

# State of Real Estate

For the month of August 2013

The month that was- While there are increasing signs of serious slowdown in the sector, we witnessed structural changes in long term operations of sector in the form of the Land Acquisition Act and RBI diktakt on interest subvention schemes. Whereas one of the landmark reforms (Registration Amendment Act) in the sector yet to be passed (it was tabled in the parliament). New Master plans in NCR and Delhi could free up more land for development thus opening new avenues of supply. Our channel checks reveal that the RBI notification on interest subvention schemes have resulted in a frenzy on the part of developers to salvage the recent launches made under this scheme so as to pass as many transactions as possible. The frenzy obviously reflects that developers see this as endgame to high property prices and volumes could pick up soon as prices reduce.

The key developments which took place in August –

- Housing index released by National Housing Bank (NHB) showed fall in housing prices in 22 cities of the country including Delhi and Mumbai. Only confirms the drop in volumes and inventory build up across cities
- Guidance Value in Bangalore increases between 10 per cent and 100 per cent as per location. Under the new system, registration of villas and houses in gated communities has been included with the guidance value being fixed for the first time.
- Bangalore witnessed 33% increase in registration of high ticket/premium properties in FY13. A record 4,382 high-value properties— costing between Rs. 10 mn and Rs. 50 mn — were registered in 2012-2013
- New Master Plans in Delhi and Gurgaon - will house more people, add connectivity and aid extended suburbs. The Delhi Master Plan proposes involvement of private enterprise in real estate development.
- PE players continue to look at commercial real estate in the Country – Low capital values and depressed rental market for quality properties continue to attract interest from PE players
- RBI clamps down on subventions schemes – Subvention schemes offered liquidity to developers at cost of mortgage loans and at times liquidity surplus to construction financing. Moreover, **subvention schemes artificially inflated asset prices as the cost of these apartments factored in interest cost born by the developer during the period of construction. Thereby inflating asset prices ([see page 21](#)) purely for financing costs and creating a spiral.** This move will force developers to revert to plain vanilla means of bank financing and focus on operating cash flows and sale of existing inventory eventually reducing asset prices.
- Proposed Amendment to Registration Act- could reduce speculative and investor transactions as it bring increased scrutiny on registrations by bringing transactions effected by power of attorney (used frequently to effect benami/fake person transactions)
- Takeaways from our On the Ground Conference ([see page 20](#))
- Land acquisition bill –sets procedure and parameters for land acquisition (contrary to media reports it is 2x market value for rural areas and 1x Market value for Urban). The bill passed has halved the minimum compensation from original draft while increasing the procedural aspects for acquiring land.

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## Residential – News/Developments

### Movement of Capital Values and Unsold Inventory

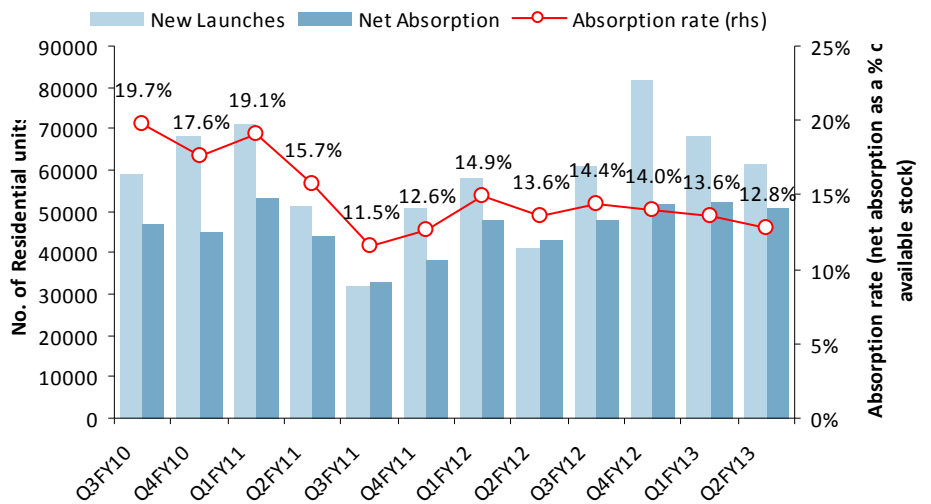
Location	Capital Value CAGR % (from peak of 3Q08)	Capital Value CAGR % (from Trough of 2Q09)	Unsold inventory (in months)	Unsold inventory (At Peak of 3Q08 in months)	Unsold inventory (At Trough of 2Q09 in months)
	2Q13	2Q13	2Q13	3Q08	2Q09
NCR- Delhi	1.4%	6.6%	21	29	15
Gurgaon	4.0%	11.3%	15	73	19
Noida and Greater Noida	0.9%	6.3%	21	8	12
Mumbai City	4.3%	11.6%	48	24	11
Thane	3.9%	14.0%	22	14	13
Navi Mumbai	6.6%	14.3%	25	24	21
Bangalore	5.5%	9.7%	25	12	23
Chennai	3.8%	7.4%	17	10	23
Hyderabad	0.5%	4.7%	15	17	13
Kolkata	6.3%	11.7%	17	30	13
Pune	4.4%	9.4%	14	16	13

Source: Real Estate Intelligence Service (JLL), 2Q13

*Rise in Mumbai's inventory is on account of significant launches in city suburbs*

### Supply and absorption of Residential units

*Sales have been steady but piling unsold inventory has lead to fewer new launches. Rest of 2013 is expected to see reduced launches and steady off take*



Source: Real Estate Intelligence Service (JLL), 2Q13

## **Mumbai**

- **With no takers for Nariman Point building, AI plans to sell city flats** - The properties which have been proposed to be under the hammer are the four 3-BHK flats, each measuring 2,033 sqft carpet area located at Sterling Apartments on the Peddar Road and a residential plot measuring 420 sq meters at DLF Phase III in Gurgaon, Air India said.
- **Realty brokers on slippery ground** - Estate Agents Association of India (EAAI) says property sales have declined by up to 60 per cent in Mumbai compared to last year
- **Kolte-Patil Developers forays into Mumbai, gets redevelopment project in Khar** - Pune-based realty developer Kolte-Patil Developers has forayed into Mumbai property market with a redevelopment project of a housing society spread over 1,594 sq meter in Khar (west), a release said. The redevelopment project of the housing society Link Palace Premises Co-operative Society Ltd will provide total developable area of 0.1 mn sq ft.
- **Orbit Corporation defaults on Rs960 mn loans** - Orbit Corporation has defaulted on liabilities of Rs960 mn, including repayment of loan availed from LIC Housing Finance and the interest on the amount. The housing Finance company has classified the account as a non-performing asset and served a recovery notice to the developer known for its premium south and central Mumbai developments. Through a public notice LIC Housing Finance also restrained the developer from creating any third-party rights on over 0.24 mn sq ft across three of its projects that were mortgaged for securing the loan along with hypothecated receivables from seven of its luxury projects.
- **BMC asks Piramal Realty to stop work at Worli project** - The Brihanmumbai Municipal Corporation (BMC) has stopped the realty company from demolishing the sea-facing building following complaints that the developer had not received permission from the Maharashtra Coastal Zone Management Authority and challenged the change in land-use from educational centre to luxury housing.
- **Lodha to spend over Rs 50 bn to develop property in Worli** - Realty firm Lodha has planned an investment of over Rs 50 bn (of which it had already spent Rs27 bn to buy the land) for developing residential and commercial real estate on the 17 acre land in the plush area of Worli in south Mumbai, which it bought from DLF last year. During the pre-launch of these two towers, the company received applications worth Rs 55 bn, out of which Rs 35 bnworth applications were accepted. Lodha has so far sold 700 apartments in the project.
- **MHADA may hike FSI for cessed buildings it acquired** - To boost redevelopment of nearly 400 cessed buildings the state housing board has acquired, it has proposed increasing Floor Space Index (FSI) for such structures to 3 from the current 2. The proposal is now awaiting approval from Chief Minister Prithviraj Chavan. Maharashtra Housing and Area Development Authority (MHADA) hopes the proposal will bring such buildings on a par with other privately-owned cessed structures, which have been assured a flat FSI of 3 for redevelopment.
- **Tallest hotel project may turn into flats** - Five years after the project was announced, DB Hospitality has shelved plans to construct the iconic India Tower (Park Hyatt), the tallest luxury hotel of 125 floors in India. In its place, the developer who had battled the state government for a higher hotel floor space index (FSI) of 6.29

- Mumbai developers not shying away from smaller homes** - As per the latest PropIndex (Apr-Jun 2013), more than 70 per cent of the supply in the market is flooded with 1 and 2BHK homes. This implies that out of every 10 housing units, seven are either a 1 or a 2BHK. More than 80 per cent of the home buyers are also looking for the same category of housing. Maximum supply of 1-BHK units in Mumbai comes from the western suburbs. The localities in the western suburbs account for nearly 45 per cent of the total supply of 1-BHK units in the city. Mira Road, Vasai, Virar and Nallasopara top the list of localities in the western suburbs that offer 1-BHK apartments

