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Top picks

DLF

Real Estate

The real estate markets have shown a cautious outlook, with sales remaining tepid, and unsold inventory levels witnessing an upward trend. Rising property prices, coupled with firm interest rates, have also kept genuine buyers away from taking decisions.

With the onset of the festive season, several projects were launched across the country. However, with the exception of Bengaluru, offtake has not yet been exciting in most places; hence, leading to piling inventories.

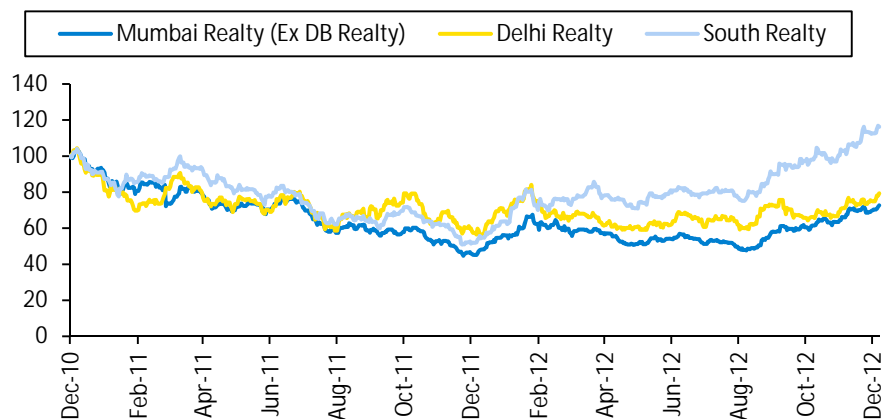
However, with the RBI indicating a softer interest rate regime, the sentiment seems to improve, both from a consumer as well as a company standpoint. At specific price points, we have witnessed good demand for products and hence, a change in the monetary policy stance could provide the required impetus.

Company balance sheets are witnessing an improvement, with companies steadily repaying debt and exhibiting caution on land bank addition. With input prices and land prices spiralling, a rate-cut would be the much-required breather for real estate companies.

The quarter has been a game-changer for DLF, with the receipt of Rs27bn from Lodha Developers from the sale of Mumbai land parcel as well as completion of Aman hotel sale transaction. The company now seems to be in a position to revamp its balance sheet by bringing down debt to manageable levels.

BSE Realty Index has returned 14.9% for the October-December period, while the SENSEX has returned 3.2% for the same periods.

Relative Regional Stock performance



Source: Bloomberg, PL Research

Residential

Sales in Bengaluru remained strong and despite a slew of new launches, inventory levels witnessed a decline. In the NCR region, sales recovered from the dismal lows of the previous quarter, with Greater Noida witnessing some good activity in terms of launches and sales. However, inventory levels, once again saw a sharp increase. Mumbai sales have remained status quo. However, with the new launches in the city, inventory levels continue to rise.

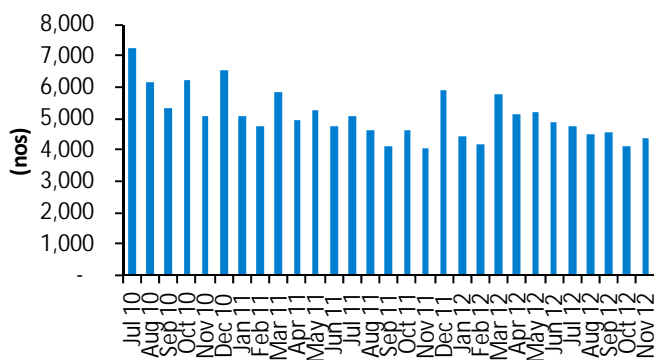
Sales registrations for Mumbai have been dismal since June 2012, with October and November witnessing the lowest numbers for the fiscal. However, this would be a reflection of the pre-festive season where there were no launches, coupled with a tough macro-economic situation. Registration numbers are likely to look up from Q4 onwards as they would reflect the festive season where several projects were launched.

The key to watch out for is the monetary policy stance as it could be of help to correct the stressed affordability equation. Besides, it could also inspire developers to offer products at interesting price points.

An interesting trend is the recent drop in rentals in the high-end segment in Mumbai, indicating a large pool of investor units available for rent not finding the requisite tenants. The existence of low rentals and high prices may be a reflection of the fact that Mumbai investors are not sensitive to rental yield of properties.

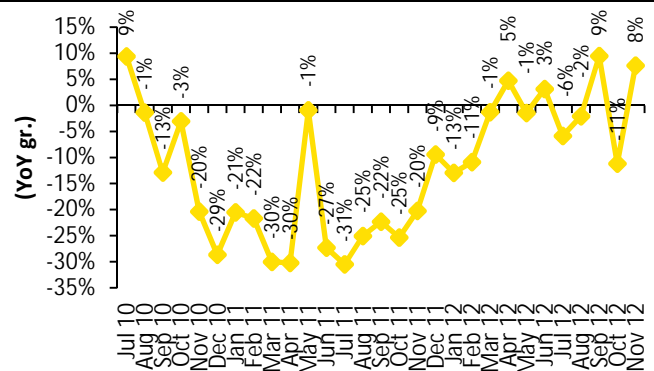
(Note: Registrations data includes Residential and Commercial properties)

