



## Puravankara Projects

STOCK INFO.	BLOOMBERG
BSE Sensex: 16,064	PVKP IN
	REUTERS CODE
S&P CNX: 4,766	PPRO.BO

5 November 2009

Neutral

Previous Recommendation: Neutral

Rs85

		YEAR	NET SALES	PAT	EPS	EPS	P/E	P/BV	ROE	ROCE	EV/	EV/
		END	(RS M)	(RS M)	(RS)	GROWTH (%)	(X)	(X)	(%)	(%)	SALES	EBITDA
Equity Shares (m)	213.5	3/08A	5,658	2,400	11.2	85.9	7.6	1.5	19.8	15.0	2.3	6.3
52-Week Range	137/26	3/09A	4,449	1,444	6.8	-39.8	12.6	1.3	10.6	6.5	3.3	11.2
1,6,12 Rel. Perf. (%)	23/-11/0	3/10E	5,246	1,129	5.3	-21.8	16.1	1.3	7.8	5.9	2.6	11.0
M.Cap. (Rs b)	18.2	3/11E	6,430	1,682	7.9	49.0	10.8	1.2	10.7	9.8	1.9	5.8
M.Cap. (US\$ b)	0.4											

- 2QFY10 numbers boosted by sale of land:** Puravankara Projects' (PPL) 2QFY10 revenues were up 62% YoY to Rs2.2b and net profit was up 20% YoY to Rs609m. The quarterly numbers were boosted by one-time land sale of Rs1.6b. PPL sold 8.25acres of land at Cohin for Rs1.6b, its cost of land was ~Rs690m. PPL's effective tax rate was 33% in 2QFY10 due to revenues from land sale. But the management indicated PPL was likely to continue enjoying MAT credit for the next 3-4 quarters, as several of its ongoing projects qualify for the section 80-I (B) benefits.
- Pick-up in construction activity across ongoing projects:** PPL's area under construction was flat at ~19msf – 18.6msf residential (including 5.7msf under PHIL) and 0.53msf commercial. It currently has 15 residential projects (including two projects of PHIL) and two commercial projects spread across Bangalore, Chennai, Hyderabad, Cochin, Mysore and Kolkata. PPL's affordable housing projects launched through its 100% subsidiary, Provident Housing (PHIL) have witnessed strong momentum in sales. PHIL's project in Chennai (launched 1.1msf, total 2.23msf) is ~67% sold and Bangalore (launched 1.55msf, total 3.46msf) is ~30% sold.
- In advanced stages of land acquisition:** The ongoing recovery in the real estate sector has prompted PPL to evaluate fresh land acquisitions for its future growth plans. It is evaluating the acquisition of ~250 acres for PHIL in key southern cities (affordable housing) and ~70 acres for PPL (for a villa project in Bangalore). The management indicated most of these projects would be on a joint development basis and would not have major capex requirements.
- Valuation and view:** Our FY11E NAV for PPL is Rs124/share. The residential vertical accounts for 96% of GAV and the commercial vertical for 4% of GAV. The stock trades at 1.3x FY11E BV of Rs74 and at 21% discount to its NAV of Rs124/share. The stock might continue to trade at a discount to NAV due to its high exposure to low margin affordable housing, high debt and likely fresh capex for land acquisition for PHIL. We maintain **Neutral**.

