COMPANY UPDATE

DLF

Promoter CCPS deal sealed

India Equity Research| Real Estate

DLF board has approved sale of promoters' 40% equity stake in DCCDL for a pre-tax amount of INR119bn. Promoter will infuse most of the deal proceeds into DLF and the company will need to raise additional public capital as well. Post-deal, we estimate company's net debt to reduce by ~INR134b. This, however, will come at the expense of significant equity dilution (36-44%, we believe) and negates gains from debt reduction — (-)5% to (-)11% NAV/share impact. DLF's residential operations remain slow and its mainstay Gurgaon market is sluggish. Maintain 'HOLD'.

Deal contours

DLF promoters are expected to receive pre-tax proceeds of INR119bn from sale of their 40% equity stake (post CCPS conversion) in DCCDL. This entails buyback by DCCDL of ~10% of outstanding DCCDL equity held by promoters for INR30bn and sale of balance 30% equity to GIC Singapore for INR89bn. Buyback will be in 2 tranches—one before deal closure (INR16bn) and another 12 months thereafter (INR14bn). Post-deal, while DLF will hold 66.66% stake in DCCDL, GIC will hold 33.34%. Promoters are expected to invest most of the post-tax deal proceeds (INR100bn plus) back into DLF, which will lead to their holding rising above the SEBI mandated 75% threshold. DLF hence plans to do institutional placement to adhere to the minimum public shareholding norm and expects to raise additional ~INR30bn funds. DLF expects deal closure in FY18.

Deal impact

We estimate promoter fund infusion and institutional placement in FY18. DLF could raise in all ~INR133bn. These funds are likely to be utilised towards paring debt in the development business. Depending on share price (INR170-210 per share) for promoter issuance/institutional placement, equity dilution could vary from 36-44%. In view of significant debt reduction (~INR134bn), we expect our FY18 total NAV to increase by ~28%, though given significant dilution, our NAV per share is likely to fall by 5-11%.

Outlook and valuations: Operations remain soft; maintain 'HOLD'

The deal arrangement should help address DLF's stretched balance sheet, though it comes at the expense of significant equity dilution and leads to lowering of our estimate of NAV/share. Its residential operations remain challenging with sluggish new sales, little new launches and persistent slowdown in its mainstay Gurgaon market. Gains from lower interest expense are negated somewhat by loss of 33.34% DCCDL rentals and equity dilution. Rental income should see meaningful uptick only post FY19. We maintain **'HOLD/SU'**.

Financials **(INR mn)**

Year to March	FY16	FY17	FY18E	FY19E
Revenues	92,599	87,687	92,117	86,514
EBITDA	38,664	38,149	41,867	40,253
Net profit	5,708	7,496	9,303	10,399
EPS (INR)	3.2	4.2	5.2	5.8
P/E (x)		42.8	34.5	30.9
ROE (%)	2.1	2.7	3.3	3.6

EDELWEISS 4D RATINGS

Absolute Rating	**HOLD**
Rating Relative to Sector	Underperform
Risk Rating Relative to Sector	High
Sector Relative to Market	None

MARKET DATA *(R: DLF.BO, B: DLFU IN)*

CMP	: INR 180
Target Price	: INR 185
52-week range (INR)	: 216 / 101
Share in issue (mn)	: 1,784.0
M cap (INR bn/USD mn)	: 321 / 5,027
Avg. Daily Vol.BSE/NSE('000)	: 11,172.4

SHARE HOLDING PATTERN (%)

	Current	Q4FY17	Q3FY17
Promoters *	74.9	74.9	74.9
MF's, FI's & BK's	1.1	0.7	0.8
FII's	17.2	18.2	17.4
Others	6.7	6.2	6.9

** Promoters pledged shares (% of share in issue) : NIL*

PRICE PERFORMANCE (%)

	Stock	Nifty	EW Real Estate Index
1 month	(5.2)	(0.6)	(2.3)
3 months	(5.6)	5.0	7.4
12 months	14.2	14.1	33.9

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August 28, 2017

Promoter CCPS deal details:

Promoters of DLF currently hold Compulsory Convertible Preference Shares (CCPS) which upon conversion will entitle them to 40% equity stake in DLF Cyber City Developers (DCCDL; 100% subsidiary of DLF which has 26.9msf of operational rental assets, 2.5msf of under-construction rental assets and ~19msf future potential). As part of the deal, promoters will sell their entire equity stake (post conversion of CCPS) in DCCDL and invest most of the sale proceeds into DLF (listed entity). DLF's promoters will be issued additional DLF equity in lieu of the fund infusion.

