Ashiana Housing Ltd.

April 28, 2010 | **BUY** | **HIGH RISK** | **PRICE Rs.128** | **TARGET Rs.165**

REAL ESTATE

EARLIER RECO

Buy	
Price	Rs.122*
Target	Rs.165
Date	April 20, 2010

- Short Note

SHARE HOLDING (%)

Promoters	68.3
FII	0.7
FI / MF	0.0
Body Corporates	7.2
Public & Others	23.8

STOCK DATA

Reuters Code	**AHFN.BO**
Bloomberg Code	**ASFI IN**
BSE Code	**523716**
NSE Symbol	**-**
Market Capitalization*	**Rs. 2313.9 mn** **US$ 52 mn**
Shares Outstanding*	**18.1 mn**
52 Weeks (H/L)	**Rs.135 /35**
Avg. Daily Volume (6m)	**27,346 Shares**

Price Performance (%)

1M	3M	6M
33	18	39

200 Days EMA: Rs.61

***On fully diluted equity shares**

ANALYST
Ishpreet Batra | +91 22 4093 5091
ishpreet.batra@sushilfinance.com

SALES:
Devang Shah | +91 22 4093 6060/61
devang.shah@sushilfinance.com
Nishit Shah | +91 22 4093 6074
nishit.shah@sushilfinance.com

STRENGTH: Presence in Tier-II&III cities, Affordable housing, Execution based business model, Pioneer in Retirement House, Reputed Brand, Strong balance sheet-Net debt free & higher return ratios. **WEAKNESS:** Major presence in North India. **OPPORTUNITIES:** Huge demand for affordable house in India & Growing popularity of Retirement house. **THREAT:** Rising Interest Rates & Property Prices to check volume growth.

Pioneer in Retirement Resort- “Selling LIFESTYLE not houses”

Ashiana Housing with its pioneering thought process had come up with a new concept of retirement resort called “UTSAV” in Bhiwadi covering an area of 15.5 acre. Success of this project only instills confidence that this market has huge potential for growth in India, and the Company has therefore launched two more projects in the similar line. It is now building UTSAV in Jaipur and Lavasa spread over an area of 7.5 and 30 acre respectively. The Company has received a good response for these projects, 35.8% of the Jaipur project and ~60% of the Lavasa project for the Phase-I have already been booked. It has thus established a firm brand name for the retirement resort projects.

Equivalent Area Constructed to grow at a CAGR of 22.8%

The Company’s equivalent area constructed has increased at a CAGR of 38.2% in the last four years from 2.5 lakh square feet to 9.4 lakh square feet (FY09). It is likely to close on 10.48 Lakh square feet of area constructed for FY10E, which it plans to increase to 20 lakh square feet by FY13E, i.e. a CAGR of 22.8% for the next three years. To keep up to the growth numbers, the Company already has projects entailing a developable area of 6.7 million square feet including projects like residential, hotel, retail and retirement resorts, which gives revenue visibility for the next 3-4 years. The Company also has developable land of 3.84 million square feet for its future projects.

Robust Business Model

Ashiana Housing has a robust business model, which requires lower capital. The Company, on the back of its good brand image in Tier-II and Tier-III cities, usually enters into partnership project with the land owners on profit sharing basis. It has recently entered into a joint development agreement with Mangalam Developers for developing an area of 23 lakh square feet at Jaipur. Thus, despite of operating in the debt prone real estate sector, the Company is net debt free, with higher ROCE and ROE of ~30%.

OUTLOOK & VALUATION

Ashiana Housing is a growing real estate firm with revenue and PAT CAGR of 37% & 73% of last three years. On the back of robust execution- based business model, focus on affordable housing in Tier II and Tier III cities, pioneer venture in conceptual projects such as Retirement house-“UTSAV”, the Company is expected to grow at CAGR of 30% for next three years. The company is currently working on projects entailing an area of 6.7MSF, while it has developable land of 3.8MSF for its future projects providing revenue visibility for the next 5-6years. Being a net debt free, higher ROE 32.8% & ROCE 31.5% firm, the stock is attractively trading at 3.6x times its FY12E EPS. However, being real estate business in nature, we have valued Ashiana Housing using SOTP method valuing real estate by NPV and Hotel & Retail by DCF, giving us price objective of Rs.165. Our NPV model is play on volumes and not on pricing, so any price appreciation in the property market, amidst expected 8% GDP growth will act as positive surprise.

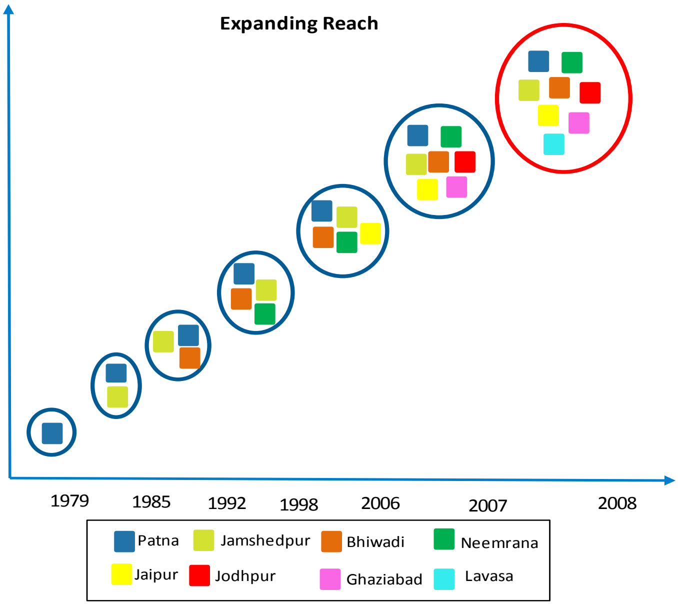
KEY FINANCIALS

Y/E Mar.	Revenue (Rs mn)	APAT (Rs mn)	AEPS (Rs)	AEPS (% Ch.)	P/E (x)	ROCE (%)	ROE (%)	P/BV (x)
FY09	906.7	284.0	15.7	-26.6	8.1	32.7	34.6	2.4
FY10E	**1009.1**	**271.5**	**15.0**	**-4.4**	**8.5**	**23.8**	**24.7**	**1.9**
FY11E	**1420.3**	**435.1**	**24.1**	**60.2**	**5.3**	**28.6**	**30.2**	**1.4**
FY12E	**1984.4**	**642.5**	**35.5**	**47.7**	**3.6**	**31.5**	**32.8**	**1.0**

