



## Puravankara Projects

STOCK INFO.	BLOOMBERG
BSE Sensex: 9,788	PVKP IN
	REUTERS CODE
S&P CNX: 2,886	PPRO.BO

1 November 2008

Buy

Previous Recommendation: Buy

Rs48

Equity Shares (m)	213.5
52-Week Range	535/42
1,6,12 Rel. Perf. (%)	-47/-41/-39
M.Cap. (Rs b)	10.2
M.Cap. (US\$ b)	0.2

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
3/07A	4,169	1,291	6.0	-18.9	7.9	4.2	58.2	22.8	2.5	7.7
3/08A	5,658	2,400	11.2	85.9	4.3	0.8	19.8	15.0	1.8	4.8
3/09E	6,459	1,872	8.8	-22.0	5.5	0.9	16.1	14.0	1.6	4.0
3/10E	7,700	2,246	10.5	20.0	4.6	0.9	19.7	18.8	1.2	2.7

- Muted 2QFY09 results:** Puravankara's revenue was flat YoY at Rs1.4b. Area sold during 2QFY09 stood at ~0.4msf. EBITDA margin decreased 722bp YoY to 33.8% mainly due to sharp increase in SGA expenses. Net profit dropped 16% YoY to Rs505m. Effective tax rate for 2QFY09 was low at 1.7% as several projects qualify for the Section 80I (B) benefits and the company has availed of MAT credit on the same.
- Stays all new projects:** Considering the current RE slowdown, PPL has put on hold all new project launches and intends to focus only on projects currently under development. It has also stalled construction at three (~0.9msf) out of five ongoing commercial projects (1.78msf). The company has also put its prestigious 30 acres commercial project in Hyderabad (near Hi-tech city) on hold.
- Foray into mid-income housing:** PPL has disclosed plans to enter the social or lower mid income housing segment through its 100% subsidiary Provident Housing and Infrastructure Ltd (PHIL). In its Phase 1, PHIL plans to launch ~65,000 flats at price brackets of Rs1m to Rs2m, comprising 1-2-3 BHK flats in key cities in south - Bangalore, Chennai and Hyderabad. PHIL is likely to launch its first lower mid income housing project in Bangalore in 4QFY09.
- Net DER increases to 0.6x:** While the net DER increased from 0.5x to 0.6x, PPL is relatively better placed compared to its peers. During 2QFY09, PPL's net debt increased from Rs6.1b to Rs7.7b in 2QFY09. PPL has ~Rs5b of debt, which is repayable over the next one year, the management is confident of meeting its near and medium term debt obligations through internal accruals and debt refinancing.
- Lowered NAV from Rs324/sh to Rs181/sh:** We have lowered our FY10E NAV from Rs324/sh to Rs181/sh to factor in (1) delay in new project launches, (2) lower price assumptions across projects, and (3) postponement in launch of commercial projects. Due to the high city centric exposure to Bangalore and high concentration in the residential vertical, we expect the stock to trade at a discount to its NAV. **Buy.**

Y/E MARCH	QUARTERLY PERFORMANCE								(Rs Million)	
	FY08				FY09				FY08	FY09E
	1Q	2Q	3Q	4Q	1Q	2Q				
<b>Sales</b>	1,204	1,410	1,505	1,539	1,576	1,394	5,658	6,459		
Change (%)	27.8	44.9	78.5	9.2	30.9	-1.2	35.7	14.2		
<b>Total Expenditure</b>	803	832	937	1,011	987	923	3,583	3,819		
Cost of Land/Construction	689	728	822	880	856	767	3,119	-		
General & Admin Expenses	50	54	56	67	68	74	225	-		
Selling Expenses	65	51	59	65	64	82	240	-		
<b>EBITDA</b>	401	578	568	527	589	471	2,075	2,640		
As % of Sales	33.3	41.0	37.8	34.3	37.4	33.8	36.7	40.9		
Depreciation	-	-	-	-	-	-	-	34		
Interest	1	(35)	(62)	(2)	2	(4)	(98)	324		
Share of Profit/Loss in Associates	84	63	66	81	41	39	295	-		
<b>PBT</b>	483	676	697	611	629	513	2,468	2,282		
Tax	43	75	66	(117)	10	9	67	411		
Effective Tax Rate (%)	9.0	11.0	9.4	-19.1	1.5	1.7	2.7	18.0		
<b>Reported PAT</b>	440	602	631	727	619	505	2,401	1,872		
Change (%)	69.3	113.5	122.0	56.4	40.6	-16.1	85.9	-22.0		

E: MOST Estimates

### Muted 2QFY09 results

Puravankara's (PPL) revenues were flat YoY at Rs1.4b. Area sold during 2QFY09 stood at ~0.4msf. EBITDA margin decreased 722bp YoY to 33.8% mainly due to sharp increase in SGA expenses. Net profit dropped 16% YoY to Rs505m. Effective tax rate for 2QFY09 was low at 1.7% as several projects qualify for the Section 80I (B) benefits and the company has availed of MAT credit on the same.