DLF's board on August 25, 2017, has approved the promoters' CCPS transaction. The approved transaction implies an Enterprise Value of INR356bn for DCCDL and equity value of ~INR302bn. Pre-tax proceeds to promoters from the transaction (CCPS sale) will be ~INR119bn. This includes ~INR30bn from partial CCPS buyback by DCCDL and ~INR89bn from secondary sale of equity (post conversion of balance promoter CCPS) to GIC Singapore. Post-tax proceeds to promoters are expected to be in excess of INR100bn. DLF promoters are expected to invest into DLF a substantial amount of the sale proceeds.

Promoters' CCPS deal entails the following steps:

Step 1: DCCDL shall purchase (via buyback) 10% of DCCDL's outstanding equity (post CCPS conversion) held by promoters (of 40%) for a total consideration of INR30bn. Buyback will be in 2 tranches. The first tranche (to be done before deal closure) will entail pre-tax proceeds of INR16bn to promoters. The second tranche, to be concluded 12 months thereafter, will earn promoters INR14bn.

Step 2: DLF, its promoters and 'Reco Diamond' (an affiliate of GIC Real Estate, Singapore) have entered into definitive agreement as per which Reco Diamond will acquire promoter's balance CCPS (secondary sale of shares post conversion to equity) for a total consideration of INR89bn (pre-tax).

Total post-tax sale proceeds to DLF promoters is estimated at ~INR100bn plus. Post step 1 & 2, DLF will hold 66.66% stake in DCCDL, while GIC will hold 33.34%.

Step 3: DLF's promoters are expected to invest most of the sale proceeds into DLF and will be issued equity (preferential allotment/warrants/compulsory convertible debentures) in lieu of this. DLF's promoters currently hold ~74.9% in DLF, which should increase post fund infusion. To adhere to minimum public shareholding requirement of 25%, as mandated by SEBI, DLF will need to raise public capital. It may, hence, have to resort to a QIP to maintain promoter stake below 75%, we believe.

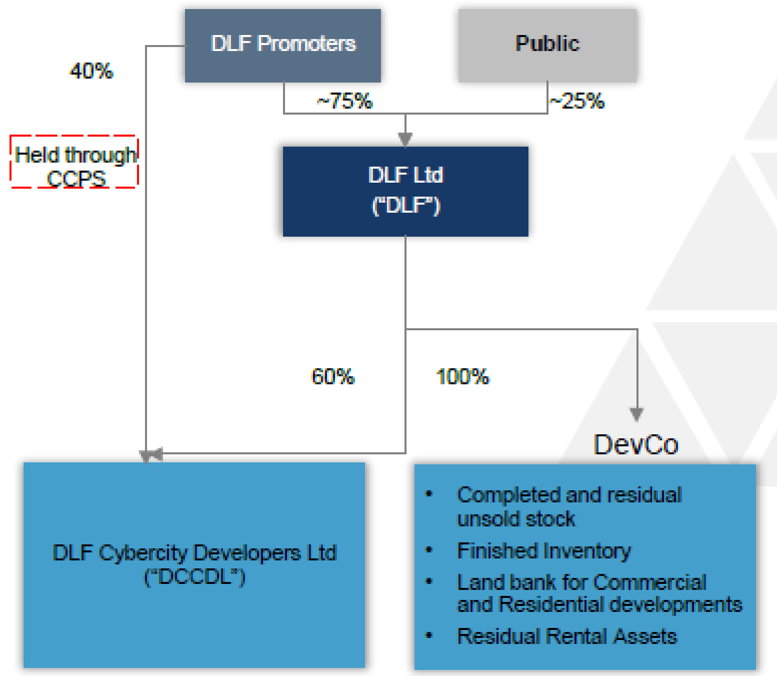
The deal is subject to Competition Commission of India's (CCI) approval (to be taken by GIC), shareholder approval and other necessary approvals.

