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Rating	Accumulate
Price	Rs75
Target Price	Rs91
Implied Upside	21.3%
Sensex	19,580
Nifty	5,939

(Prices as on February 07, 2013)

#### Trading data

Market Cap. (Rs bn)	22.2
Shares o/s (m)	295.1
3M Avg. Daily value (Rs m)	318.1

#### Major shareholders

Promoters	62.16%
Foreign	13.64%
Domestic Inst.	3.03%
Public & Other	21.17%

#### Stock Performance

(%)	1M	6M	12M
Absolute	(22.0)	47.6	13.0
Relative	(21.4)	36.4	1.9

#### How we differ from Consensus

EPS (Rs)	PL	Cons.	% Diff.
2014	6.8	9.1	-24.6
2015	8.6	9.4	-8.3

#### Price Performance (RIC: ANRA.BO, BB: ARCP IN)



Source: Bloomberg

- Broadly in-line:** Anantraj reported revenues of Rs1.7bn, growth of 88% YoY & 34% QoQ, slightly ahead of our estimates on account of a land sale worth Rs126m. Besides, the quarter also witnessed the 'Sector 63', Gurgaon project crossing the revenue threshold this quarter.

EBITDA margins stood at 42% as against 53% in Q3FY12 as well as a similar number in Q2FY13. The lower margins would also be on lower margin land sales during the quarter. PAT stood at Rs531m, growth of 68% YoY & 7% QoQ, in-line with our estimates.

- Sales & Revenue Break-up:** Sales during the quarter was largely contributed by Sector 63, Gurgaon (~80%) and the remaining by 'Neemrana' and 'Maceo' (Sector 91, Gurgaon) projects. With regards to revenue recognition, 16.8% was contributed by Maceo, 20.7% by Manesar, 12% by Neemrana, 35.5% by Sector 63, Gurgaon and 15% together by rentals and land sales.
- Rentals witnessed a sequential decline:** Rentals declined from Rs153m in Q2FY13 to Rs130m due to the expiry of the management contract on one of its hotels. The shift from one operator to another led to a lag of three months. Besides, some leases also expired at Manesar IT Park which has not yet been renewed.
- Valuations:** The company's net assets are valued at Rs44.3bn, of which, we deduct debt of Rs12.8bn which gives us a value of Rs31.5bn, translating to Rs107/share. To arrive at our target price, we have valued the company at 15% discount to NAV which gives a value of Rs91. We maintain '**Accumulate**'.

Key financials (Y/e March)	2012	2013E	2014E	2015E
Revenues (Rs m)	3,115	5,176	6,123	7,699
Growth (%)	(26.5)	66.1	18.3	25.7
EBITDA (Rs m)	1,699	2,484	3,123	3,927
PAT (Rs m)	1,191	1,768	2,019	2,547
EPS (Rs)	4.0	6.0	6.8	8.6
Growth (%)	(28.9)	48.4	14.2	26.1
Net DPS (Rs)	0.4	0.9	1.0	1.3

Profitability & Valuation	2012	2013E	2014E	2015E
EBITDA margin (%)	54.5	48.0	51.0	51.0
RoE (%)	3.2	4.5	5.0	6.0
RoCE (%)	2.8	3.6	3.9	4.7
EV / sales (x)	9.8	6.6	5.9	4.6
EV / EBITDA (x)	18.0	13.8	11.6	8.9
PE (x)	18.6	12.6	11.0	8.7
P / BV (x)	0.6	0.6	0.5	0.5
Net dividend yield (%)	0.5	1.2	1.4	1.7