### New project launches put on hold

The management stated that the RE scenario has deteriorated considerably during 2QFY09, with no clear visibility of any recovery in the near term. Hence, the management has been forced to take urgent measures to effectively deal with the RE downturn. It has put on hold all new project launches and intends to focus only on the projects currently under development. It has also stalled construction at three (~0.9msf) out of five ongoing commercial projects (1.78msf). As of September 2008, the area under development stood at ~20msf, including 16 residential projects (18.3msf) and 2 commercial projects (1.78msf) spread across Bangalore, Chennai, Hyderabad, Cochin, Mysore and Kolkata. PPL has also put its prestigious 30 acres commercial project in Hyderabad (near Hi-tech city) on hold. The land cost outstanding towards this project is Rs2.3b, which accounts for ~82% of the total land cost outstanding of Rs2.8b. As per the management, it is well placed to ride the downturn in the RE industry as almost 60-65% of its 11,010 apartments under construction has already been sold.

#### PPL'S DEVELOPMENT DETAILS

	ONGOING			FUTURE		TOTAL		
	DEVELOPABLE	SALEABLE	LAND	DEVELOPABLE	LAND	DEVELOPABLE	SALEABLE	LAND
	AREA	AREA	AREA	AREA	AREA	AREA	AREA	AREA
Hyderabad	0.56	0.28	0.17	5.90	1.31	6.46	6.18	1.48
Bangalore	10.05	8.52	3.36	73.38	23.30	83.43	77.13	26.66
Mysore	0.15	0.12	-	1.32	0.67	1.47	1.30	0.67
Kochi	2.11	2.05	1.07	11.07	1.60	13.18	13.12	2.67
Kolkata	2.28	0.81	0.39	-	-	2.28	0.81	0.39
Chennai	4.94	4.87	2.45	9.90	4.27	14.84	14.20	6.72
Coimbatore	-	-	-	2.36	0.98	2.36	2.36	0.98
Colombo	-	-	-	1.38	1.05	1.38	1.38	1.05
<b>Total</b>	<b>20.09</b>	<b>16.65</b>	<b>7.44</b>	<b>105.31</b>	<b>33.18</b>	<b>125.40</b>	<b>116.48</b>	<b>40.62</b>

Source: Company/Motilal Oswal Securities

### PPL's foray into lower mid income housing segment

PPL has disclosed plans to enter the social or lower mid income housing segment through its 100% subsidiary Provident Housing and Infrastructure Ltd (PHIL). 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 landbank of 127msf. Further, the management claims that they

already have the possession of the land required for the Phase I launch of ~60msf. In the Phase 1, PHIL plans to launch ~65,000 flats at price brackets of Rs 1m to Rs2m, comprising 1-2-3 BHK flats. In Phase 1, PHIL would target three key cities in south - Bangalore, Chennai and Hyderabad - while in Phase 2, 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. PHIL is likely to launch its first lower mid income housing project in Bangalore in 4QFY09. This project would be spread over 40 acres and is part of PPL's landbank of 127msf. This project is currently in the designing and planning stage.

PROVIDENT HOUSING INFRASTRUCTRE'S PHASE I DEVELOPMENT PLANS (PHIL)

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/Motilal Oswal Securities

### Net DER increases to 0.6x

While the net DER increased from 0.5x to 0.6x, PPL is relatively better placed compared to its peers. During 2QFY09, PPL's net debt increased from Rs6.1b to Rs7.7b in 2QFY09. PPL has ~Rs5b of debt, which is repayable over the next one year, the management is confident of meeting its near and medium term debt obligations through internal accruals and debt refinancing. The customer advances have declined by 16% YoY to Rs2.7b (v/s Rs2.8b in 1QFY09). During 2QFY09, debtors increased 1.8x YoY to Rs1b, which includes 40% of debtors which are more than six months old. The properties held for development increased by 77% YoY to Rs13.6b (increased by 5% QoQ), which represents no major land additions.