Registration of Sale Deed agreements in Mumbai



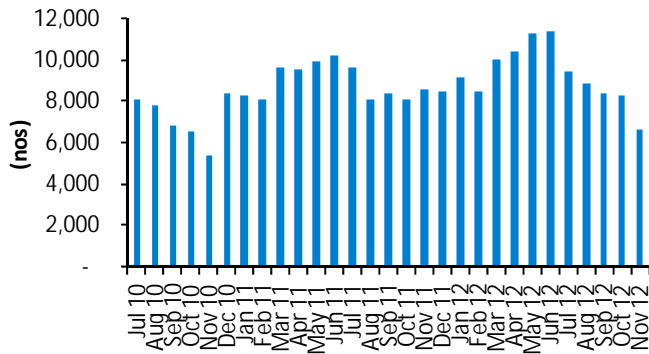
Source: DGR Mumbai, PL Research

YoY% growth in Sale Deed registrations



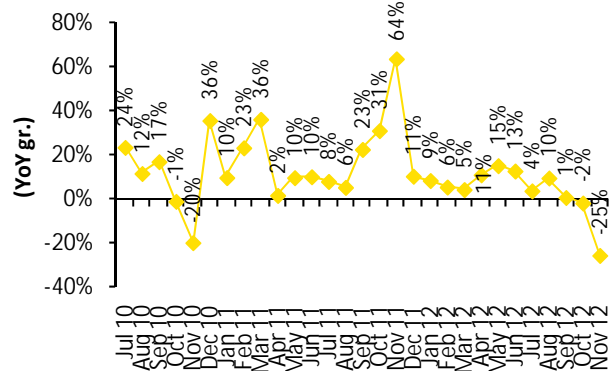
Source: DGR Mumbai, PL Research

Registration of Lease Agreements in Mumbai



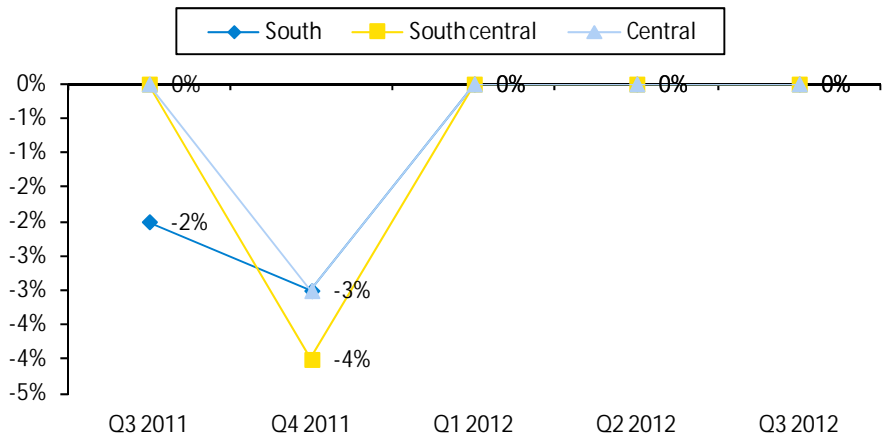
Source: DGR Mumbai, PL Research

YoY% growth in Lease Agreement registrations



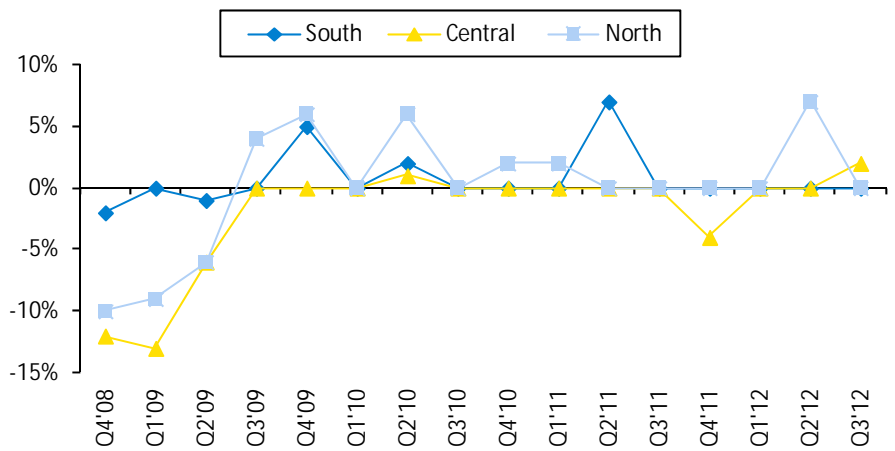
Source: DGR Mumbai, PL Research

Mumbai high-end segment rentals weak



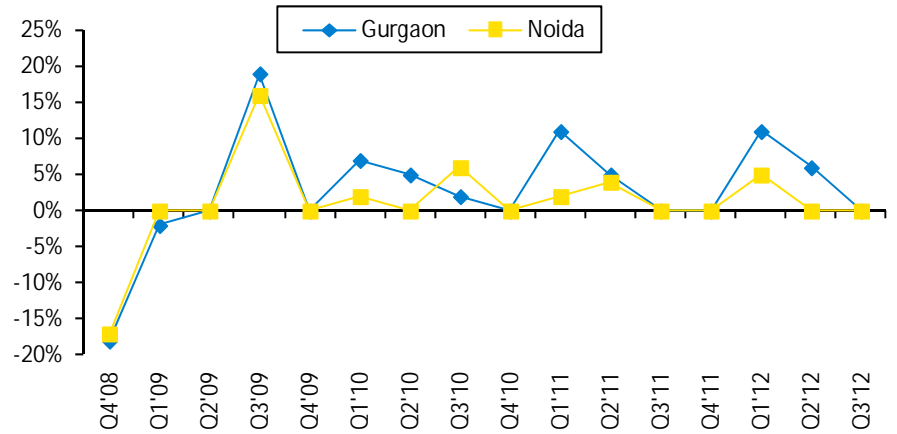
Source: PL Research

QoQ (%) change in Mumbai mid-segment prices



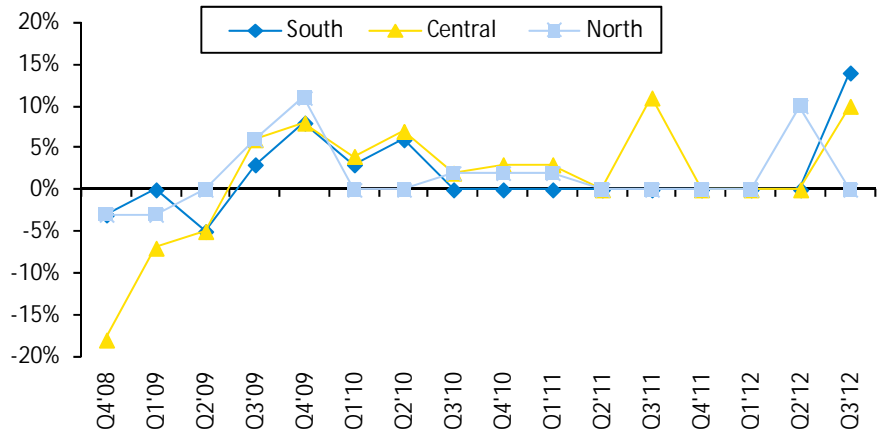
Source: Cushman & Wakefield

QoQ (%) change in Gurgaon and Noida mid-segment prices



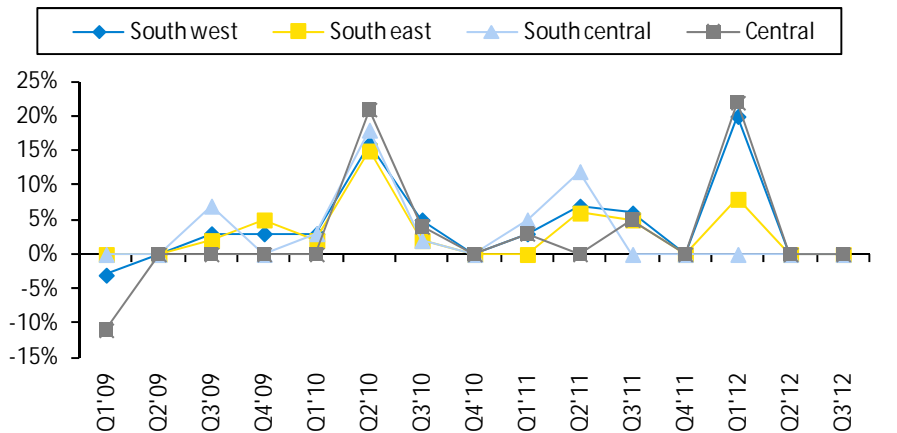
Source: Cushman & Wakefield

QoQ (%) change in Mumbai high-end prices



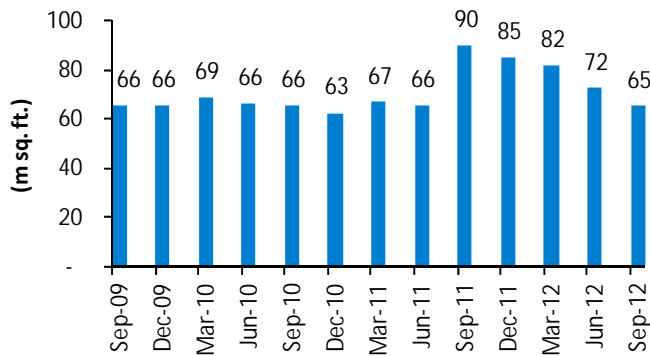
Source: Cushman & Wakefield

QoQ (%) change in NCR high-end prices



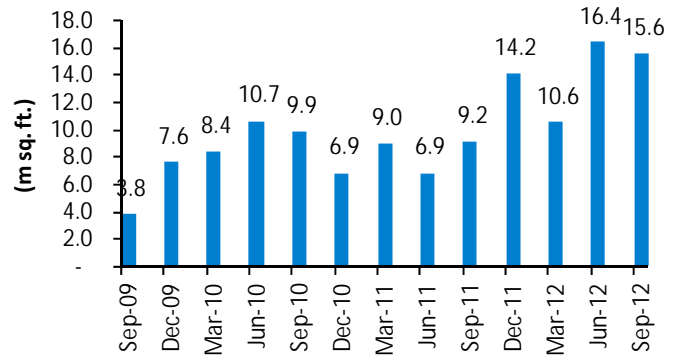
Source: Cushman & Wakefield

Bengaluru Inventory declines QoQ



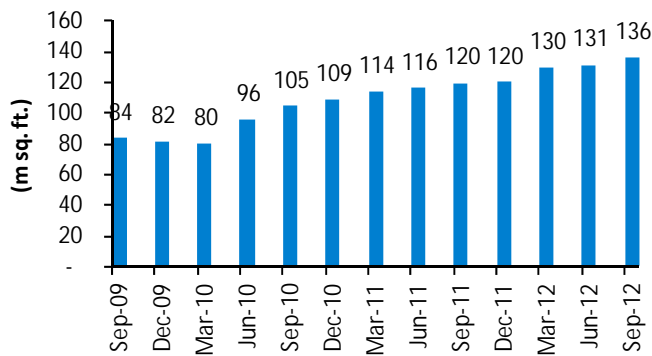