Source: Company Data; PL Research

**Exhibit 1: Q3FY13 Result Overview (Rs m)**

Y/e March	Q3FY13	Q3FY12	YoY gr. (%)	Q2FY13	9MFY13	9MFY12	YoY gr. (%)
<b>Net Sales</b>	<b>1,729</b>	<b>922</b>	<b>87.7</b>	<b>1,289</b>	<b>3,933</b>	<b>2,631</b>	<b>49.5</b>
EXPENDITURE	1,000	431		601	2,046	1,134	
Consumption of raw material	915	322	184.0	516	1,794	893	100.8
<i>% of sales</i>	<i>52.9</i>	<i>35.0</i>		<i>40.0</i>	<i>45.6</i>	<i>34.0</i>	
Staff cost	41	34	20.1	36	117	79	48.1
<i>% of sales</i>	<i>2.4</i>	<i>3.7</i>		<i>2.8</i>	<i>3.0</i>	<i>3.0</i>	
Manufacturing and other exp	44	74	(40.8)	49	135	152	(11.0)
<i>% of sales</i>	<i>2.5</i>	<i>8.0</i>		<i>3.8</i>	<i>3.4</i>	<i>5.8</i>	
<b>EBITDA</b>	<b>729</b>	<b>491</b>	<b>48.5</b>	<b>688</b>	<b>1,887</b>	<b>1,497</b>	<b>26.0</b>
<i>% of sales</i>	<i>42.2</i>	<i>53.3</i>		<i>53.4</i>	<i>48.0</i>	<i>56.9</i>	
Depreciation	26	36	(29.0)	25	75	90	(17.3)
Other Income	40	51	(22.2)	43	117	141	(17.4)
<b>EBIT</b>	<b>743</b>	<b>506</b>	<b>46.8</b>	<b>706</b>	<b>1,929</b>	<b>1,548</b>	<b>24.6</b>
Financial Expenses	40	69	(41.0)	41	119	170	(29.9)
<b>Adjusted profit before tax</b>	<b>703</b>	<b>437</b>	<b>60.6</b>	<b>665</b>	<b>1,810</b>	<b>1,378</b>	<b>31.3</b>
Provision for taxation	170	97	75.0	168	447	346	29.3
<i>% of PBT</i>	<i>24.2</i>	<i>22.2</i>		<i>25.3</i>	<i>24.7</i>	<i>25.1</i>	
<b>Adjusted profit after tax</b>	<b>533</b>	<b>340</b>	<b>56.5</b>	<b>496</b>	<b>1,362</b>	<b>1,032</b>	<b>32.0</b>
Exceptional item	0	28		2	12	42	
Prior period Adjustments	(1)	4		-	(1)	4	
<b>Reported PAT</b>	<b>531</b>	<b>316</b>	<b>68.2</b>	<b>495</b>	<b>1,348</b>	<b>994</b>	<b>35.7</b>

Source: Company Data, PL Research

**Income Statement (Rs m)**

Y/e March	2012	2013E	2014E	2015E
<b>Net Revenue</b>	<b>3,115</b>	<b>5,176</b>	<b>6,123</b>	<b>7,699</b>
Raw Material Expenses	1,093	1,449	1,470	1,848
Gross Profit	2,022	3,727	4,654	5,852
Employee Cost	—	—	—	—
Other Expenses	323	1,242	1,531	1,925
<b>EBITDA</b>	<b>1,699</b>	<b>2,484</b>	<b>3,123</b>	<b>3,927</b>
Depr. & Amortization	110	107	151	157
Net Interest	206	170	210	189
Other Income	201	150	165	110
<b>Profit before Tax</b>	<b>1,584</b>	<b>2,357</b>	<b>2,926</b>	<b>3,691</b>
Total Tax	396	589	907	1,144
<b>Profit after Tax</b>	<b>1,188</b>	<b>1,768</b>	<b>2,019</b>	<b>2,547</b>
Ex-Od items / Min. Int.	120	—	—	—
<b>Adj. PAT</b>	<b>1,191</b>	<b>1,768</b>	<b>2,019</b>	<b>2,547</b>
<b>Avg. Shares O/S (m)</b>	<b>295.1</b>	<b>295.1</b>	<b>295.1</b>	<b>295.1</b>
<b>EPS (Rs.)</b>	<b>4.0</b>	<b>6.0</b>	<b>6.8</b>	<b>8.6</b>

**Cash Flow Abstract (Rs m)**

Y/e March	2012	2013E	2014E	2015E
C/F from Operations	(1,277)	773	727	1,705
C/F from Investing	1,446	(4,021)	(2,000)	—
C/F from Financing	(28)	4,203	(814)	(1,386)
Inc. / Dec. in Cash	140	955	(2,088)	320
Opening Cash	1,482	1,451	2,414	326
Closing Cash	1,451	2,414	326	646
FCFF	(3,219)	(597)	(983)	517
FCFE	(3,059)	4,086	(1,233)	(233)