KEY FINANCIALS (RS MILLION)

PARTICULARS	FY08				FY09		FY08
	1Q	2Q	3Q	4Q	1Q	2Q	
Gross Debt	7,474	4,956	4,362	6,524	6,524	8,050	6,524
Cash	418	5,509	1,292	350	396	374	350
<b>Net Debt</b>	<b>7,056</b>	<b>-553</b>	<b>3,070</b>	<b>6,174</b>	<b>6,128</b>	<b>7,676</b>	<b>6,174</b>
YoY Chg (%)	223.8	-118.0	-24.3	-3.3	-13.2	-1,487.1	-3.3
Net Worth	2,658	11,238	11,869	12,127	12,746	13,251	12,127
<b>Net Debt/Equity</b>	<b>2.7</b>	<b>0.0</b>	<b>0.3</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.5</b>
Customer Advances	3,658	3,314	3,090	3,149	2,839	2,772	3,149
YoY Chg (%)	-10.9	-23.1	-28.6	-20.3	-22.4	-16.4	-20.3
Properties held for development	7,519	7,709	8,277	12,920	13,016	13,630	12,920
YoY Chg (%)	82.3	27.9	66.8	84.4	73.1	76.8	48.1

Source: Company/Motilal Oswal Securities

In FY08, the properties held for development registered ~76% YoY growth. There was no significant land undertaken for development purposes; the YoY growth primarily represents development cost. The properties under development recorded 35% YoY growth, which points towards slower sales (60-65% of the properties under development are sold). The properties held for sale increased by 66% YoY.

## KEY BALANCE SHEET ITEMS

	FY08				FY09		FY08
	1Q	2Q	3Q	4Q	1Q	2Q	
<b>a) Properties Held for Development</b>							
At the beginning of the year	7,008	7,008	7,709	8,277	12,920	12,920	7,008
Add: additions during the year	886	1,110	568	4,642	214	828	6,320
Less: Transferred to properties under development	375.0	408.4	0.0	0.0	-117.5	117.5	408.4
<b>Total</b>	<b>7,519</b>	<b>7,709</b>	<b>8,277</b>	<b>12,920</b>	<b>13,016</b>	<b>13,630</b>	<b>12,920</b>
YoY Chg (%)	82.3	27.9	66.8	84.4	73.1	76.8	48.1
<b>b) Properties Under Development</b>							
Land Cost	2,529	2,573	2,216	2,247	2,354	2,375	2,247
Land Cost (% of total)	77.6	72.6	63.1	56.8	54.1	49.5	56.8
Material and Construction Cost	5,783	6,749	3,990	5,227	6,274	7,428	5,227
Profit Recognised to date	3,585	3,776	2,230	2,869	3,448	3,826	2,869
Less: Progress Payments Received and Receivables	8,638	9,554	4,923	6,385	7,723	8,828	6,385
<b>Total</b>	<b>3,259</b>	<b>3,544</b>	<b>3,513</b>	<b>3,958</b>	<b>4,354</b>	<b>4,800</b>	<b>3,958</b>
YoY Chg (%)	108.2	56.5	58.4	60.2	33.6	35.4	60.2
<b>c) Properties Held for Sale</b>							
At the beginning of the year	515	520	520	908	910	910	515
Add: Properties constructed during the period	4	1	463	59	49	88	527
Less: Properties sold during the period	-	-	76	57	94	132	133
<b>Total</b>	<b>519</b>	<b>521</b>	<b>908</b>	<b>910</b>	<b>865</b>	<b>865</b>	<b>910</b>
YoY Chg (%)	156.9	4.2	73.7	76.5	66.6	66.0	76.5
<b>d) Miscellaneous Data Points</b>							
Cash and Bank Balances	418	5,509	1,292	350	396	374	350
YoY Chg (%)	2.2	2,427.1	194.8	-6.4	-5.2	-93.2	-6.4
Customer Advances	3,658	3,314	3,090	3,149	2,839	2,772	3,149
YoY Chg (%)	-10.9	-23.1	-28.6	-20.3	-22.4	-16.4	-20.3

Source: Company/Motilal Oswal Securities

### Lowering NAV from Rs324/sh to Rs181/sh

We are lowering our FY10E NAV from Rs324/sh to Rs181/sh to factor in (1) delay in new project launches, 2) lower price assumptions across project, and (3) postponement launch of commercial projects. The residential vertical accounts for 96% of GAV and the commercial vertical accounts for 3% of GAV. Due to the high city centric exposure to Bangalore and high concentration in the residential vertical, we expect the stock to trade at a discount to its NAV. The stock currently trades at 75% discount to our FY10 NAV of Rs181/sh. Maintain **Buy**.

