Theme Note

India Research

DOLAT CAPITAL

# *Indian (un)Real Estate*

## *Worse is yet to come...!!!*

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## *Real Estate – Worse is yet to come*

**After a dream run of over three years, Real Estate sector has been through tough times in the recent three quarters. The sudden change in the economic environment has put the industry character at acid-test ("Agni Pariksha"). True to its history, the industry players do lack a structured DNA to pass this test. Waning demand, drying capital streams, slow execution, and pressure on asset prices is set to reflect in below average performance (...not to mention issues on governance) for the key participants. We believe that the initial worries on the sector outlook would continue gaining intensity and recommend unwinding the exposure to this sector.**

### Beneficiary of Economic Tailwinds

Real estate is a cyclical sector and has historically weighed very low on market representation in India. Since 2003, the sector has been a beneficiary of favourable macro economic and industry environment viz. higher GDP growth rate, easy availability and inflow of capital, booming retail housing finance, buoyant commercial trade (for demand of the rental dominant segment), rising capital market, lower property prices and interest rates. Increased corporatisation and a higher market fancy also witnessed newer listings – and hence a higher representation of the sector in tradable space. The sector had come out of woods and is occupying ~2.54% weight in Nifty and 0.93% in Sensex.

### Old Habits Die Hard

In spite of the unprecedented run in the last 3 years, the DNA of the sector has not changed. The unprecedented capital flows both from institutional as well as high ticket investments contributed to the frenzy in terms of spiraling prices and increased hunger for expanding land banks – sometimes beyond the circle of competencies (regional as well as market segment). There was a rush to go more & more places in a bid to claim Pan India status, overestimation of demand (especially in premium housing, IT commercial space, Retail & SEZ), poor financial & business statistics disclosures, continuation of complex corporate structures, limited management bandwidth along with tall claims of execution capabilities (which are far away from reality for many of the players) and raising property prices in geometric progression in relatively shorter period.

### Sudden change in headwinds

From a situation of plenty, the world has moved 180 degrees to a draught. Money has gone scarce and so have the investors. With a sharp drawdown on assets, the world (India included) is entering a phase of Balance Sheet Recession. Capital, the backbone of growth assumptions for the sector is now a rare commodity. The sector has historically been treated by the Central bank with a tighter noose. With all resource streams under stress, the cash strapped property developers are left high & dry. The changed economic environment has had its effect on pricing as well as on demand. Developers who have large commitments towards land acquisitions or development need to reset their priorities. The scenario turns adverse as we turn further to the lower strata of developers.

### What next?

The character of the corporate is under check when the environment is adverse. Real Estate cycles are among the largest in the economy when it comes to time span. Before the recent high participation of the sector in the market performance – the stocks had a history of being market unfriendly (today's bell weather DLF had delisted on account of "higher listing fees").

Do we expect them to play fair this time??? …chances are fairly low. The management quality is still questionable, there is a lack of transparency in financial practices & disclosures and opaque land ownership structures along with inter-group transactions still remains the core operative.

While the developers remained in the mode of denial for the first half, there have been spaced admittance in their analyst interaction admitting the slow down in the sector. Like every product witnessing waning demand, there are die-hard measures to improve the value equation. Our recent visits to property exhibitions in Mumbai and interactions with most of the managements in second quarter earnings call(s) confirms our belief that the situation is on a slide at a much rapid pace and can be deeper than anticipated – as stakes today are larger than ever in the past.

What we are witnessing as liquidity issues is the start of worries for the sector. In fact we believe that the worst is yet to come. We have made a fair attempt to analyse the situation based on the common sense and the information available in the public domain.

We may see bankruptcies, distress sell of under construction projects and land parcels along with sharp decline in prices and rentals. For the eternal hopefuls – a hard hitting fact – the regulator had put real estate as the first sector when it came to lending restrictions and increasing risk filters. Consolidation in the industry though can not be ruled out in the mean while.

While most of the stocks have fallen substantially, it does not mean that they can not stop from falling further. The market is yet to discount the worst when it comes to the fair value adjusted for high capital cost environment coupled with the fast waning demand equation. In an environment where flight to quality is the mantra for survival we feel these stocks would see further winding down in terms of ownerships as the scenario unfolds. We recommend a winding down on ownership in this sector. Each positive news flow should be used to time an exit.