Sushil Financial Services Private Limited
Office : 12, Homji Street, Fort, Mumbai 400 001.
Member : BSEL, SEBI Regn.No. INB/F010982338 | NSEIL, SEBI Regn.No.INB/F230607435.
Phone: +91 22 40936000 Fax: +91 22 22665758 Email : info@sushilfinance.com

COMPANY OVERVIEW

Ashiana Housing is a growing firm in the Indian real estate sector. The Company has chiefly undertaken residential, group housing, retirement resorts, and hotel as well as retail projects in the past. The company is a pioneer in conceptual projects like retirement resorts in India.



Source: Company

**First Organized developer in Patna, Jamshedpur, Bhiwadi, Neemrana, Jaipur, Jodhpur*

The Company had started its operations in Patna, from where it expanded its reach to other Tier-II and Tier-III cities. It has now expanded it reach in Delhi (NCR), Rajasthan, Maharashtra and Jharkhand. It has built and delivered projects in Bhiwadi, Jaipur, Jodhpur and Jamshedpur. The Company has so far built and delivered an area of 8.4 mn square feet.

Ashiana Housing believes in selling "Lifestyle" than a house, a perfect example of which is its Retirement House at Bhiwadi

The Company has two wholly owned subsidiaries:

Ashiana Retirement Villages Ltd.

Ashiana Retirement Villages Limited is a wholly owned subsidiary of the company and specializes in the housing needs for senior citizens under the brand name 'Ashiana Utsav'.

Vatika Marketing Ltd.

Vatika Marketing Limited is a wholly owned subsidiary of the company and engaged in providing maintenance services to projects developed by Ashiana Housing

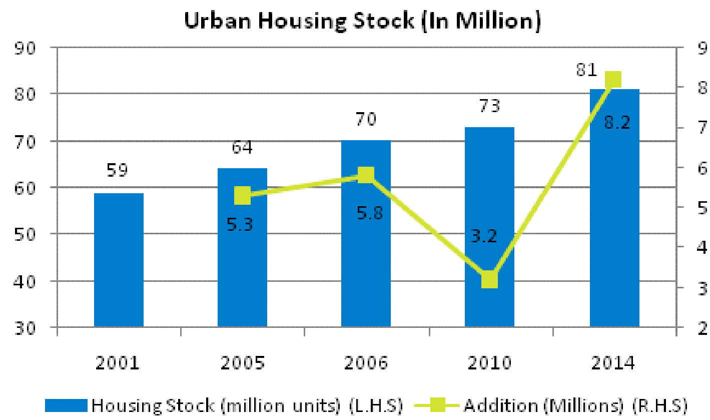
Affordable Housing – "to grow on increasing urbanization and favorable demographics"

The real estate market in India is largely driven by

- Increase in the Middle Income Segment
- Increasing Urbanization
- Shrinking Household Size
- Shift in Consumer Preferences from Renting to Owning Houses

In the last five years, decline in the residential mortgage rates has made it easier for the expanding middle-class to purchase homes. Aggressive marketing and financing plans has generated greater consumer demand for mortgage financing.

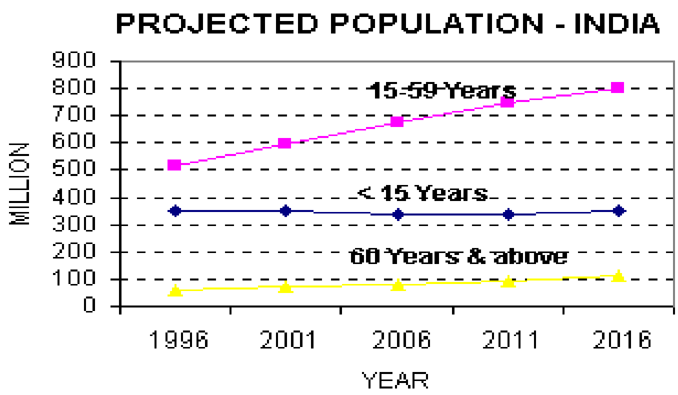
The housing stock grew in India during fiscal years 2005-2008, which generally corresponded with rising demand. There was also an increase in housing prices during this period. This increase in demand for urban housing is due to accelerated urbanization and demand created by the IT sector during fiscal years 2003-2008. The substantial rise in prices and demand from employees in the IT sector attracted developers, which also led to considerably greater supply in major urban areas. The rate of increase in housing stock peaked in 2008. At the national level, housing stock grew at a compound annual growth rate (CAGR) of 2.6% between fiscal years 2001 and 2008. (Source: CRISIL Research, Housing Outlook: 2009-10 to 2013-14, Annual Review, July 2009)



Source: CRISIL Research, Housing Outlook: 2009-10 to 2013-14, Annual Review, July 2009

Increase in the Middle Income Segment:

India's growing population in the earning age bracket coupled with an increase in disposable income in this bracket is recognized as a key driver of growth in housing demand.



Source: Registrar General India

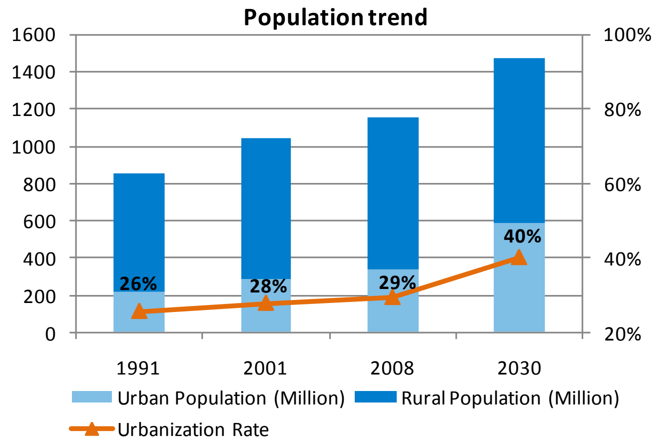
As seen in the figure above, the population between the age group of 15-59 years is likely to grow at a much faster pace in the next one decade, thereby adding to the spending power. Approximately 270 mn people are likely to be added in the working age group population by 2030.