### Residential Projects - Recent and New Launches in Mumbai/Pune

Developer	Name of the Project	City/Area	Location	Subvention scheme	Size (In Sqft)	Price/ unit	Possession
Kanakia	Kanakia Levels	Malad East	Malad East		3-4 BHK		
Kanakia	Kanakia Sevens	Andheri East	Andheri East		1-2 BHK		
Vijay Group	Vijay galaxy	Thane West	Waghbil Naka, G.B. road		1-2 BHK	Rs7.9mn onwards	
Nirmal Lifestyle	Grand Slam	Mulund	Next to Mulund Station				
Lodha	Casabella	Dombivali East	Near Khidkaleshwar Temple		1-2-3BHK	Rs 3.5-6.4mn	Ready Possession
Sheth	Vasant Oasis	Andheri East	Marol		1-2-2.5-3-4 BHK		Construction in full swing
Rustomjee	Global City	Virar West	Virar West	20/80	2 BHK		Ready Possession
Hiranandani Estate	The Walk	Thane West	Off Ghodbunder Road		Small size apartments		
Indiabulls	Indiabulls Sky Forest	Lower Parel	One Indiabull Centre	20/80		Rs 30000/sqft upto 50 floor	Construction in full swing
Marathon Group	Marathone Nexzone	Panvel	National Highway 4B	Y	2 BHK	Rs 4.8mn onwards	
Marathon Group	Monte Vista	Mulund West	Off L.B.S Marg		2BHK	Rs 13.6mn onwards	Ready Possession
Marathon Group	ERA	Lower Parel	Lower Parel				Ready Possession
Marathon Group	NAGRI NX	Badlapur (E)	Badlapur (E)			Rs 2mn onwards	Nearing Possession
Puraniks Builders	Rumah Bali Crème	Thane West	Off Ghodbunder Road		2-3 BHK	Rs 8-9.6 mn onwards	
Marvel Realtors	Marvel Aurum	Pune	Koregaon Park		4.5 BHK (4900sqft above)		
Keemaya	Vedic Heights	Kandivali East	Akurli Road	20/80		Rs 5.6mn onwards	
Keemaya	Conclave	Kandivali East	AkurliRoad		1-2 BHK		
Vilas javdekar developers	Yashwin	Pune	Baner-sus	90/10	1-2-3 BHK		
Vilas javdekar developers	Pallasio	Pune	Wakad	90/10	2-3 BHK		
Vilas javdekar developers	Yashwant	Kolhapur	Kolhapur	90/10	2BHK		
Vilas javdekar developers	Palash	Pirangut	Pirangut	90/10	1-2-3 BHK		
Clover Builders	Forets County Phase 2	Pune	Kharadi	10/80/10	2-3-3.5-4.5 BHK		
Rustomjee	Urbania	Thane West	Near Majiwada Junction	Y	2 bhk	Rs 9870sqft	
Lodha	Fiorenza	Goregaon East	Off Western Express highway		2-3-4 BHK		
Mantri Realty	Serene	Goregaon east	Off Film city Road		1-2 BHK	Rs 8.0mn onwards	Nearing Possession
Falco Developers	Falco world	Kalyan	Ambivli		1-2-3 BHK	Rs 2.15mn onwards	
Falco Developers	Falco Marigold	Titwala East	Titwala East		1-2 BHK	Rs 1.69mn onwards	
Falco Developers	Falco River County	Vasind East	Vasind East		1-2-3 BHK	Rs 1.49mn	

Developer	Name of the Project	City/Area	Location	Subvention scheme	Size (In Sqft)	Price/ unit	Possession
Kalpatru	Aura	Ghatkopar (w)	LBS Marg		2 and 2.5 BHK		
Dosti Realty Ltd.	Dosti Vihar	Thane West	Thane West	25/75	1.5-2-2.5-3 BHK		
Dosti Realty Ltd.	Dosti Imperia	Thane West	Thane West	25/75	2-3 BHK		
Dosti Realty Ltd.	Dosti Centerio	Thane West	Thane West		1-1.5-2-2.5 BHK		
Dosti Realty Ltd.	Dosti Ambrosia	Near Wadala	Near Wadala		2-3 BHK		
Hiranandani Estate	Brookhill	Thane West	Off Ghodbunder Road		4- BHK		Nearing Completion
Marvel Realtors	Marvel Sangria	Pune	NIBM road		4.5 BHK(5698-6560)		
Bhattad Group	Bhattad Augustine	Goregaon West	Bangur road		3 BHK		Ready Possession
Bhattad Group	Bhattad Aurus	Borivali West	Near Kora Kendra ground		2-3 BHK		Under Construction
Wadhwa Group	The Address	Ghatkopar (w)	LBS Marg			Rs 25.5mn	
Lodha	Casa RioGold	Palava	Kalyan-Shil Road		1BHK-41L; 2 BHK-52L; 2BHK Ultima-57 L; 3 BHK-73L; exotica residences-78L		
Hiranandani Estate	Hiranandani Heritage	Kandivali West	S.V. Road		1-3-5 BHK		
Rustomjee	Le Reve	Khar West	Dr. Ambedkar Road		2-3.5 BHK	Rs 41mn	
Evershine Builders	Evershine Avenue	Virar West	Global City		1-2 BHK	Rs 3.055-3.815 mn	Construction in full swing
Progressive Group	Progressive Highness	Navi Mumbai	Off Palm Beach Road		3-5 BHK		Ready Possession
Ruparel Realty	Ariana	Parel	Parel		2-3 BHK		
Ruparel Realty	Iris	Matunga West	Matunga West		1-2-3 BHK		
Ruparel Realty	Orion	Swastik Park	Chembur		1-2-3 BHK		
Ruparel Realty	Sea Palance	Palm Beach Road	Nerul West		3-4 BHK		
Mayfair	Hillcrest	Vikhroli West	Near LBS Marg	Y	2 BHK 655 sqft	Rs15.5mn.	2015
Gundecha Developers	Gundecha Altura	LBS Road	Kanjurmarg Road				Ready Possession
Acme Group	Acme Avenue	Kandivali West	Charkop	25/75	1.5-2-3 BHK	Rs 9.5mn onwards	C Construction in full swing
Runwal	Runwal Elegante	Andheri West	Lokhandwala	25/75	3-4-5 BHK		

Source: PhillipCapital India Research

### NCR

- Noida property circle rates hiked up to 25%** - Circle rates have been increased by 10 to 25 per cent. Agriculture land rates too have been hiked by 5-8 per cent. In A category sectors, circle rate has been hiked from Rs 66,500 to Rs 78,000 per sq metre. In B category sectors, the hike is between Rs 48,000 and Rs 55,000 per sq metre and in C category sectors, the increase is between Rs 35,000 and Rs 40,000 per sq metre. In Ghaziabad, circle rates have been hiked by up to 20 per cent.
- Haryana approves 'affordable housing policy'** - Through this policy, the state government envisages to make available close to 1,25,000 affordable dwelling units having carpet area of about 500 sq ft carpet area each in the urban centres of Haryana, which are constructed through the capital investment of private sector within a period of next five years, an official spokesman said. The size of apartments to be constructed under this policy would be in the range of 28sqm to 60 sqm carpet area. The maximum allotment rate for the apartment units approved under such projects would be Rs 4,000 per sq ft of carpet area in the development plans of Gurgaon, Fardabad, Panchkula and Pinjore-Kalka, Rs 3,600 per sq ft in the

development plans of other high and medium potential towns and Rs 3,000 per sq ft in the remaining low potential towns.