The domestic real estate industry has witnessed an unprecedented run in the recent past on the back of a favourable macro economic factors in India and globally. Higher GDP growth, huge capital inflows, lower interest rates and property prices accentuated the momentum. It has encouraged the developers to participate in a big way in the capital markets to raise resources. Optimistic demand scenario across various segments of real estate like residential, commercial, retail etc. prompted developers to diversify their offerings. The sector has occupied the prominence in the investor community and accordingly got representation in leading equity market indices. But in spite of that, the DNA of the sector has not changed.

## Old Habits Die Hard

### Blocking of precious capital in expanding land bank

Around 10 leading real estate players have visited the capital market in last 3 years and collected ~Rs 154 billion. As per their RHP, one third (~Rs 54 billion) of the funds were to be utilized for acquiring land parcels and funding on going construction. Since the run rate for all these companies was very low till year 2005, we can conclude that major allocation out of Rs 54 billion was towards land payments. The focus of the developers have been on a handful of cities or regions like Tier 1 cities (Delhi / NCR, Chennai, Kolkata, Mumbai, Banglore & Hyderabad) and Tier 2 cities (Pune, Ahmedabad, Chandigarh, Jaipur etc.) All these places are commercial, financial and industrial hubs of the country.

**Landbank holding (%)**

| Company | Tier 1 cities (%) | Tier 2 cities (%) |
|---|---|---|
| Unitech | 57 | 43 |
| DLF | 95 | 5 |
| HDIL | 91 | 9 |
| Sobha | 61 | 39 |
| Puravankara | 85 | 15 |

*Source: Companies*

This in turn has put pressure on the land prices which has gone up at least 5 -10 times from prices prevalent in 2002. The average land bank cost for most of the developers appears around Rs.500 per Sq Ft. or less on a blended basis, we believe that this is more of a statistical figure & does not reflect the astronomical prices they have paid to acquire land parcels in Tier 1 cities in anticipation of faster monetization at never seen prices.

BPTP has bought 95 acres of land for Rs 50 billion from Noida Land Authority making it the costliest land deal in the Indian history. Reliance Industries bought a 3 mn sq ft plot in BKC for Rs 9.18 bn. Starlight Systems, a unit of Piramal Suntek Realty bought a plot for residential purpose in BKC for ~ Rs 5 bn. Wadhwa Developers bought less than two acres plot in BKC in November 2007 for Rs 8.31 bn.

We believe, the recent slow down in demand, prices and rentals will increase the monetization period manifold and spoil the project economics thereby adding to the woes of already cash strapped developers.

### Non prudent land acquisition strategy and way to include it in land bank

Most of the developers followed the strategy of acquiring more and more land to create huge land banks thereby inflating the valuations of the company. For this, they have followed a method of locking in more number of land parcels by paying nominal amount to the seller and acquiring developmental rights on conditional basis. Even though the land is still not entirely owned by the company, they have started showing it as a part of land reserves. They are under an obligation to pay the remaining amount within the prescribed time frame in a scheduled manner. The sudden downturn in the sector has left these companies with negative cash flows and a huge unpaid liability towards the land bank.

| Developers (Rs. Bn) | Outstanding land payments | As on |
|---|---|---|
| DLF | 57 | Sep-08 |
| Unitech | 40 | Mar-08 |
| Parsvnath | 31 | Sep-08 |
| Sobha | 21 | Jun-08 |

*Source: Companies*

## Over ambitious development schedule and diversification without proper experience

Most of the real estate players were ramping up their execution at least 6 to 7 times by series of new launches across various portfolios viz. Residential, Townships, Commercial, Multiplex, Hotels, SEZ, Oil n Gas, Telecom etc. Very few are having the experience, project management skills and management bandwidth to really execute on such a large scale and across segments simultaneously. It is a very important aspect looking at the automation levels in the resources management and multi location nature of projects. Too much focus on SEZ and valuations attached to it makes the case more vulnerable. The huge capital required to develop these infrastructure projects (Only residential projects are having a negative working capital) which developers are promising to develop in a scheduled manner would remain on paper due to the capital crunch and slow down in the industrial sector apart from various regulatory issues attached to these developments.

DLF is developing more than 9000 acres township in Bidadi near Bangalore. Ansal Properties has ambitious plans for developing a 2500 acres township at Dadri. Parsvnath Developers has joined hands with Sabeer Bhatia to develop a 11000 acres Nano City. Parsvnath Developers is developing 17 SEZs while DLF is 16.