Million Household	2005	2015	2025
Rich	1.2	3.3	9.5
Middle Class	13.3	60.6	128
Poor	192.4	180.1	143

The number of people in the middle class is likely to increase at a CAGR of 8.6% to 128mn, while that in the rich category is likely to increase by 12.4% thereby increasing the average national income of the country and thus affordability.

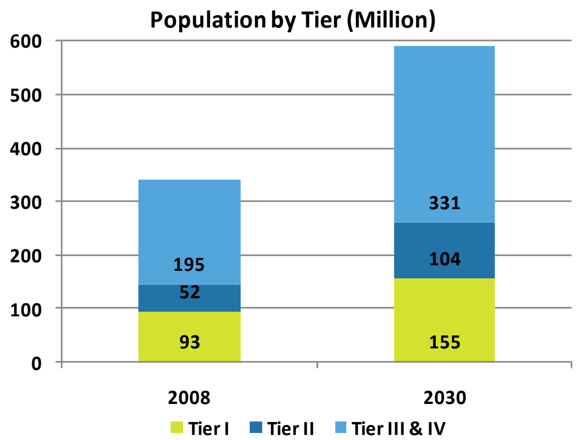
Increasing Urbanization:

India has witnessed a trend of increased urbanization from 26% of the total population living in urban centres in 1991 to 29% in 2008. With demographics tilting more towards 15-59 group and growth in the employment opportunities in the urban area, urbanization is likely to increase going ahead. According to McKinsey Global Institute, the population of the urban areas in India is likely to increase from 340 mn of 2008 to 590 mn by 2030, which will be 40% of India's total population as seen in the diagram below:



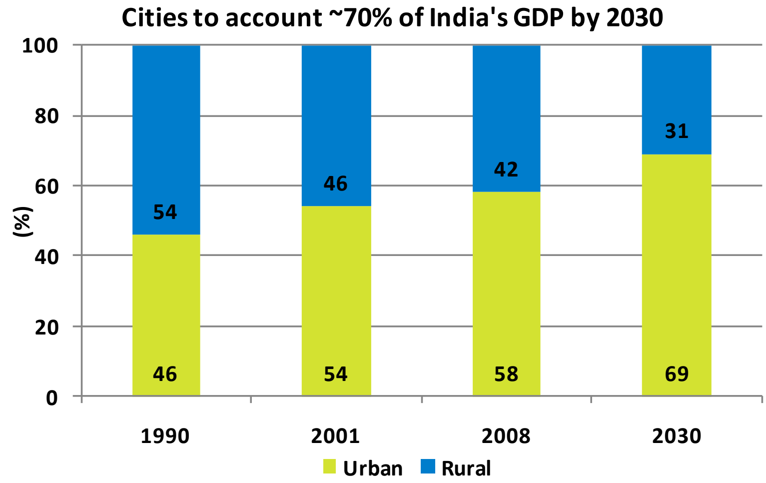
Source: McKinsey Global Institute

Urbanization is likely to scale up at an accelerating pace in India. According to McKinsey Global Institute, India will have 68 cities with population of more than 1 mn, 13 cities with population more than 4 mn and 6 megacities with population more than 10 mn by 2030.



Source: McKinsey Global Institute

With this rapid increase in urbanization, 700-900 mn square meters of commercial and residential space needs to be built. Also, the GDP contribution from the cities is likely to increase from the current 58% to 69% by 2030.



Source: McKinsey Global Institute

Shrinking Household Size:

India's traditional joint family (or multi-occupant) residences are gradually being replaced by individual or smaller nuclear family residences. Increasing young population moving towards urban areas for better job opportunities has resulted into contraction in the size of the average household thereby increasing the demand for housing.

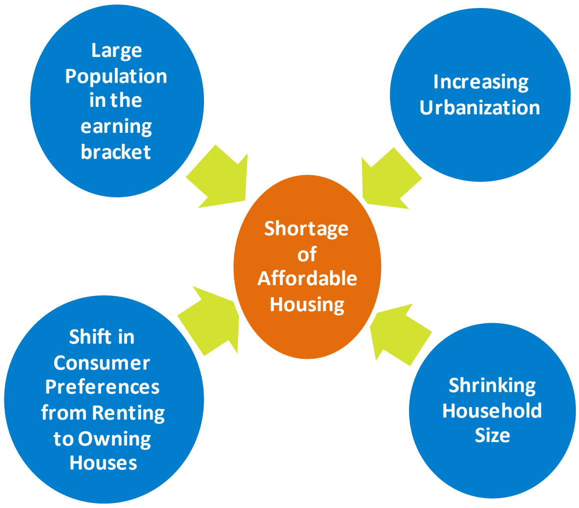
Shift in Consumer Preferences from Renting to Owning Houses:

India's changing demographic profile has led to a steady decline in the proportion of households living in rented premises. Due to a shortage of properties available for rent and an increase in the rents being charged to tenants, consumers have increasingly been investing in property. Change in mindset of customers is also playing an important role. People were debt averse in the past, but now with rising affordability & aspiration levels, Debt is considered as alternative resource to match the dream. Factors such as increase in the standard of living of consumers and the greater availability of financing for consumers are expected to fuel a further decline in the number of households renting premises.

