



Puravankara Projects

STOCK INFO.	BLOOMBERG
BSE SENSEX: 12,135	PVKP IN
S&P CNX: 3,654	REUTERS CODE
	PPRO.BO

4 May 2009

Buy

Previous Recommendation: Buy

Rs69

Equity Shares (m)	213.5
52-Week Range	319/26
1,6,12 Rel. Perf. (%)	43/15/-46
M.Cap. (Rs b)	14.7
M.Cap. (US\$ b)	0.3

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
3/08A	5,658	2,400	11.2	85.9	6.1	1.2	19.8	15.0	2.1	5.6
3/09E	4,449	1,444	6.8	-39.8	10.2	1.1	10.6	6.5	3.0	10.2
3/10E	2,676	686	3.2	-52.5	21.5	1.0	4.9	3.3	4.6	17.8
3/11E	2,542	627	2.9	-8.6	23.5	1.0	4.3	3.3	4.2	15.9

- 4QFY09 results better than expected:** Puravankara Projects' (PPL) results for 4QFY09 were better than expected. Revenue declined 56% YoY to Rs679m and net profit fell 80% YoY to Rs145m. Revenue was negatively impacted by slow sales in ongoing projects. EBITDA margin shrank from 34.3% in 4QFY08 to 15%. Tax outgo was lower, as several projects qualify for section 80I (B) benefits and PPL has availed of MAT credit on the same.
- Has a low DER of 0.6x:** PPL's gross debt grew 25% YoY to Rs8.1b while net debt increased 28% YoY to Rs7.9b. The company's net debt-equity stood at 0.58x v/s 0.56x in 3QFY09. It has managed to get fresh funding of Rs1.3b during 3QFY09, with repayment schedule of ~4 years. Customer advances have declined 6% YoY to Rs2.9b (v/s Rs2.8b in 3QFY09).
- ~13.4msf area under construction; launches first affordable housing project in Chennai:** PPL's area under construction was flat at ~13.4msf – 12.9msf residential and 0.53msf commercial. In 4QFY09, the company launched its affordable housing project in Chennai, which received encouraging response; ~70% of the project has already been sold. It plans to launch the second project of ~4,200units (4.2msf) in Bangalore in 1Q/2QFY10.
- Valuation and view:** Our FY10E NAV for PPL is Rs72/share. The residential vertical accounts for 96% of GAV and the commercial vertical accounts for 4% of GAV. It currently trades at 21.5x FY10E EPS of Rs3.2 and 1x FY10E BV of Rs66. It is better placed to counter the downturn due to its low DER of 0.6x and high quality land bank, largely in the tier-1 city of Bangalore. Maintain **Buy**.

Y/E MARCH	(Rs Million)								FY08	FY09
	FY08				FY09					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Sales	1,204	1,410	1,505	1,539	1,576	1,394	800	679	5,658	4,449
Change (%)	27.8	44.9	78.5	9.2	30.9	-1.2	-46.8	-55.9	35.7	-21.4
Total Expenditure	803	832	937	1,011	987	923	651	577	3,583	3,138
Cost of Land/Construction	689	728	822	880	856	767	557	459	3,119	2,639
General & Admin Expenses	50	54	56	67	68	74	64	40	225	216
Selling Expenses	65	51	59	65	64	82	30	78	240	283
EBITDA	401	578	568	527	589	471	150	102	2,075	1,312
As % of Sales	33.3	41.0	37.8	34.3	37.4	33.8	18.7	15.0	36.7	29.5
Interest	1	-35	-62	-2	2	-4	0	-2	-98	-8
Associates	84	63	66	81	41	39	33	41	295	151
PBT	483	676	697	611	629	513	183	145	2,468	1,470
Tax	43	75	66	-117	10	9	8	0	67	26
Effective Tax Rate (%)	9.0	11.0	9.4	-19.1	1.5	1.7	4.6	0.0	2.7	1.8
Reported PAT	440	602	631	727	619	505	175	145	2,401	1,444
Change (%)	69.3	113.5	122.0	56.4	40.6	-16.1	-72.3	-80.1	85.9	-39.8
Adj. PAT	440	602	631	727	619	505	175	145	2,401	1,444
Change (%)	69.3	113.5	122.0	56.4	40.6	-16.1	-72.3	-80.1	85.9	-39.8

E: MOSL Estimates

4QFY09 results better than expected

Puravankara Projects' (PPL) results for 4QFY09 were better than expected. Revenue declined 56% YoY to Rs679m and net profit fell 80% YoY to Rs145m. Revenue was negatively impacted by slow sales in ongoing projects. EBITDA margin shrank from 34.3% in 4QFY08 to 15%. During the quarter, PPL capitalized ~98% of its total interest cost, Rs285m, inflating profits to that extent. Tax outgo was lower, as several projects qualify for section 80I (B) benefits and the company has availed of MAT credit on the same.