- **40 builders apply for affordable housing projects licence in Gurgaon** - On the first day of the notification of the affordable housing policy in Haryana, 40 applications of different developers have been received for launching the project in Gurgaon. A senior DTCP official confirmed that 56 licence applications were moved by builders, out of which 40 were for various sectors of Gurgaon, eight for Sohna, six for Faridabad and one each for Jhajjar and Karnal. To woo builders, licence fee and IDC have been waived and also allowed higher FAR to the tune of 225 against 175 permitted in normal group housing projects.
- **Godrej Properties inks JV with landowner Oasis Buildhome for housing project** - Godrej Properties has entered into an agreement with Oasis Buildhome, develop a 13.76 acre property situated on Northern Periphery Road (NPR) in Sector 88A/89A, Gurgaon. The project would be developed as a premium residential group housing project and is expected to offer 1.2 million sq ft of saleable area
- **DDA to allow construction of houses in industrial areas** - The Delhi Development Authority may soon allow construction of residential homes in areas earmarked for industrial units. Industrial clusters such as Okhla Industrial Estate, Mayapuri, Naraina and Mohan Cooperative, which were on its outskirts when they were set up in the 1950s, '60s and '70s, are now surrounded by prime residential areas. The DDA, which looks into real estate development in the city, is considering allowing group housing on about 20% of the land set aside for such clusters. Plot owners will be able to get the same FAR of 200 allowed for group housing in other parts of the city
- **Noida: Price correction by 10-15% in certain areas** - Property prices in certain areas of Noida have corrected by 10-15 per cent in the current month. In areas such as Sectors 76, 77, 117 and 119 multi-storey apartments, which were selling at Rs 4,500 per sq ft until July 2013, have now been priced between Rs 4,100-4,200 per sq ft.
- **Master Plan-2031: Gurgaon-Manesar to house 2.1 mn more people** - The new Master Plan-2031, which merged Gurgaon and Manesar, expands the existing city to create more residential property units, social infrastructure like schools, hospitals, playgrounds, and physical infrastructure. The new master plan will create accommodation for an additional 2.1 mn people. This will bring in around 23,000 hectares additional land for development. At present, the permitted population density is 80-100 people per acre, which has been increased to 100-120 people per acre. The new plan has also proposed to develop connectivity within the Gurgaon-Manesar area and to Delhi as well.
- **2,000 flats will be up for grabs in South Delhi soon**- The Government-owned National Buildings Construction Corporation (NBCC) plans to sell around 2,000 flats in South Delhi to the general public. This is part of project being developed on the CPWD land at Ghitorni in South Delhi. The Central Public Works Department (CPWD) owns 240 hectares in the area. NBCC also aims to build around 10,000 housing units in the country during the next five years. The company, on its own, has a land bank of 145 acre in various States on which it plans to build residential and commercial projects. The company has lined up five large projects for the current year. These include a commercial project in Okhla (Delhi) and residential projects in Alwar (Rajasthan), Gurgaon (Haryana), Khekra phase-III (Uttar Pradesh) and in Faridabad (Haryana).

## Residential Projects - Recent and New Launches in Delhi

Developer	Name of the Project	City	Location	Subvention scheme	Residential/ Commercial	Size (In Sqft)	Price/ unit	Possession
Amrapali Group	Amrapali Crystal Homes	Noida	Sector-76		Residential	3 BHK		Construction started
Amrapali Group	Amrapali Sapphire	Noida	Sector-45		Residential	2-3-4 BHK		Ready Possession
Amrapali Group	Amrapali Silicon city	Noida	Sector-76		Residential	2-3-4 BHK		Nearing possession
Amrapali Group	Amrapali Zodiac	Noida	Sector-120		Residential	2-3-4 BHK		Ready to move in
Amrapali Group	Amrapali Kingswood	Greater Noida West	Greater Noida West		Residential	2-3 BHK		Construction started
Amrapali Group	Amrapali Tropical Gardens	Greater Noida West	Greater Noida West		Residential	2-3 BHK		
Amrapali Group	Amrapali Verona heights	Greater Noida West	Greater Noida West		Residential	2-3-4 BHK		Construction started
Ansai housing & construction Ltd.	Ansai Town Walk	Gurgaon	Sector-104		Commercial	High street retail cum corporate spaces	starting Rs 2.5mn only	
Sikka House	The Downtown	Expressway Noida	Sector-98		5* hotel and service apartments	Service apartments- 599 sqft to 5000sqft. High end retail space-350sqft to 150000sqft, office space- 700sqft to 70000sqft.	Service apartment-Rs 8.5mn onwards High end retail space- Rs 6mn onwards; Office space- Rs 5.5mn	
Unitech	Unitech Espace Premiere	Gurgaon	Nirvana Country 2	Zero pre-EMI offer for 18 months	Villa	Villa		
Amrapali Group	Leisure Valley	Greater Noida West	Greater Noida West		Villa	Villa		
Amrapali Group	Sanskriti	Greater Noida West	Greater Noida West		Residential	2-3 BHK	Starting Rs 2.7mn onwards	
Unnati Fortune	Unnati World	Noida	Sector 144		Commercial		Retail Rs7700/sft office Rs3090/sqft	
Unnati Fortune	The Aranya	Noida	Sector 119	20/80 available	Residential	2-3 BHK		Construction in full swing
Unnati Fortune	Elites Arena	Noida	Sector 119		Residential	2-3 BHK (1050-1350 sqft)	Rs 3999/ sqft	
Unnati Fortune	Fortune Residency	Noida	Sector 144		Residential	1-2 BHK	Rs 4800/sqft	
Raj Nandini Estates Pvt. Ltd.	Vasilia	Noida	Sector 32& 25A		Residential	2-3 BHK	Rs 9.1mn onwards	
Oasis realtech pvt. Ltd.	Oasis grand stand	Noida	Sector-2		Residential	1-2-3BHK (695)	Rs1.528 mn (Rs2199/sqft)	
SG Estates Limited	SG Impressions plus	Ghaziabad	Rajnagar Extension		Residential	3-4 BHK	Rs 3.3mn onwards	Ready Possession
SG Estates Limited	SG Alpha tower	Ghaziabad	Sector- 9 Vansundhara		Commercial	400 Sqft	Rs 3mn onwards	Ready Possession
SG Estates Limited	SG Homes	Ghaziabad	Sector- 3 Vansundhara		Residential	2-3-4BHK	Rs 6mn onwards	Nearing possession
SG Estates Limited	Indigo SG Impressions 58-phase 2	Ghaziabad	Rajnagar Extension		Residential	3 BHK	Rs 4.1mn	Nearing Possession
SG Estates Limited	SG Grand Rajnagar Extension	Ghaziabad	Rajnagar Extension		Residential	2-3 BHK	Rs 2.75mn onwards	Under Construction

Developer	Name of the Project	City	Location	Subvention scheme	Residential/ Commercial	Size (In Sqft)	Price/ unit	Possession
SG Estates Limited	SG Benefit	Ghaziabad	Govindpuram		Residential	1-2-3 BHK	Rs 2.3mn onwards	Launching Soon
Aditya Builders	Aditya world city	Ghaziabad	NH-24		Residential	2-3 BHK	Rs2.1mn onwards/ Rs 1990 sqft	
Aditya Builders	City Apartments	Ghaziabad	NH-24		Residential	2-3 BHK	Rs 1.8-2.2mn	
Sethi Group	Max Royal	Noida	Sector- 76		Residential	2-3 BHK (895-1650 sqft)		
Sethi Group	Sethi Arcade	Noida	Sector- 76		Commercial			Launching Soon
Sethi Group	Sethi Business Avenue	Kaushambi	Angel mega mall		Commercial		Rs1.812mn onwards	Ready Possession
Dasnac Research	The jewel of Noida	Noida	Sector-75		Residential			Launching Soon
Apex Group	Apex Athena	Noida	Sector-75		Residential	2-3-4 BHK		Ready Possession
Nimai Developers	Nimai Place	Sector- 114	Gurgaon	10% now, 20% within 120days, and rest 70% on possession	Commercial	1-2 BHK(685-1194sqft)		
Himalaya Realtors	Le Perfect	Sector- 68	Gurgaon		Commercial			
Pyramid Townships Pvt. Ltd.	Speedway Premium Residences	Jaypee Greens Sports City	Greater Noida West		Residential	2-3-4 BHK		Launching Soon
Satya Group	Element one	Sector-47 & 49	Gurgaon		Commercial	350 Sqft onwards high street retail, service apartment-650sqft onwards		launched
Balaji Group	Vivaan	Greater Noida west	Greater Noida west		Residential	2-3 BHK	Rs 200/sqft discount	Launching Soon
Ajnara	Panorama	Yamuna Expressway	Yamuna Expressway		Residential	2-3 BHK	flats-Rs 2.215mn, villa-6.2mn, studio-1.866 mn	Construction in full swing
Prateek Group	Prateek Edifice	Noida	Sector-107, Noida		Residential	3-4-5BHK	Rs 14.5mn onwards	Construction at full swing
Prateek Group	Prateek Stylome	Noida	Sector-45, Noida		Residential	3-4-5BHK	Rs 12.0mn onwards	Construction at full swing
Mahagun Group	Mirabella	Noida	Sector-79		Residential	3-4 BHK		Now Launched
Mahagun Group	MANTRA	Greater Noida West	Greater Noida West		Residential	2-3 BHK Budget homes		Coming Soon
Paramount	Golf Foreste	Greater Noida	Opp. Sector Zeta	37/63	Residential	Villas	Rs 5.050mn onwards	
Paramount	Golf Foreste	Greater Noida	Opp. Sector Zeta	37/63	Residential	luxurious studios and suites	Rs 1.550 mn onwards	
Paramount	Golf Foreste	Greater Noida	Opp. Sector Zeta	37/63	Residential	Apartments	Rs 3.65mn onwards	
Parsvnath	Palacia	Greater Noida	Greater Noida	25:75	Residential	2-3 BHK		Construction in full swing
Parsvnath	Privilege	Greater Noida	Greater Noida	25:75	Residential	3BHK		Construction in full swing
Amrapali Group	Princely estate	Noida	Sector-76		Residential	2-3-4 BHK		Nearing Possession
Amrapali Group	Kingswood	Greater Noida West	Greater Noida West		Residential	2-3 BHK		Construction started
C.M.D Developers & Promoters Pvt. Ltd.	The Corridors	Gurgaon	Sector-67 A		Residential	2-3-4 BHK		
Garg Group	Land Craft Golf links	Gazia bad	NH-24		Residential	flats/ villas/plots	Rs 3500-3800/sqft	