Table 1: Promoter CCPS Deal Valuation

	(INR bn)
Enterprise Value of DCCDL	356
Equity Value of DCCDL	302
Gross proceeds to promoters (pre-tax)	119
- from GIC (33.34% share in DCCDL)	*89*
- from DCCDL (DLF will hold 66.66% share in DCCDL)	*30*
Post-tax consideration in hands of promoters	100

Source: Company

Fig. 1: Current holding structure of DLF



Source: Company

Fig. 2: Post deal holding structure of DLF

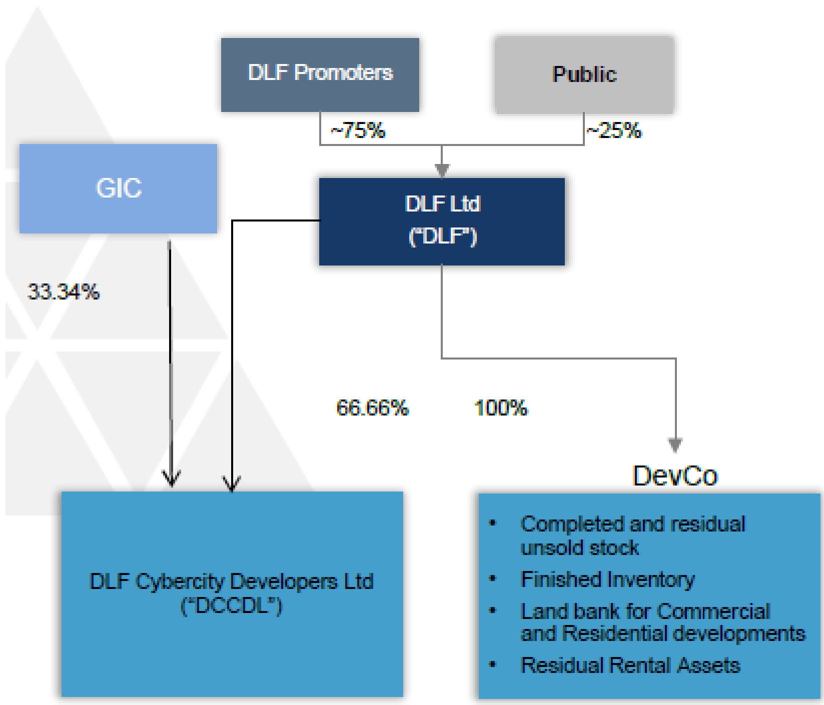
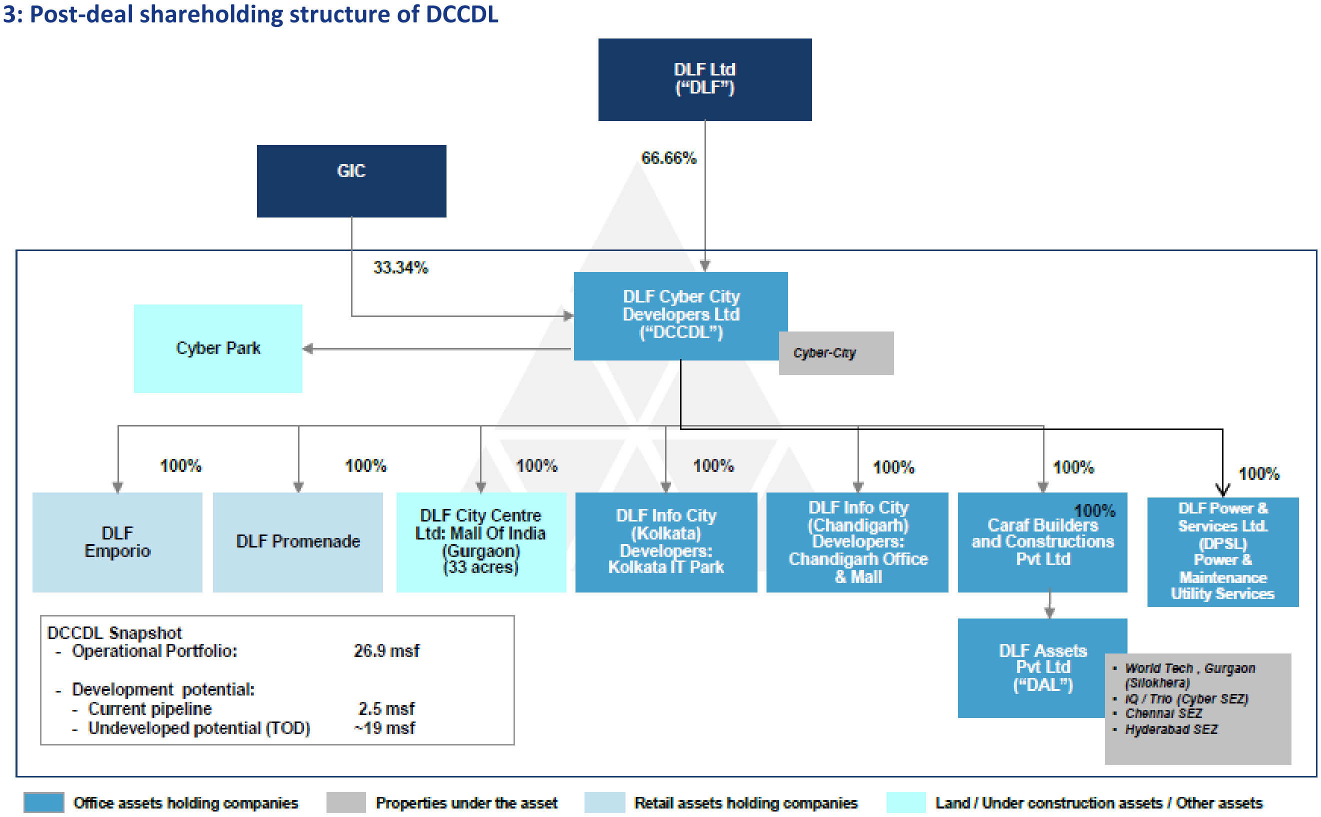