Y/E MARCH	FY 09				FY 10		FY 09		FY 10E
	1Q	2Q	3Q	4Q	1Q	2Q			
<b>Sales</b>	<b>1,576</b>	<b>1,394</b>	<b>800</b>	<b>679</b>	<b>560</b>	<b>2,264</b>	<b>4,449</b>	<b>5,246</b>	
Change (%)	30.9	-1.2	-46.8	-55.9	-64.5	62.4	-21.4	17.9	
<b>Total Expenditure</b>	<b>987</b>	<b>923</b>	<b>651</b>	<b>577</b>	<b>464</b>	<b>1,384</b>	<b>3,138</b>	<b>3,989</b>	
Cost of Land/Construction	856	767	557	459	384	1,244	2,639	2,443	
General & Admin Expenses	68	74	64	40	63	73	216	1,049	
Selling Expenses	64	82	30	78	17	68	283	496	
<b>EBITDA</b>	<b>589</b>	<b>471</b>	<b>150</b>	<b>102</b>	<b>96</b>	<b>880</b>	<b>1,312</b>	<b>1,257</b>	
As % of Sales	37.4	33.8	18.7	15.0	17.2	38.9	29.5	24.0	
Interest	2	-4	0	-2	-3	-4	-8	118	
Share of Profit/Loss in Associates	41	39	33	41	5	28	151	151	
<b>PBT</b>	<b>629</b>	<b>513</b>	<b>183</b>	<b>145</b>	<b>104</b>	<b>912</b>	<b>1,470</b>	<b>1,322</b>	
Tax	10	9	8	0	1	303	26	193	
Effective Tax Rate (%)	1.5	1.7	4.6	0.0	1.3	33.2	1.8	14.6	
<b>Reported PAT</b>	<b>619</b>	<b>505</b>	<b>175</b>	<b>145</b>	<b>102</b>	<b>609</b>	<b>1,444</b>	<b>1,129</b>	
Change (%)	40.6	-16.1	-72.3	-80.1	-83.5	20.6	-39.8	-21.8	
<b>Adj. PAT</b>	<b>619</b>	<b>505</b>	<b>175</b>	<b>145</b>	<b>102</b>	<b>609</b>	<b>1,444</b>	<b>1,129</b>	
Change (%)	40.6	-16.1	-72.3	-80.1	-83.5	20.6	-39.8	-21.8	

E: MOSL Estimates

### 2QFY10 numbers boosted by sale of land

PPL's 2QFY10 revenues were up 62% YoY to Rs2.2b and net profit was up 20% YoY to Rs609m. The quarterly numbers were boosted by one-time land sale of Rs1.6b. PPL sold 8.25acres of land at Cohin for Rs1.6b, its cost of land was ~Rs690m. PPL's effective tax rate was 33% in 2QFY10 due to revenues from land sale. However, the management indicated that PPL is likely to continue enjoying MAT credit for the next 3-4 quarters, as several of its ongoing projects qualify for the section 80-I (B) benefits.

EBITDA margin expanded 510bp YoY to 38.9% v/s 33.8% in 2QFY09. PPL's ongoing projects are ~62% sold v/s 61% during 1QFY10, and 69% completed v/s 63% during 1QFY10. In 2QFY10, PPL formed Starworth Infrastructure and Construction, its 100% subsidiary, for its foray into the infrastructure and construction space. The company has been pre-qualified for five projects till date.

### Pick-up in sales and construction activity across ongoing projects

PPL's area under construction was flat at ~19msf – 18.6msf residential (including 5.7msf under PHIL) and 0.53msf commercial. It currently has 15 residential projects (including two projects of PHIL) and two commercial projects spread across Bangalore, Chennai, Hyderabad, Cochin, Mysore and Kolkata. PPL's affordable housing projects launched through its 100% subsidiary, Provident Housing (PHIL) have witnessed strong momentum in sales. PHIL's project in Chennai (launched 1.1msf, total 2.23msf) is ~67% sold and Bangalore (launched 1.55msf, total 3.46msf) is ~30% sold. Construction has commenced at both these projects; they would begin contributing to revenues from 3QFY10. Following encouraging response to these projects, PPL has increased prices by 5% at Provident Cosmo City, Chennai and is considering a price increase at Provident Welworth City, Bangalore.