Shortage of Affordable Housing:

According to the Ministry of Housing & Urban Poverty Alleviation, (MHUPA)**,** India's housing shortage at the commencement of the Government's 11th Five Year Plan period (2007-2012) was 24.71 mn units. The additional housing requirement during the Government's 11th Five Year Plan period is likely to be 1.82 mn units taking the total requirement for housing during the plan period to 26.53 mn units. Out of this, close to 99% of shortage is in the economically weaker section and low income group, both prime targets for low-income and affordable housing. (Source: MHUPA, Report of the 11th Five Year Plan Working Group on Urban Housing with a Focus on Slums, undated)

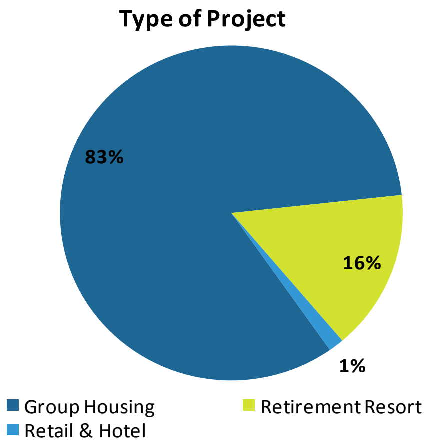
Drivers for Affordable Housing

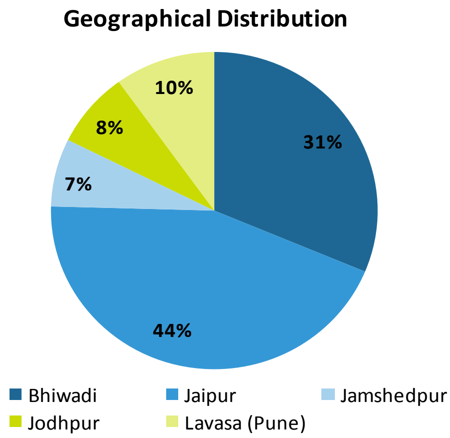


Source: Sushil Finance

Increasing urbanization coupled with change in preference from renting to owning houses is thus likely to drive the demand for affordable housing. Considering the burgeoning demand and shortage in the affordable housing space, we believe that the there is a lot of unleashed potential in the affordable housing space. **Ashiana Housing, which majorly focuses in the affordable housing space as shown in the diagram below, is thus likely to be the key beneficiary of this rise in demand.**

ONGOING PROJECT DETAILS





Source: Company

INVESTMENT ARGUMENTS

Pioneer in Retirement Resort- "Selling LIFESTYLE not houses"

Ashiana Housing, one of the leading players in the real estate sector, had started the concept of Retirement Resort called "UTSAV" where it delivers LIFESTYLE, not just houses. They are the first group housing developer in Patna, Bhiwadi, Jamshedpur and Neemrana, the first in retirement resort and also the first to undertake the maintenance of their residential property. Retirement Resort is a new concept in India, and the wide market acceptance of the company's project at Bhiwadi only instills confidence that this market has huge potential for growth in India. The Company had launched its first project in Bhiwadi after the success of which it is now launching this project in Jaipur and Lavasa (Pune).

Location	Area (Acres)	Area (LSF)	Units	Type	Status	Booking Status **
Bhiwadi – NCR	15.5		640	Apartments	Operational	-
Jaipur – Rajasthan	7.5	3.8	310	Apartments	Phase-I under development	35.2%
Lavasa - Pune	30	6.87	443	Villas & Apartments	Phase-I under development	60.0%

Source: Company

*** Percentage of area launched for sale*

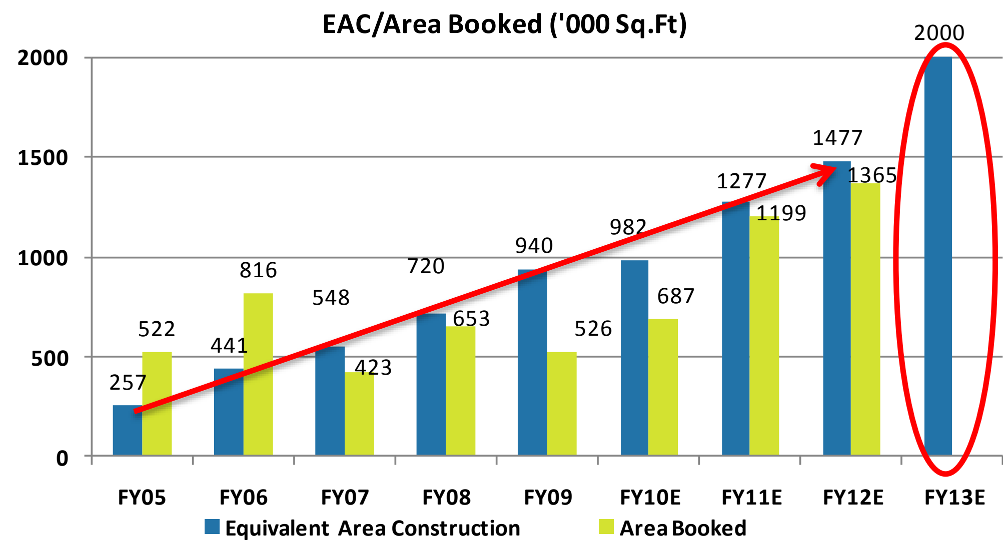
The success of this project is mainly because of the Company's efforts to provide personalized services to the residents. The beauty of this retirement resort lies in the fact that its residents will be able to maintain a active, healthy lifestyle that they have grown accustomed to, but with more luxuries like hobby clubs, activity rooms, swimming pool, health club, computer center, billiards room, badminton, table tennis, cards room, board games, wheel chair-friendly campus. The resorts will also host weekly fortnightly activities including cinema, satsang, theatre, tambola, cultural events, festivals etc. The company provides services like Medical Assistance Center with doctors and para medical Staff, 24 hours Ambulance service, Emergency response system in each unit, gas leak detector etc.

Lavasa – "Investors Paradise"

Encapsulated inside the mystic mountain ranges **Utsav Lavasa**, is the investors paradise. UTSAV Lavasa will house 443 retirement housing units comprising of villas and multiple choices apartments engulfed with emerald green mountains on three sides with the fourth opening into the fascinating Lavasa Lake. The Phase-I possession will be handed over to the patrons by Oct'11.