Fig. 3: Post-deal shareholding structure of DCCDL



Source: Company

Fig. 4: Timelines for key steps in the transaction

Source: Company

Impact analysis:

DLF expects to utilise promoter fund infusion (~INR100bn) and funds raised via institutional placement (~INR30bn) to be utilised towards paring debt in its development business (~INR205bn). It envisages 2 pure-play businesses—'Development Business' to be 100% owned by the company and 'Rental Business' in partnership with GIC (to hold 33.34% equity). Going ahead, it expects to undertake all rental asset developments within DCCDL.

Below we present impact of promoters' CCPS deal on our earnings and NAV estimates. We expect DLF's net debt to reduce by INR134bn (from current INR260bn), while its net gearing is likely to dip by ~59%. We assume the company will issue fresh equity to promoters against stake sale funds infused in the company. To adhere to SEBI mandated threshold of 75% promoter shareholding, we assume DLF will resort to a QIP. Applicable share price for promoter equity issuance and QIP is unknown and, hence, we have analysed for different issue price.

Table 2: Impact of Promoter CCPS deal on our current estimates

@ share price of	170	180	190	200	210
Promoter investment into DLF (INR Bn.)	100.0	100.0	100.0	100.0	100.0
Amount raised through QIP (INR Bn.)	33.3	33.3	33.3	33.3	33.3
Total Amount Raised (INR Bn.)	133.3	133.3	133.3	133.3	133.3
New shares issued to Promoter (mn.)	588	556	526	500	476
QIP share issuance (mn.)	196	185	175	167	159
Final shares outstanding (mn.)	2,568	2,525	2,486	2,451	2,419
Equity Dilution (%)	44%	42%	39%	37%	36%
Impact on earnings and debt:					
F18E/F19E EPS change	-0.4% / 7.8%	1.3% / 9.6%	2.9% / 11.3%	4.4% / 13%	5.7% / 14.4%
Impact on our current NAV:					
F18E Total NAV change (%)	28.5%	28.5%	28.5%	28.5%	28.5%
F18E NAV per share change	-10.8%	-9.2%	-7.8%	-6.5%	-5.2%

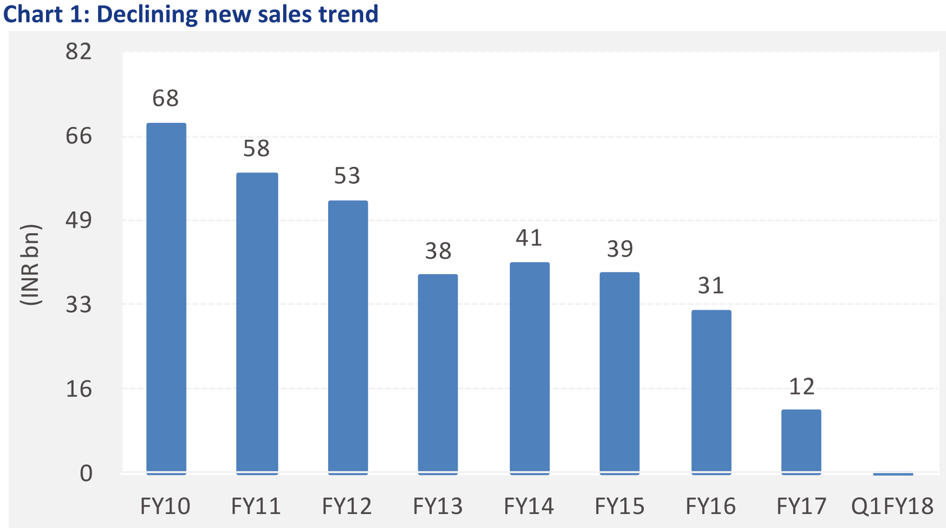
Source: Company, Edelweiss research estimates; Note: Equity dilution is defined as 'Increase in Shares Outstanding as percentage of 'Current Shares outstanding'.

