

# SOBHA DEVELOPERS

LTP: **230.3**

52-wk H/L: **339.85/185**

EPS: **16.42**

**Business & background:** Sobha Developers offers residential and commercial development services.

**Prospects:** Sobha Developers has clocked better-than-expected results for the September quarter. Net debt of the company as on September 30 stood at Rs. 1,362 crore. The average cost of borrowing for the developer remained at 13.98 per cent. The company believes the overall debt will start showing decline in the next few quarters due to better cash flow than expected from the sales of what they have achieved in the past two quarters. The management has

## Standalone results

	Q2 FY12*	Q2 FY11	%
Net sales	329.4	427.3	-22.91
Expenditure	253.9	330.2	-23.11
PAT	40.9	58.9	-30.56

\*For the quarter ended Sept 30

All figures in Rs crore

guided a Rs 300 crore debt reduction in FY12. However, Param Desai of Nirmal Bang sees no signs of debt reduction in FY12 on lack of land sales and rising expenditure on new project launch.

**Valuation:** At Friday's close of Rs 230.3, the scrip was trading at 14.03 times its trailing 12-month EPS.

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