

Property

DLF.BO, Rs230

Rating	REDUCE
Sector coverage view	Neutral
Target Price (Rs)	190
52W High -Low (Rs)	739 - 124
Market Cap (Rs bn)	392.5

Financials

March y/e	2009	2010E	2011E
Sales (Rs bn)	100	85	104
Net Profit (Rs bn)	49.9	27.3	29.6
EPS (Rs)	29.3	16.0	17.4
EPS gth	(36.6)	(45.2)	8.4
P/E (x)	7.9	14.4	13.3
EV/EBITDA (x)	8.8	12.5	10.6
Div yield (%)	1.3	1.3	1.7

Pricing performance

Perf-1m	Perf-3m	Perf-6m	Perf-1y
26.0	40.4	13.6	(68.3)

Shareholding, March 2009

	Pattern	% of Portfolio	Over/(under) weight
Promoters	88.5	-	-
FIs	6.2	0.4	(0.6)
MFs	0.1	0.0	(1.0)
UTI	-	-	(1.1)
LIC	-	-	(1.1)

DLF Limited: Stock pricing in an unlikely demand recovery in the immediate term; maintain REDUCE

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- **Adjusted for revenue adjustments on account of pricing cuts, results in line with estimates**
- **Commercial area delivered to DAL as at end-4QFY09 is 5.1 mn sq. ft v/s earlier guidance of 9 mn sq. ft**
- **Land bank reduces to 425 mn sq. ft from 750 mn sq. ft earlier (we were valuing 500 mn sq. ft)**
- **Current stock price factoring in immediate recovery across segments; retain REDUCE rating and target price of Rs190/share**

DLF reported consolidated operating revenues of Rs11.2 bn (down 74.4% yoy, 8% above estimates) and PAT of Rs1.7 bn (down 93% yoy, 32% below estimates). DLF took a revenue adjustment of Rs3 bn and booked DAL revenues of Rs3.2 bn (v/s our expectation of NIL revenues). Adjusted for these two items, EBITDA at Rs4.9 bn (down 82% yoy, 36% qoq) was in line with our EBITDA estimate of Rs4.3 bn. Adjusted EBITDA margins dipped by 2000 bps yoy to 44% on account of higher revenue booking from mid-income housing projects and were inline with our estimates of 42%. The management indicated that the weak commercial environment has resulted in DLF handing over 5.1 mn sq. ft of commercial space at end-FY2009 v/s earlier expectation of 8+ mn sq. ft. We adjust our model to incorporate (1) pricing adjustments, (2) minimal revenues accruing from sales to DAL in FY2010-11E, and (3) lower retail rentals. Accordingly, we reduce our FY2010E and FY2011E revenue estimates to Rs84.6 bn (Rs100 bn earlier) and Rs104 bn (Rs126 bn earlier) and PAT estimates to Rs27.3 bn (Rs38.7 bn earlier) and Rs29.6 bn (Rs39 bn earlier). We adjust our NAV for, (1) lower land bank, (2) pricing readjustments, and (3) slower execution of commercial properties. Consequently, our Mar'10- based NAV is revised to Rs274/share (Rs306/share earlier). We continue to base our target price at a 30% discount to NAV but remove the additional 50% discount to IT commercial properties as we built in much slower execution into our financial estimates.

DLF's current stock price is factoring in sharp recovery. FY2006-08 saw DLF preparing for rapid expansion across residential, retail, commercial and hotel verticals and its balance sheet size expanded by 6X (Exhibit 3). As a result, sharp slowdown in retail and commercial businesses is resulting in sub-optimal asset utilization and will likely limit DLF's profitability ratios in the near future. These factors will likely result in RoEs remaining around 10% for FY2010-11E. Despite that DLF is trading at 1.5X FY2010E book value of Rs157. Thus, DLF's stock price is factoring in higher profitability which we believe is going to be contingent on demand recovery in retail and commercial verticals and unlikely in the near future, in our view. Currently, we factor residential demand recovery in 2HFY10 and retail/commercial demand in 2HFY11.