Source: Liases Foras, PL Research

Bengaluru sales strong



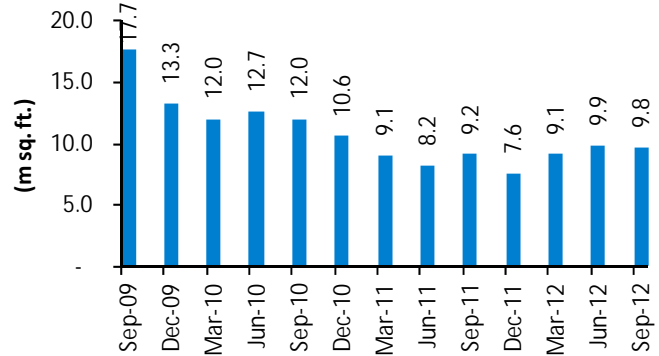
Source: Liases Foras, PL Research

Mumbai inventory continues to inch up



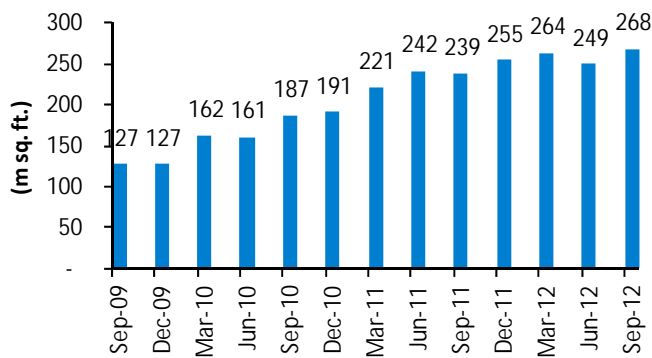
Source: Liases Foras, PL Research

Mumbai sales volumes remain lacklustre



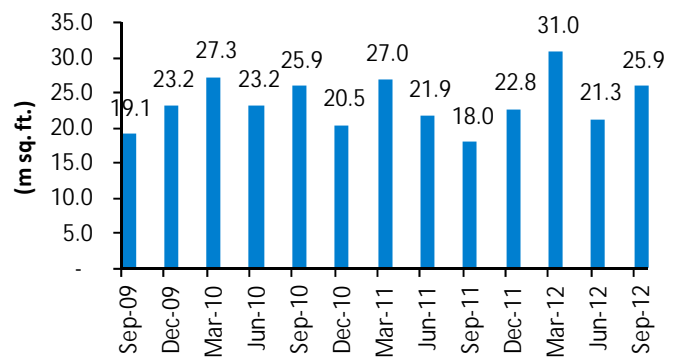
Source: Liases Foras, PL Research

Delhi inventory on the increase



Source: Liases Foras, PL Research

Delhi sales recover slightly



Source: Liases Foras, PL Research

Commercial

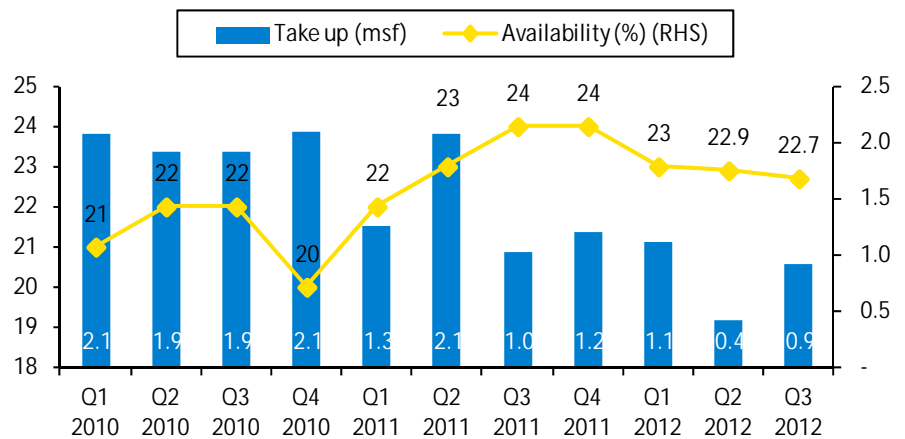
Commercial market continued to remain weak and vacancy levels remained high, with NCR being the worst performer on this parameter.

Mumbai lease registrations plummeted 23% YoY and 20% MoM to a 24-month low and vacancy levels remained high at 22.7%. Overall, the sentiment for commercial real estate has been extremely dull, with several developers converting planned commercial projects to residential.

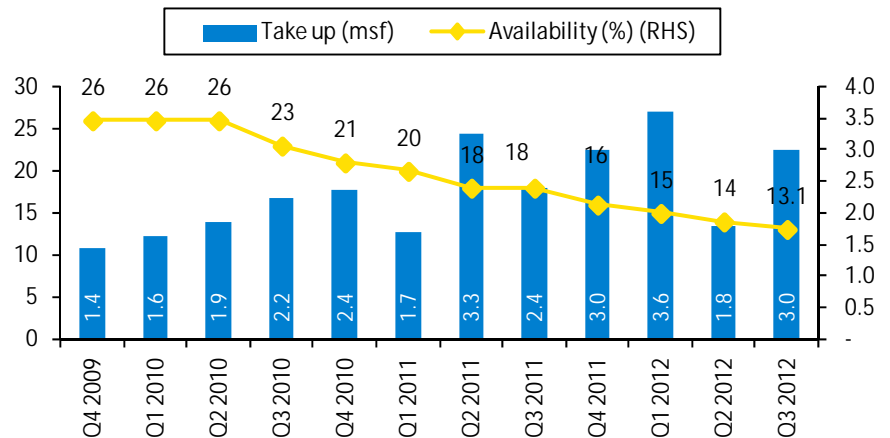