Developer	Name of the Project	City	Location	Subvention scheme	Residential/ Commercial	Size (In Sqft)	Price/ unit	Possession
Garg Group	River Heights	Ghaziabad	Raj nagar extension		Residential			
Imperia Structures Ltd.	Only Max	Greater Noida	NH-24		Commercial		BSP- Rs 5250/sqft	
Pareena Infrastructure	Coban Residences	Gurgaon	Sector-99A		Residential	2-3-4 BHK		
Unitech	Exquisite	Gurgaon	Nirvana housing 2		Residential	3BHK	Rs 16.50 mn onwards	Construction in full swing
International land developers	Ild Grand	Gurgaon	Sector-37C	40/60	Residential	1789 sqft	Rs 4950/sqft	
Ocus	Ocus 24k	Gurgaon	Sector 68	30/70	Residential	1-2 BHK (751sqft onwards)	Rs 2.8mn onwards	
Dwarkadhk	Dwarkadhk	Dharuhera	sector-22	35/75	Residential	1680sqft	Rs 2845/sqft	
Kindle Developers Pvt. Ltd.	Shubhkamna Lords live t o play	Noida	Sector-79		Residential			
JM Housing	JM Aroma	Greater Noida	Sector-75	No pre PMI till January 2014	Residential	2-3 BHK	Rs 4300-4600/sqft	
JM Housing	JM Orchid	Greater Noida	Sector-75	No pre PMI till January 2014	Residential	2-3 BHK	Rs 3550-3650/sqft	
Eldeco	Mystic Greens	Greater Noida	Omicron		Residential	2-3 BR	Rs 4.41 mn onwards	Under Construction
Eldeco	Hillside	Neemrana	Japanese Zone		Residential	2 BHK+ studio apartments		Launching Soon
Eldeco	Inspire	Noida	Sector 119		Residential	2-3 BHK+ study apartments		
Golfgreen Super Structure Group	Civitech Stadia	Noida	Sector 79		Residential	3-4 BHK		
Ansal Housing & Construction Ltd.	Ansal Highland Park	Gurgaon	Sector 103	20% on booking next 2 year no EMI	Residential	2-3 BHK		Construction in full swing
Elixir Buildcon Pvt. Ltd.	Elixir Windz	Noida	Sector 150		Residential	2-3-4 BHK		
Laureate Buidwell Pvt. Ltd.	Parx Laureate	Noida	Sector 108		Residential	3-4 BHK		Construction in full swing
IITL- NIMBUS Group	The Hyde Park	Noida	Sector-78	50 and 50	Residential			Construction in full swing
IITL- NIMBUS Group	The Golden Palms	Noida	Sector-168	50 and 50	Residential	1-2-3-4 BHK		Construction in full swing
Modern Buildtech	Park Floors by Bbtp	Faridabad	Sector-76/77		Residential	2-3 BHK	Rs 4.012 mn	
Saya Buildcon Consortium Pvt. Ltd.	Saya Zion	Greater Noida	Gaur City		Residential	2-3 BHK		Nearing possession

PhillipCapital India Research

### Bangalore

- Nitesh Estates launches Rs 3 bn project in Bangalore** - Has launched British Columbia, in Bangalore with an investment of Rs 3 bn. The project, a premium high-rise condominium project spread over 4.70 acre in south Bangalore. It will have 388 apartments with an area ranging from 1,000-1,600 sq feet and is in 2-bedroom and 3-bedroom configuration.
- Land values go up by 80 per cent in Hoskote** - The area which is located on the Bangalore-Chennai highway NH 4 comes under the limits of the main city. Intermediate Ring Road (IRR) connects the area to the rest of the Bangalore city. BMTc bus depot was recently inaugurated in Hoskote. Apart from this, the Karnataka government has proposed Satellite Township Ring Road (STRR) that will connect the locality with important satellite towns in and around Bangalore. The

plots that were sold at Rs 1,000 per sq ft a year ago, today are available for not less than 1,800 per sq ft

- **Andhra Pradesh investors to continue their Bangalore run** - Rough estimates by international property consultants and local brokers suggest Bangalore has, in the past 24-30 months, got an investment of \$100 million to \$200 million across real estate asset classes from investors in AP and Telugu NRIs. This investment run is likely to continue until clarity emerges on the bifurcation of AP and the status of Hyderabad.
- **NRIs prefer Bangalore for investment in property, says ASSOCHAM survey** - The survey said that Bangalore is the most favourite property investment destination for NRIs followed by Chennai, Mumbai, Ahmedabad and Dehradun. “The Indian property developers are anticipating a 35 per cent surge in enquiries from NRI-based purchasers. The decline in rupee has increased property sales because people want to get value for their money,” said ASSOCHAM.
- **Developers’ hard sell to attract NRI investment** - Though NRI enquiries for buying property has risen by about 15 to 20 per cent in the period April to July they are not translating into sales. This has resulted in the developer community hard selling with several freebies thrown in to attract this community.
- **Govt reaches out to airport operators for highrises in Bangalore’s CBD** - The state government is seeking the cooperation of Hindustan Aeronautics Limited (HAL), the operators of the city’s old HAL airport, to allow builders to go vertical. Situated in the heart of Bangalore, HAL airport issues no-objection certificates (NOCs) on height limits to developments situated approximately in a 5-kilometre radius around the airport.
- **DLF project residents demand their flats** - Flat owners of DLF Westend Heights in BTM Layout staged a protest against the delay in handing over of the apartment units. The apartment, which was to have been handed over to customers in August 2012, has not yet been completed, they said, adding that they had paid 95 per cent of the cost to the developer. They also sought higher compensation from the company for delay.
- **Has the real estate boom gone bust in Hebbal?** According to Pankaj Kapoor of the property agency Laisas Foras, “Three or four quarters back, Hebbal was seeing a number of new launches in the luxury segment. However, this is not happening now.” There was a period when the going rate was Rs. 8,500 per sq. ft and people were talking about Rs. 10,000-11,000, but now we are seeing it coming back to Rs. 6,500, he adds.
- **Rise in guidance value beats ‘Ashada month’ factor** - The month of Ashada in the Hindu calendar is not considered “auspicious” for property registration. But, this Ashada, sub-registrars’ offices across the city have witnessed a rush with a number of property buyers rushing for registration before the guidance value of properties were increased. July has also brought windfall to the government, as the increased registration of properties has brought in nearly 62 per cent more revenue to the department over the corresponding period last year. The spike in the revenue — albeit temporarily — came mostly from Bangalore, where the guidance value of property increased between 10 per cent and 100 per cent.
- **Property registrations dip after revised guidance value** - According to inputs received from sources in some registration offices and document writers, the registrations in properties have dropped by nearly 40 per cent since revision. It has been increased by 0 to 100 percent in around 9,000 places across the city. It is

relatively untouched in some areas of Magadi Road including Sunkadkatte while it is hiked by nearly 100 percent in areas like Panathur, Yelahanka, Bellandur, Begur, Hulimavu and Arakere.

- **High net-worth property transactions go up** - As many as 4,382 high-value properties— costing between Rs. 10 mn and Rs. 50 mn — were registered in 2012-2013. While 3,274 properties in this price bracket were registered in 2011-2012, some 2,382 properties were registered in 2010-2011. Most of these properties are being registered in Bangalore and fewer number in other cities,” a source in the Department of Stamps and Registration. Over 0.11 mn registrations were for Mid-segment properties ranging from Rs. 1 mn to Rs. 10 mn.
- **Puravankara set to launch Rs 3.5 bn property in Bangalore** - Puravankara Projects is set to launch Rs 3.5 bn property 'Purva Skydale' near Sarjapur main road, a hub for Bangalore's IT industry. Purva Skydale is spread across 4.26 acres, and entails 314 'Maravilloso' homes. 2 BHK apartments are sized between 1341 to 1371 sqft and 3 BHK between 1700 to 1929 sqft. The property is priced between Rs 4491 to 4995 per square foot.