We believe that DLF should quote at 30% discount to Mar'10-based-NAV since the uncertainty on demand as well as pricing continues. The recent sharp upmove has resulted in a discount to NAV narrowing down to 15% to our Mar'10-based NAV of Rs274/share.

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Weak quarter as expected, trend likely to continue for the next two quarters. Key reasons for the expected sharp yoy drop (though as expected) include (1) slower pace of construction to minimize cash outflow, (2) lower revenue booking from DLF Assets, and (3) extremely low fresh sales. Rapid demand deterioration witnessed in 3QFY09 continued in 4QFY09 as well. However, going forward, we believe that demand recovery across the three verticals will show a divergent trend. The management believes and we share the view that demand recovery in the residential segment is expected to start in couple of quarters while commercial and retail will take much longer. We summarize DLF's progress in various businesses.

- **Residential.** DLF sold 0.7 mn sq. ft for 4QFY09—slightly better than 3QFY09. Furthermore, DLF sold 1,300 apartments or close to 2 mn sq. ft in April 2009 near Central Delhi. DLF intends to be more aggressive on the residential side on both suburban as well as city-centric projects as and when it sees signs of demand pick-up. It intends to launch city-centric projects in Kochi, Chennai, Delhi and Gurgaon. DLF also intends to launch suburban projects across multiple locations at Hyderabad (Kompally, Kokapet, Shamshabad), Pune (Talegaon), Bangalore, Lucknow and Goa. DLF has taken the lead in cutting prices and has passed on the benefit of lower prices to existing customers as well.
- **Commercial.** We observe large construction delays in this vertical. DLF was supposed to deliver to DAL 9 mn sq. ft at end-4QFY09, but only 5.1 mn sq. ft has been delivered. Management has attributed it to slower construction pace to adjust for weaker leasing environment. Management indicated that 3 mn sq. ft will likely get delivered in FY2010 and expects to receive Rs20 bn (40% in 1HFY2010). Total revenue recognized on sales to DAL till end-FY2009 is Rs103.2 bn representing substantially most of the expected revenues. Total money received from DAL is Rs53.2 bn (including Rs8.6 bn in 4QFY09). We adjust our revenue estimates to account for minimal sales in commercial segment. We highlight that most of commercial properties are in good locations and DLF may consider alternative usages of these properties if demand for IT space remains weak. As and when commercial properties get converted to residential locations, NAV accretion from them will likely increase.
- **Retail/Commercial complexes.** We observe rental renegotiations in newly-opened DLF malls at Vasant Kunj and Saket. These malls have also seen lease cancellations, as a result of which remaining retailers are demanding rental rebates until malls get fully occupied. The management has also put on hold construction on malls at Noida and Gurgaon. As a result, area under construction has gone down to 4.5 mn sq. ft as at end-4QFY09 from 12.2 mn sq. ft at end-3QFY09

Revenue reversal to account for price cuts. DLF recognized a one-time impact of Rs3 bn on PBT to account for the price cuts (~15%) given to existing customers for projects in New Gurgaon (New Town Heights), Chennai (Garden City) and Bangalore (New Town Heights). The reversal is to account for the revenues already booked earlier. Impact on revenue directly flows to PBT as the cost of the project does not change. As indicated by the management, total revenue impact due to the price cuts for these projects would be Rs6.9 bn. The balance Rs3.9 bn would be booked in subsequent quarters on a POCM basis. We explain the mechanics of the accounting in Exhibit 5 assuming price reduction of 15%.

Our estimates factor in residential demand stability from 3QFY10 onward. Previous cycle data indicates that post pricing correction it took 12-14 months for demand environment to become better. We would estimate similar behaviour in the current cycle especially since interest rates have shown a sharp downtrend in the recent past. However, if the demand environment remains muted for continued long period, there exists further downside risk to our revenue and PAT estimates. Currently, we are estimating residential sales of 13.4 mn sq. ft in FY2010 and 15.9 mn sq. ft in FY2011.