For the Bengaluru commercial market, offtake improved slightly vis-a-vis the previous quarter which was extremely dismal. The take-up number, which has plummeted from 3.6m sq.ft in Q12012 to 1.8m sq.ft in Q22012, revived to 3m sq.ft in Q3. Vacancy levels declined from 14% to 13%.

In the NCR, volumes declined from 1.7m sq.ft to 1.2m sq.ft, with vacancy levels remaining steady at ~30%.

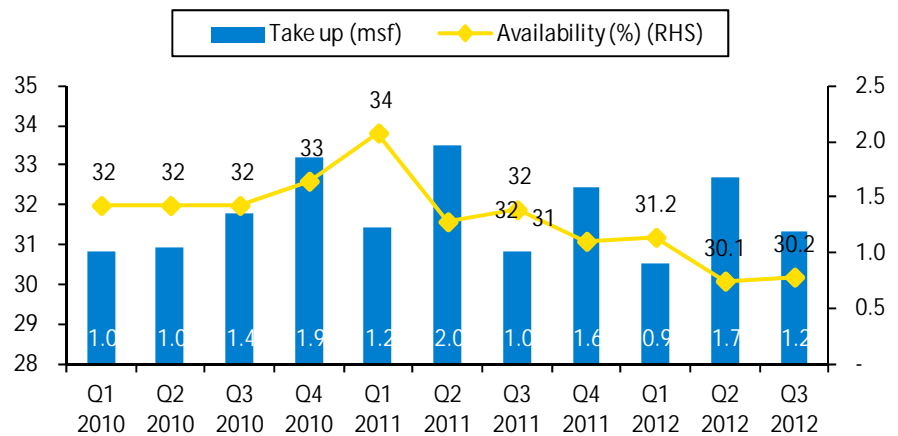
Mumbai Rental Demand (msf) and Availability (%)



Source: DTZ, PL Research

Bengaluru Rental Demand (msf) and Availability (%)


Source: DTZ, PL Research

NCR Rental Demand (msf) and Availability (%)


Source: DTZ, PL Research

Stock Performance

	Absolute				Relative to Sensex			
	1M	3M	6M	12M	1M	3M	6M	12M
DLF	6.7	(2.8)	11.2	33.1	5.4	(6.8)	(1.2)	9.0
Oberoi Realty	0.4	10.6	24.1	41.6	(0.9)	6.7	11.7	17.5
Unitech	2.0	39.9	49.6	77.4	0.6	35.9	37.2	53.3
Prestige Estates Projects	10.5	26.3	47.6	145.4	9.2	22.3	35.2	121.3
Housing Development & Infrastructure	0.2	8.1	31.6	106.8	(1.2)	4.1	19.2	82.7
Sobha Developers	5.0	(0.1)	16.4	87.5	3.6	(4.1)	4.0	63.4
Anant Raj Industries	(1.6)	20.1	72.4	121.5	(3.0)	16.2	60.0	97.4
Peninsula Land	6.5	51.5	101.6	131.7	5.2	47.5	89.2	107.6