Balance sheet woes addressed, though operational challenges persist; Maintain 'HOLD / SU'.

The CCPS deal, as per arrangement, will help DLF raise equity capital, which we believe it will utilise to pare debt related to its development business (~INR205bn). It, however, will come at the expense of meaningful equity dilution (~36-44% we estimate). Nevertheless, it addresses one of the key investor concerns—DLF's high gearing (currently at INR260bn; ~105% net gearing). Post completion of the deal, we expect the company's balance sheet to improve significantly with net debt likely to fall by INR134bn and net gearing by ~59%. We expect its operating cash losses (currently ~INR7-8bn per quarter) to fall meaningfully driven by savings in interest expenses.

However, other key challenges are likely to persist. DLF has witnessed structural slowdown in its residential new sales over the past few years impacted by demand slowdown in its mainstay Gurgaon market coupled with limited new launches in other markets. The Gurgaon market continues to remain lackluster and its near-term outlook appears bearish. DLF is focusing on executing its ongoing projects, irrespective of the slow sales in these projects as it wants to be prepared with ready inventory once demand revives. This has led to operating cash losses of INR5-7bn/quarter over the past few quarters. Given its strategy, we expect these losses to persist (though subside due to interest savings post deal money flows in) for the next few quarters until ongoing projects are completed. Importantly DLF has little new launch plans. This together provides limited prospects of operations picking up in the next few quarters. While its rental business (office/retail leasing) remains healthy with high occupancy and steady rental uptick, a meaningful uptick in rentals will come only once ongoing rental assets become operational (likely post FY19).

Chart 1: Declining new sales trend



Source: Company, Edelweiss research

HOLD: We believe, DLF's quality rental business is largely priced-in. Residential business pick up appears unlikely in the near term unless new launches pick up. While balance sheet improvement due to promoter/QIP funds should help prune interest expense, DLF will lose 33.34% of rental income from DCCDL in addition to meaningful equity dilution. We hence maintain our **'HOLD'** on DLF.

Background of promoters' CCPS deal

DLF holds majority of rent-generating assets in its wholly-owned subsidiary DLF Cyber City Developers (DCCDL). Currently, DCCDL holds 26.9msf of operational rental assets and has future development potential of ~19msf. The company's promoters currently hold CCPS of DCCDL, which on conversion will entail 40% equity stake in DCCDL.

History of CCPS: In FY10, DLF integrated lease businesses (CARAF, DAL) of the promoter group with DLF Cyber City Developers (DCCDL) and issued the former 159.7mn CCPS worth INR16bn with 9% dividend coupon. Conversion date for CCPS was on or before March 18, 2015. On conversion, this would entail 40% equity stake in DCCDL.

In October 2014, SEBI prevented DLF and its promoters from accessing capital markets, leading to uncertainty regarding the CCPS conversion. Consequently, DLF with the consent of the promoter group, deferred conversion of the CCPS to March 2016 and later to March 2018 and reduced the dividend coupon from 9.0% to 0.01%.

In March 2015, the Securities Appellate Tribunal (SAT) quashed SEBI's decision and allowed DLF to access capital markets, paving the way for CCPS resolution.

In FY16, DLF's board, with the consent of promoters, approved a financial restructuring plan whereby promoters will sell their equity stake (40%) in DCCDL to a strategic investor (third party institutional investor) and infuse the sale proceeds into DLF (entity) and hence increase its stake in the company.

In March 2017, DLF announced that it has entered into an exclusive agreement with an affiliate of GIC Singapore for the promoters' CCPS sale.