Non-DAL receivables rise in 4QFY09. DLF receivables came down by Rs5.3 bn to Rs 96.6 bn in 4QFY09 after having shown a sharp upward trend over the past four quarters (Exhibit 6). DAL debtors decreased by Rs4.8 bn to Rs49.8 bn as DLF received Rs8.6 bn from DAL in 4QFY09 and booked Rs3.2 bn revenues from DAL. In case of non-DAL revenues, though receivables declined by Rs550 mn but on adjustment for the revenue reversal of Rs3 bn, non-DAL receivables actually went up by Rs2.5 bn.

Why do these sundry debtors arise? DLF books revenues on percentage completion based on total project cost (construction cost + land cost). In many projects, land cost constitutes a significant proportion of total project cost and this leads to large revenue booking from these projects even at initial stages of completion. On the other hand, customer payments are usually linked to construction and hence accrue over time. This timing difference between revenue booking and customer payments leads to a build-up of receivables.

DLF sees increase in debt for the quarter. We note that DLF's debt increased to Rs164 bn (net debt increased by Rs3.3 bn) inspite of receiving Rs8 bn from DAL and having slowed down on land acquisition. The debt increased mainly on account of increase in inventory and loans and advances. DLF is currently undertaking a share buyback program which would entail cash outflow of Rs5-6 bn (at average pricing of Rs200-250). DLF has currently bought back 7.6 mn shares for Rs1.4 bn against maximum limit of 22 mn shares.

The management has highlighted that they have fulfilled all debt obligations till date. DLF's debt repayment for FY2010E is Rs35.9 bn of which due in 1QFY10 is Rs14 bn and management indicated that they have already repaid Rs7 bn in April 2009. The management also indicated that they it has been actively pursuing improving the debt maturity profile from short term to long term and has managed to get sanctions for new long-term loans to the tune of Rs25 bn.

Land bank size reduces. DLF has disclosed that its land bank has reduced to 425 mn sq. ft from 751 mn sq. ft post exclusion of the mega-townships and a few project exits/re-sizing. We had removed mega-townships from our valuation much earlier. In order to account for project exits/re-sizing, we have dropped the following land banks which DLF had acquired in the recent past— Arambhol (Goa), Jalandhar (Punjab), Bhubneswar, Durgapur, Mulund SEZ. Simultaneously, we have reduced the retail/commercial area of Gurgaon Ph VI-IX. The NAV impact of land bank reduction is not very large since development of these projects was back-ended.

DLF plans to raise Rs55 bn in FY2010E from disposal of non-core assets. The management indicated that it would focus on unlocking value from non-strategic assets or landbank which is not going to be monetized in the next 3-5 years. DLF has already received Rs3.4 bn from state governments for exit from Dhankuni and Bidadi in 1QFY10. DLF further expects to raise (1) Rs9 bn from wind power business, (2) Rs8.5 bn from the exit from Delhi Convention Center, Dwarka and (3) hotel lands. We would view any such move as positive since this will improve DLF's profitability and ease liquidity concerns.

4QFY09 results of DLF (Rs mn)

	4QFY09	Adjusted (a) 4QFY09	4QFY09E	4QFY08	3QFY09	(% chg wrt to adjusted)			FY08	FY09	(% chg)
						4QFY09E	4QFY08	3QFY09			
Net sales	11,223	11,023	10,200	43,065	13,667	8.1	(74.4)	(19.3)	142,287	100,440	(29.4)
Construction cost	(5,777)	(2,697)		(12,002)	(2,830)				(37,313)	(33,328)	
Staff cost	(1,375)	(1,375)		(1,412)	(1,210)				(3,153)	(4,592)	
Other expenditure	(2,526)	(2,526)		(1,823)	(1,907)				(4,302)	(7,640)	
EBITDA	1,546	4,936	4,253	27,829	7,720	16.1	(82.3)	(36.1)	97,518	54,881	(43.7)
Other income	2,291	2,291	1,000	658	1,361				2,652	4,967	
Interest costs	(1,625)	(1,625)	(1,000)	(1,079)	(938)				(2,980)	(3,574)	
Depreciation	(516)	(516)	(800)	(362)	(788)				(785)	(2,355)	
Pretax profits	1,696	5,086	3,453	27,047	7,356	47.3	(81.2)	(30.9)	96,405	53,919	(44.1)
Extraordinaries											
Tax	257	(743)	(920)	(5,058)	(537)	(19.2)	(85.3)		(17,350)	(7,795)	
Deferred tax	(255)	(255)		80					(184)	680	
Net income	1,697	4,087	2,533	22,069	6,818	61.4	(81.5)	(40.1)	78,871	46,804	(40.7)
Adjusted net income	1,591	3,981	2,533	21,768	6,708	57.2	(81.7)	(40.7)	78,558	46,291	(41.1)
Key ratios											
EBITDA margin (%)	13.8	44.8	41.7	64.6	56.5				68.5	54.6	
PAT margin (%)	15.1	37.1	24.8	51.2	49.9				55.4	46.6	
Effective tax rate (%)	(15.1)	14.6	26.6	18.7	7.3				18.0	14.5	