Source: Bloomberg, PL Research

Summary Financials - Quarterly

		Q3FY13E	Q3FY12	YoY gr. (%)	Q2FY13	QoQ gr. (%)	9MFY13E	9MFY12	YoY gr. (%)
DLF	Sales	34,825	20,344	71.2	20,395	70.7	77,198	70,126	10.1
	EBITDA	13,450	8,227	63.5	7,464	80.2	31,584	31,067	1.7
	<i>Margins (%)</i>	<i>38.6</i>	<i>40.4</i>		<i>36.6</i>		<i>40.9</i>	<i>44.3</i>	
	PAT	5,870	2,587	126.9	1,385	323.8	10,183	9,884	3.0
Oberoi Realty	Sales	2,495	1,889	32.1	2,577	(3.2)	7,071	5,715	23.7
	EBITDA	1,465	1,150	27.4	1,496	(2.1)	4,100	3,199	28.2
	<i>Margins (%)</i>	<i>58.7</i>	<i>60.9</i>		<i>58.1</i>		<i>58.0</i>	<i>56.0</i>	
	PAT	1,224	1,037	18.0	1,243	(1.6)	3,475	3,209	8.3
Unitech	Sales	5,950	5,139	15.8	5,398	10.2	15,426	17,891	(13.8)
	EBITDA	1,083	1,073	0.9	818	32.4	2,448	3,652	(33.0)
	<i>Margins (%)</i>	<i>18.2</i>	<i>20.9</i>		<i>15.2</i>		<i>15.9</i>	<i>20.4</i>	
	PAT	1,007	551	82.6	760	32.5	2,226	2,460	(9.5)
Prestige Estates Projects	Sales	4,925	1,669	195.2	2,414	104.0	9,531	5,434	75.4
	EBITDA	1,550	501	209.3	725	113.8	2,979	1,683	77.0
	<i>Margins (%)</i>	<i>31.5</i>	<i>30.0</i>		<i>30.0</i>		<i>31.3</i>	<i>31.0</i>	
	PAT	952	281	239.2	457	108.4	1,902	908	109.5
HDIL	Sales	6,175	4,254	45.2	2,586	138.8	10,772	13,779	(21.8)
	EBITDA	2,995	1,612	85.8	2,019	48.3	6,592	6,869	(4.0)
	<i>Margins (%)</i>	<i>48.5</i>	<i>37.9</i>		<i>78.1</i>		<i>61.2</i>	<i>49.9</i>	
	PAT	2,500	1,558	60.5	1,408	77.5	4,962	4,937	0.5
Sobha Developers	Sales	4,445	3,032	46.6	3,928	13.2	12,705	9,007	41.1
	EBITDA	1,250	948	31.9	1,052	18.8	3,500	2,584	35.4
	<i>Margins (%)</i>	<i>28.1</i>	<i>31.3</i>		<i>26.8</i>		<i>27.5</i>	<i>28.7</i>	
	PAT	526	401	31.2	389	35.2	1,365	1,049	30.1
Anant Raj Industries	Sales	1,350	922	46.5	1,289	4.7	3,554	2,631	35.1
	EBITDA	715	490	45.9	688	4.0	1,873	1,497	25.1
	<i>Margins (%)</i>	<i>53.0</i>	<i>53.2</i>		<i>53.4</i>		<i>52.7</i>	<i>56.9</i>	
	PAT	523	343	52.3	496	5.4	1,353	1,036	30.5
Peninsula Land	Sales	2,585	454	468.9	2,868	(9.9)	6,787	2,009	237.8
	EBITDA	975	151	546.1	1,015	(3.9)	2,455	842	191.6
	<i>Margins (%)</i>	<i>37.7</i>	<i>33.2</i>		<i>35.4</i>		<i>36.2</i>	<i>41.9</i>	
	PAT	757	105	618.2	827	(8.5)	2,003	742	170.1

Source: Company Data, PL Research

Consolidated Sectoral Data

Key Figures (Rs m)

	FY12	FY13E	FY14E
Net Sales	181,863	224,672	298,654
<i>Growth (%)</i>	<i>(6.9)</i>	<i>23.5</i>	<i>32.9</i>
EBITDA	67,830	85,871	115,875
<i>Margin (%)</i>	<i>37.3</i>	<i>38.2</i>	<i>38.8</i>
PAT	33,034	41,908	64,927
<i>Growth (%)</i>	<i>(20.7)</i>	<i>26.9</i>	<i>54.9</i>
PE (x)	23.8	18.8	12.1

Quarterly Table (Rs m)

	Q3 FY13E	Q3 FY12	YoY gr. (%)	Q2 FY13	QoQ gr. (%)
Net Sales	62,750	37,702	66.4	41,454	51.4
EBITDA	23,483	14,153	65.9	15,276	53.7
<i>Margin (%)</i>	<i>37.4</i>	<i>37.5</i>	<i>(12)bps</i>	<i>36.9</i>	<i>57 bps</i>
PAT (Excl. Ex Items)	13,358	6,863	94.6	6,877	94.3

Note: Revenue, EBITDA and PAT numbers are arrived by totaling corresponding numbers of all companies under our coverage in this sector.

DLF

Rating	BUY
Price	Rs235
Target Price	Rs276
Market Cap. (Rs bn)	399.2
Shares o/s (m)	1,698.4

Key Figures (Rs m)

	FY12	FY13E	FY14E
Net Sales	96,294	122,939	155,399
EBITDA	39,043	50,159	65,112
<i>Margin (%)</i>	<i>40.5</i>	<i>40.8</i>	<i>41.9</i>
PAT	12,263	17,750	31,347
EPS (Rs)	7.2	10.5	17.7
<i>RoE (%)</i>	<i>4.9</i>	<i>6.8</i>	<i>10.8</i>
PE (x)	32.6	22.5	13.3
P / BV (x)	1.6	1.5	1.3
Net Debt	235,598	206,511	159,026
DE (x)	0.92	0.75	0.56

The big landmark achieved during the quarter is the sale of 'Aman' hotel chain for US\$300m. Besides, the company has also received proceeds from the sale of land in Mumbai to Lodha developers. In terms of launches, it has launched one project in New Gurgaon of ~1m sq.ft and another 1m sq.ft of plotted launches in Mullanpur. The high-impact launches in Gurgaon, which were planned for H2FY13, did not take place in Q3 and are expected to take place in Q4.

