

## Parsvnath Developers Ltd. - Site Visit Note

April 8, 2008

**Price: Rs201.75**

**52wk High/Low: 598/170**

**MCap: Rs3726Cr (\$933mn)**

**BSE Sensex: 15587**

**TTM P/e-8.6x**

**Rating: Not rated**

We recently visited the site of Parsvnath PrideAsia, a PPP between Parsvnath Developers Ltd. (PDL) and Chandigarh Housing Board (CHB) spread over 123 acres of land in the Rajiv Gandhi Chandigarh Technology Park, an SEZ. PDL a major real estate player, has grown rapidly from an NCR based property developer to a pan-India player with a presence in 49 cities across 17 states and involves over 108 projects.

Its business model has evolved over the last 5 years to include construction of malls, multiplexes, commercial properties and integrated townships. PDL, a well-known brand in Northern India, is aggressively spreading its footprint across the country.

### Land bank

Its current land bank is 210mn sq. ft. of saleable area, of which about 76mn sq. ft. is currently under construction. 55% of its land bank is residential / integrated (Int.) township and another 37% is in the form of SEZs.

Through its tie-up with Delhi Metro Rail Corp (DMRC), PDL has established a significant presence in mall business which may generate regular cash flows in future.

### Details of Land Bank

Vertical	No. of Projects	Saleable Area	
		mn Sq. ft.	%
Residential/ Int. Townships	52	114.7	54.7%
Commercial	21	4.8	2.3%
DMRC (BOT Projects)	6	2.0	0.9%
Hotels	17	2.3	1.1%
IT Parks	5	9.5	4.5%
SEZs	7	76.6	36.5%
<b>Total</b>	<b>108</b>	<b>209.8</b>	<b>100.0%</b>

### Projects delivered till February, 2008

Vertical	Projects completed	Area delivered (mn sq ft.)
Residential	12	5.2
Commercial	12	1.0
DMRC	7	0.4
<b>Total</b>	<b>31</b>	<b>6.6</b>

### Ongoing projects - Highlights (mn. sq. ft.)

Verticals	Area under construction	Area sold
Residential/ Township	72.1	32.3
Commercial	2.3	0.2
DMRC (BOT Projects)	1.0	0.3
Hotels	0.5	-
<b>Total</b>	<b>75.8</b>	<b>32.8</b>

PDL has managed to sell 43% of the area under construction.

Source: Company

### **IPO highlights**

PDL went public during November, 2006 raising Rs9.97Bn @ Rs300 per share. The issue was subscribed around 62 times.

### **Highlights of the site visit**

- Chandigarh is considered as one of the best planned cities of India. It is designed by a French Architect – Le Corbusier. The city is known for its VIPs, HNIs, educated residents and high standard of living.
- Parsvnath PrideAsia, a JV between PDL and the Chandigarh Housing board owns 123 acres of land of the total 375 acres of the Rajiv Gandhi Chandigarh Technology Park, an SEZ. IT icons viz. Wipro, Infosys and Tech Mahindra are present, each having 25 acres or more of land.
- Parsvnath PrideAsia targets top professionals and plans to develop integrated township having super luxury air conditioned apartments, villas and penthouses along with essential amenities.

### **Valuation**

The stock has corrected by 59% since January 10, 2008 and trades at TTM p/e of 8.6x.

**Keynote Capitals Ltd.**

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