PROJECTS UNDER CONSTRUCTION ARE 62% SOLD AND 69% COMPLETED

PARTICULARS	1QFY10	2QFY10
Total Area (msf)	19.1	19.1
<b>PPL's area (msf)</b>	<b>13.4</b>	<b>13.4</b>
Sold (%)	61.0	62.0
Completed (%)	63.0	69.0
<b>PHIL's area (msf)</b>	<b>5.7</b>	<b>5.7</b>
Provident Cosmo City, Chennai (msf)	2.2	2.2
<i>Sold (%)</i>	<i>Na</i>	<i>67.0</i>
Provident Welworth City, Bangalore (msf)	3.5	3.5
<i>Sold (%)</i>	<i>Na</i>	<i>30.0</i>

Source: Company/MOSL

### In advanced stages of land acquisition

The ongoing recovery in the real estate sector has prompted PPL to evaluate fresh land acquisitions for its future growth plans. It is evaluating acquisition of ~250acres of land for PHIL across key southern cities (affordable housing) and ~70acres of land for PPL (for a villa project in Bangalore). According to the management, most of these projects would be on a joint development basis and would not have major capex requirements. The management intends to limit land acquisition cost for PHIL's projects at Rs150-250/sf. PPL already has ~125msf of land bank – that the company is considering fresh land

acquisition for growth could imply that the existing land bank is currently not prime enough for monetization. In August 2009, PPL entered into a JV for ~27 acres of land in Coimbatore for affordable housing having a saleable area of ~1.5msf.

## KEY DETAILS OF ONGOING PROJECTS

NO	PROJECT	LOCATION	DEVELOPABLE	SALEABLE	TOTAL FLATS	AREA/FLAT
			AREA (MSF)	AREA (MSF)	(NOS)	(SF)
<b>Residential</b>						
1	Vantage (81%)	HSR Layout, Bangalore	0.1	0.1	76	1,316
2	Atria I (62%)	Sanjay Nagar, Bangalore	0.3	0.2	131	1,221
3	Elita Promenade (49%)	JP Nagar, Bangalore	2.6	1.3	1,573	795
4	Venezia	Yelankaha, Bangalore	2.1	2.1	1,332	1,569
5	Highlands	Mallasandra, Bangalore	2.5	1.4	1,589	856
6	Grand Bay	Marine Drive, Kochi	0.5	0.5	265	1,887
7	Eternity	Kakkanad, Kochi	1.0	0.8	600	1,333
8	Swan Lake	OMR, Chennai	0.8	0.8	522	1,590
9	Jade	Vadapalani, Chennai	0.1	0.1	55	1,636
10	Moon reach	Airport-Seaport road, Bangalore	0.4	0.2	196	765
11	Ocenea	Marine Drive, Kochi	0.3	0.3	96	2,708
12	Parkway (55%)	Hall Road, Bangalore	0.0	0.0	10	2,000
13	Elita Garden Vista (36%)	Rajarhat, Kolkata	2.3	0.4	1,376	269
<b>Total Residential (I)</b>			<b>12.9</b>	<b>8.0</b>	<b>7,821</b>	<b>1,020</b>
14	Cosmo City	Pudupakkam, Chennai	2.2	1.1	2,174	506
15	Welworth Housing	Doddaballapur Rd, Bangalore	3.5	1.6	3,360	461
<b>Total Provident (II)</b>			<b>5.7</b>	<b>2.7</b>	<b>5,534</b>	<b>479</b>
<b>Total Residential (I+II)</b>			<b>18.6</b>	<b>10.6</b>	<b>13,355</b>	<b>796</b>
<b>Commercial</b>						
16	Moneto		0.4	0.4	-	-
17	Primus (60%)		0.2	0.1	-	-
<b>Total Commercial (II)</b>			<b>0.5</b>	<b>0.5</b>	<b>-</b>	<b>-</b>
<b>Total Projects (I+II)</b>			<b>13.4</b>	<b>8.4</b>	<b>-</b>	<b>-</b>

Source: Company/MOSL

### Aggressive plans for affordable housing

In its phase-1, PHIL plans to launch ~65,000 flats at Rs1m-2m. These would comprise 1-2-3 BHK flats in key cities in the South – Bangalore, Chennai and Hyderabad. The management hopes to launch 18,000-20,000/flats in CY09 itself. In phase-2, it would look at replicating its model in several other key cities such as Cochin, Pune, Jaipur, Coimbatore, New Delhi, Nagpur, Kolkata, etc. The land for these lower mid-income homes (except for its first project of 40 acres in Bangalore) does not form a part of PPL's land bank of 125msf. It expects PHIL to earn a PAT margin of 15-18% and also expects PHIL to match PPL in revenues and profits over the next three years.