Quarterly Table (Rs m)

Y/e March	Q3 FY13E	Q3 FY12	YoY gr. (%)	Q2 FY13	9M FY13E	9M FY12	YoY gr. (%)
Net Sales	34,825	20,344	71.2	20,395	77,198	70,126	10.1
EBITDA	13,450	8,227	63.5	7,464	31,584	31,067	1.7
<i>Margin (%)</i>	<i>38.6</i>	<i>40.4</i>	<i>(182)bps</i>	<i>36.6</i>	<i>40.9</i>	<i>44.3</i>	<i>(339)bps</i>
Reported PAT	5,870	2,587	126.9	1,385	10,183	9,926	2.6
PAT (Excl. Ex Items)	5,870	2,587	126.9	1,295	10,108	9,884	2.3
Operating Metrics							
Development Business							
Sales (msf)	3.1	3.3	(6.1)	1.6	6.0	6.8	(11.1)
Annuity Business							
Leases (msf)	0.3	0.2	13.6	0.2	0.8	1.2	(32.8)

Oberoi Realty

Rating	Accumulate
Price	Rs298
Target Price	Rs314
Market Cap. (Rs bn)	97.9
Shares o/s (m)	328.2

Key Figures (Rs m)

	FY12	FY13E	FY14E
Net Sales	8,247	9,622	20,224
EBITDA	4,835	5,618	12,806
<i>Margin (%)</i>	<i>58.6</i>	<i>58.4</i>	<i>63.3</i>
PAT	4,633	4,749	9,933
EPS (Rs)	14.1	14.5	33.3
<i>RoE (%)</i>	<i>13.2</i>	<i>12.2</i>	<i>22.1</i>
PE (x)	21.1	20.6	9.0
P / BV (x)	2.6	2.4	1.8
Net Debt	(12,934)	(14,637)	(8,135)
DE (x)	NA	NA	NA

Despite the festive season, sales for the company are likely to remain close to levels that we have been witnessing for the last couple of quarters. On the launch front too, action has been subdued as approvals for both Mulund & Worli GSK have not yet come through. With regards to the Worli Oasis project, a formal launch is awaited; however, sales to family and friends have been on. We did not witness any action on land acquisition as well during the quarter.

Quarterly Table (Rs m)

Y/e March	Q3 FY13E	Q3 FY12	YoY gr. (%)	Q2 FY13	9M FY13E	9M FY12	YoY gr. (%)
Net Sales	2,495	1,889	32.1	2,577	7,071	5,715	23.7
EBITDA	1,465	1,150	27.4	1,496	4,100	3,199	28.2
<i>Margin (%)</i>	<i>58.7</i>	<i>60.9</i>	<i>(215)bps</i>	<i>58.1</i>	<i>58.0</i>	<i>56.0</i>	<i>201 bps</i>
Reported PAT	1,224	1,037	18.0	1,244	3,475	3,214	8.1
PAT (Excl. Ex Items)	1,224	1,037	18.0	1,244	3,475	3,214	8.1
Operating Metrics							
Sales Volume (msf)	0.13	0.12	6.4	0.13	0.39	0.52	(25.8)
Sales Value (Rs m)	2,250	1,780	26.4	2,220	6,546	6,718	(2.6)
Avg. Sales Real. (Rs/sf)	17,045	14,355	18.7	17,065	16,961	12,910	31.4

Unitech

Rating	Reduce
Price	Rs36
Target Price	Rs25
Market Cap. (Rs bn)	93.5
Shares o/s (m)	2,616.3

Key Figures (Rs m)

	FY12	FY13E	FY14E
Net Sales	24,219	24,134	28,513
EBITDA	3,281	3,981	3,195
<i>Margin (%)</i>	<i>13.5</i>	<i>16.5</i>	<i>11.2</i>
PAT	2,374	3,249	1,838
EPS (Rs)	0.9	1.2	0.7
<i>RoE (%)</i>	<i>2.0</i>	<i>2.7</i>	<i>1.5</i>
PE (x)	39.4	28.8	50.9
P / BV (x)	0.8	0.8	0.8
Net Debt	39,104	50,111	59,011
DE (x)	0.35	0.33	0.31

The company has restricted new launches; however, has been releasing additional area at the existing projects. The company's focus has been to increase pace of construction and has, therefore, been raising additional debt for the same. Sales for the quarter are likely to be subdued.

Quarterly Table (Rs m)

Y/e March	Q3 FY13E	Q3 FY12	YoY gr. (%)	Q2 FY13	9M FY13E	9M FY12	YoY gr. (%)
Net Sales	5,950	5,139	15.8	5,398	15,426	17,891	(13.8)
EBITDA	1,083	1,073	0.9	818	2,448	3,652	(33.0)
<i>Margin (%)</i>	<i>18.2</i>	<i>20.9</i>	<i>(268)bps</i>	<i>15.2</i>	<i>15.9</i>	<i>20.4</i>	<i>(454)bps</i>
Reported PAT	1,007	553	82.2	492	1,958	2,461	(20.4)
PAT (Excl. Ex Items)	1,007	551	82.6	760	2,226	2,460	(9.5)
Operating Metrics							
Sale/Volumes (msf)							
Residential	1.5	1.4	6.9	1.4	4.35	4.66	(6.7)
Non-Residential	0.20	0.25	(20.0)	0.16	0.44	0.73	(39.7)
Avg. Real. (Rs/sq.ft)							
Residential	4,545	4,729	(3.9)	4,401	13,178	14,481	(9.0)
Non-Residential	13,500	10,400	29.8	14,625	40,086	32,192	24.5