Note:

(a) Adjusted for (1) revenue writeback of Rs3,020 mn, (2) provision for doubtful debts of Rs510 mn and (3) DAL revenues of Rs3,220 mn

Source: Company, Kotak Institutional Equities estimates

Our estimate for DLF's NAV is Rs274/ share

NAV sensitivity to growth rate in selling prices

Valuation Methodology	March '10 based NAV			
	Growth rate in selling prices			
	0%	3%	5%	10%
Valuation of land reserves	454	517	576	700
Residential	163	197	220	298
Retail	167	184	162	229
Commercial (sold)	53	63	123	90
Commercial (leased)	71	74	71	82
Add: 22 Hotel sites	1X land acquisition cost	25	25	25
Add: Construction JV	5X FY2010E P/E	5	5	5
Add: Investments in power business		15	15	15
Less: Net debt as on March 31, 2009		(144)	(144)	(144)
Less: Land cost to be paid as on March 31, 2009		(5)	(5)	(5)
NAV (Rs bn)	349	413	471	596
NAV/share (Rs)	203	240	274	346
Total no. of shares including ESOPs of 17 mn shares (mn)			1,722	
Target price @ 30% discount			190	

Source: Kotak Institutional Equities estimates

Large portion of the land bank acquired in the last 3 years

Balance sheet for DLF, FY2006-11E, March fiscal year ends

(in Rs mn)	2006	2007	2008	2009E	2010E	2011E
Sources of funds						
Share capital	378	3,059	3,410	3,410	3,410	3,410
Reserves/surplus	9,122	36,613	193,473	242,510	264,005	285,844
Total equity	9,500	39,672	196,883	245,920	267,415	289,253
Secured loans	39,560	92,053	80,534	149,328	139,328	129,328
Unsecured loans	1,760	7,275	42,237			
Total borrowings	41,320	99,328	122,771	149,328	139,328	129,328
Application of funds						
Cash	1,950	4,155	21,421	4,854	10,745	12,373
Current assets	35,113	124,639	244,579	314,197	299,740	322,593
Inventory/Projects in Progress	17,136	23,166	46,372	124,680	117,132	110,780
Sundry Debtors	6,581	15,195	76,106	91,337	70,460	86,914
Loans & Advances	8,488	25,960	48,350	79,338	93,039	102,655
Net fixed assets (incl. Capital WIP)	15,585	41,872	100,031	115,661	135,303	136,761
Ratios						
D/E (X)	4.3	2.5	0.6	0.6	0.5	0.4
RoAE (%)	21.3	78.6	66.0	20.9	10.6	10.7
RoACE (%)	4.5	22.9	35.3	13.7	7.6	7.5
Incremental debt as a % of total debt	327.1	140.4	23.6	21.6	(6.7)	(7.2)
EBITDA (Rs mn)	4,757	28,034	97,151	54,880	41,733	47,887
PAT (Rs mn)	1,917	19,425	78,203	46,300	27,327	29,614
Revenue (Rs mn)	11,536	39,233	144,375	100,440	84,552	104,297
PAT (Rs mn)	1,917	19,425	78,203	46,300	27,327	29,614
Assets (Rs mn)	69,437	181,708	396,065	469,745	480,821	506,760
Equity (Rs mn)	9,500	39,672	196,883	245,920	267,415	289,253
Du Pont analysis						
Net margins (%)	16.6	49.5	54.2	46.1	32.3	28.4
Asset turnover (%)	16.6	21.6	36.5	21.4	17.6	20.6
Equity multiplier (X)	7.3	4.6	2.0	1.9	1.8	1.8
ROE (%)	20.2	49.0	39.7	18.8	10.2	10.2