Equivalent Area Constructed to grow at a CAGR of 22.8%

Ashiana Housing**,** one of the finest real estate companies in the country**,** is known for its timely deliveries. The Company's equivalent area constructed has increased at a CAGR of 38.2% in the last four years from 2.5 lakh square feet to 9.4 lakh square feet.



Source: Company

The Company plans to double the construction area from the likely 10.48 lakh square feet of FY10E to 20 lakh square feet by FY13E, i.e**.** at a CAGR of 22.8%, which is quite achievable keeping in mind the CAGR of 38.2% of the last four years.

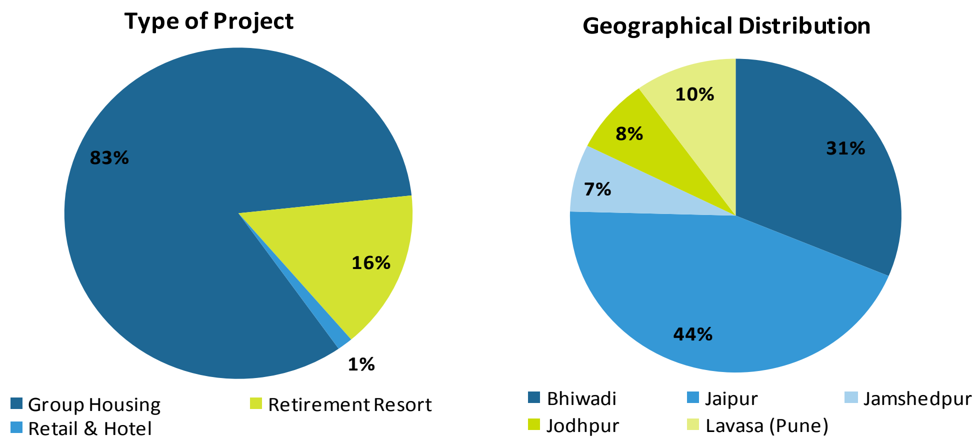
To keep up with these growth numbers the Company has already planned projects entailing an area of ~6.7 mn square feet as shown in the table below:

Project Name	Location	Type	Salable Area (Lakh Sq.Ft)	Area Launched (Lakhs Sq.Ft)	Area Booked till date (Lakh Sq. Ft)
Ashiana Angan	Bhiwadi	Group Housing	20.6	12.7	8.8
Village Centre	Bhiwadi	Retail & Hotel	1.0	NA	NA
Utsav	Jaipur	Retirement Resort	3.8	1.7	0.6
Ashiana Greenwoods	Jaipur	Group Housing	3.6	3.6	1.4
Ashiana Brahmananda	Jamshedpur	Group Housing	4.7	1.8	0.5
Ashiana Amarbagh	Jodhpur	Group Housing	5.3	2.7	1.8
Utsav	Lavasa (Pune)	Retirement Resort	6.8	2.2	1.3
Rangoli Gardens	Jaipur	Group Housing	23.0	2.6	0.7

Source: Company

The Company has recently tied-up with Mangalam builders, to develop an area of 23 lakh square feet, Rangoli Gardens-Jaipur. Of the total ongoing projects ~83% projects are of group housing, 16% retirement housing and 1% is retail and hotel. The hotel and retail projects will be operational by Jun'10. The balance projects will be completed in phases in the next 2-5 years.

Ongoing Project details



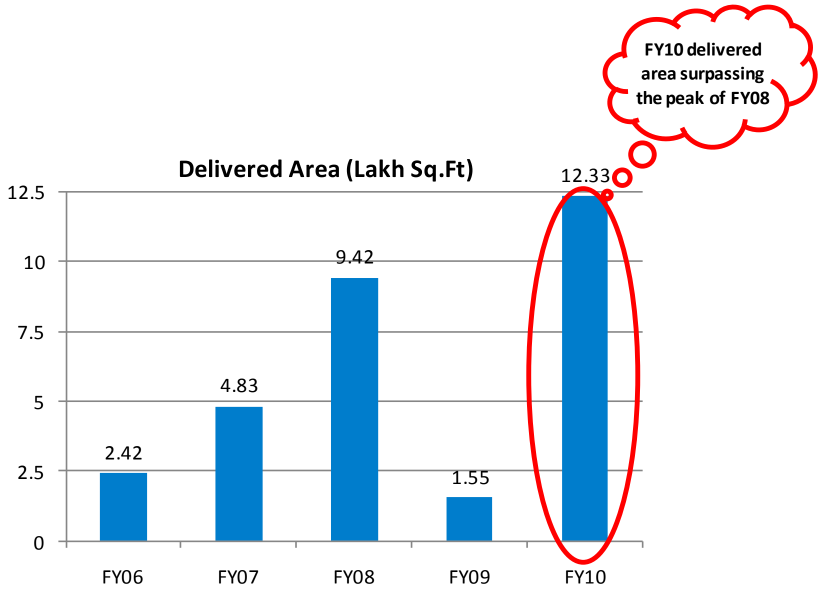
Source: Company

The Company is basically focusing its presence in the Tier-II and Tier-III cities like Bhiwadi, Jaipur, Jamshedpur, Jodhpur with Bhiwadi accounting for 31% of the total developable area and Jaipur 44%. Apart from 6.7 mn square feet ongoing project, the Company also has developable land of 3.84 mn square feet. Out of the 3.84 mn square feet the Company owns 3.57 mn square feet of land i.e. Milakpur and Tanawada, while the Jamshedpur and Jodhpur land are under partnership.