Revenue for FY09 declined 21% to Rs4.4b, negatively impacted by postponement of new launches and slow sales in ongoing projects. EBITDA margin contracted 720bp to 29.5%. The company capitalized ~97% of its total interest cost, Rs1.1b, thereby inflating profits. Net profit declined 40% to Rs1.4b from Rs2.4b in FY08. Effective tax rate for FY09 was low at 1.8%, as several projects qualify for section 80I (B) benefits and the company has availed of MAT credit on the same. PPL had managed to get fresh funding of Rs1.3b in 3QFY09, with repayment schedule of ~4years, helping PPL to meet its near-term debt obligations.

-97% INTEREST COST CAPITALIZED INFLATES NET PROFIT

	AMOUNT (RS M)	
	4QFY09	FY09
Interest exp on loans and cash credits	255	1,040
Loans and Other Processing Charges	36	99
Total	292	1,139
Interest capitalized	285	1,100
As % of gross interest	97.7	96.6

Source: Company/MOSL

~13.4msf area under construction

PPL's area under construction was flat at ~13.4msf – 12.9msf residential and 0.53msf commercial. It currently has 13 residential projects and 2 commercial projects spread across Bangalore, Chennai, Hyderabad, Cochin, Mysore and Kolkata. Considering the current RE slowdown, PPL has put on hold all new project launches and plans to focus only on projects under development. During 3QFY09, PPL had temporarily put on hold two of its residential projects that were awaiting hard launch (1) Purva Windermere in Chennai (3.51msf) and (2) Purva Spring Time in Mysore (0.1msf). It had also stalled construction at three (~0.9msf) out of five ongoing commercial projects (1.78msf).

PPL'S DEVELOPMENT PLANS (MSF)

	ONGOING			FUTURE			TOTAL		
	DEVELOP- ABLE AREA	SALEABLE AREA	LAND AREA	DEVELOP- ABLE AREA	SALEABLE AREA	LAND AREA	DEVELOP ABLE AREA	SALEABLE AREA	LAND AREA
	Hyderabad	0.0	0.0	0.2	6.4	6.2	1.3	6.4	6.2
Bangalore	7.6	5.5	2.7	75.6	71.5	23.4	83.2	77.0	26.1
Mysore	0.0	0.0	0.0	1.5	1.3	0.7	1.5	1.3	0.7
Kochi	2.1	1.7	1.1	11.1	11.1	1.6	13.2	12.8	2.7
Kolkata	2.3	0.4	0.4	0.0	0.5	0.0	2.3	0.8	0.4
Chennai	1.4	0.9	2.5	13.4	12.8	4.3	14.8	13.8	6.7
Coimbatore	0.0	0.0	0.0	2.4	2.4	1.0	2.4	2.4	1.0
Colombo	0.0	0.0	0.0	1.4	1.4	1.1	1.4	1.4	1.1
Total	13.4	8.4	6.8	111.7	107.0	33.3	125.2	115.5	40.1

Source: Company

KEY DETAILS OF ONGOING PROJECTS

PROJECT	LOCATION	DEVELOPABLE	SALEABLE	TOTAL	AREA/
		AREA (MSF)	AREA (MSF)	FLATS (NOS)	FLAT (SF)
Residential					
Vantage (81%)	HSR Layout, Bangalore	0.1	0.1	76	1,316
Atria I (62%)	Sanjay Nagar, Bangalore	0.3	0.2	131	1,221
Elita Promenade (49%)	JP Nagar, Bangalore	2.6	1.3	1,573	795
Venezia	Yelankaha, Bangalore	2.1	2.1	1,332	1,569
Highlands	Mallasandra, Bangalore	2.5	1.4	1,589	856
Grand Bay	Marine Drive, Kochi	0.5	0.5	265	1,887
Eternity	Kakkanad, Kochi	1.0	0.8	600	1,333
Swan Lake	OMR, Chennai	0.8	0.8	522	1,590
Jade	Vadapalani, Chennai	0.1	0.1	55	1,636
Moon reach	Airport-Seaport road, Bangalore	0.4	0.2	196	765
Ocenea	Marine Drive, Kochi	0.3	0.3	96	2,708
Parkway (55%)	Hall Road, Bangalore	0.0	0.0	10	2,000
Elita Garden Vista (36%)	Rajarhat, Kolkata	2.3	0.4	1,376	269
Total residential (I)		12.9	8.0	7,821	1,020
Commercial					
Moneto		0.4	0.4	-	-
Primus (60%)		0.2	0.1	-	-
Total residential (II)		0.5	0.5	-	-
Total projects (I+II)		13.4	8.4	-	-