#### Residential Projects - Recent and New Launches in Bangalore

Developer	Name of the Project	Location	20/80 scheme	Size (In Sqft)	Price/ unit	Possession
Prestige	Prestige Ferns Residency	Harlur Road, off Sarjapur Road		2-2.5-3-3.5-4BHK (1200-2500sqft)		
Sraddha Homes	Sraddha Homes	Seegehalli, Whitefield		2-3 BHK		
Mahaveer Group	Riviera	JP Nagar 5thPhase			Rs 7.8mn	
Mahaveer Group	Tranquil	Whitefield			Rs 6.2mn	
Mahaveer Group	Laurel	BTM 4th Stage			Rs 5.7mn	
Mahaveer Group	Oleander	Off Hosur Road			Rs 4.8mn	
Mahaveer Group	Greens	Mysore Road			Rs 4.4mn	
Mahaveer Group	Cedar	Hesaraghatta Road			Rs 3.5 mn	
Mahaveer Group	Desire	off Tumkur Road			Rs 3.2mn	
Mahaveer Group	Fortune	off Magadi Road			Rs 2.5mn	
Mahaveer Group	Galaxy	off Mysore Road			Rs 2.4mn	
Mahaveer Group	Maple	Kundalahalli jn.,Varthur Main Road		3 BHK and duplex	Rs 8.3mn	
Mahaveer Group	Jonquil	J.P.Nagar, 6th Phase			Rs 6.1mn	
Mahaveer Group	Oberon	JP Nagar 5th Phase			Rs 5.7mn	
Mahaveer Group	Willet	Kumbena Agrahara			Rs 3.2mn	
G R Constructions	GR Sagar Nivas	Sarjapur Road		2-3 BHK		
G R Constructions	GRC Brundavan	Mysore Road		2-3 BHK		
SLS Developers	Sunny Gardens	Doddanakundi		2-3 BHK	Rs 4.1mn onwards	
SLS Developers	Sapphire	Marathahalli-Sarjapur ORR		2-2.5-3 BHK	Rs 3.7mn onwards	
N D Developers Ltd.	N.D. Passion Elite	Sarjapur Road		3-4 BHK (1855-2850)	Rs 11.1mn	
N D Developers Ltd.	Around The Managoes	Off Sarjapur Road, Gunjur		3-4-5 BHK(2980-4920sqft)	Rs22.8-39.2mn	
Mirror Constructions and Industries	Ideal Living	Whitefield Main Road		2-3 BHK	Rs 5.66mn onwards	75% of work complete
Reliable Developers	Reliable Gardeniaa	Off SarjapurRoad, close to HSR layout		Plots (30X45),(30X50), (30X55)		
Sipani Properties Pvt. Ltd.	Sipani Classe	Koramangala		2-3 BHK	Rs 8.9mn onwards	
Fire Luxur Developers Pvt. Ltd.	The Emphyrean	NH 207		Villa	Rs 6.6mn onwards	
Sowparnika Projects	Sowparnika Sanvi	Whitefield		2 BHK	Rs 3.499mn onwards	
Sumadhura Infracon P.L.	Srinivasam	Hoodi, Whitefield		2-3 BHK 1190-1900 sqft		Aug-14
Sumadhura Infracon Pvt. Ltd.	Madhuram	ECC Road, Whitefield		2-3-4 BHK (1315-2215sqft)		

Developer	Name of the Project	Location	20/80 scheme	Size (In Sqft)	Price/ unit	Possession
Rashi Developers	Rashi Splendor	Doddaballapura		plots and villas (30X40, 30X50, 40X50, 40X60)		
Aaspire Mansions Pvt. Ltd.	Aaspire Greenland	Narasapura Industrial Area next to Honda Company		plots and villas	Rs 750/sqft	
Raja Housing Ltd.	Raja Aristos	Off Bannerghatta Road		2-3 BHK	Rs 5.7mn	
Raja Housing Ltd.	Raja Woods Park	Off Bannerghatta Road, Gottigere		Premium Villas	Rs17.1mn	
Nisarga Capital	Nisarga capital	Off OMR		Luxury flats	Rs 3.4mn onwards	
Leisure & Property Developments Pvt. Ltd.	Arcadia	Off Sarjapur Road, Carmelaram		2-3 BHK		
KNS Infrastructure Pvt. Ltd.	KNS Unnati	Between Vishweshwariah & Proposed Kempegowda BDA		Plots (20X30, 30X40, 30X50,40X60)	Rs 1850/sqft	
Richmond Builders	Richmond Pride			2-3 BHK	2BHK-Rs2.5mn; 3BHK-Rs3.5mn	
Radiant Group	Radiant Elitaire	Jambusavari Dinne, JP Nagar		2-3 BHK	Rs 5.04mn	
Kristal Group	Kristal Chrysolite	Sarjapur Road		Villas		
Keerthi	Royal Palms	Hosur Road		2BHK-1250; 3BHK-1465-1745	Rs 5.5-7mn onwards	
Keerthi	Regalia	Sarjapur Road		2BHK-1220-1320; 3BHK-1450-1775		
Indus Cityscapes Constructions Pvt. Ltd.	Oasis	Koramangala		3BHK-2150-2250sqft		Dec-13
DLF	Bella Greens	Off Bannerghatta Road	15/85 after 2 years	4-5 BHK	Rs 31mn onwards	
Nitesh Estates	Nitesh Columbus square	Off Bellary Road	0% pre EMI			
Nitesh Estates	Nitesh Capcod	Sarjapur-Marathahalli Ring Road	0% pre EMI			
Vasathi Housing	Vasathi Avante	Hebbal		2-2.5-3BHK	Rs 4.536mn	
DLF	Woodland Heights	Rajapura, Near Electronic City		2-3 BHK	Rs 3.3mn	Construction in swing
Sai Raghavendra	Bloom Fields	Ramgundanahalli- Borewell Road		2-3 BHK		
Inner Urban Infraestate( p) Ltd.	Urban Greens	Sarjapur Road		Villas	Rs 6.8mn	
G. Corp. Developers Pvt. Ltd.	The Icon	Thanisandra Road		3-4 BHK (1795-3097 sqft)	Rs 11mn onwards	
KSR Properties	Cordelia	Dasarahalli		2-2.5-3 BHK (1035-1452sqft)	Rs 5.7mn onwards	
Ajmera	Ajmera Store Park	Electronic City		2-3 BHK		Launching Soon
Innovative Construction	Innovtive Aqua front	Off Marathahalli Road		2-2.5-3 BHK	Rs 4.288mn	
Prestiage	Royale Gardens	Yelahanka- Doddaballapur Rd		1-2-2.5-3 BHK		
Keerthi	Keerthi-Surya shakti Towers	ITPL Road, Whitefield		2-3BHK (1235-1295,1484-1832sqft)	Rs 6.3-7.38mn onwards	