Source: Company, Kotak Institutional Equities

DLF segmental sales quarterwise

	1QFY08	2QFY08	3QFY08	4QFY08	1QFY09	2QFY09	3QFY09	4QFY09
Residential sales booked (mn sq. ft)								
Opening Balance	4.8	5.3	5.4	6.8	14.6	16.7	19.5	20.2
Add: Booked during Qtr	0.5	0.1	1.4	8.0	2.1	2.8	0.7	0.7
Handed over				0.2	0.0	0.0	0.0	0.0
Closing Balance	5.3	5.4	6.8	14.6	16.7	19.5	20.2	20.9
Wt. Average Rate (Sale price Apts)	13,179	8,683	4,628	3,281	3,028	2,968	2,736	2,202
Sale value (Rs mn)	6,458	955	6,525	26,084	6,450	8,281	1,915	1,585
Retail sales booked (mn sq. ft)								
Opening Balance	3.2	3.9	5.0	5.1	6.4	7.3	7.7	7.7
Sales booked during qtr	0.1	1.1	0.1	1.8	0.9	0.3	0.0	0.1
Lease booked during qtr	0.6	0.0	0.1	0.1	0.0	0.2	0.0	0.0
Handing over				0.6	0.0	0.2	0.0	0.0
Closing Balance	3.9	5.0	5.1	6.4	7.3	7.7	7.7	7.7
Wt. Average Rate (Sale Price in Rs)	23,292	15,237	14,828	13,570	8,773	6,944	9,876	6,946
Sale value (Rs mn)	2,329	16,761	1,186	24,019	7,896	2,361	-99	417
Opening sales balance (Rs mn)	51,520	47,627	47,713	41,484	53,087	47,543	37,982	35,319
Total non DAL sales booked (Rs mn)	8,787	17,716	7,712	50,103	14,345	10,642	1,816	2,002
Non DAL revenue booking (Rs mn)	14,680	19,630	15,940	41,000	22,890	23,702	8,480	8,003
Other revenue booking	2,000	2,000	2,000	2,500	3,000	3,500	4,000	4,000
Closing sales balance (Rs mn)	47,627	47,713	41,484	53,087	47,543	37,982	35,319	33,318
	Volume	Selling price						Total
DLF Assets	(mn sq. ft)	(Rs/sq.ft)						(Rs mn)
Chennai	6.7	6,600						44,220
Hyderabad	4.1	6,000						24,600
Silokhera, Gurgaon	4.5	8,000						36,000
Cyber SEZ, Gurgaon	3.7	8,800						32,560
Total	19.0							137,380
DAL sales booked till 4QFY09								103,200

Source: Company, Kotak Institutional Equities

Illustration of writeback computation for a 15% price cut in Gurgaon and Chennai

	(Rs mn)	Revenue booked	
		(Rs mn)	(%)
Revenue loss from projects due to ~15% price cuts (A)	6,880		
Total revenue for the projects (A/0.15)	45,867		
Revenue reversed in 4QFY09 (B)	3,020		
Total revenue booking till 4QFY09 (B/0.15)	20,133		
Case I: Existing scenario with no price cuts	45,867	20,133	43.9
Case II: New scenario post price reduction of 15%	38,987	17,113	43.9
Reversal in revenues post price reduction (II-I)	6,880	3,020	
Reversal in cost post price reduction	0	0	
Reversal in PBT post price reduction	6,880	3,020	