**Key Financial Metrics**

Y/e March	2012	2013E	2014E	2015E
<b>Growth</b>				
Revenue (%)	(26.5)	66.1	18.3	25.7
EBITDA (%)	(27.9)	46.2	25.7	25.7
PAT (%)	(28.9)	48.4	14.2	26.1
EPS (%)	(28.9)	48.4	14.2	26.1
<b>Profitability</b>				
EBITDA Margin (%)	54.5	48.0	51.0	51.0
PAT Margin (%)	38.2	34.2	33.0	33.1
RoCE (%)	2.8	3.6	3.9	4.7
RoE (%)	3.2	4.5	5.0	6.0
<b>Balance Sheet</b>				
Net Debt : Equity	0.2	0.3	0.3	0.3
Net Wrkng Cap. (days)	4,017	3,440	3,683	3,347
<b>Valuation</b>				
PER (x)	18.6	12.6	11.0	8.7
P / B (x)	0.6	0.6	0.5	0.5
EV / EBITDA (x)	18.0	13.8	11.6	8.9
EV / Sales (x)	9.8	6.6	5.9	4.6
<b>Earnings Quality</b>				
Eff. Tax Rate	24.9	25.0	31.0	31.0
Other Inc / PBT	12.8	6.4	5.6	3.0
Eff. Depr. Rate (%)	0.5	0.5	0.6	0.6
FCFE / PAT	(256.8)	231.1	(61.1)	(9.2)

Source: Company Data, PL Research.

**Balance Sheet Abstract (Rs m)**

Y/e March	2012	2013E	2014E	2015E
Shareholder's Funds	38,322	39,780	41,445	43,545
Total Debt	9,817	14,500	14,250	13,500
Other Liabilities	860	860	860	860
<b>Total Liabilities</b>	<b>48,999</b>	<b>55,140</b>	<b>56,555</b>	<b>57,904</b>
Net Fixed Assets	26,962	30,876	32,724	32,567
Goodwill	—	—	—	—
Investments	3,245	3,245	3,245	3,245
Net Current Assets	18,784	21,019	20,585	22,092
<i>Cash &amp; Equivalents</i>	<i>1,451</i>	<i>2,414</i>	<i>326</i>	<i>646</i>
<i>Other Current Assets</i>	<i>23,444</i>	<i>27,105</i>	<i>30,554</i>	<i>34,845</i>
<i>Current Liabilities</i>	<i>6,111</i>	<i>8,500</i>	<i>10,294</i>	<i>13,399</i>
Other Assets	8	—	—	—
<b>Total Assets</b>	<b>48,999</b>	<b>55,140</b>	<b>56,555</b>	<b>57,904</b>

**Quarterly Financials (Rs m)**

Y/e March	Q4FY12	Q1FY13	Q2FY13	Q3FY13
<b>Net Revenue</b>	<b>654</b>	<b>915</b>	<b>1,289</b>	<b>1,729</b>
<b>EBITDA</b>	<b>187</b>	<b>470</b>	<b>688</b>	<b>729</b>
<i>% of revenue</i>	<i>28.6</i>	<i>51.4</i>	<i>53.4</i>	<i>42.2</i>
Depr. & Amortization	18	24	25	26
Net Interest	47	37	41	40
Other Income	49	34	43	40
<b>Profit before Tax</b>	<b>171</b>	<b>442</b>	<b>665</b>	<b>703</b>
Total Tax	51	109	168	170
<b>Profit after Tax</b>	<b>123</b>	<b>323</b>	<b>495</b>	<b>533</b>
<b>Adj. PAT</b>	<b>120</b>	<b>333</b>	<b>496</b>	<b>533</b>

**Key Operating Metrics**

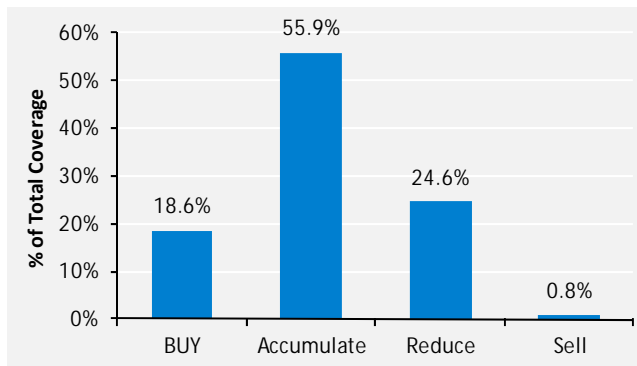
Y/e March	2012	2013E	2014E	2015E
Ceramic tiles	6	—	—	—
Sale of assets/ Investments	164	500	350	300
Rental received (Rs m)	878	1,358	1,020	1,256
Residential Sales	3,214	3,318	4,753	6,144
Reversal	(1,153)	—	—	—

Source: Company Data, PL Research.



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**Rating Distribution of Research Coverage**



**PL's Recommendation Nomenclature**

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

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