Source: Media sources, PhillipCapital India Research

## Residential Projects - Recent and New Launches in Chennai

Developer	Name of the Project	Location	20/80 scheme	Size (In Sqft)	Price/ unit	Possession
Jain Housing and Construction Ltd.	Inseli Park	OMR-Padur	Pre -EMI Offer		Rs4.5mn onwards	Nearing Completion
Jain Housing and Construction Ltd.	Alpine Meadows	Pallavaram	Pre -EMI Offer		Rs 4.2mn onwards	Phase I Handover
Kgeyes Residency Private Limited	Kgesyes Samyuktha	Camp Road Junction		2-3 BHK(952-1401Sqft.)	Rs 3600/sqft	
Real Value Promoters Pvt. Ltd.	Neel-Kamal- Annexe	Opp. Siruseri	Rs 95000 on booking rest after possession			Jul-14
MM Builders	Subhamm	Bye-Pass Road, Perungalathur		1-2-3 BHK	Rs 1.6mn onwards Rs3199/sqft	
Citilights	Blessings	Kelambakkam		3 BHK-1610-1880	Rs3175	Oct-14
North Town Estates Pvt Ltd.	North -Town	Perambur		1-2-3 BHK 650-1396 sqft		Construction in full swing
Arihant	Villa viviana	Maraimalai Nagar		3 BHK-1413 sqft; 4BHK-3686 sqft; residential plots-1810sqft.		
Unitech	Uniworld City	Nallambakkam,		2-3 BHKUnihomes, Palm villas and aspen greens	Rs 2250-2300 villas-Rs3550, Apartment-Rs2800	
Sobha Developers	Sobha Meritta	Kelambakkam-Vandalur Road		1-2-3 BHK		
Arihant	Firangipani	Behind Siruseri It Park		2 BHK-760sqft		
S & S Foundations Pvt. Ltd.	Ishan	Mylapore		3 BHK-1725-1770		
S & S Foundations Pvt. Ltd.	Solitaire	Porur		2-3 BHK1234-1940		
S & S Foundations Pvt. Ltd.	Sarvam	Velachery		2-3 BHK 1147-1747		
Arinhant/ Unitech	Green Woodcity	Plots on Omr		1800-3500sqft plots		
Arinhant/ Unitech	Green Woodcity	Perambur		1-2-3-BHK-650-1396 sqft		Construction in full swing
Real Value Promoters Pvt. Ltd.	Padmalaya	Siruseri		2-3 BHK	Rs 3199/sqft	
Landmark Construction	Tivoli	Mogappair		2-3 BHK 1213-1884 sqft		
Landmark Construction	Geethanjali	Annanagar West		3 BHK-1525 sqft		
KG Foundations Pvt. Ltd.	KG Singnature	Modappair		1-2-3 BHK-610-1410		
KG Foundations Pvt. Ltd.	KG Centre Point	Poonamallee		1-2-3 BHK-515-1405		
VGN Developers Pvt. Ltd.	VGN Stafford	Ambattur		1-2-3 BHK	Rs 2.078-5.733mn	
VGN developers Pvt. Ltd.	VGN Karona	Near Porur		2 BHK	Rs 4.652-5.511 mn	
Jain Housing and Construction Ltd.	Pebble Brook	Thoraipakkam		2-3-4 BHK-996-2523sqft	no pre emi 200/sqft discount	
Jain Housing and Construction Ltd.	La Verde Mare	Perungudi				Launching Shortly
Mettupakkam Foundations Pvt. Ltd.	Vruksha	Nanmangalam		1-2-3 BHK 440-1240sqft		
Mettupakkam Foundations Pvt. Ltd.	Orchid	Keezhkattalai		2-2.5-3 BHK 833-1637sqft		
Mettupakkam Foundations Pvt. Ltd.	Jayaram Enclave	Madipakkam		2-3 BHK 786-1291 sqft		
Kumar Builders	Park view Apartments	Anna Nagar, Chennai		1-2-3- BHK (484-1442 sqft)	Rs 4290/sqft	Completion in 18 months
Shantiniketan	Altair	Kelambakkam		1-2 BHK	Rs 1.413-1.691 mn	
RB Foundations Pvt. Ltd.	Bagya Enclave	Nanmangalam		1-2-3 BHK (455-1251sqft)	Rs 4000/sqft	Nov-13
RB Foundations Pvt. Ltd.	Bagya Elite	Marudhupandiyar		2 BHK(960-1080sqft)	Rs 4500/sqft	Nov-13
Rajkham Builders	Rajkham Orchid	Porur Near Ayyapanthangal		2-3 BHK		

Developer	Name of the Project	Location	20/80 scheme	Size (In Sqft)	Price/ unit	Possession
Sumantha & co.	Sreshta	Kolapakkam		2-2 1/2-3 BHK (1150-1571 sqft)		Construction in full swing (May 2014)
Step Stones	Krishu Phase I	Vandalur Padappai High Road		1-2-2.5-3 BHK 439-1244sqft	Rs 2990/sqft	
Catalyst Properties	Venus Riviera	Kovilambakkam		2 BHK 775-1276sqft	Rs 4.6mn onwards	
Rajkham Builders	Akash Ganga	Pallikaranai		2-3 BHK-943-1668sqft		
Landmark Construction	Ayna	Virugambakkam		2-3 BHK(1184-1704sqft)		
Landmark Construction	Orlando	Korattur		3 BHK (1600-1805sqft)		
Asvini Foundations	Amanyya	Thiruporur=Guduvanchery Road		1-2-3 BHK-(606-1058 sqft)	Rs 2095 /Sqft	

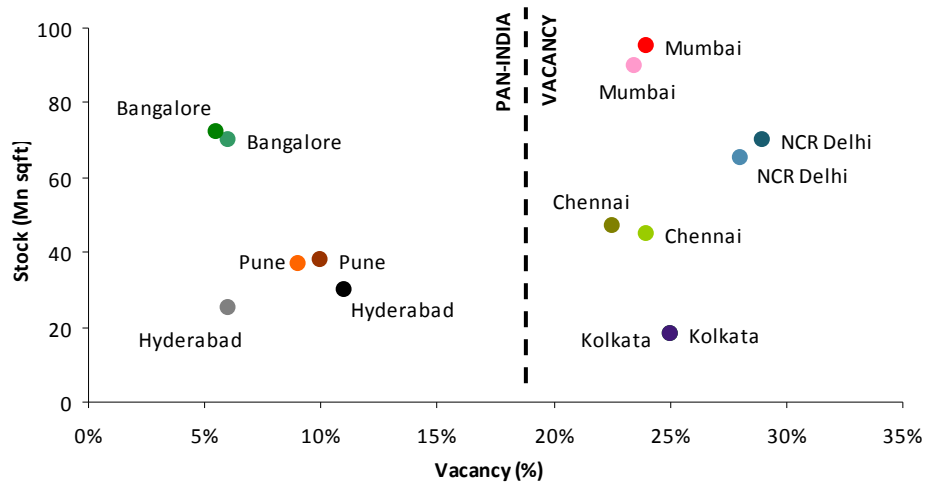
Source: Media sources, PhillipCapital India Research

## Commercial

- Unitech group's UCP gets bids up to Rs 2,700cr for Gurgaon SEZ** - Unitech Corporate Parks, a Unitech group firm listed in London, has received bids of up to Rs 27 bn US-based private equity firm Blackstone, Singapore's sovereign wealth fund GIC, investment firm Xander group, Canada's pension fund CPPIB, Kotak Group and Maple Tree., for sale of its IT Special economic Zone (SEZ) in Gurgaon. UCP has 60 per cent stake in the Gurgaon SEZ comprising 3.6 million sq ft commercial space.
- NRIs show interest in industrial plots in Gurgaon** - The Haryana State Industrial and Infrastructural Development Corporation (HSIIDC) announced the list of successful applicants for this allotment scheme recently, under which some 19 plots have been sold to NRIs across the state. The maximum figures were recorded in Faridabad, where 10 out of the 19 NRI allotments were made. Plots in both Gurgaon and Manesar failed to make it to the list.
- DLF puts Pune IT special economic zone on the block** - The developer has started negotiating with private equity firms and local developers for selling the 29-acre project which has a built-up area of 2.9 million sq ft.
- Bangalore rental values show interesting trends** - Rental values in Bangalore witnessed some interesting trends in the Apr-Jun 2013 quarter. Localities like Koramangla, Banashankari Stage 2 and Yelahanka recorded a rise in rental values. Koramangla and Banashankari Stage 2 grew by 10 per cent each, while Yelahanka reported a 9 per cent increase in rental values as compared to the quarter ending March 2013. In contrast, rental values in localities like JP Nagar VII Phase, Kanakpura Road and Cambridge Layout have witnessed a significant drop, as compared to the Jan-Mar 2013 quarter. While JP Nagar VII Phase and Cambridge Layout recorded a drop of 7 per cent each, Kanakpura Road reported a 5 per cent fall in rental values.
- RMZ, Tishman Speyer and Oberoi Realty bid for Goldman Bangalore project** - Private equity major Goldman Sachs has received bids from a number of India's top real estate companies including the RMZ Group, Tishman Speyer and Oberoi Realty for its mixed-use City View luxury project in Bangalore. The bids are in the range of Rs 4.5 bn crore to Rs 5.5 bn. South-based film financier and production company PVP Ventures has also thrown its hat in the ring for the prestigious project.
- Essar's Equinox Realty may sell stake in some projects** - Essar Group realty arm Equinox Realty is looking to monetise part of its Rs 3,000 crore investment in commercial and residential spaces

**Commercial Trends: Stocks Vs Vacancy 2013F**

*Indian cities are holding on to the vacancies responding to demand contraction with supply correction*



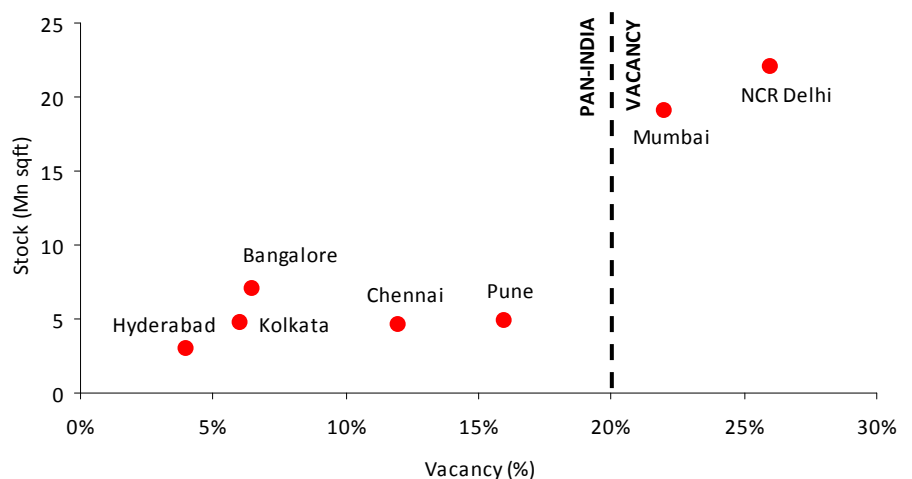
Source: Real Estate Intelligence Service (JLL), 2Q13

**Retail**

- Reliance Industries Ltd to go slow on 720,000-sq-ft Alaknanda mall (NCR) following strong protests** - Reliance Industries Ltd (RIL), the country's largest privately owned company, has decided to go slow on its plans of constructing a gigantic 720,000 sq ft mall in a residential colony in south Delhi, following protests from an assorted group of upper middle class professionals who live there. An RIL group company in 2007 had purchased a 4-acre plot in south Delhi's Alaknanda through an auction from the Delhi Development Authority (DDA) for about Rs 3.04 bn. The mall is slated to be opened in 2014.