#### PHIL'S PHASE I DEVELOPMENT PLANS

LOCATION	NO OF HOMES	AREA (MSF)	AREA/UNIT (SF)
Bangalore	19,500	19.3	990
Chennai	16,000	14.4	900
Hyderabad	15,000	13.5	900
Mysore	7,000	6.3	900
Coimbatore	7,000	6.3	900
<b>Total</b>	<b>64,500</b>	<b>59.8</b>	<b>927</b>

Source: Company/MOSL

**Has a DER of 0.6x**

As on September 2009, PPL's gross debt was flat at Rs8.3b while net debt stood at Rs8b. Net debt-equity stood at 0.56x v/s 0.58x during 2QFY09. Customer advances increased by 6% YoY to Rs2.9b v/s Rs2.7b in 2QFY09. The properties held for development declined by 2% YoY to Rs13.3b, which is a reflection of no major land additions for development and reduction in the cost of land sold during 2QFY10. During 2QFY10, debtors increased to Rs2.5b v/s Rs1b in 2QFY09. This is largely on account of the consideration to be received towards land sale in 2QFY10. PPL has already received Rs1.5b towards the consideration in October 2009.

## KEY FINANCIALS (RS M)

PARTICULARS	FY09				FY10		YOY %	QOQ %
	1Q	2Q	3Q	4Q	1Q	2Q		
Gross Debt	6,524	8,050	8,269	8,146	8,297	8,326	3	-
Cash	396	374	698	268	262	276	-26	5
<b>Net Debt</b>	<b>6,128</b>	<b>7,676</b>	<b>7,571</b>	<b>7,878</b>	<b>8,035</b>	<b>8,050</b>	5	-
YoY Chg (%)	-13.2	-1,487.1	146.6	27.6	31.1	4.9	-	-
Net Worth	12,746	13,251	13,501	13,649	13,751	14,360	8	4
<b>Net Debt/Equity</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	-3	-4
Customer Advances	2,839	2,772	2,895	2,952	3,025	2,939	6	-3
YoY Chg (%)	-22.4	-16.4	-6.3	-6.3	6.6	6.0	-	-
Properties held for development	13,016	13,630	13,839	13,924	13,994	13,338	-2	-5
YoY Chg (%)	73.1	76.8	67.2	7.8	7.5	-2.1	-	-