Source: Company/MOSL

Launched first affordable housing project in Chennai

PPL launched its first affordable housing project christened Cosmo City through Provident Housing Infrastructure (PHIL) in Chennai. This project has been attractively priced at Rs1.69m for a 2BHK (bed room, hall, kitchen) unit and Rs1.89m for a 3BHK unit. This project received encouraging response, with ~300units (total 518units on offer in phase-I) being sold within 2-3 days of the launch. Considering the response to the phase-I launch, PPL increased rates for this project by Rs0.1m/unit or by ~6% to Rs1.79m/unit for 2BHK and Rs1.89m/unit for 3BHK for the phase-II launch of 250units. Of the total ~768units on offer, ~550units or 72% have already been sold.

Aggressive plans for affordable housing

PPL is likely to launch its second affordable housing project in Bangalore in 1Q/2QFY10. This project would comprise 1BHK, 2BHK and 3BHK units totaling ~4,200units spread across 4.2msf and would be priced at similar levels to the Chennai project. The average construction time for the affordable housing projects would be 18-24months, which would result in faster cash flow accrual. It is in talks with international consultants to adopt new improved construction technology, which would help in achieving net margins of 18-20% from these affordable housing projects.

In its phase-I, PHIL plans to launch ~65,000 flats in price brackets of Rs1-2m comprising 1-2-3 BHK flats in key cities in the South – Bangalore, Chennai and Hyderabad. PHIL is likely to launch its first lower mid-income housing project in Bangalore in 4QFY09. The management hopes to launch 18,000-20,000 flats in CY09 itself, with ~6,000 flats in the initial phase. In phase-II, it would look at replicating its model in several other key cities in India 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 part of PPL's land bank of 125msf. It expects PHIL to earn a PAT margin of ~18% over a period of time and also expects PHIL to match PPL in revenue and profit over the next 4-5years.

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
Total	64,500	59.8	927

Source: Company/MOSL

Has a low DER of 0.6x

During 4QFY09, PPL's gross debt increased by 25% YoY to Rs8.1b while net debt increased by 28% YoY to Rs7.9b. Rs2.8b is due for repayment by FY10. The average interest cost for PPL stands at 13-14%. PPL's net debt-equity stood at 0.58x v/s 0.56x during 3QFY09. It has managed to get fresh funding of Rs1.3b with repayment schedule of ~4years. Customer advances have declined by 6% YoY to Rs2.9b (v/s Rs2.8b in 3QFY09). The properties held for development increased by 8% YoY to Rs13.9b; there have been no major land additions for development.

KEY FINANCIALS (RS MILLION)

PARTICULARS	FY08				FY09			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Gross Debt	7,474	4,956	4,362	6,524	6,524	8,050	8,269	8,146
Cash	418	5,509	1,292	350	396	374	698	268
Net Debt	7,056	-553	3,070	6,174	6,128	7,676	7,571	7,878
YoY Chg (%)	223.8	-118.0	-24.3	-3.3	-13.2	-1,487.1	146.6	27.6
Net Worth	2,658	11,238	11,869	12,127	12,746	13,251	13,501	13,649
Net Debt/Equity	2.7	(0.0)	0.3	0.5	0.5	0.6	0.6	0.6
Customer Advances	3,658	3,314	3,090	3,149	2,839	2,772	2,895	2,952
YoY Chg (%)	-10.9	-23.1	-28.6	-20.3	-22.4	-16.4	-6.3	-6.3
Properties held for development	7,519	7,709	8,277	12,920	13,016	13,630	13,839	13,924
YoY Chg (%)	82.3	27.9	66.8	84.4	73.1	76.8	67.2	7.8