Land Name	Location	Land Area (Acres)	Estimated Saleable Area (Lakh Sq. Ft)	Proposed Development
Milakpur	Bhiwadi	40.6	31.0	Group Housing/ Retirement Resort
Tanawada	Jodhpur	10.9	4.7	Group Housing
Tata Steel Land	Jamshedpur	1.9	1.7	Retail & Hotel
Ashiana Amar Infrastructure	Jodhpur	4.0	1.0	Retail & Hotel
Total		**57.4**	**38.4**	

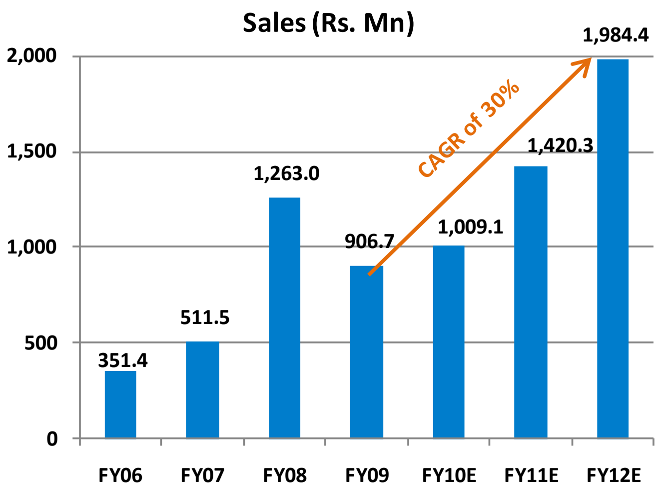
Source: Company

Ongoing projects of 6.7 MSF and Developable land of 3.84 MSF provides revenue visibility for the next 5-6 years. The Company's delivered area has seen a steady increase since FY06, FY09 being an exceptional year hit by the global economic slowdown. However, FY10 has seen a sharp recovery as shown in the figure below. The Company's delivered area has increased to 12.33 lakh square feet surpassing the peak (FY08) of 9.42 lakh square feet.



Source: Company

Thus keeping in mind the ongoing projects and land area coupled with impressive past performance, revenue CAGR of 37% in the last three years, we believe that the Company's revenue is likely to grow at a CAGR of 30% for the next three years.



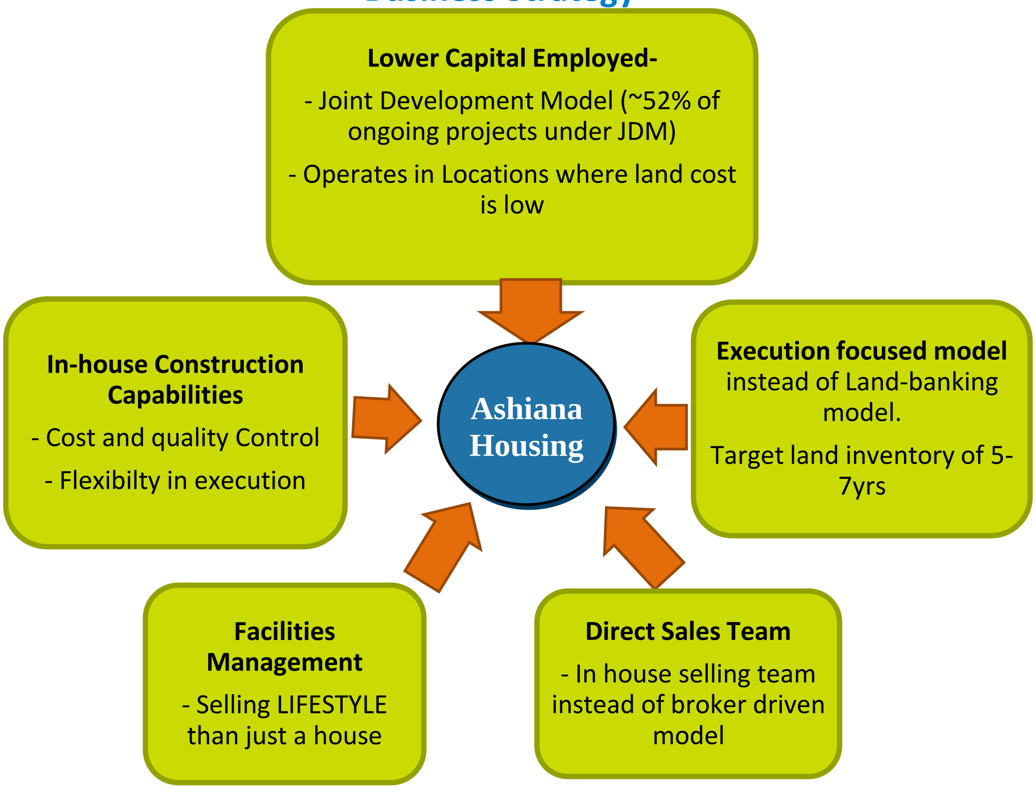
Source: Company, Sushil Finance Estimates

Robust Business Model

Ashiana Housing has a robust business model, which requires lower capital. The Company, on the back of its good brand image in Tier-II and Tier-III cities, usually enters into partnership projects with the land owners on profit sharing basis. It has recently entered into a joint development agreement with Mangalam Developers for developing an area of 23 lakh square feet at Jaipur. It has made an upfront payment of Rs. 10 crore for the land of Rs. 83 crore and also Rs. 5 crore as working capital for the project. The Company would now be sharing the profits from this project on 50:50-basis with Mangalam Developers.

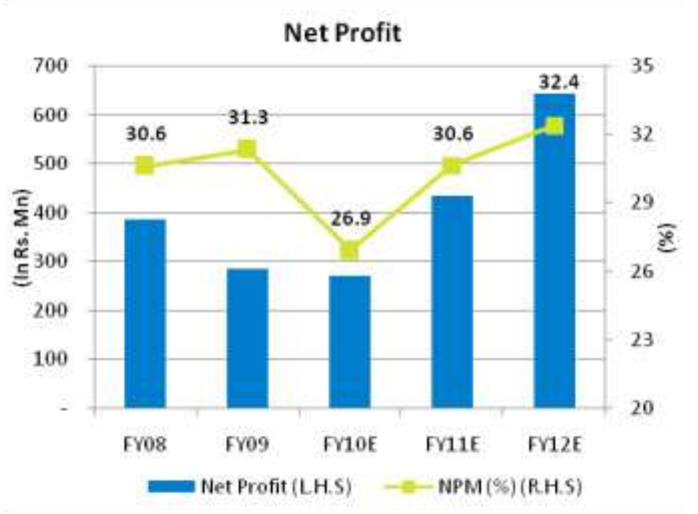
Joint development model thus lowers the investment required by the Company. The Company's business strategy is to get into joint development models. It focuses on locations where land cost is relatively low thereby requiring lower capital infusion. The Company has in-house construction capabilities which enable the Company to control cost and quality. In-house construction capability also facilitates flexibility in execution with faster adaptation to changing industry dynamics.