Source: Company/MOSL

## KEY BALANCE SHEET ITEMS (RS M)

	FY09				FY10		FY09
	1Q	2Q	3Q	4Q	1Q	2Q	
<b>a) Properties Held for Development</b>							
At the beginning of the year	12,920	13,016	13,630	13,839	13,924	13,995	12,920
Add: additions during the year	214	615	209	811	70	55	1,849
Less: Transferred to properties under development	-117	0	0	726	0	711	844
<b>Total</b>	<b>13,016</b>	<b>13,630</b>	<b>13,839</b>	<b>13,924</b>	<b>13,994</b>	<b>13,338</b>	<b>13,924</b>
YoY Chg (%)	73.1	76.8	67.2	7.8	7.5	-2.1	7.8
<b>b) Properties Under Development</b>							
Land Cost	2,354	2,375	2,184	2,835	2,875	2,923	2,835
Land Cost (% of total)	54.1	49.5	42.9	49.7	47.7	45.7	49.7
Material and Construction Cost	6,274	7,428	5,876	6,269	6,893	7,591	6,269
Profit Recognised to date	3,448	3,826	1,962	2,182	2,324	2,483	2,182
Less: Progress Payments Received and Receivables	7,723	8,828	4,929	5,586	6,068	6,607	5,586
<b>Total</b>	<b>4,354</b>	<b>4,800</b>	<b>5,093</b>	<b>5,700</b>	<b>6,025</b>	<b>6,390</b>	<b>5,700</b>
YoY Chg (%)	33.6	35.4	45.0	44.0	38.4	33.1	44.0
<b>c) Properties Held for Sale</b>							
At the beginning of the year	910	865	865	948	974	946	910
Add: Properties constructed during the period	49	39	213	72	15	64	373
Less: Properties sold during the period	94	39	84	5	43	63	221
Less: Write downs during the period			46	42	0	32	88
<b>Total</b>	<b>865</b>	<b>865</b>	<b>948</b>	<b>974</b>	<b>946</b>	<b>915</b>	<b>1,061</b>
YoY Chg (%)	66.6	66.0	4.4	7.0	9.4	5.8	16.7
<b>d) Miscellaneous Data Points</b>							
Cash and Bank Balances	396	374	698	268	262	276	268
YoY Chg (%)	-5.2	-93.2	-46.0	-23.4	-33.8	-26.1	-23.4
Customer Advances	2,839	2,772	2,895	2,952	3,025	2,939	2,952
YoY Chg (%)	-22.4	-16.4	-6.3	-6.3	6.6	6.0	-6.3

Source: Company/MOSL

### Valuation and view

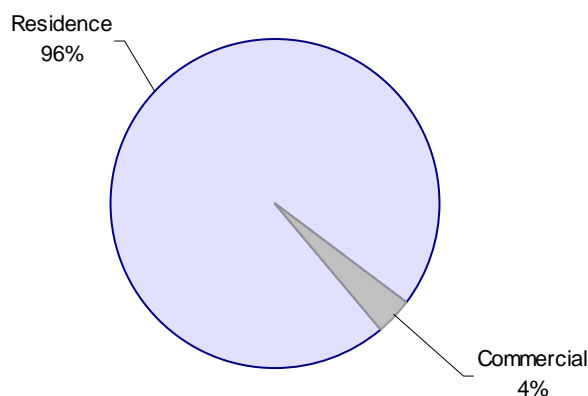
Our FY11E NAV for PPL is Rs124/share. The residential vertical accounts for 96% of GAV and the commercial vertical for 4% of GAV. The stock trades at 1.3x FY11E BV of Rs74 and at 21% discount to its NAV of Rs124/share. The stock might continue to trade at a discount to NAV due to its high exposure to the low margin affordable housing vertical, high debt and likely fresh capex for land acquisition for PHIL. We maintain **Neutral**.

#### FY10 NAV OF RS124/SHARE

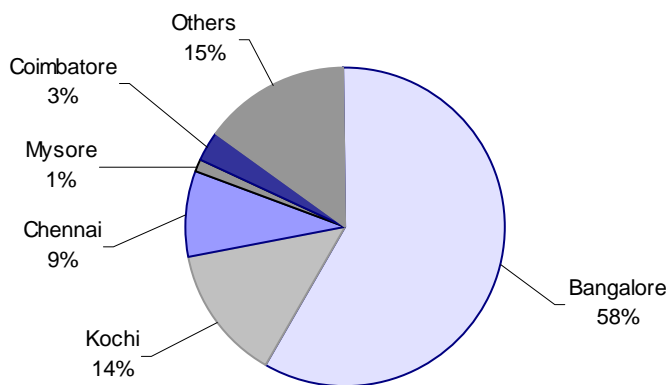
NAV CALCULATIONS	(RS M)	PER/SHARE (RS)	% OF NAV	% OF GAV
Residence	51,939	243	196	96
Commercial	2,000	9	8	4
<b>Gross Asset Value (GAV)</b>	<b>53,939</b>	<b>253</b>	<b>203</b>	<b>100</b>
Less: Tax	11,867	56	-45	-22
Add: Cash	268	1	1	0
Less: Debt	8,146	38	-31	-15
Less: Land Cost	2,800	13	-11	-5
Less: Operating Exp	4,855	23	-18	-9
<b>Net Asset Value (NAV)</b>	<b>26,540</b>	<b>124</b>	<b>100</b>	<b>49</b>