Company Description

DLF, incorporated in 1963, is a north India based real estate developer with presence across major markets in India. It is involved in development of various property types – residential, commercial and retail. More than 50% of its land bank is located in Gurgaon. It has ~30msf of leased rental assets located in key metros across India. The company is promoted by Mr. K. P. Singh who has four decades of experience in the Indian real estate industry.

Investment Theme

1. Earnings challenges ahead on account of lower pre-sales in past 3 years, weak pipeline of older projects and sluggish pace of new launches
2. Earnings dependent on sluggish Gurgaon market exposing it to single market risk
3. Expected improvement in balance sheet on account of infusion of sales proceeds by promoters from stake sale in rental assets and consequent capital raising to be off-set by significant equity dilution
4. Expensive earnings based valuations

Key Risks

1. Better valuations than expected for promoters' stake in DCCDL (rental) assets held through CCPS which is up for sale to strategic investors.
2. Sharp improvement in local macros climate.
3. Spike in new launches leading to pick-up in new sales and hence providing good visibility for surplus cash from operations.
4. Launch visibility of lucrative projects – Tulsiwadi, Chanakyapuri and Central Delhi projects (joint venture - JV with GIC).
5. Quick leasing of ongoing commercial projects at higher rentals and fast off-take of completed, but unsold inventory.

Financial Statements

Key Assumptions

Year to March	FY16	FY17	FY18E	FY19E
Macro				
GDP(Y-o-Y %)	7.2	6.5	7.1	7.7
Inflation (Avg)	4.9	4.5	4.0	4.5
Repo rate (exit rate)	6.8	6.3	5.8	5.8
USD/INR (Avg)	65.0	67.5	66.0	66.0
Company				
Selling Price increase (%)	5	5	5	5
Construction Cost Increase (%)	5	5	5	5

Income statement **(INR mn)**

Year to March	FY16	FY17	FY18E	FY19E
Income from operations	92,599	87,687	92,117	86,514
Direct costs	40,503	36,175	36,453	32,016
Employee costs	3,150	3,308	3,440	3,578
Other Expenses	10,281	10,055	10,357	10,668
Total operating expenses	53,934	49,537	50,250	46,261
EBITDA	38,664	38,149	41,867	40,253
Depreciation	7,778	7,025	6,818	6,731
EBIT	30,886	31,125	35,049	33,522
Add: Other income	4,802.03	8,150.05	5,525.73	6,520.36
Less: Interest Expense	26,154	27,961	26,543	24,488
Profit Before Tax	9,534	11,314	14,031	15,554
Less: Provision for Tax	4,193	3,168	3,929	4,355
Less: Minority Interest	(714)	650	800	800
Associate profit share	347	-	-	-
Reported Profit	5,708	7,496	9,303	10,399
Adjusted Profit	5,708	7,496	9,303	10,399
Shares o /s (mn)	1,784	1,784	1,784	1,784
Adjusted Basic EPS	3.2	4.2	5.2	5.8
Diluted shares o/s (mn)	1,784	1,784	1,784	1,784
Adjusted Diluted EPS	3.2	4.2	5.2	5.8
Adjusted Cash EPS	7.6	8.1	9.0	9.6
Dividend per share (DPS)	2.5	1.1	1.3	1.5
Dividend Payout Ratio(%)	77.6	25.0	25.0	25.0

Common size metrics

Year to March	FY16	FY17	FY18E	FY19E
Operating expenses	58.2	56.5	54.6	53.5
Staff costs	3.4	3.8	3.7	4.1
S G & A expenses	11.1	11.5	11.2	12.3
Depreciation	8.4	8.0	7.4	7.8
Interest Expense	28.2	31.9	28.8	28.3
EBITDA margins	41.8	43.5	45.4	46.5
Net Profit margins	6.2	8.5	10.1	12.0

Growth ratios (%)

Year to March	FY16	FY17	FY18E	FY19E
Revenues	21.1	(5.3)	5.1	(6.1)
EBITDA	27.9	(1.3)	9.7	(3.9)
PBT	52.1	18.7	24.0	10.9
Adjusted Profit	14.4	31.3	24.1	11.8
EPS	14.3	31.3	24.1	11.8

Balance sheet (INR mn)