Source: Company/MOSL

BREAK-UP OF (SECURED) DEBT OUTSTANDING AS OF MARCH-09

PARTICULARS	AMOUNT (RS MILLION)			
	1QFY09	2QFY09	3QFY09	4QFY09
Term loans	5,289	5,731	6,825	6,002
Debentures	0	550	550	550
Cash credits and others	485	1,019	43	1,554
Total secured loans	5,774	7,300	7,418	8,106
Amount due as on 31 March-09				
Standard Chartered Bank	950	800	650	500
HSBC	1,433	1,700	1,500	1,700
ICICI Bank	1,380	1,080	650	200
HDFC	950	950	950	950
ICICI Home Finance	500	1,130	1,130	1,130
LIC	0	0	2,000	2,000
Others	75	70	45	9

Source: Company/MOSL

During 4QFY09, the properties held for development registered ~8% YoY growth. There was no significant land undertaken for development purposes; the YoY growth primarily represents development cost and the cost for the projects where the work has been suspended. The properties under development recorded 44% YoY growth, which points towards slower sales (65% of the properties under development are sold). The properties held for sale increased by 7% YoY.

KEY BALANCE SHEET ITEMS (RS MILLION)

	FY08				FY09				FY08	FY09
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
a) Properties Held for Development										
At the beginning of the year	7,008	7,008	7,709	8,277	12,920	12,920	13,630	13,839	7,008	12,920
Add: additions during the year	886	1,110	568	4,642	214	828	209	811	6,320	1,849
Less: Transferred to properties under development	375	408	0	0	-117	117	0	726	408	844
Total	7,519	7,709	8,277	12,920	13,016	13,630	13,839	13,924	12,920	13,924
YoY Chg (%)	82.3	27.9	66.8	84.4	73.1	76.8	67.2	7.8	48.1	7.8
b) Properties Under Development										
Land Cost	2,529	2,573	2,216	2,247	2,354	2,375	2,184	2,835	2,247	2,835
Land Cost (% of total)	77.6	72.6	63.1	56.8	54.1	49.5	42.9		56.8	49.7
Material and Construction Cost	5,783	6,749	3,990	5,227	6,274	7,428	5,876	6,269	5,227	6,269
Profit Recognised to date	3,585	3,776	2,230	2,869	3,448	3,826	1,962	2,182	2,869	2,182
Less: Progress Payments Received and Rec.	8,638	9,554	4,923	6,385	7,723	8,828	4,929	5,586	6,385	5,586
Total	3,259	3,544	3,513	3,958	4,354	4,800	5,093	5,700	3,958	5,700
YoY Chg (%)	108.2	56.5	58.4	60.2	33.6	35.4	45.0	44.0	60.2	44.0
c) Properties Held for Sale										
At the beginning of the year	515	520	520	908	910	910	865	948	515	910
Add: Properties constructed during the period	4	1	463	59	49	88	213	72	527	373
Less: Properties sold during the period	0	0	76	57	94	132	84	5	133	221
Less: Write downs during the period							46	42		88
Total	519	521	908	910	865	865	948	974	910	1,061
YoY Chg (%)	156.9	4.2	73.7	76.5	66.6	66.0	4.4	7.0	76.5	16.7
d) Miscellaneous Data Points										
Cash and Bank Balances	418	5,509	1,292	350	396	374	698	268	350	268
YoY Chg (%)	2.2	2,427.1	194.8	-6.4	-5.2	-93.2	-46.0	-23.4	-6.4	-23.4
Customer Advances	3,658	3,314	3,090	3,149	2,839	2,772	2,895	2,952	3,149	2,952
YoY Chg (%)	-10.9	-23.1	-28.6	-20.3	-22.4	-16.4	-6.3	-6.3	-20.3	-6.3

Source: Company/MOSL

Valuation and view

Our FY10E NAV for PPL is Rs72/share. The residential vertical accounts for 96% of GAV and the commercial vertical accounts for 4% of GAV. It currently trades at 21.5x FY10E EPS of Rs3.2 and 1x FY10E BV of Rs66. It is better placed to counter the downturn due to its low DER of 0.6x and high quality land bank, largely in the tier-1 city of Bangalore. Maintain **Buy**.

FY10 NAV OF RS72/SHARE

NAV CALCULATIONS	(RS M)	PER/SHARE (RS)	% OF NAV	% OF GAV
Residence	35,158	165	229	95
Commercial	2,000	9	13	5
Hotel	0	0	0	0
Gross Asset Value (GAV)	37,158	174	242	100
Less: Tax	7,803	37	-51	-21
Add: Cash	268	1	2	1
Less: Debt	8,146	38	-53	-22
Less: Land Cost	2,800	13	-18	-8
Less: Operating Exp	3,344	16	-22	-9
Net Asset Value (NAV)	15,333	72	100	41

Source: Company/MOSL

NAV calculation: key assumptions

- 1) We have assumed that PPL would be able to develop and sell its entire development area of 125msf over the next 10 years.
- 2) We have assumed stagnant realizations across all cities and verticals.
- 3) We have assumed the tax rate at ~12.4% for ~20m sft 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) In the retail and commercial verticals, we have assumed a cap rate of 12%. We have assumed 90% occupancy rates in both retail and commercial verticals across all cities.
- 6) We have assumed average construction period of 24 months for residential projects and 18-24 months for commercial (office) projects.

