

## Sobha Developers

Buy | Rs.225

Sobha Developers is a high quality, integrated real estate developer with the best brand and execution track record. Since its IPO at Rs.640 per share in 2006, which was oversubscribed a record 126 times, the extent and value of Sobha's land bank has appreciated significantly. Company has made a footprint in 23 cities and 13 states across India.

Sobha is primarily focussed on residential and contractual projects. Its residential projects ranges from luxury apartments, villas to integrated townships. On the contractual side, the company has constructed a variety of structures for corporates, which includes Infosys, Taj Group, DELL, HP, Bosch and Hotel Leela.

Sobha has completed 85 real estate projects and 228 contractual projects covering about 56.25 Million Square Feet of area. Company currently has 43 ongoing real estate projects aggregating to 25.83 Million Square Feet of developable area and 10.65 Million Square Feet of contractual projects under various stages of construction. Sobha has a land bank of 2550 acres mostly in Bangalore, Chennai, Hosur and Kerala.

The backward integrated model is unique to Sobha and brings competitive advantages. Company has an interiors division, a metal works and glazing factory and a concrete products factory.

The stock has fallen sharply due to industry slowdown, market sentiment and exit by certain foreign funds. At the current rate of Rs 225 (market cap of Rs 2200 cr.), Sobha Developers looks very safe for long term investment. Financial discipline, excellent corporate governance and great business model makes the stock worth investing now, even for medium term!

### Stock Data

Market Cap (Cr.):	2200
Year high:	498
Year Low:	214
EPS:	21
P/E:	16.7
Book Value:	218
P/BV:	1.6

### Shareholding Pattern

Promoter:	60.59%
FII's:	33.46%
DII's:	2.84%
Non Institutions:	3.12%

### Financial Performance

	FY12	FY13
Revenue	1900	2093
Profit	210	217
EPS	20.2	20.96

### Key Financial Data

Debt (Rs. Cr.)	1380
Inventories (Rs. Cr.)	1900