As on 31st March	FY16	FY17	FY18E	FY19E
Share capital	3,567	3,568	3,568	3,568
Reserves & Surplus	270,033	275,655	282,632	290,431
Shareholders' funds	273,600	279,223	286,200	293,999
Minority Interest	1,118	1,118	1,118	1,118
Preference capital	15,971	15,971	15,971	15,971
Long term borrowings	268,930	252,000	256,000	251,000
Def. Tax Liability (net)	(19,993)	(19,993)	(19,993)	(19,993)
Sources of funds	**539,625**	**528,318**	**539,295**	**542,094**
Gross Block	246,817	248,150	248,891	247,403
Net Block	208,904	206,606	200,529	192,310
Capital work in progress	38,675	41,241	45,609	47,597
Total Fixed Assets	247,579	247,846	246,138	239,907
Goodwill on consolidation	10,627	10,627	10,627	10,627
Non current investments	9,704	9,000	9,500	10,000
Cash and Equivalents	33,714	17,498	6,059	9,446
Inventories	175,069	180,060	204,902	215,274
Trade receivables	16,561	17,000	16,000	17,000
Loans & Advances	71,251	69,826	68,430	67,061
Other Current Assets	89,878	92,000	94,000	92,000
Total current assets	352,760	358,886	383,331	391,336
Current liabilities	109,085	109,866	110,686	111,548
Provisions	5,674	5,674	5,674	5,674
Total Current Liab	114,759	115,540	116,360	119,222
Net Curr Assets-ex cash	238,001	243,346	266,971	272,114
Uses of funds	**539,625**	**528,318**	**539,295**	**542,094**
BVPS (INR)	153.4	156.5	160.4	164.8

Free cash flow (INR mn)

Year to March	FY16	FY17	FY18E	FY19E
Reported Profit	5,708	7,496	9,303	10,399
Add: Depreciation	7,778	7,025	6,818	6,731
Interest (Net of Tax)	14,651	20,132	19,111	17,631
Less: Changes in WC	4,042	5,345	23,625	5,143
Operating cash flow	9,444	9,175	(7,505)	11,987
Less: Capex	28,377	1,333	741	(1,488)
Free Cash Flow	**(4,283)**	**27,974**	**10,865**	**31,106**

Cash flow metrics

Year to March	FY16	FY17	FY18E	FY19E
Investing cash flow	(13,864)	(6,588)	(5,609)	(1,000)
Financing cash flow	(13,332)	(1,873)	(2,326)	(2,600)
Net cash Flow	(17,752)	714	(15,440)	8,387
Capex	28,377	1,333	741	(1,488)
Dividend paid	4,430	1,874	2,326	2,600
Share issue/(buyback)	(1,366)	-	-	-

Profitability and efficiency ratios

Year to March	FY16	FY17	FY18E	FY19E
EOP(ROE) (%)	2.1	2.7	3.3	3.6
ROAE (%)	2.1	2.7	3.3	3.6
ROACE (%)	8.1	8.8	8.8	8.6
Current Ratio	3.4	3.3	3.3	3.4
Gross Debt/EBITDA	7.0	6.6	6.1	6.2
Gross Debt/Equity	98.3	90.3	89.4	85.4
Net Debt/Equity	84.2	82.4	85.7	80.5

Operating ratios

Year to March	FY16	FY17	FY18E	FY19E
Total Asset Turnover	0.2	0.2	0.2	0.2
Fixed Asset Turnover	0.5	0.4	0.5	0.4
Equity Turnover	0.3	0.3	0.3	0.3

Valuation parameters

Year to March	FY16	FY17	FY18E	FY19E
Adj. Diluted EPS (INR)	3.2	4.2	5.2	5.8
Y-o-Y growth (%)	*14.4*	*31.3*	*24.1*	*11.8*
Adjusted Cash EPS (INR)	7.6	8.1	9.0	9.6
Diluted P/E (x)	56.3	42.9	34.5	30.9
P/B (x)	1.2	1.2	1.1	1.1
Dividend Yield (%)	1.4	0.6	0.7	0.8

Peer comparison valuation

	Market cap	Diluted P/E (X)		P/B (X)		ROAE (%)	
Name	(USD mn)	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
DLF	5,027	34.5	30.9	1.1	1.1	3.3	3.6
Brigade Enterprises	571	17.3	13.9	1.6	1.5	10.8	11.0
Godrej Properties	1,831	36.3	28.9	5.2	4.6	15.2	16.9
Oberoi Realty	1,998	14.9	13.8	2.0	1.7	14.0	13.3
Sobha Limited	580	17.4	14.0	1.3	1.2	7.7	9.0
Sunteck Realty Limited	507	10.2	8.9	1.5	1.3	15.9	15.5
Median	-	17.4	13.9	1.5	1.4	12.4	12.2
AVERAGE	-	21.8	18.4	2.1	1.9	11.2	11.5