What could drive upgrades

- 1) PPL has signed MoUs to acquire land in and around Chennai, which we have not considered in the calculation of our NAV. The MoU is for acquiring 1,000 acres of land in the Kancheepuram and Sriperumbudur taluks, Chennai.
- 2) PPL has ambitious plans in the hospitality segment. The company plans to open a chain of hotels in south India through a joint venture with an established hospitality player. We believe this could be NAV accretive for the company.

Puravankara Projects: an investment profile

Company description

PPL is a leading south-based developer, with a focus on middle-income residential 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 landbank of ~125msf aggregated at an average cost of Rs97/sft. 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 landbank is concentrated in Bangalore. Concentration on the over competitive middle income housing segment.

Recent developments

- ✍ Considering the current RE slowdown, PPL has put all new project launches on hold and plans to focus only on projects under development.
- ✍ Rs2.3b land payment obligations towards Hyderabad hi-tech project cancelled by AP government.
- ✍ PPL has disclosed plans to enter the lower mid-income housing segment through its 100% subsidiary PHIL.

Valuation and view

- ✍ Our FY10 NAV for PPL is Rs72/sh. Due to high city centric exposure to Bangalore and high concentration in the residential vertical, we expect PPL to trade at discount to its NAV.

Sector view

- ✍ We expect FY09-10 to be a period of consolidation, in which industry leaders would be differentiated from peers. Developers with staying power would utilize this consolidation phase to emerge stronger.
- ✍ Focus on companies with: (1) high visibility on monetization of assets over the next 3-5 years, (2) low leverage and robust financials, and (3) strong execution

COMPARATIVE VALUATIONS

		PURVANKARA	MLL	HDIL
P/E (x)	FY09E	10.2	11.3	5.9
	FY10E	21.5	6.8	16.5
RoE (%)	FY09E	10.6	7.2	16.7
	FY10E	4.9	11.0	5.6
EV/Sales (x)	FY09E	3.0	2.3	4.3
	FY10E	4.6	1.9	4.5
EV/EBITDA (x)	FY09E	10.2	11.0	7.5
	FY10E	17.8	4.4	11.2

SHAREHOLDING PATTERN (%)

	DEC-08	SEP-08	DEC-07
Promoter	90.0	90.0	90.0
Domestic Inst	0.9	0.9	1.5
Foreign	7.9	8.3	7.7
Others	1.2	0.9	0.8

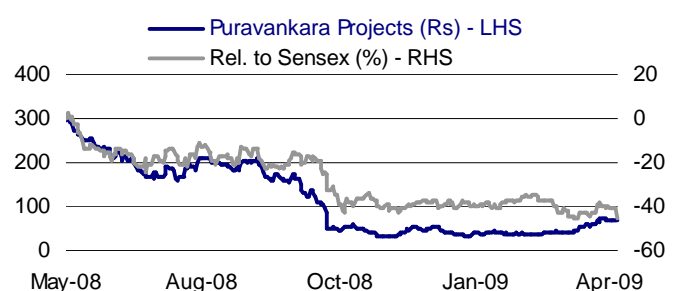
EPS: MOST FORECAST VS CONSENSUS (RS)

	MOST FORECAST	CONSENSUS FORECAST	VARIATION (%)
FY10	3.2	5.6	-42.8
FY11	2.9	6.0	-50.8

TARGET PRICE AND RECOMMENDATION

CURRENT PRICE (RS)	TARGET PRICE (RS)	UPSIDE (%)	RECO.
69	72	4.3	Buy

STOCK PERFORMANCE (1 YEAR)