**Retail Trends: Stock vs Vacancy 2Q13**

*High vacancy in Mumbai and NCR – Delhi is characterized by polarization between good and bad malls*



Source: Real Estate Intelligence Service (JLL), 2Q13

## Fund Flows/Land Deals/Infrastructure announcements

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- Blackstone-Panchshil bid for ICICI Ventures' stake in Express Towers** - Blackstone, the private equity (PE) giant, and Pune-based developer Panchshil Realty have jointly put a bid to buy a 49 per cent stake held by ICICI Ventures in Express Towers, the well-known commercial building at Nariman Point of this city. According to sources, ICICI Ventures was looking at a valuation of Rs 5-5.5 bn for its stake. It acquired the 49 per cent stake in the the 25-storey building in 2008, for about Rs 3.58 bn. The remaining stake is held by Viveck Goenka, chairman and managing director of the Indian Express Group.
- PE funds return to the table as UB Towers sale talks resume** - Global private equity (PE) funds are understood to have come back to the table to discuss an acquisition of Bangalores UB Towers, the 17-storey corporate head office of UB Group, in a close-to-Rs 6 bn deal. According to real estate investment bankers, the talks with PE funds are for a sale and lease-back of the landmark corporate head office, on Vittal Mallya Road in Bangalores Central Business District. Global funds, including Blackstone, KKR and Singapore-based Mapletree, are learn to be in various stages of discussions with UB Holdings
- Indiareit Fund Advisors announces interim closure of domestic scheme** - indiareit Fund Advisors, the real estate private equity arm of Piramal Enterprises, has announced the interim closure of its domestic Scheme V on reaching Rs 3 bn. The fund has a targeted corpus of Rs 1,000 crore. Scheme V is the sixth in the series of funds raised by Indiareit, which manages/ advises a total corpus of Rs 4.3 bn across five funds. Indiareit's most recent offering, the Mumbai Redevelopment Fund, has also reached its targeted corpus of Rs 500 crore. The fund, which raised Rs 400 crore until a couple of months ago, was fully subscribed last month. This fund is focused on slum and redevelopment projects in Mumbai and has already committed around 40 per cent of its corpus.
- Peninsula Land buys Mumbai property for Rs 6.5 bn from Mahindra JV** - Peninsula Land has signed an agreement to buy a five-acre property in the Byculla area of Mumbai from its joint owners, Mahindra Lifespaces, the realty arm of Mahindra Group, and the Kanorias, for around Rs 6.5 bn.
- Over 4,780 acres of DDA land has been encroached upon** - Over 4,780 acres of land belonging to Delhi Development Authority ( DDA) has been encroached upon in the national capital, the government said
- Mumbai: Decks cleared for auction of Swadeshi Mills' 48-acre land** - Clearing the decks for the auction of the land and other assets of the defunct Swadeshi Mills, spread over 48 acres in suburban Sion, the Bombay High Court today upheld a single judge's order allowing its winding up. Shapoorji Pallonji group holds 52 per cent stake in Swadeshi Mills through its two subsidiaries -- Forbes and Co and Grand View Estates.
- Preliminary work starts on Namma Metro Phase 2 (Bangalore)** - The Bangalore Metro Rail Corporation Ltd. (BMRCL) has started identifying and acquiring properties for the construction of the second phase of the Namma Metro in anticipation of the Centre's final approval. As per BMRCL estimates, around 2,000 properties, spread over 200 hectares, need to be acquired for construction of four East-West and and North-South extension lines, and two new lines.



- **Give farmers Rs. 50 mn. an acre, says KRRS (Bangalore)** - Karnataka Rajya Raitha Sangha leader Kodihalli Chandrashekar has rejected the State government's proposal to give developed land as compensation in return for farmland for the Peripheral Ring Road project that will connect Hosur Road to Tumkur Road via Bellary Road. Mr. Chandrashekar said, "Builders are willing to pay between Rs. 30 mn and Rs. 50 mn for the same land. That's how much we want as compensation.
- **Highways charts out route for vital OMR-ECR road link in Chennai** - The highways department has finalised the alignment of the new link road between East Coast Road (ECR) and Old Mahabalipuram Road (OMR). The new road will begin at Neelankarai on ECR, cross Buckingham Canal and join OMR opposite the Pallavaram-Thoraipakkam Road junction. There are no roads connecting OMR and ECR apart from Kalaingar Karunanidhi Road in Sholinganallur and West Avenue Road in Thiruvanmiyur. These two roads are 10km apart

## Regulatory/National Trends

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- **Competition Commission of India rules out abuse of dominance by realty firm BPTP** - Fair trade regulator CCI has dismissed allegations of abuse of dominant market position against realty firm BPTP over residential flats in Faridabad. BPTP was alleged of unilaterally changing terms of an agreement, illegitimately demanding cost escalation charges and delaying possession, among others.
- **Housing prices see downward trends in 22 major cities** - National Housing Bank - The movement in prices of residential properties for the quarter has shown declining trend in majority of the cities, ranging from -0.45 per cent in Mumbai to -5.99 per cent in Ludhiana, it said. On the contrary, there was a price rise in four cities, 0.55 per cent in Dehradun and 3.07 per cent in Nagpur during the quarter April-June, 2013. In term of price decline, property prices in Indore declined by (-5.64 per cent), Vijaywada (-5.43 per cent), Hyderabad (-4.55 per cent), Kolkata (-4.06 per cent) and Guwahati (-3.92 per cent). Among others, residential property in Kochi declined by (-3.37 per cent), Patna (-3.29 per cent), Coimbatore (-3.26 per cent), Ahmedabad (-3.13 per cent), Faridabad (-2.42 per cent), Chennai (-2.26 per cent), Jaipur (-1.79 per cent), Delhi (-1.49 per cent), Bhopal (-1.30 per cent).
- **Bombay HC dismisses HDIL plea in airport slum project** - The Bombay High Court has refused to grant Mumbai developer HDIL interim relief in the case challenging the termination of slum rehabilitation contract awarded to it by Mumbai International Airport. However the High Court has given HDIL time till September 16, 2013 to appeal in higher court.
- **Maharashtra Government okays FSI of 3 for all cessed buildings** - The state urban development department has issued a notification putting all A, B and C cessed buildings on an equal footing. A floor space index of three has been extended to B and C category buildings (constructed prior to September 30, 1969). Buildings, pre-1969 tenanted properties in the island city, are classified into three categories: A (pre-1940), B (1940-1950) and C (1950-1969). There are an estimated 19,000 A, B and C category cessed buildings in the island city. Of these, 2,000 are in B and C category.
- **Real estate related cases highest at Gurgaon consumer court**
- **Delhi Master Plan-2021 will unlock a new wave of urbanization** - A path-breaking policy, which has been incorporated in Delhi Master Plan-2021, will make available around 21,000 hectares of land for residential purposes and around 2,073 hectare

for commercial activities in the periphery of the existing city. In a marked departure from previous master plans, the 2021 document proposes that the planning and development of the city not be entirely led by the public sector, and that the private sector, too, must get involved. This covers various facets of development like land assembly, construction, infrastructure creation, capacity building, and provision of essential services

- **Building curbs in NCR forests set to go** - Haryana government has successfully got restrictions on construction activity in 'conservation zones' deleted from the revised NCR regional plan, which is now in the final stages of getting notified. If the change is notified, all four state governments in the NCR will get a much freer hand in allowing constructions in eco-sensitive zones such as the Aravalis and the Yamuna riverbed. Although mandatory clearances would still be required, the earlier clause that restricted constructions in these zones to just 0.5% of the owned land that is, only 20 sq m in an acre " has been jettisoned.
- **National Green Tribunal whammy to realty projects in Noida** - In a major setback to realty projects in Noida, the National Green Tribunal (NGT) on August 14 ordered the Noida Authority to stop construction work of all projects which do not have requisite environmental clearances within 10km radius of Okhla bird sanctuary. The tribunal has also directed Noida Authority to conduct a fresh survey and find out the projects falling within the radius. The tribunal also ordered Noida Authority to inspect the projects which are allegedly being carried out by 53 builders.
- **Registration Act amendments, tabled in Parliament, set to change many practices** - Amendments to the Registration Act, 1908, that have been tabled in Parliament, will allow people to register such documents in any part of a State, irrespective of where the property is located. It will enable verification of power of attorney documents, and prevent fraudulent transaction of public property. The misuse of power of attorney provisions in particular has been a cause of concern. Under the new provisions, a registrar could insist on checks, such as no-objection certificates from the government and charitable institutions, before registering a property related to public property.
- **Wells Fargo shuts realty advisory arm in India** - The real estate advisory arm is not looking at any fresh investment and has been asked by the parent company to wind up the real estate investment team. Wells Fargo's real estate arm has so far invested around Rs 15 bn in Indian real estate over the past four years and has made selective investments from its proprietary books. It had invested in a number of real estate projects and companies, including Rs 2.34 bn in Vipul Ltd for a 14.95% stake, where it remains invested. It had also invested in Delhi-based Vatika Group, BPTB, Vijay Associates Constructions, a Wadhwa Group SPV, and in two real estate projects in Bangalore, among others.