Source: MOSL

#### VERTICAL-WISE GAV



#### CITY-WISE GAV ANALYSIS



Source: Company/MOSL

### NAV calculation: key assumptions

- 1) We have assumed that PPL will be able to develop and sell its development area of 125msf.
- 2) 5% CAGR in RE prices across all verticals and cities.
- 3) We have assumed a tax rate of ~12.4% for ~20msf of land bank, as these projects enjoy Sec 80 (IB) benefits.
- 4) We have assumed 5% CAGR in the cost of construction across all verticals and cities.
- 5) We have assumed average construction period of 24 months for residential projects.

## Puravankara Projects: an investment profile

### Company description

PPL is a leading south-based developer, with a focus on middle-income housing. PPL's development activities are primarily concentrated in Bangalore, Kochi and Chennai. It plans to expand its presence further in the south by entering Coimbatore, Hyderabad and Mysore. PPL also has a strong marketing network, with sales offices in Bangalore, Chennai, Kochi, Mumbai and UAE and representative offices in the US and the UK.

### Key investment arguments

- PPL is slated to benefit from its quality land bank of ~125msf aggregated at an average cost of Rs97/sf. Aggressive plans in the fast moving affordable housing segment.
- PPL's foray in the hospitality sector with a target of operating ~750 rooms by FY10, will augment its NAV. Strategic JV with Keppel Land, Singapore provides good growth opportunity with access to the latest technology.

### Key investment risks

- 70% of PPL's land bank is concentrated in Bangalore. Concentration on the over-competitive middle income housing segment.

### Recent developments

- Launched two affordable housing projects through PHIL, one each in Chennai (2.23msf) and Bangalore (3.46msf)
- Entered into joint development agreement for 27 acres of land in Coimbatore for affordable housing project of 1.5msf
- Formed Starworth Infrastructure and Construction, 100% infrastructure and construction subsidiary

### Valuation and view

- Our FY11E NAV for PPL is Rs124/share. PPL may continue to trade at a discount to NAV due to its high exposure to the low margin affordable housing vertical, high debt and likely fresh capex for land acquisition for PHIL. We maintain **Neutral**.

### Sector view

- The RE sector seems firmly entrenched on the path to recovery, following the successful balance sheet recapitalization by key RE companies and the pick-up in RE activity. We believe key RE companies that have successfully completed their recapitalization exercise are well placed to capitalize on the growth phase ahead, as they can now shift focus to project execution and also pursue NAV enhancement strategies.

#### COMPARATIVE VALUATIONS

		PURVANKARA	MLL	HDIL
P/E (x)	FY10E	16.1	15.6	24.7
	FY11E	10.8	12.3	19.6
RoE (%)	FY10E	7.8	8.5	6.9
	FY11E	10.7	9.7	7.9
EV/Sales (x)	FY10E	2.6	3.8	5.6
	FY11E	1.9	2.9	4.1
EV/EBITDA (x)	FY10E	11.0	13.5	13.3
	FY11E	5.8	8.8	9.6

#### SHAREHOLDING PATTERN (%)

	SEP-09	JUN-09	SEP-08
Promoter	90.0	90.0	90.0
Domestic Inst	1.2	0.9	0.9
Foreign	6.4	7.9	8.3
Others	2.5	1.2	0.9

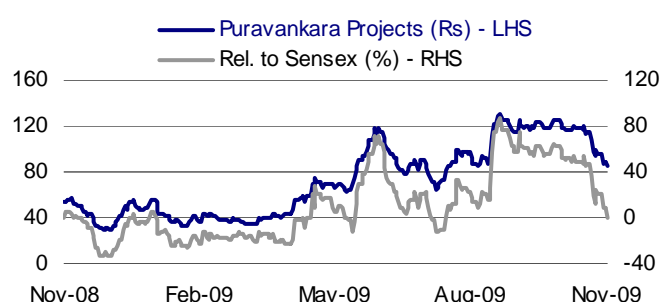
#### EPS: MOST FORECAST VS CONSENSUS (RS)