Prestige Estates Projects

	Accumulate
Rating	
Price	Rs180
Target Price	Rs228
Market Cap. (Rs bn)	58.9
Shares o/s (m)	328.1

Key Figures (Rs m)

	FY12	FY13E	FY14E
Net Sales	10,523	17,711	29,955
EBITDA	2,966	5,672	8,937
<i>Margin (%)</i>	<i>28.2</i>	<i>32.0</i>	<i>29.8</i>
PAT	826	2,701	4,790
EPS (Rs)	2.5	8.2	14.6
<i>RoE (%)</i>	<i>3.9</i>	<i>12.0</i>	<i>18.9</i>
PE (x)	71.3	21.8	12.3
P / BV (x)	2.7	2.5	2.2
Net Debt	16,368	18,592	14,524
DE (x)	0.85	0.92	0.77

We expect another strong quarter for the company on account of one launch in Bengaluru, Electronic City which received a good response and a couple of other soft launches. The company's full year guidance of sales of Rs25bn is likely to be met in this quarter itself and hence, we expect an upward revision. In terms of revenue recognition, we expect a sharp jump, with *Kingfisher Towers* and *Prestige Park View* crossing the recognition threshold.

Quarterly Table (Rs m)

Y/e March	Q3 FY13E	Q3 FY12	YoY gr. (%)	Q2 FY13	9M FY13E	9M FY12	YoY gr. (%)
Net Sales	4,925	1,669	195.2	2,414	9,531	5,434	75.4
EBITDA	1,550	501	209.3	725	2,979	1,683	77.0
<i>Margin (%)</i>	<i>31.5</i>	<i>30.0</i>	<i>143 bps</i>	<i>30.0</i>	<i>31.3</i>	<i>31.0</i>	<i>28 bps</i>
Reported PAT	952	281	239.2	457	1,902	908	109.5
PAT (Excl. Ex Items)	952	281	239.2	457	1,902	908	109.5
Operating Metrics							
Sales (m sqft)	1.42	1.01	41.1	1.62	5.08	3.58	41.9
Sales Value (Rs m)	6,850	4,745	44.4	8,160	25,115	14,642	71.5
Avg Realization (Rs/sqft)	4,824	4,715	2.3	5,037	4,944	4,089	20.9

HDIL

	Reduce
Rating	
Price	Rs117
Target Price	Rs79
Market Cap. (Rs bn)	49.2
Shares o/s (m)	419.0

Key Figures (Rs m)

	FY12E	FY13E	FY14E
Net Sales	20,064	19,030	22,765
EBITDA	9,562	9,496	11,025
<i>Margin (%)</i>	<i>47.7</i>	<i>49.9</i>	<i>48.4</i>
PAT	8,174	6,992	7,827
EPS (Rs)	19.5	16.7	18.7
<i>RoE (%)</i>	<i>8.3</i>	<i>6.6</i>	<i>6.9</i>
PE (x)	6.0	7.0	6.3
P / BV (x)	0.5	0.4	0.4
Net Debt	38,552	34,849	29,276
DE (x)	0.40	0.35	0.31

Earnings during the quarter are likely to be strong as three projects, *Premier Residencies, Kurla (W), Metropolis, Andheri (West)* and *Residency Park, Virar (West)* are due for completion in H2FY13 and since HDIL follows the 'project completion' method of accounting, a part of this is likely to come in for recognition during Q3FY14. Besides, we expect FSI sales at Vasai-Virar to continue during the quarter.

Quarterly Table (Rs m)

Y/e March	Q3 FY13E	Q3 FY12	YoY gr. (%)	Q2 FY13	9M FY13E	9M FY12	YoY gr. (%)
Net Sales	6,175	4,254	45.2	2,586	10,772	13,779	(21.8)
EBITDA	2,995	1,612	85.8	2,019	6,592	6,869	(4.0)
<i>Margin (%)</i>	<i>48.5</i>	<i>37.9</i>	<i>1,060 bps</i>	<i>78.1</i>	<i>61.2</i>	<i>49.9</i>	<i>1,134 bps</i>
Reported PAT	2,500	1,558	60.5	1,406	4,959	4,937	0.4
PAT (Excl. Ex Items)	2,500	1,558	60.5	1,408	4,962	4,937	0.5
Operating Metrics							
FSI Sales Rs Mn	2,350	3,330	(29.4)	2,460	6,822	9,560	(28.6)
TDR Sales Rs Mn	-	899.5	NA	-	-	3,232	NA
TDR Sales (msf)	-	0.4	NA	-	-	1.3	NA

Sobha Developers

	Accumulate
Rating	
Price	Rs388
Target Price	Rs431
Market Cap. (Rs bn)	38.0
Shares o/s (m)	98.1

Key Figures (Rs m)

	FY12E	FY13E	FY14E
Net Sales	14,079	17,326	24,788
EBITDA	4,666	4,967	7,347
<i>Margin (%)</i>	<i>33.1</i>	<i>28.7</i>	<i>29.6</i>
PAT	2,060	2,100	4,056
EPS (Rs)	21.0	21.4	41.4
<i>RoE (%)</i>	<i>10.7</i>	<i>10.1</i>	<i>17.4</i>
PE (x)	18.5	18.1	9.4
P / BV (x)	1.9	1.8	1.5
Net Debt	11,443	11,127	8,907
DE (x)	0.60	0.69	0.57

Although the quarter did not have any new launches, the company released ~1m sq.ft of additional area at its existing projects i.e *Sobha City & Forest View*. Sales momentum, therefore, for the company is likely to be maintained for the quarter. A part of the Gurgaon project is likely to come in for revenue recognition this quarter which shall give a boost to the company's revenues. The company is targeting the launch of its large project at Minerva Mills, Bengaluru, which is likely in Q4FY13; however, awaiting approvals.

