



Company – Indiabulls Real Estate Underperformer	Industry - Construction & Contracting – Real Estate Target Price – 130-25
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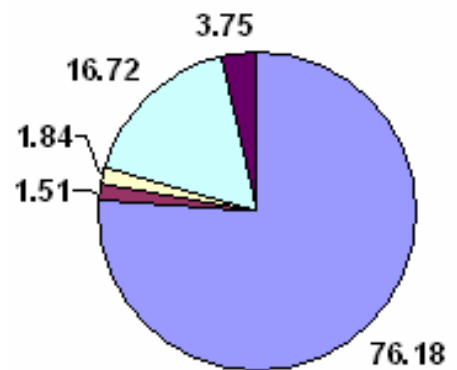
About the Company

Indiabulls stepped into the real estate market as Indiabulls Real Estate Limited (IREL) in 2005. A joint venture between Indiabulls and a US based investment major Farallon Capital Management LLC resulted in bringing FDI (Foreign Direct Investment) for the first time in the Indian Real Estate Market. A leading player across residential and commercial real estate projects, IREL partners with internationally acclaimed consultants, for its developments. At present, its projects at various stages of execution are valued at nearly \$5 billion and they include high-end office and commercial spaces, premium residential developments, and Special Economic Zones, covering a land area in excess of 7730 acres. Indiabulls Real Estate Limited with projects covering a total land area in excess of 10,000 acres is a leading national player across multiple realty and infrastructure sectors. It partnered with Farallon Capital Management LLC of USA to bring the first FDI into real estate. IREL is transforming 14 million sqft in 16 cities into premium quality, high-end commercial, residential and retail spaces. Indiabulls Real Estate has diversified significantly in the business verticals within the real estate space like Real Estate Development, Project Advisory and Facilities Management: Residential, Commercial (Office and Malls) and SEZ Development, Power: Thermal and Hydro Power Generation.

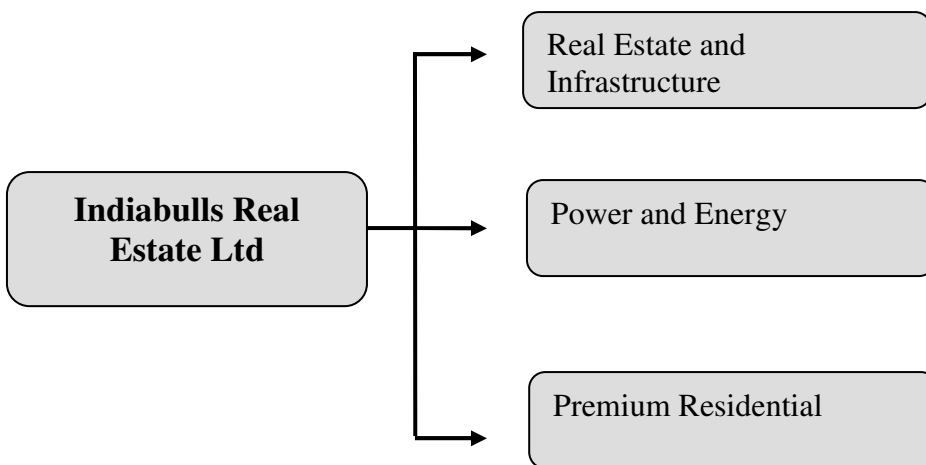
Statistics

NSE Code	IBREALEST
BSE Code	532832
Face Value	Rs 2
52 W High/Low	299/83
Market cap	6469.77 cr.
Dividend Yield (%)	8.38
EPS (TTM)	0.32
P/E Ratio	503.59
Book Value (Rs)	96.64

Share Holding Pattern



Business Model



Foreign	76.18
Institutions	16.72
Non promoters corporate holdings	3.75
Promoters	1.84
Total Public & others	1.51



## SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• High Quality Developments Projects</li> <li>• Company has sufficient land to meet its development plans. Company through acquisitions and government allotments has established a sizeable land bank in preferred locations at competitive prices.</li> <li>• Efficient personnel and internal systems to successfully manage large construction projects that take several years to complete.</li> <li>• Strong portfolio of power generation projects</li> <li>• Strategic partnership with high quality investors</li> <li>• Strong brand recognition</li> </ul>	<ul style="list-style-type: none"> <li>• Fall in margin over the last one year due to increasing cost of raw material</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Focus on generating increasing cash realisations from projects under developments.</li> <li>• Company plans to undertake real estate development projects beyond its operating area in Mumbai and Delhi across the commercial and residential sectors based on its experience to date and opportunities that became available in the market.</li> <li>• Development of sector specific as well as multi product SEZs as a major growth area in the near future.</li> <li>• Growing demand for Affordable housing will continue to be in the Indian economy due to the corresponding increase in urbanization.</li> </ul>	<ul style="list-style-type: none"> <li>• Availability of dedicated, cost efficient and established fuel supply line for a power project can be a difficult task in the rising price scenario of crude oil.</li> <li>• The company is exposed to stiff competition from other developers in the market and this competition is rising day by day.</li> <li>• Exposure to other market related risks such as increase in interest rates and foreign currency rates, customer risks.</li> <li>• Changes in government policies</li> </ul>



## Key Developments

- The company has bagged an order worth Rs 1,400 crore for the redevelopment of Mantralaya and ministerial homes in Mumbai. This is a modernization project and scheduled to be finished in the next 3-5 years. This would involve revamping Mantralaya and New Administrative Building. The project would also involve a rest house as well as six skyscrapers for ministers, judges and bureaucrats.
- The real estate major also plans to construct path for few iconic buildings of 7-star category.
- There are two mega thermal power plants in the state of Maharashtra with an aggregate capacity of 3,960 MW. Requisite clearances and approvals for the aforesaid projects are at quite advanced stages.
- In addition, there is a 1320 MW Mega thermal pit-head power plant at Bhaiyathan, Chhattisgarh acquired through competitive bidding route. The project includes development of captive coalmines with proven reserves of 349 million tonnes in District Korba of Chhattisgarh, which is adequate to low cost coal supply to the planned power plant as well as an additional similar sized unit. Under terms of the contract, 35% of power produced from the Bhaiyathan project is available for merchant sale at market rates and the remaining 65% has to be sold to CSEB at the quoted levelised tariff.

## Results Watch

Indiabulls Real Estate Ltd has posted a net profit after extraordinary items of Rs 48.744 mn for the quarter ended December 31, 2009 as compared to Rs 67.782 mn for the quarter ended December 31, 2008. Total Income has decreased from Rs 374.411 mn for the quarter ended December 31, 2008 to Rs 233.539 mn for the quarter ended December 31, 2009.

For the Consolidated period, the has posted a net profit after minority interest of Rs 27.639 mn for the quarter ended December 31, 2009 as compared to Rs 113.277 mn for the quarter ended December 31, 2008. Total Income has decreased from Rs 952.829 mn for the quarter ended December 31, 2008 to Rs 854.809 mn for the quarter ended December 31, 2009.



## Technical Analysis

Daily chart of the past few weeks in IBRealEst depicts a continuous downfall from the highs of 235 to the current low of 157. In fact last couple of trading sessions witnessed a breakdown after a phase of consolidation, which signals short-term southward rally. Recently the counter has given a breakdown below the crucial level of 180 and is now facing a small support at 152 level. A confirmatory breakdown below this level will take the counter to the lows of 130-125.

As per other technical indicators, volumes are consistent in the falling markets supporting the selling in the counter. Counter is trading well below the important moving averages of 9 & 18 days WMA and 100 days SMA. 14 days RSI is trading with negative bias at the level of 27 which indicates the counter is already in oversold zone. But the trend still not justifies fresh buying. Infact this opportunity can be treated as a good entry point to make further short positions for significant gains in the near term. MACD and stochastic also giving bearish indications.

On weekly charts also the trend is looking bearish. Counter is taking support at the lower band of Bollinger. A clear-cut breakdown below the Bollinger band gives a clear cut sign of further downside rally in medium term with or without early consolidation. Three consecutive bearish candlesticks support the negative trend in the medium term. 14 weeks RSI is also supporting the negative trend.

On monthly chart, a bearish engulfing candlestick followed by another bearish candle gives an indication of bear rally to continue in the coming days. A support is available at 152-50 level. Immediate and next resistance is placed at 195.

We hold bearish view for the stocks in the short to medium term

<b>Important Level</b>			
<b>Resistance</b>		<b>Support</b>	
<i>R1</i>	<i>178</i>	<i>S1</i>	<i>152</i>
<i>R2</i>	<i>194</i>	<i>S2</i>	<i>144</i>
<i>R3</i>	<i>202</i>	<i>S3</i>	<i>132</i>
<i>R4</i>	<i>215</i>	<i>S4</i>	<i>122</i>



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