	MOST FORECAST	CONSENSUS FORECAST	VARIATION (%)
FY10	5.3	4.5	16.3
FY11	7.9	5.5	43.1

#### TARGET PRICE AND RECOMMENDATION

CURRENT PRICE (RS)	TARGET PRICE (RS)	UPSIDE (%)	RECO.
85	-	-	Neutral

#### STOCK PERFORMANCE (1 YEAR)



INCOME STATEMENT		(Rs Million)				
Y/E MARCH	2008	2009	2010E	2011E	2012E	
<b>Net Sales</b>	<b>5,658</b>	<b>4,449</b>	<b>5,246</b>	<b>6,430</b>	<b>8,421</b>	
Change (%)	35.7	-21.4	17.9	22.6	31.0	
Construction Expenses	3,583	2,639	2,443	3,276	4,173	
Staff Cost	207	85	105	96	168	
Office & Site Establis. Exps	0	216	1,049	482	674	
<b>EBITDA</b>	<b>2,075</b>	<b>1,312</b>	<b>1,257</b>	<b>2,127</b>	<b>2,976</b>	
% of Net Sales	36.7	29.5	24.0	33.1	35.3	
Depreciation	0	0	24	37	42	
Interest	-98	-8	118	150	314	
Other Income	0	0	56	62	68	
<b>PBT</b>	<b>2,173</b>	<b>1,319</b>	<b>1,171</b>	<b>2,001</b>	<b>2,689</b>	
Tax	67	26	193	500	672	
Rate (%)	3.1	2.0	16.5	25.0	25.0	
Share of Associate Profits	294.6	151.0	151.0	181.2	0.0	
<b>Reported PAT</b>	<b>2,400</b>	<b>1,444</b>	<b>1,129</b>	<b>1,682</b>	<b>2,017</b>	
EO Income (Net of Exp.)	0	0	0	0	0	
<b>Adjusted PAT</b>	<b>2,400</b>	<b>1,444</b>	<b>1,129</b>	<b>1,682</b>	<b>2,017</b>	
Change (%)	85.9	-39.8	-21.8	49.0	19.9	

BALANCE SHEET		(Rs Million)				
Y/E MARCH	2008	2009	2010E	2011E	2012E	
Share Capital	1,067	1,067	1,067	1,067	1,067	
Reserves	11,060	12,582	13,426	14,721	14,259	
<b>Net Worth</b>	<b>12,127</b>	<b>13,649</b>	<b>14,493</b>	<b>15,789</b>	<b>15,326</b>	
Loans	6,524	8,146	7,650	6,000	6,550	
<b>Capital Employed</b>	<b>18,651</b>	<b>21,818</b>	<b>22,166</b>	<b>21,812</b>	<b>21,899</b>	
Gross Fixed Assets	611	632	685	749	833	
Less: Depreciation	115	169	200	238	279	
<b>Net Fixed Assets</b>	<b>497</b>	<b>463</b>	<b>484</b>	<b>511</b>	<b>554</b>	
Investments	887	1,038	1,038	1,038	1,038	
Properties held for develop	12,920	13,924	13,924	13,924	13,924	
<b>Curr. Assets</b>	<b>9,090</b>	<b>11,051</b>	<b>11,343</b>	<b>12,281</b>	<b>10,744</b>	
Inventory	1,080	1,171	3,110	5,036	2,430	
Debtors	824	1,146	4,312	3,523	2,884	
Cash & Bank Balance	350	268	659	461	1,158	
Loans & Advances	2,878	2,766	3,262	3,262	4,272	
<b>Current Liab. &amp; Prov.</b>	<b>4,732</b>	<b>4,659</b>	<b>4,624</b>	<b>5,943</b>	<b>4,362</b>	
Provisions	510	14	134	205	345	
<b>Net Current Assets</b>	<b>4,358</b>	<b>6,392</b>	<b>6,719</b>	<b>6,338</b>	<b>6,383</b>	
<b>Application of Funds</b>	<b>18,661</b>	<b>21,817</b>	<b>22,166</b>	<b>21,812</b>	<b>21,899</b>	