### Megaprojects

| Company | Project | Acres | Rs. Bn | Estimated years to completion |
|---|---|---|---|---|
| DLF | Bidadi Knowledge City | 9000 | 600 | 5 |
| | Dankuni World Township | 4840 | 330 | 15 |
| Parsvnath | Nano City | 11000 | 500 | 10 |
| Unitech | Chemical SEZ | 12500 | - | - |
| Ansal | Dadri Township | 2500 | 130 | 7 |
| Omaxe | NAHIL | 2000 | 80 | 5 |
| IBREL | Raigarh SEZ | 6000 | - | - |
| Puravankara | Provident Housing & Infrastructure | ~60 msf | 80 | 5 |

*Source: Companies*

## Over estimation of demand…. and hence the supply glut

We believe that there was over exuberance which was irrational as far as demand projections are concerned. The developers have overestimated the demand and could not anticipate the anticlimax so soon and so fast. The slew of launches till June 08 confirmed the fact. The supply of office space in key micro markets during the year has been 44.27 mn.sq ft. The expected cumulative supply of office space up to 2010 in Tier 1 cities together is around 263 mn.sq.ft. The cumulative supply for residential projects up to 2010 in Tier 1 cities put together is around 463 mn sq. ft. Mall markets are expecting a huge supply in CY2008.

### Retail Supply expected in 2008

| CITY | Total Project retail supply for 2008 (Msf) | Supply till Q2-08 (Msf) |
|---|---|---|
| Bangalore | 14.73 | 3.11 |
| Chennai | 12.66 | 3.8 |
| Hyderabad | 4.88 | 0.75 |
| Kolkata | 4.17 | 0.66 |
| Mumbai | 13.89 | 4.09 |
| NCR | 18.28 | 4.34 |
| Pune | 10.42 | 1.02 |
| Ahmedabad | 0.43 | 0.3 |
| **TOTAL** | **79.46** | **18.07** |

*Source: Cushman & Wakefield*

Few developers have realised this fact and have curtailed the number of new launches. During Q2 FY 09 a region focused player like Puravankara has made no new launches and even a pan India player like DLF also refrains from new launches.

### Over dependence on capital market and foreign inflows

Every good time comes to an end sooner than later. The northward movement of Indian Bourses abruptly halted and started moving in southward direction leaving many real estate developers spellbound as this sector has bitten by more than 75% from its peak in January 2008. This was on account of the risk profile of the sector. In the past two years many developers could mobilize capital for various projects via IPO, PE deals, QIP route, REIT etc. We believe, most of the announced projects in the past two years could not adequately factor in the contingency of the drying up of capital flow to this sector. Many of the developers who have raised funds in CY 2005, 2006, 2007 lined up their capital raising plans by the end CY 2007 to raise further capital in CY 2008 either on Indian Bourses or in Singapore through REITs which could not take off due to global credit crisis.

More than 12 real estate developers hit the capital market in the last 3 years. Prominent amongst them are DLF with Rs 91 Bn offer, HDIL with ~Rs 17 Bn and Parsvnath with ~Rs 11 Bn.

Few PE deals in the recent past include $175 mn investment by Lehman brothers in Unitech's Western Express highway in Mumbai. Symphony and DE Shaw have invested $1.1 bn in DLF Assets Ltd. Monsoon capital bought 26% stake in Ognaz Township of Ganesh Housing in Ahemadabad for Rs 1.26 bn.

Besides this Pune based developer DSK came out with FPO in 2006. Indiabulls had a successful REIT listing in Singapore in July 2008.

### Poor financial and development activities disclosures

Very few real estate developers are giving adequate information on the development and execution underway. Since they are in the business of construction being the only revenue stream, they are under no compulsion to disclose the break up of revenues from different segments and the area sold (segment wise). Financial disclosures do not adequately cover transactions and the financial status of complex corporate structure comprises of hundreds of subsidiaries, Joint ventures, SPVs set up for land acquisition and PE purpose. Due to lack of updated information on the status of each project, estimating cash flows and revenues have become difficult. Only a handful of real estate developers like DLF, HDIL, Purvankara etc. are better placed on this front.

### Valuation trap – earning based or asset based valuation

Real estate companies have a relatively very short history in the Indian Capital market. There is still no consensus on the most appropriate valuation methodology for these companies. Most of the companies follows percentage completion method but only a few are still following project completion method making it difficult to predict revenues, giving a distorted picture. Hence, the earning based valuation is less accurate in deciding the value of these companies. Assigning a multiple to land banks on their market value is not an appropriate method as there is no regulatory mechanism to arrive at fair market value of the land in a particular area. Then, what is left is discounted cash flow based valuation of the main asset i.e. land bank. This method is also vulnerable to the capital structure, realizations, cost structure and most importantly the schedule of cash flows. But it provides greater liberty to an analyst to use one's prudence to arrive at valuation. We have seen that most of the companies have created a rosy picture on the realizations, cost structure and development schedule making their NAVs inflated.