INCOME STATEMENT					
(Rs Million)					
Y/E MARCH	2007	2008	2009	2010E	2011E
Net Sales	4,169	5,658	4,449	2,676	2,542
Change (%)	86.3	35.7	-21.4	-39.8	-5.0
Construction Expenses	2,833	3,583	2,639	1,184	1,233
Staff Cost	110	207	85	54	38
Office & Site Establis. Exps	0	0	216	535	191
EBITDA	1,336	2,075	1,312	686	677
% of Net Sales	32.0	36.7	29.5	25.6	26.6
Depreciation	0	0	0	23	34
Interest	12	-98	-8	79	68
Other Income	0	0	0	56	62
PBT	1,323	2,173	1,319	641	637
Tax	172	67	26	106	191
Rate (%)	13.0	3.1	2.0	16.5	30.0
Share of Associate Profits	140.1	294.6	151.0	151.0	181.2
Reported PAT	1,291	2,400	1,444	686	627
EO Income (Net of Exp.)	0	0	0	0	0
Adjusted PAT	1,291	2,400	1,444	686	627
Change (%)	116.5	85.9	-39.8	-52.5	-8.6

BALANCE SHEET					
(Rs Million)					
Y/E MARCH	2007	2008	2009	2010E	2011E
Share Capital	960	1,067	1,067	1,067	1,067
Reserves	1,258	11,060	12,582	13,043	13,428
Net Worth	2,218	12,127	13,649	14,111	14,496
Loans	6,761	6,524	8,146	7,650	6,000
Capital Employed	8,979	18,651	21,818	21,784	20,518
Gross Fixed Assets	443	611	632	659	684
Less: Depreciation	61	115	169	199	233
Net Fixed Assets	382	497	463	460	451
Investments	371	887	1,038	850	950
Properties held for developr	7,008	12,920	13,924	13,924	13,924
Curr. Assets	6,294	9,090	11,051	12,517	12,396
Inventory	675	1,080	1,171	6,234	6,943
Debtors	459	824	1,146	2,016	1,567
Cash & Bank Balance	374	350	268	939	724
Loans & Advances	2,316	2,878	2,766	3,328	3,161
Current Liab. & Prov.	5,084	4,732	4,659	5,967	7,203
Provisions	217	510	14	805	61
Net Current Assets	1,210	4,358	6,392	6,550	5,193
Application of Funds	8,978	18,661	21,817	21,784	20,518

E: MOSL Estimates

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

RATIOS					
Y/E MARCH	2007	2008	2009E	2010E	2011E
Basic (Rs)					
Adjusted EPS	6.0	11.2	6.8	3.2	2.9
Growth (%)	-18.9	85.9	-39.8	-52.5	-8.6
Cash EPS	5.4	9.9	6.1	2.6	2.2
Book Value	11.5	56.8	63.9	66.1	67.9
DPS	1.0	2.0	0.7	0.3	0.3
Payout (incl. Div. Tax.)	18.5	20.3	12.0	12.0	12.0
Valuation (x)					
P/E	11.4	6.1	10.2	21.5	23.5
Cash P/E	12.8	7.0	11.4	26.4	30.7
EV/EBITDA	8.9	5.6	10.2	17.8	15.9
EV/Sales	2.9	2.1	3.0	4.6	4.2
Price/Book Value	6.0	1.2	1.1	1.0	1.0
Dividend Yield (%)	1.4	2.9	1.1	0.4	0.4
Profitability Ratios (%)					
RoE	58.2	19.8	10.6	4.9	4.3
RoCE	22.8	15.0	6.5	3.3	3.3
Leverage Ratio					
Debt/Equity (x)	3.0	0.5	0.6	0.5	0.4

CASH FLOW STATEMENT					
(Rs Million)					
Y/E MARCH	2007	2008	2009E	2010E	2011E
PBT before EO Items	1,472	2,162	1,319	641	637
Add : Depreciation	0	0	0	23	34
Interest	12	-98	-8	79	68
Less : Direct Taxes Paid	172	67	26	106	191
(Inc)/Dec in WC	1,044	-3,160	-2,116	513	1,142
CF from Operations	-4,651	-6,771	-1,695	1,301	1,871
(Inc)/Dec in FA	-214	-108	34	-20	-25
(Pur)/Sale of Investments	-127	-516	-151	188	-100
CF from Investments	-340	-624	-117	168	-125
(Inc)/Dec in Networkth	42	7,996	277	-151	-181
(Inc)/Dec in Debt	5,139	-237	1,622	-496	-1,650
Less : Interest Paid	12	-98	-8	79	68
Dividend Paid	243	487	177	73	61
CF from Fin. Activity	4,926	7,370	1,730	-799	-1,960
Inc/Dec of Cash	-66	-24	-82	670	-214
Add: Beginning Balance	439	374	350	268	939
Closing Balance	374	350	268	938	724

N O T E S



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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 |
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