Source: Kotak Institutional Equities estimates

High base effect would lead to weak quarterly performance going ahead

Revenues and profits (Rs mn), 4QFY09-1QFY08

	1QFY08	2QFY08	3QFY08	4QFY08	1QFY09	2QFY09	3QFY09	4QFY09
Sales	30,738	32,500	35,984	43,065	38,106	37,444	13,667	11,023
Profit	15,155	20,180	21,388	22,067	18,640	19,354	6,818	4,936
EBITDA margins (%)	71.7	69.7	69.5	64.6	61.5	59.2	56.5	44.8
Receivable days for DLF								
Revenues (Rs mn)	30,740	32,500	35,980	43,060	38,106	37,444	13,667	11,223
Receivables	37,478	38,936	64,790	79,075	76,052	97,535	101,900	96,570
Receivables (No. of days)	110	108	162	165	180	234	671	774
Area under development (mn sq. ft)								
Residential	6.7	6.7	7.0	12.1	14.2	15.4	14.4	16.2
Commercial	29.5	34.4	39.8	38.2	36.4	35.6	34.8	15.3
Retail	13.0	13.4	11.6	11.2	12.4	12.2	12.2	4.5
Put on Hold							16.0	
Total	49.2	54.6	59.0	61.5	62.9	63.2	45.4	36.0
Sales to DAL								
				FY2008				
Revenues (Rs mn)				53,450	15,570	14,700	6,550	3,220
Receivables				19,400	33,860	48,043	54,593	49,813
Receivables (No of days)				131	196	294	750	1,392
Non-DAL Sales								
Revenues (Rs mn)				91,540	22,890	23,702	8,480	8,003
Receivables				59,675	42,192	49,456	47,307	46,757
Receivables (No of days)				235	166	188	502	526
PBT (Rs mn)								
DAL				38,290	10,750	10,217	2,580	140
Non DAL				58,120	11,960	11,937	4,770	3,686
PBT margins (%)								
DAL				71.6	69.0	69.5	39.4	4.3
Non DAL				63.5	52.2	50.4	56.3	46.1

Source: Kotak Institutional Equities

Consolidated summary statement of assets and liabilities

DLF's balance sheet at end of FY2007-4QFY09 (Rs mn)

Particulars	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09
Net fixed assets	41,851	41,461	49,125	53,935	100,031	110,156	126,513	136,600	137,160
Investments	2,107	2,196	32,834	13,489	9,102	14,211	11,493	15,480	13,830
Current assets, loans and advances	128,344	245,549	198,625	243,415	266,001	287,072	314,974	310,350	320,800
Stocks	56,800	62,085	74,177	94,272	94,544	102,832	101,671	106,980	113,370
Sundry debtors	15,057	37,478	38,936	64,790	76,106	76,052	97,535	101,900	96,570
Cash and bank balances	4,155	94,692	17,932	7,760	21,422	10,015	13,326	6,970	11,980
Other current assets	74	110	256	215	243	280	683	860	1,480
Loans and advances	52,258	51,184	67,324	76,378	73,686	97,893	101,759	93,640	97,400
Goodwill	8,935	8,935	16,298	16,223	20,931	21,916	21,916	21,920	22,120
Total use of funds	181,237	298,141	296,882	327,062	396,065	433,355	474,896	484,350	493,910
Total loans	99,327	103,466	77,854	92,403	122,771	142,209	146,731	155,250	163,580
Secured loans	92,053	94,946	68,657	66,286	80,533	90,932	94,662	106,000	132,500
Unsecured loans	7,274	8,520	9,197	26,117	42,238	51,277	52,069	49,250	31,080
Current liabilities and provisions	46,072	56,119	58,567	53,495	72,158	69,490	82,323	77,340	77,280
Deferred tax liability (net)	197	210	357	463	359	356	(59)	(580)	(340)
Shareholders funds	35,641	138,346	160,104	180,701	200,777	221,300	245,901	252,340	253,380
Total sources of fund	181,237	298,141	296,882	327,062	396,065	433,355	474,896	484,350	493,900
Debt/Equity (x)	2.79	0.75	0.49	0.51	0.61	0.64	0.60	0.62	0.65

Source: Company data, Kotak Institutional Equities

Profit model of DLF, March fiscal year-ends, 2005-2010E (Rs mn)