Quarterly Table (Rs m)

Y/e March	Q3	Q3	YoY	Q2	9M	9M	YoY
	FY13E	FY12	gr. (%)	FY13	FY13E	FY12	gr. (%)
Net Sales	4,445	3,032	46.6	3,928	12,705	9,007	41.1
EBITDA	1,250	948	31.9	1,052	3,500	2,584	35.4
<i>Margin (%)</i>	<i>28.1</i>	<i>31.3</i>	<i>(315)bps</i>	<i>26.8</i>	<i>27.5</i>	<i>28.7</i>	<i>(114)bps</i>
Reported PAT	526	401	31.2	389	1,365	1,049	30.1
PAT (Excl. Ex Items)	526	401	31.2	389	1,365	1,049	30.1
Operating Metrics							
Sales (m sqft)	0.9	0.8	10.2	0.9	2.7	2.4	10.9
Sales Value (Rs m)	5,334	4,484	19.0	5,270	15,398	12,368	24.5
Avg Realisation (Rs/sqft)	5,909	5,475	7.9	5,570	5,736	5,109	12.3

Anant Raj Industries

	Accumulate
Rating	
Price	Rs96
Target Price	Rs97
Market Cap. (Rs bn)	28.4
Shares o/s (m)	295.1

Key Figures (Rs m)

	FY12E	FY13E	FY14E
Net Sales	3,115	4,841	7,171
EBITDA	1,699	2,590	3,657
<i>Margin (%)</i>	<i>54.5</i>	<i>53.5</i>	<i>51.0</i>
PAT	1,191	1,824	2,176
EPS (Rs)	4.0	6.2	7.4
<i>RoE (%)</i>	<i>3.2</i>	<i>4.7</i>	<i>5.3</i>
PE (x)	23.9	15.6	13.1
P / BV (x)	0.7	0.7	0.7
Net Debt	8,366	13,469	16,826
DE (x)	0.25	0.28	0.26

Although there were no new launches during the quarter, sales at the company's existing projects are likely to continue. Sales at Gurgaon, Sector 63 project as well as the Neemrana project have been taking place during the quarter. Revenue booking at the Sector 63 project is expected to start from Q3 onwards. In terms of rentals, we expect the situation to remain status quo.

Quarterly Table (Rs m)

Y/e March	Q3	Q3	YoY	Q2	9M	9M	YoY
	FY13E	FY12	gr. (%)	FY13	FY13E	FY12	gr. (%)
Net Sales	1,350	922	46.5	1,289	3,554	2,631	35.1
EBITDA	715	490	45.9	688	1,873	1,497	25.1
<i>Margin (%)</i>	<i>53.0</i>	<i>53.2</i>	<i>(23)bps</i>	<i>53.4</i>	<i>52.7</i>	<i>56.9</i>	<i>(421)bps</i>
Reported PAT	523	315	66.1	495	1,340	994	34.9
PAT (Excl. Ex Items)	523	343	52.3	496	1,353	1,036	30.5
Operating Metrics							
Ceramic Tiles	-	1		-	0	6	
Rental received	262.0	231.7	13.1	258.0	775	628	23.5
Project Sales	918	526	74.6	625	2,078	1,834	13.3

Peninsula Land

	Accumulate
Rating	
Price	Rs77
Target Price	Rs82
Market Cap. (Rs bn)	21.6
Shares o/s (m)	279.5

Key Figures (Rs m)

	FY12E	FY13E	FY14E
Net Sales	5,323	9,068	9,839
EBITDA	1,779	3,386	3,795
<i>Margin (%)</i>	<i>33.4</i>	<i>37.3</i>	<i>38.6</i>
PAT	1,514	2,543	2,960
EPS (Rs)	5.4	9.1	10.6
<i>RoE (%)</i>	<i>10.4</i>	<i>15.8</i>	<i>16.3</i>
PE (x)	14.3	8.5	7.3
P / BV (x)	1.4	1.3	1.1
Net Debt	3,886	5,495	(2,793)
DE (x)	0.51	0.61	0.33

Q3FY13 is also likely to have sales booking from Peninsula Business Park since the sales at the project have been extremely strong with only three floors left to be sold. Depending on the legal formalities, a portion of these sales are likely to get recognized during the quarter. Besides, sales at the Breach Candy project have done well. However, the construction at the project is yet to begin.

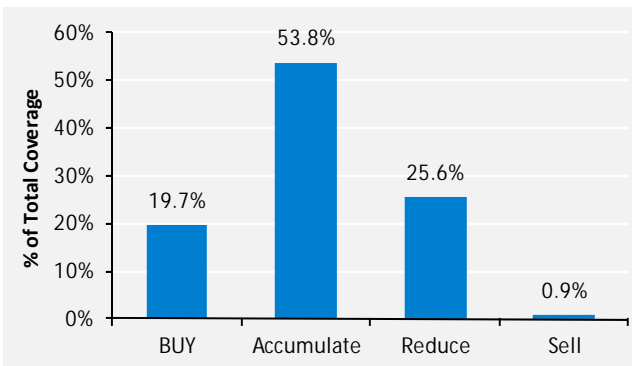
Quarterly Table (Rs m)

Y/e March	Q3	Q3	YoY	Q2	9M	9M	YoY
	FY13E	FY12	gr. (%)	FY13	FY13E	FY12	gr. (%)
Net Sales	2,585	454	468.9	2,868	6,787	2,009	237.8
EBITDA	975	151	546.1	1,015	2,455	842	191.6
<i>Margin (%)</i>	<i>37.7</i>	<i>33.2</i>	<i>451 bps</i>	<i>35.4</i>	<i>36.2</i>	<i>41.9</i>	<i>(574)bps</i>
Reported PAT	757	105	618.2	827	2,003	742	170.1
PAT (Excl. Ex Items)	757	105	618.2	827	2,003	742	170.1
Operating Metrics							
Ashok Towers	-	-	NA	-	-	-	NA
Swan Mills	-	-	NA	-	-	165	NA
Peninsula Business Park	2,520	-	NA	2,780	6,510	1,160	461.2
Peninsula Techno Park	-	340	NA	-	-	340	NA
Ashok Gardens	-	60	NA	-	50	60	(16.7)
Others	65	60	8.3	88	233	290	(19.7)



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Rating Distribution of Research Coverage



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BUY	: Over 15% Outperformance to Sensex over 12-months	Accumulate	: Outperformance to Sensex over 12-months
Reduce	: Underperformance to Sensex over 12-months	Sell	: Over 15% underperformance to Sensex over 12-months
Trading Buy	: Over 10% absolute upside in 1-month	Trading Sell	: Over 10% absolute decline in 1-month
Not Rated (NR)	: No specific call on the stock	Under Review (UR)	: Rating likely to change shortly

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