Business Strategy



Source: Company

The Company has an execution-focused model instead of land-banking model. It targets to keep land bank inventory of 5-7 years. Thus, despite of operating in the debt-prone real estate sector, the Company is net debt-free, with higher ROCE and ROE of ~30% because of its robust business model. Lower capital requirement which in turn led to low leverage has allowed the Company to weather the slowdown in the recent turmoil better than most others. Its ROE and ROCE is likely to scale back to ~30% from FY11E onwards, on the back of pick up in the demand. Its operating profit and net profit is also likely to increase from FY10 onwards on the back of stabilization in the Indian real estate industry.



Source: Company, Sushil Finance

RISK & CONCERNS

Rise in Interest Rates

Sharp rise in inflation, may result in sharp rise in Interest rates, which will increase cost of borrowings. Interest rates are directly linked to the capacity of the buyers to pay and purchase thus impacting the demand.

Cyclical Industry:

The real estate market has its fortunes largely linked to the overall developments in the economy. In 2007 the property prices had reached their peak levels, prompting many builders to undertake further projects resulting into a huge supply. This was unfortunately immediately followed by a severe slump in the economy which took a toll on the consumer demand, resulting into an oversupply and eventually a steep fall in real estate prices. In such scenario Companies having higher debt are the most vulnerable, owing to the high interest cost. We therefore prefer Ashiana Housing which is virtually a debt-free company.

Land Title

Land titles in India are still very unclear and it can be very difficult to ascertain the legal ownership of land. This is specifically true in case of agricultural land, which has passed in current hands by way of inheritance through generations of large families. Therefore, Ashiana follows a strategy of partnering with local developers on duly converted residential/commercial land for development. This decreases the title risk substantially.

Execution risk

The real estate projects typically have an execution period of 2-4 years. Any delay in execution from for any reason like land title, slump in demand, hike in construction cost could impact the revenues of the Company.

Sensitivity Analysis:

Keeping in mind the cyclicality of the real estate industry we have done sensitivity analysis for the Company. The industry being the most sensitive to the realization and cost, we have taken two cases Bear and Bull, where in we have tweaked the realization by 5% and cost by 3%.

	Bear Case	Base Case	Bull Case
Realization	-5%	1922	+5%
Cost	-3%	1087	+3%
NPV	102.2	118	135.7
Change (%)	*13.0%*		*15.0%*
Target	138.1	164.7	182.3
Change (%)	*10.0%*		*11.0%*

Source: Sushil Finance

In our base case model we have increased the realization by just 3% and cost by 1% in phase wise manner. Thus improvement in the realization over above our assumptions is likely to provide a positive impetus to the Company's financials.

OUTLOOK & VALUATION

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Valuation		
	Valuation Method	**Target**
Ongoing Projects	NPV	118.0
Land Value	Market Value(20% discount)	30.3
Hotel	DCF	10.9
Retail (Lease)	DCF	5.5
Total		**164.7**

Assumptions:

NPV-Ongoing Projects

- 3% increase in realization phase wise
- 1% increase in cost phase wise
- 6-12months delay in projects

Land Value-

- Taken at 20% discount on our conservative study on market value of land.

Hotel – DCF

- No of Rooms 100 from June 2010
- A 5% increase in room tariffs from FY12
- Occupancy Rate- FY11-60%, FY12-13 -70% and rest 80%
- WACC of 13.7%

Retail – DCF

- Saleable Area 45000 square feet
- Lease rental Rs. 35 per square feet, A 15% hike after every 3 years (Company's Clause)

PROFIT & LOSS STATEMENT

(Rs.mn)

Y/E March	FY09	FY10E	FY11E	FY12E
Net Sales	**906.7**	**1009.1**	**1420.3**	**1984.4**
Raw material Consumption	(85.4)	50.5	71.0	99.2
Project Expenses	600.8	463.8	639.8	849.2
Staff Cost	74.1	82.7	110.8	148.8
Total Expenditure	**702.7**	**724.8**	**997.9**	**1350.1**
PBIDT	**204.1**	**284.3**	**422.5**	**634.3**
Interest	0.0	10.1	10.2	10.5
Depreciation	14.9	18.2	21.3	25.8
Other Income	131.6	75.1	139.6	185.6
PBT incl OI	320.8	331.1	530.6	783.5
Tax	36.8	59.6	95.5	141.0
APAT	**284.0**	**271.5**	**435.1**	**642.5**

BALANCE SHEET STATEMENT

(Rs.mn)

As on 31st March	FY09	FY10E	FY11E	FY12E
Share Capital	180.8	180.8	180.8	180.8
Reserves & Surplus	782.0	1053.5	1467.4	2088.7
Net Worth	**962.8**	**1234.3**	**1648.2**	**2269.6**
Secured Loans	7.1	70.0	70.0	70.0
Unsecured Loans	4.0	8.0	8.0	8.0
Total Loan funds	**11.1**	**78.0**	**78.0**	**78.0**
Deferred Tax	5.3	5.4	5.7	6.0
Capital Employed	**1006.4**	**1344.9**	**1759.1**	**2380.8**
Net Block	281.3	298.1	316.8	351.0
Cap. WIP	51.9	56.0	68.9	77.2
Investments	406.8	560.8	560.8	560.8
Sundry Debtors	15.4	30.3	42.6	59.5
Cash & Bank Bal	130.1	147.5	247.0	338.5
Loans & Advances	187.7	168.9	215.3	381.8
Inventory	583.9	706.4	994.2	1389.1
Other current assets	953.2	1059.5	1704.4	2579.7
Curr Liab & Prov	1609.2	1686.7	2396.1	3362.0
Net Current Assets	**261.0**	**425.8**	**807.4**	**1386.6**
Deferred Tax Assets	0.0	0.0	0.0	0.0
Total Assets	**1006.4**	**1344.9**	**1759.1**	**2380.8**