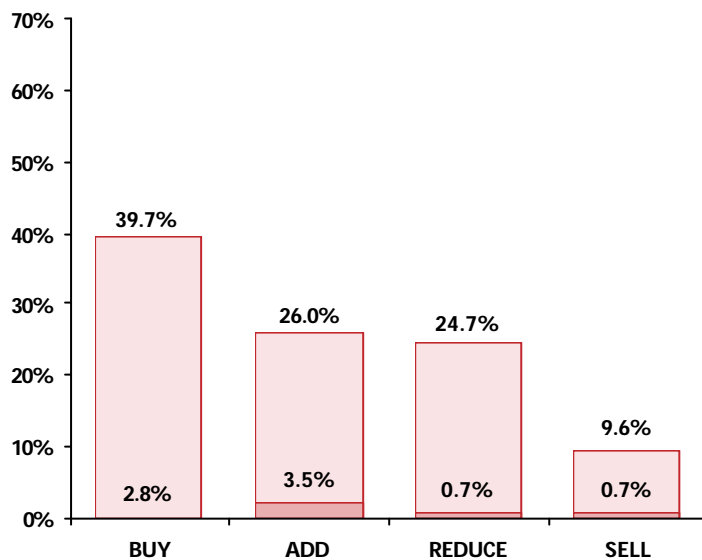
	2005	2006	2007	2008	2009	2010E	2011E
Total revenues	6,082	11,536	39,233	144,375	100,440	84,552	104,297
Land costs	(2,517)	(4,416)	(6,319)	(37,774)	-	(10,448)	(11,399)
Construction costs	-	-	-	(2,223)	(33,330)	(23,443)	(34,003)
Employee costs	(446)	(397)	(922)	(2,998)	(4,590)	(3,815)	(4,836)
SG&A costs	(1,435)	(1,966)	(3,958)	(4,229)	(7,640)	(5,114)	(6,172)
EBITDA	1,684	4,757	28,034	97,151	54,880	41,733	47,887
Other income	178	883	1,108	2,464	4,970	2,741	2,289
Interest	(390)	(1,685)	(3,076)	(3,100)	(3,570)	(5,192)	(3,420)
Depreciation	(333)	(361)	(571)	(901)	(2,360)	(3,185)	(3,585)
Pretax profits	1,138	3,594	25,494	95,614	53,920	36,098	43,172
Profit/(loss) share of associates	-	-	-	-	-	-	-
Current tax	(490)	(2,537)	(6,058)	(17,146)	(7,790)	(9,387)	(14,414)
Deferred tax	231	870	-	(176)	680	616	856
Net income	879	1,927	19,436	78,293	46,810	27,327	29,614
Reported net income	865	1,917	19,425	78,203	46,300	27,327	29,614
EPS (Rs)							
Primary	6.3	12.7	13.0	47.1	27.5	16.0	17.4
Fully diluted	6.3	12.7	13.0	46.7	27.2	15.9	17.2
Shares outstanding (mn)							
Year end	140	1,511	1,530	1,705	1,705	1,705	1,705
Primary	140	152	1,496	1,661	1,705	1,705	1,705
Fully diluted	140	152	1,496	1,678	1,722	1,722	1,722
Cash flow per share (Rs)							
Primary	4.9	18.4	4.2	46.4	23.4	10.3	11.4
Fully diluted	4.9	18.4	4.2	45.9	23.2	10.2	11.3
Growth (%)							
Net income (adjusted)	61	122	913	303	(41)	(41)	8
EPS (adjusted)	59	103	2	259	(42)	(42)	8
DCF/share	39	273	(77)	1,000	(50)	(56)	10
Cash tax rate (%)							
Cash tax rate (%)	43	71	24	18	14	26	33
Effective tax rate (%)							
Effective tax rate (%)	23	46	24	18	13	24	31

Source: Kotak Institutional Equities estimates.

"I, Puneet Jain, hereby certify that all of the views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report."

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Source: Kotak Institutional Equities

As of March 31, 2009

Ratings and other definitions/identifiers

Rating system

Definitions of ratings

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