## Lok Sabha passes land acquisition bill

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- Land Acquisition, Rehabilitation and Resettlement Bill in India were a bill passed on August 29, 2013. As per the bill the much-awaited land acquisition and rehabilitation bill that aims to provide fair compensation to those whose land is taken away, brings transparency to the process of acquisition of land to set up factories or buildings and assures rehabilitation of those affected.
- The market value of the proposed land to be acquired, shall be set as the higher of:
  - The minimum land value, if any, specified in the Indian Stamp Act, 1899[6] for the registration of sale deeds in the area, where the land is situated; or
  - The average of the sale price for similar type of land being acquired, ascertained from the highest fifty per cent of the sale deeds registered during the preceding three years in the nearest village or nearest vicinity of the land being acquired.
- The minimum compensation be a multiple of the total of above ascertained market value plus a solatium. Specifically, the current version of the Bill proposes the total minimum compensation be:
  - At least two times the market value for land acquired in rural areas;
  - At least one times the market value for land acquired in urban areas.
- For land owners, the Bill proposes:
  - If the land owner loses a home in a rural area, then an additional entitlement of a house with no less than 50 square meters in plinth area.
  - If the land is acquired for urbanization, 20% of the developed land will be reserved and offered to land owning families, in proportion to their land acquired and at a price equal to cost of acquisition plus cost of subsequent development.
  - If acquired land is resold without development, 20% of the appreciated land value shall be mandatorily shared with the original owner whose land was acquired.
- We believe that the land acquisition bill will make the land more expensive across country. This move will make the builders to opt for the joint development model, rather than owning land and development.

## Key Takeaways from “Ground Zero” Conference Hosted by us on 28 Aug 2013

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We hosted Mr. Ashutosh Limaye, Head of Research & Real Estate Intelligence Service, Jones Lang Lasalle to get a perspective on the major property markets in India and the key takeaways are:

### Key Takeaways

#### Residential

- Sales across the region have been steady but piling unsold inventory has led to fewer new launches. H2CY13 is expected to see reduced launches and steady off take.
- Launches in Mumbai, Chennai and Kolkata have shown an increase in the share of new launches.
- The Average entry point in residential is now Rs 2,700/sqft.
- Gurgaon, Chennai, Hyderabad, Kolkata and Pune have sustainable inventory levels at current prices. Rise in Mumbai’s inventory is on account of significant launches in the suburbs.
- **Southern Markets**
  - Hyderabad and Chennai have low inventory levels with 14 months of inventory and good price points so doing well. Bangalore inventory levels of 25 months (usually 20 months).
  - Larger players are gaining market share rather than market growing. Not seen slowdown in sales. Bangalore responds quickly to market situation. Southern corridors of Kanakpura and Banerghatta are end user driver. White field now is more end user driven. North Bangalore (Hebbal) is investor driven.
  - Bangalore specifically has sensible builders in the sense that they are launching projects at affordable ticket sizes (right pricing). Builders have remained realistic (regarding pricing) and have not become too greedy.
  - In current scenario, Bangalore investments are playing greater role. From 2 quarters inventories has gone beyond 25 months. Although it’s not yet alarming as 2 years inventory is very normal because the project usually takes 2-3 years to complete. Builders will have to worry if the project is complete and it remained unsold. In the coming quarters, if we witness inventory crossing mid 35 months, then it will worrisome situation.
  - Airport is overhyped and is a myth which draws prices. Abroad prices around airport are lower.
  - Approval process in south is much professional than compared to other parts of country. There is no political interference as far as the approval process is concerned. Political interference comes in the policy issue.

## RBI on subvention schemes

### How the Subvention/20:80 scheme works

	Without Subvention	With Subventions	Comments
Area sf	1,000	1,000	
Rate Rs psf	10,000	12,500	Subvention cases Includes interest cost borne by developer
Asset Price (Rs Mn)	10	13	Thus Inflating Asset Prices and fuelling a bubble
Up front Collection (Rs Mn)	2	2.5	
Mortgage Loan Repayment starts	As per construction schedule	After Possession	
Interest cost till Possession borne by	Customer	Developer	
Disbursement to Developer	Construction Linked	Construction Linked/As well as upfront	Risk to Banks/HFC as disbursals could be diverted

Source: PhillipCapital India Research

### RBI tightens home loans norm, Banks are now to link disbursals to construction

According to RBI notification, banks to link the disbursement of home loans to stages of construction to protect the interests of buyers and contain the fallout of "innovative" housing financing schemes. We believe these loans products which are popularly known by names such as 80:20 and 75:25 schemes are likely to expose banks and their borrowers to additional risks. The risks include disputes between borrowers and builders; default and delayed payment of interest/EMI by the builder on behalf of the borrower, and non-completion of the project on time. Further, any delayed payments by developers/builders on behalf of individual borrowers to banks may lead to lower credit rating/scoring of such borrowers by credit information companies.

There has been a flurry of launches (including DLF) under the above mentioned schemes over last 2 quarters and housing prices have implicitly included the interest cost (lower than construction financing for the developer) from construction to possession period. With this notification financing from banks to developers through this route would reduce and developers will be forced to take direct loans from banks/NBFCs at higher rate of interest than the one under these schemes.

The Full text of RBI notification on Housing loans is mentioned below:-

- It has been observed that some banks have introduced certain innovative Housing Loan Schemes in association with developers/builders, e.g. upfront disbursement of sanctioned individual housing loans to the builders without linking the disbursements to various stages of construction of housing project, interest/EMI on the housing loan availed of by the individual borrower being serviced by the builders during the construction period/specified period, etc. This might include signing of tripartite agreements between the bank, the builder and the buyer of the housing unit. These loan products are popularly known by various names like 80:20, 75:25 Schemes.
- Such housing loan products are likely to expose the banks as well as their home loan borrowers to additional risks e.g. in case of disputes between individual borrowers and developers/builders, default/delayed payment of interest/EMI by the developer/builder during the agreed period on behalf of the borrower, non-completion of the project on time, etc. Further, any delayed payments by developers/builders on behalf of individual borrowers to banks may lead to lower credit rating/scoring of such borrowers by credit information companies (CICs) as information about servicing of loans gets passed on to the CICs on a regular basis. In cases where bank loans are also disbursed upfront on behalf of their individual borrowers in a lump-sum to builders/developers without any linkage to stages of

construction, banks run disproportionately higher exposures with concomitant risks of diversion of funds.

- In view of the higher risks associated with such lump-sum disbursement of sanctioned housing loans and customer suitability issues, banks are advised that disbursement of housing loans sanctioned to individuals should be closely linked to the stages of construction of the housing project/houses and upfront disbursement should not be made in cases of incomplete/under-construction/green field housing projects.
- It is emphasized that banks while introducing any kind of product should take into account the customer suitability and appropriateness issues and also ensure that the borrowers/customers are made fully aware of the risks and liabilities under such products.
- In cases where bank loans are disbursed upfront on behalf of individual borrowers in a lump-sum to developers without any linkage to construction stages, banks run disproportionately higher exposures with concomitant risks of fund diversion.
- Now, banks introducing any kind of product should take into account customer suitability and appropriateness and ensure that borrowers and customers are made fully aware of the risks and liabilities.
- With effect from June 21, the RBI revised the loan-to-value (LTV) ratio, which determines how much the banks can finance. For loans of up to Rs 2 mn, banks can lend up to 90 per cent, while the borrower has to pay 10 per cent. For home loans between Rs 2 mn and Rs 7.5 mn, the LTV ratio is 80:20 while for loans above Rs 75 lakh, it is 75:25. The LTV ratio should not exceed the prescribed ceiling in all fresh cases of sanction.

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