



# Between the Lines

Daily Corporate News Analysis

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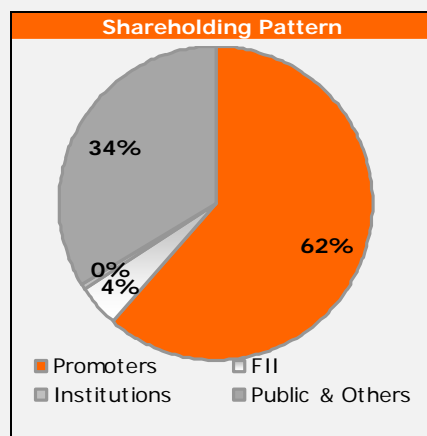
**HDIL Ltd.**

**Result Update**

**Market Performer ; HOLD**

Company Info	
<b>CMP</b>	201
<b>Target Price</b>	225
<b>Sector</b>	Real Estate
<b>52 week H/L</b>	530 / 63
<b>BSE Code</b>	532873
<b>NSE Code</b>	HDIL
<b>Face Value</b>	10
<b>Market Cap</b>	5,940

Price Performance			
%	1m	3m	1yr
Absolute	-6.4%	69.3%	-42.7%
Relative to Sensex	-22.0%	32.8%	-41.9%



## INVESTMENT RATIONALE

Housing Development & Infrastructure Limited (HDIL) is a real estate development company in India, with our significant operations in the Mumbai Metropolitan Region. HDIL focuses on Real Estate Development, including construction and development of residential projects, commercial and retail projects, Slum Rehabilitation and Development, Land Development, including development of infrastructure on land which they sell to other property developers. It is an integrated in-house development team which covers all aspects of property development from project identification and inception through construction to completion and sale.

### Key Developments

HDIL QIP - Housing Development and Infrastructure (HDIL) placed 7 crore shares with institutional investors at a price of Rs 240 per share and also issued 2.6 crore convertible warrants at the same price to the promoters on preferential basis.

Macquarie Bank, one of the largest banks of Australia, alone is reported to have invested Rs 487 crore for a 6% stake in HDIL. Though the value of investment and size of stakes acquired by other investors is not known, reports suggest that about 80% of the funds were invested by foreign institutional investors (FIIs) and the rest by local financial institutions.

The qualified institutional placement (QIP) proceeds will be utilised mainly to retire the company's debt. HDIL has a total debt of over Rs 4,000 crore, part of which is due for repayment in the current year.

The QIP market has been buzzing with activity in the last few months. A growing number of companies, particularly real estate players, are rushing to raise money to tide over the liquidity crunch they have been facing for the past several months.

### Valuations

The stock is fairly trading at market cap to sales of 3.4x, having a EV/EBIDTA of 15.2x and a ROE of 5.8%. At current price of Rs 201 the stock is trading at 10.2x FY10E EPS of Rs. 10.2.

**We recommend a "Hold" on the stock with a 12 month target price of Rs. 225 giving an upside potential of 12% from current level.**

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