E: MOSL Estimates

#Fifteen months ended Mar 2006; \*Nine months ended Dec 2004,

RATIOS						
Y/E MARCH	2008	2009	2010E	2011E	2012E	
<b>Basic (Rs)</b>						
<b>Adjusted EPS</b>	<b>11.2</b>	<b>6.8</b>	<b>5.3</b>	<b>7.9</b>	<b>9.4</b>	
Growth (%)	85.9	-39.8	-21.8	49.0	19.9	
Cash EPS	9.9	6.1	4.7	7.2	9.6	
Book Value	56.8	63.9	67.9	74.0	71.8	
DPS	2.0	0.7	0.5	0.8	1.4	
Payout (incl. Div. Tax.)	20.3	12.0	12.0	12.0	15.0	
<b>Valuation (x)</b>						
P/E	7.6	12.6	16.1	10.8	9.0	
Cash P/E	8.7	14.1	18.2	11.8	8.9	
EV/EBITDA	6.3	11.2	11.0	5.8	4.1	
EV/Sales	2.3	3.3	2.6	1.9	1.5	
Price/Book Value	1.5	1.3	1.3	1.2	1.2	
Dividend Yield (%)	2.3	0.9	0.6	1.0	1.7	
<b>Profitability Ratios (%)</b>						
RoE	19.8	10.6	7.8	10.7	13.2	
RoCE	15.0	6.5	5.9	9.8	13.7	
<b>Leverage Ratio</b>						
Debt/Equity (x)	0.5	0.6	0.5	0.4	0.4	

CASH FLOW STATEMENT		(Rs Million)				
Y/E MARCH	2008	2009	2010E	2011E	2012E	
PBT before EO Items	<b>2,162</b>	<b>1,319</b>	<b>1,171</b>	<b>2,001</b>	<b>2,689</b>	
Add: Depreciation	0	0	24	37	42	
Interest	-98	-8	118	150	314	
Less: Direct Taxes Paid	67	26	193	500	672	
(Inc)/Dec in WC	-3,160	-2,116	64	183	653	
<b>CF from Operations</b>	<b>-6,771</b>	<b>-1,695</b>	<b>1,335</b>	<b>2,053</b>	<b>3,025</b>	
(Inc)/Dec in FA	-108	34	-45	-64	-84	
(Pur)/Sale of Investments	-516	-151	0	0	0	
<b>CF from Investments</b>	<b>-624</b>	<b>-117</b>	<b>-45</b>	<b>-64</b>	<b>-84</b>	
(Inc)/Dec in Networth	7,996	277	-151	-181	-2,135	
(Inc)/Dec in Debt	-237	1,622	-496	-1,650	550	
Less: Interest Paid	-98	-8	118	150	314	
Dividend Paid	487	177	134	205	345	
<b>CF from Fin. Activity</b>	<b>7,370</b>	<b>1,730</b>	<b>-899</b>	<b>-2,187</b>	<b>-2,243</b>	
<b>Inc/Dec of Cash</b>	<b>-24</b>	<b>-82</b>	<b>391</b>	<b>-198</b>	<b>698</b>	
Add: Beginning Balance	374	350	268	659	461	
<b>Closing Balance</b>	<b>350</b>	<b>268</b>	<b>658</b>	<b>461</b>	<b>1,158</b>	



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**Disclosure of Interest Statement**

**Puravankara Projects**

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|---|----|
| 1. Analyst ownership of the stock                       | No |
| 2. Group/Directors ownership of the stock               | No |
| 3. Broking relationship with company covered            | No |
| 4. Investment Banking relationship with company covered | No |

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