FINANCIAL RATIO STATEMENT

Y/E March	FY09	FY10E	FY11E	FY12E
Growth (%)				
Net Sales	-28.2	11.3	40.8	39.7
EBITDA	-45.9	39.3	48.6	50.1
Adjusted Net Profit	-26.6	-4.4	60.2	47.7
Profitability (%)				
EBIDTA Margin (%)	22.5	28.2	29.7	32.0
Net Profit Margin (%)	31.3	26.9	30.6	32.4
ROCE (%)	32.7	23.8	28.6	31.5
ROE (%)	34.6	24.7	30.2	32.8
Per Share Data (Rs.)				
EPS (Rs.)	15.7	15.0	24.1	35.5
CEPS (Rs.)	16.5	16.0	25.2	37.0
BVPS (Rs)	53.2	68.3	91.1	125.5
Valuation				
PER (x)	8.1	8.5	5.3	3.6
PEG (x)	-	-	0.1	0.1
P/BV (x)	2.4	1.9	1.4	1.0
EV/EBITDA (x)	10.8	7.9	5.1	3.2
EV/Net Sales (x)	2.4	2.2	1.5	1.0
Turnover				
Debtor Days	6.2	11.0	11.0	11.0
Creditor Days	25.4	25.6	25.6	25.6
Gearing Ratio				
D/E	0.0	0.1	0.0	0.0

CASH FLOW STATEMENT

(Rs.mn)

Y/E March	FY09	FY10E	FY11E	FY12E
Profit before tax & Extraordinary Items	320.8	331.1	530.6	783.5
Depreciation & Amortization	12.5	18.2	21.3	25.8
Chg. in Working Capital	(219.2)	(147.3)	(282.1)	(487.6)
Cash Flow from Operating	**82.4**	**143.7**	**173.5**	**181.0**
(Incr)/ Decr in Gross PP&E	(40.7)	(35.0)	(40.0)	(60.0)
(Incr)/Decr In Investments	50.4	(154.0)	0.0	0.0
Cash Flow from Investing	**(16.7)**	**(193.1)**	**(52.9)**	**(68.3)**
(Decr)/Incr in Debt	(14.5)	66.9	0.0	0.0
(Decr)/Incr in Share Capital	0.0	0.0	0.0	0.0
Dividend	0.0	0.0	(21.2)	(21.2)
Cash Flow from Financing	**(13.3)**	**66.9**	**(21.2)**	**(21.2)**
Cash at the End of the Year	**130.0**	**147.5**	**247.0**	**338.5**

Source: Company, Sushil Finance Research Estimates

Type: Group Housing

Name : Rangoli Gardens
Location : Jaipur
Area : 23 lakh Sq.Ft
Units : 1592
Start Date : May-2010
End Date : 2015
Holding : 50%

Name : Ashiana Greenwood
Location : Jaipur
Area : 3.62 Lakh Sq.Ft
Units : 200
Start Date : 2008
End Date : H2FY10
Holding : 50%

JUNE 2009

APRIL 2010

Name : Ashiana Brahmananda
Location : Jamshedpur
Area : 4.79 Lakh Sq. Ft
Units : 420
Start Date : 2009
End Date : 2012
Holding : 100%

June 2009

March 2010

Name : **Ashiana Angan**
Location : **Bhiwadi**
Area : **20.62 Lakh Sq. Ft**
Units : **1476**
Delivered :**640**
Start Date : **2007**
End Date : **2012**
Holding : **100%**

MAY 2009

APRIL 2010

Name : **Ashiana Amarbagh**
Location : **Jodhpur**
Area : **5.33 Lakh Sq. Ft**
Units : **349**
Delivered : **95**
Start Date : **2008**
End Date : **2012**
Holding : **65%**

Type: Retirement Resort

Name : Utsav
Location : Lavasa
Area : 6.87 lakh Sq.Ft
Units : 443
Start Date : 2009
End Date : 2013
Holding : 100%

3BHK Villa

1BHK Apartment

Work Status:

JUNE 2009

APRIL 2010

Name : Utsav
Location : Jaipur
Area : 3.88 Lakh Sq.Ft
Units : 310
Start Date : 2008
End Date : 2012
Holding : 65%

Type: Hotel & Resort

Name : Village Centre
Location : Bhiwadi
Type : Hotel
Area : 55000 Sq.Ft
Rooms : 100
End Date : June 2010
Holding : 100%

Name : Village Centre
Location : Bhiwadi
Type : Retail
Area : 45000 Sq. Ft
End Date : June 2010
Holding : 100%

Rating Scale

This is a guide to the rating system used by our Equity Research Team. Our rating system comprises of six rating categories, with a corresponding risk rating.

Risk Rating

Risk Description	Predictability of Earnings / Dividends; Price Volatility
Low Risk	**High predictability / Low volatility**
Medium Risk	**Moderate predictability / volatility**
High Risk	**Low predictability / High volatility**

Total Expected Return Matrix

Rating	Low Risk	Medium Risk	High Risk
Buy	**Over 15 %**	**Over 20%**	**Over 25%**
Accumulate	**10 % to 15 %**	**15% to 20%**	**20% to 25%**
Hold	**0% to 10 %**	**0% to 15%**	**0% to 20%**
Sell	Negative	Negative	Negative
Neutral	Not Applicable	Not Applicable	Not Applicable
Not Rated	Not Applicable	Not Applicable	Not Applicable

Please Note

- Recommendations with “Neutral” Rating imply reversal of our earlier opinion (i.e. Book Profits / Losses).
- **Indicates that the stock is illiquid With a view to combat the higher acquisition cost for illiquid stocks, we have enhanced our return criteria for such stocks by five percentage points.

“Desk Research Call” is based on the publicly available information on the companies we find interesting and are quoting at attractive valuations. While we do not claim that we have compiled information based on our meeting with the management, we have taken enough care to ensure that the content of the report is reliable. Although we have christened the report as “Desk Research Calls” (DRC), we intend to release regular updates on the company as is done in our other rated calls.