**With all these old habits, developers could survive and grow till March 08 on account of favourable external environment i.e. comfortable liquidity, capital flows, optimistic demand scenario, lower inflation and interest rates.**

**But situation has turned ugly with the Sub prime turmoil which can be witnessed from following symptoms.**

## Sudden change in headwinds

The Sub-prime turmoil in US has changed the scenario faster than anticipated. Liquidity dried up quickly, rising crude and commodity prices raises the inflation and consequent tighter monitory conditions. There was a flight of capital from emerging markets to US with deals getting cancelled and the currency depreciating.

The real estate sector has suffered a major set back in terms of the pace of growth. Developers have gigantic development plans and want uninterrupted capital flow either from capital market or through PE deals. Many of them have succeeded in getting it last year. But at the first sign of problem, PE players have become reluctant to go ahead with commitments (e.g. Lehman has taken its investment back from DLF Assets Ltd.)

Investor led demand which forms around 35% of the total demand suddenly vanished due to relentless fall in the equity market. Interest rates had gone up, both on account of rising provision norms and drying up of liquidity. But prices were still at high level. The slow down in overall economy has made lot of prospective home buyers anxious. These consumers now finding it difficult to get a house in their budget at affordable EMIs. They have started postponing their decisions. These are the signals of a demand slow down in the sector.

## Analytical view of the current status

### From the initial no-no to timid acceptance of price correction

There was clear slow down in demand for residential, retail and commercial properties for the reasons discussed above. But developers did not want to accept the reality and were reluctant to drop the prices for initial 6 months. Off late they have woken up to the reality and started giving discounts selectively on projects. In a recent interactions with developers in property exhibitions, we have got discounts in the rage of 15% to 20%. They were further ready to negotiate. They have started accepting the slow down. Offering free bees like free registrations, stamp duty exemption, free parking, EMI sharing etc. A builder in Thane (Cosmos Builders) has offered one flat free on purchase of one. We believe, this just a beginning and prices, rentals will go down further.

### Slow down in launches, delay in land bank acquisition and project execution

Many of the leading developers have dropped their new launches especially of mega township projects in spite of festive season. Purvankara, a Banglore based leading developer has categorically mentioned about it in its second quarter earnings call. Focus has shifted to faster completion of under construction schemes and complexes. Most of the developers have curtailed their plans to increase land bank.

### Cancellations of land auctions and reduction in reserve prices due lackluster response

There were several cancellations of land auctions in the recent past on account of poor or no response from developers. MMRDA has failed to get bids for two of its plots that it has planned to auction in BKC and Wadala in the month of September due to poor response. In last auction the agency got bids at the rate just above its reserve price from winning bidder indicating slowdown (Jet airways deal). Recently, Railway Land Development Authority (RLDA) also reduced the price of its Bandra land by Rs 6.68 bn to Rs 39.60 bn and more than doubled the payment period to five years to get a better response from the bidders for its 45,371-sq ft plot.

### Huge unpaid land liability

The companies have huge unpaid land liabilities. With lack of availability of resources and dropping sales it would be difficult for the developers to retain their rights on the land parcels. There is fear of loosing initially paid amount which is in millions due to inability to pay remaining.

| Developers (Rs. Mn) | Outstanding land payments | As on |
|---|---|---|
| DLF | 57390 | Sep-08 |
| Unitech | 40000 | Mar-08 |
| Parsvnath | 31450 | Sep-08 |
| Sobha | 20760 | Jun-08 |

*Source: Companies*

### Desperation to show revenue and managing working capital by increasing credit period

The developers have adopted innovative way to boost revenues which are permitted but not best practices. Anantraj Industries Ltd. in June quarter has transferred part of one of its projects to its wholly owned subsidiary and consequently reported equivalent revenue in its standalone results without any clarity about valuation methodology. Sobha Developers has changed its revenue recognition policy in June quarter which facilitates early recognition of revenue in project cycle by recognizing revenue from undivided portion of land as soon as project achieve 20% of booking. The revenue recognition on construction portion will start only after the company achieves 25% of completion. DLF gets ~45% to 50% of revenue from group company DAL and is the largest debtor of DLF. DLF has started delaying payments to sub contractors and vendors as a matter of policy to improve working capital management.