Source: Edelweiss research

Additional Data

Directors Data

Dr. K.P. Singh	Chairman	Mr. Rajiv Singh	Vice Chairman
Dr. D.V. Kapur	Independent Director	Mr. K.N. Memani	Independent Director
Mr. B. Bhushan	Independent Director	Mr. Mohit Gujral	CEO & Whole-time Director
Mr. Rajeev Talwar	CEO & Whole-time Director	Ms. Pia Singh	Independent Director
Mr. G.S. Talwar	Independent Director	Mr. Pramod Bhasin	Independent Director
Mr. Rajiv Krishan Luthra	Independent Director	Mr. Ved Kumar Jain	Independent Director
Lt. Gen. Aditya Singh (Retd.)	Independent Director	Mr. A. S. Minocha	Independent Director

Auditors - M/s. Walker, Chandiok & Co

**as per last annual report*

Holding – Top10

	Perc. Holding		Perc. Holding
Panchsheel investmen	17.49	Sidhant housing & de	13.3
Massachusetts mutual	5.45	Kohinoor real estate	5.34
Madhur housing & dev	5.26	Yashika prop & dev c	5.16
Prem traders & inv p	5.05	Mallika housing comp	4.36
Vishal foods & inv p	4.19	Gic private limited	3.81

**in last one year*

Bulk Deals

Data	Acquired / Seller	B/S	Qty Traded	Price
No Data Available				

**in last one year*

Insider Trades

Reporting Data	Acquired / Seller	B/S	Qty Traded
No Data Available			

**in last one year*

Company	Absolute reco	Relative reco	Relative risk	Company	Absolute reco	Relative reco	Relative Risk
Brigade Enterprises	BUY	SO	M	DLF	HOLD	SU	H
Godrej Properties	HOLD	SP	L	Oberoi Realty	BUY	SO	L
Sobha Limited	BUY	SO	M	Sunteck Realty Limited	BUY	SO	H

ABSOLUTE RATING

Ratings	Expected absolute returns over 12 months
Buy	More than 15%
Hold	Between 15% and - 5%
Reduce	Less than -5%

RELATIVE RETURNS RATING

Ratings	Criteria
Sector Outperformer (SO)	Stock return > 1.25 x Sector return
Sector Performer (SP)	Stock return > 0.75 x Sector return
	Stock return < 1.25 x Sector return
Sector Underperformer (SU)	Stock return < 0.75 x Sector return

Sector return is market cap weighted average return for the coverage universe within the sector

RELATIVE RISK RATING

Ratings	Criteria
Low (L)	Bottom 1/3rd percentile in the sector
Medium (M)	Middle 1/3rd percentile in the sector
High (H)	Top 1/3rd percentile in the sector

Risk ratings are based on Edelweiss risk model

SECTOR RATING

Ratings	Criteria
Overweight (OW)	Sector return > 1.25 x Nifty return
Equalweight (EW)	Sector return > 0.75 x Nifty return
	Sector return < 1.25 x Nifty return
Underweight (UW)	Sector return < 0.75 x Nifty return

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Date: 2017.08.28 21:02:38 +05'30'

Coverage group(s) of stocks by primary analyst(s): Real Estate

Brigade Enterprises, DLF, Godrej Properties, Oberoi Realty, Sobha Limited, Sunteck Realty Limited

Recent Research

Date	Company	Title	Price (INR)	Recos
14-Aug-17	**DLF**	Q1FY18 miss; operational challenges persist; *Result Update*	156	Hold
11-Aug-17	**Sunteck Realty**	Q1FY18 in-line; growth drivers intact; *Result Update*	248	Buy
09-Aug-17	**Brigade Enterprises**	Mixed quarter; scale-up ahead; *Result Update*	264	Buy

Distribution of Ratings / Market Cap

Edelweiss Research Coverage Universe

	Buy	Hold	Reduce	Total
Rating Distribution* * 1stocks under review	161	67	11	240

	> 50bn	Between 10bn and 50 bn	< 10bn
Market Cap (INR)	156	62	11

Rating Interpretation

Rating	Expected to
Buy	appreciate more than 15% over a 12-month period
Hold	appreciate up to 15% over a 12-month period
Reduce	depreciate more than 5% over a 12-month period

One year price chart

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