred tax	(962)	(92)	(187)
Uses of funds	17,190	50,875	139,092
Book value per share (BV) (INR)	427	50	6

Ratios

Year to March	FY05	FY06	FY07
ROE (%)	11.8	22.7	79.1
ROCE (%)	8.9	15.5	30.1
Current Ratio	1.8	1.9	3.0
Debtors (Days)	171	208	212
Fixed assets t/o (x)	0.6	0.8	0.9
Debt/Equity	1.2	4.1	2.4

Valuations parameters

Year to March	FY05	FY06	FY07
EPS (INR)	50.2	10.2	3.1
Y-o-Y growth (%)	*0.0*	*(79.7)*	*(69.6)*
CEPS (INR)	346.3	60.5	15.9
PE (x)	10.0	49.0	161.5
Price/BV(x)	1.2	9.9	79.1
EV/Sales (x)	2.7	8.6	121.1
EV/EBITDA (x)	9.7	20.9	211.8

Note: Our valuation are based on lower price band of INR 500

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Vikas Khemani – 2286 4206	Head, Institutional Equities

INDIA RESEARCH			SECTOR
Shriram Iyer	-	2286 4256	Head – Research
Gautam Roy	-	2286 4305	Airlines, Textile
Ashutosh Goel	-	2286 4287	Automobiles, Auto Components
Vishal Goyal, CFA	-	2286 4370	Banking & Finance
Revathi Myneni	-	2286 4413	Cement
Harish Sharma	-	2286 4307	Infrastructure, Auto Components, Mid Caps
Priyanko Panja	-	2286 4300	Infrastructure, Engineering, Telecom
Hitesh Zaveri	-	2286 4424	Information Technology
Parul Inamdar	-	2286 4355	Information Technology
Priyank Singhal	-	2286 4302	Media, Retail, FMCG
Prakash Kapadia	-	4097 9843	Mid Caps
Niraj Mansingka	-	2286 4304	Oil & Gas, Petrochemicals
Manika Premsingh	-	4019 4847	Economist
Sunil Jain	-	2286 4308	Alternative & Quantitative
Yogesh Radke	-	2286 4328	Alternative & Quantitative

INSTITUTIONAL SALES		
Nischal Maheshwari	-	2286 4205
Rajesh Makharia	-	2286 4202
Vikrant Oak	-	4019 4712
Shabnam Kapur	-	2286 4394
Abhijit Chakraborty	-	4019 4823
Balakumar V	-	(044) 4263 8283
Ashish Agrawal	-	2286 4301
Nikhil Garg	-	2286 4282
Swati Khemani	-	2286 4266
Neha Shahra	-	2286 4276
Priya Ramchandran	-	2286 4389
Anubhav Kanodia	-	2286 4361
Tushar Mahajan	-	2286 4439
Harsh Biyani	-	2286 4419
Nirmal Ajmera	-	2286 4258
Ankit Doshi	-	2286 4671
Dipesh Shah	-	2286 4434

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RATING INTERPRETATION

Buy	Expected to appreciate more than 20% over a 12-month period	Reduce	Expected to depreciate up to 10% over a 12-month period
Accumulate	Expected to appreciate up to 20% over a 12-month period	Sell	Expected to depreciate more than 10% over a 12-month period
Trading Buy	Expected to appreciate more than 10% over a 45-day period	Trading Sell	Expected to depreciate more than 10% over a 45-day period