### Rising construction cost, financial cost and leverage

Rising construction and financial costs on account of increase in leverage and interest rates are witnessed in margins for most of the developers. Since most of the developers have very high area under construction, it is very difficult for them to continue with development of commercial and retail segment which are primarily funded by developers themselves.

| | Area under construction (Msf) | | | Leverage(x) | | | Interest expenses (Rs. Mn) | | |
|---|---|---|---|---|---|---|---|---|---|
| | FY07 | FY08 | H1FY09 | FY07 | FY08 | H1FY09 | FY07 | FY08 | H1FY09 |
| DLF | 44 | 61 | 63 | 2.79 | 0.62 | 0.61 | 3076 | 3100 | 1010 |
| Unitech | 44 | 55 | - | 2.02 | 2.30 | - | 1287 | 2804 | 2420 |
| Parsvnath | 66 | 77 | 81 | 0.78 | 0.96 | 1.02 | 752 | 1971 | 360 |
| HDIL | 46 | 88 | - | 0.51 | 0.85 | 0.94 | 620 | 1633 | 1593 |
| Puravanaka | 14 | 19 | 20 | 3.05 | 0.54 | 0.61 | 424 | 814 | 435 |

*Source: Companies*

### Erosion in Valuations

The Net asset Value (NAV) of the real estate companies have eroded by 50% to 80% as of October from their peak levels of January 08. The reasons for the same sighted as drop in realizations, rising construction and financial costs, rising leverage, delay in cash flows, exclusion of certain non starter projects and increase in discount rate on account of increase in risk free rate and risk premium.

### Liquidity crunch, Distress sale and borrowing from NBFCs

Small developers are facing liquidity crunch to such an extent that many of them have sold their ongoing projects and land parcels to bigger developers. Ganesh Housing has acquired couple of land parcels and a under construction retail mall in Ahemadabad. Some deals happened in NCR region as well. Few of the big listed developers adopted slightly different way of raising funds to overcome liquidity crunch by pledging their shares with NBFCs and borrowed at exorbitant costs.

Unitech has borrowed money from India bulls by pledging properties. Omaxe promoters also borrowed from India bulls by pledging shares.

### Rollover on land installment payments, back out from land deals and honoring debt commitments

Many big developers have rolled over their maturing debt instrument issued to Mutual Funds basically for their FMP schemes. Besides this, developers now have started delaying payment of installments to agencies for acquiring land parcels. Many of them have backed out from the deals.

Citra Developers, a 100 per cent subsidiary of Indiabulls Real Estate, withdrew its Rs 6.76 bn bid for the 134-acre PAL-Peugeot land in the Dombivli-Kalyan region, about 100 km outside Mumbai.

Jet Airways, which had bid successfully for a prized Bandra-Kurla Complex (BKC) plot in Mumbai for a whopping Rs 8.26 bn, has walked away from the deal.

There were reports of few rollovers of installments by couple of developers like Unitech and BPTP for Noida land deals.

## No support from banking system

RBI has taken a lot of steps in the month of October to infuse liquidity in the system. But we believe real estate sector will get lowest benefit out of it across all industries mainly on account of no relaxation in stringent lending norms to this sector and already high leverage of the developers. Unless housing interest rates come down to single digit, recessionary clouds get cleared and prices further corrects, there won't be buying enthusiasm across the cliental segments whether it is residential or commercial.

## Affordable housing – The name of the game

A few developers have lately realized the fact that there is some demand left at the correct price point. Affordable housing is a new buzz word. There is no one definition of affordability. It is relative term with respect to the region. But if the price of the property is around 5 times the per capital income of the region is considered to be affordable house. We have witnessed huge rush for forms to purchase a flat when MHADA, DDA have sold forms for new bookings in last few months for Low Income and Mid Income groups. Lakhs of forms were sold.TMC (Tanaji Malusare City in Karjat) also witnessed tremendous response when they have launched the scheme in August/September. Sensing the opportunity Banglore based Purvankara Projects launched a subsidiary by the name Provident Housing for development of affordable housing and announced plans of development. Omaxe Ltd. a Delhi based developer also floated a subsidiary by the name National Affordable Housing India Ltd. for development of affordable housing.

## The new quadrants of oversupply

We believe there will be supply glut of residential, commercial and retail properties in the pockets of Mumbai (Parel, BKC, western and eastern suburbs of Malad, Thane etc.), NCR (Gurgaon, Noida) Banglore (Whitefield), Chennai (OMR), Jaipur, Pune

## Outlook

We believe that there is still a long way to go for the sector to revive. In fact, the worst is yet to come. We may witness bankruptcies, more and more distress sale of under construction projects and land parcels along with sharp decline in prices and rentals. Consolidation in the industry can not be ruled out. However, the presence of handful of corporates with proven corporate governance like Mahindra Lifespace, Godrej Properties etc.is a silver lining for the sector.

The Govt. has not yet come out with any specific bail out package or any major concessions for the sector. The Central Bank is expected to continue with its harder stand on lending to the Real Estate sector in spite of the recent relaxation in the provisioning norms on lending to real estate. We believe that it wont encourage banks to lend aggressively in the light of slackening underlying demand in real estate. We will see mega projects going out of picture, dishonoring of commitments by developers and thereby increased litigations. Rising fear of defaults has led banks to discourage lending to real estate sector.

# Annexure I

## **Unitech Ltd.-** A case in point

### No smoke without fire

We have tracked the announcements on BSE done by Unitech in last one year. Out of the total 23 announcements (excluding result announcements), 5 were for clarifying company's stand on media and market rumors, 4 related to real estate business (2 related to investment by Lehman, 1 related to intention to list Office Trust in Singapore which subsequently postponed and 1 related to land acquisition) and remaining 14 related to Telecom vertical.

In FY08, Unitech has been very aggressive on land bank purchases. The company has increased its land bank (economic interest) by 31.33% to 13922 acre during FY08. Unitech has around 55 mn sq ft of projects under construction and plans to deliver 20 mn sq ft by FY09. The area under construction is expected to rise significantly after launches of projects in South India. Even considering the current market situation and expecting a slowdown in execution, Unitech would still need sizeable funds for meeting construction costs and servicing debt which stands at Rs.85 Bn as of FY08 (increased by 112% Y-o-Y). Even though Unitech has got an investor for its telecom business (Rs.61.24 Bn) and for Mumbai project (Rs.740 Cr), there is still a long way to go. The management is riding on back of expectations of their ~$700 Mn listing of UOT (Unitech Office Trust) and PE funding in hospitality & retail businesses to the extent of $1.15 bn. The probability of these deals happening looks acute in the current economic situation. Unitech has missed the opportunity of attracting capital during the booming markets for these projects leaving less chances of making hay while the sun has set.

We have observed that management has to come forward many times to clarify on the rumors. In fact, one of the market rumors with respect to borrowing by promoters from Indiabulls turned out to be true as management has clarified the fact of pledging the properties with Indiabulls.

The company is under a sever cash crunch and as per latest news paper reports it has put its 2 lakh sq. ft. at up market Saket in New Delhi on the block. The news item further said that the management has confirmed this development. There is no announcement on stock exchange regarding the same as yet.

# Annexure II

### Valuation Matrix

| Particulars | CMP* | Net sales (Rs. Mn) | | PAT (Rs. Mn) | | EPS (Rs.) | | PE (x) | |
|---|---|---|---|---|---|---|---|---|---|
| | | FY09(E) | FY10(E) | FY09(E) | FY10(E) | FY09(E) | FY10(E) | FY09(E) | FY10(E) |
| DLF | 241 | 174982 | 205314 | 86646 | 101682 | 50.8 | 59.6 | 4.7 | 4.0 |
| Unitech | 46 | 60726 | 81459 | 20782 | 38311 | 13.5 | 15.1 | 3.4 | 3.0 |
| HDIL | 117 | 32131 | 46194 | 16034 | 20220 | 58.2 | 73.4 | 2.0 | 1.6 |
| Parsvnath | 43 | 37935 | 40753 | 7323 | 8902 | 39.6 | 64.3 | 1.1 | 0.7 |
| Mahindra Lifespace | 174 | 4923 | 7952 | 1033 | 2071 | 25.3 | 50.7 | 6.9 | 3.4 |
| Puravankara | 50 | 8872 | 14804 | 2948 | 4027 | 13.8 | 18.9 | 3.6 | 2.6 |
| Anant Raj | 50 | 10681 | 15198 | 5955 | 9593 | 20.2 | 32.5 | 2.5 | 1.5 |

**CMP as on Nov 14, 2008*

*Source: Bloomberg Consensus Estimates*

The ratings are based on the absolute upside of our target price from the current price.

| Upside | Ratings |
|---|---|
| > 25 % | Buy |
| 15% - 25% | Accumulate |
| 0% - 15% | Reduce |
| < 0 % | Sell |

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