## NAV OF RS181/SHARE

NAV CALCULATIONS	(RS M)	PER/SHARE (RS)	% OF NAV	% OF GAV
Residence	66,454	311	172	96
Commercial	2,000	9	5	3
Hotel	583	3	2	1
<b>Gross Asset Value (GAV)</b>	<b>69,037</b>	<b>323</b>	<b>178</b>	<b>100</b>
Less: Tax	14,498	68	-37	-21
Add: Cash	350	2	1	1
Less: Debt	7,174	34	-19	-10
Less: Land Cost	2,800	13	-7	-4
Less: Operating Exp	6,213	29	-16	-9
<b>Net Asset Value (NAV)</b>	<b>38,702</b>	<b>181</b>	<b>100</b>	<b>56</b>

Source: Motilal Oswal Securities

### NAV calculation: key assumptions

- 1) We have assumed that PPL would be able to develop and sell its entire development area of 177msf over the next 10 years.
- 2) We have assumed stagnant realizations across all cities and verticals for FY09. We have assumed a 5% CAGR in realizations beyond FY09.
- 3) We have assumed tax rate at ~12.4% for ~20m sft of landbank, as these projects enjoy Sec 80 (IB) benefits.
- 4) We have assumed a 7% CAGR in cost of construction across all verticals and cities.
- 5) In the retail and commercial verticals, we have assumed a cap rate of 11%. 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 for calculating our NAV. The MoU is for acquiring 1,000 acres of land at Kancheepuram Taluk and Sriperumbudur Taluk, 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.

### Ramp up in development volumes

We expect aggressive ramp-up in production volumes for PPL, with launches peaking at 16.5msf in FY12. Volumes in the residential vertical are expected to peak at 12.4msf in FY11, while volumes in the commercial vertical would peak at 4.8 msf in FY13.

## PPL'S TOTAL DEVELOPMENT PLANS (MSF)

	TOTAL	FY07	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Residential	86.8	3.5	7.4	10.3	12.4	12.1	10.7	8.7	6.8	5.0	3.0	1.3
Commercial	21.9	0.0	0.4	1.9	4.0	4.4	4.8	3.6	1.8	0.9	0.0	0.0
<b>Total</b>	<b>108.7</b>	<b>3.5</b>	<b>7.8</b>	<b>12.2</b>	<b>16.4</b>	<b>16.5</b>	<b>15.5</b>	<b>12.3</b>	<b>8.7</b>	<b>5.9</b>	<b>3.0</b>	<b>1.3</b>

Source: Company/Motilal Oswal Securities

**Revised profit estimates**

We have lowered our net profit estimates for PPL by 37% to Rs1.8b for FY09 and by 46% to Rs2.2b for FY10. We have revised our estimates to account for expected correction in real estate prices, delay in project launches, and increase in construction cost.

## CHANGE IN ESTIMATES

	OLD	NEW	CHG %
<b>Revenue</b>			
FY09	8,425	6,459	-23.3
FY10	13,364	7,700	-42.4
<b>PAT</b>			
FY09	2,946	1,872	-36.5
FY10	4,195	2,246	-46.4
<b>EPS</b>			
FY09	13.8	8.8	-36.5
FY10	19.7	10.5	-46.6

Source: Motilal Oswal Securities

## Puravankara Projects: an investment profile

### Company description

PPL is a leading South-based developer, with a focus on middle-income residential housing. It has a strong brand image in Southern India and enjoys premium pricing. The company's development activities have been primarily concentrated in Bangalore, Kochi and Chennai. It plans to further expand its presence 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 UK.

### Key investment arguments

- ✍ PPL is slated to benefit from its quality land bank of ~127msf aggregated at a competitive average cost of Rs97/sft.
- ✍ PPL's foray into the hospitality sector with a target of operating ~750 rooms by FY10, will augment its NAV.
- ✍ Increase in the number of projects under construction in the commercial vertical.
- ✍ In-house backward integrated model for development.
- ✍ 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.
- ✍ Aggressive development schedule assumed for PPL.

### Recent developments

- ✍ The management expects to complete the acquisition of its ~1,500 acres land at Sriperumbudur, Chennai at a cost of ~Rs6b.
- ✍ PPL is in the final stages of floating a joint venture with a leading hotel operator for its hospitality venture.

### Valuation and view

- ✍ We have lowered our FY10 NAV from Rs324 to Rs181 to factor in (1) delay in new project launches, 2) lower price assumptions across projects and (3) postponement in launch of commercial projects. It trades at 75% discount to our FY10E NAV of Rs181. **Buy.**

### Sector view

- ✍ Indian real estate industry is witnessing consolidation, increase in market share of large real estate companies.

#### COMPARATIVE VALUATIONS

		PURVANKARA	MLL	HDIL
P/E (x)	FY09E	5.5	7.7	3.0
	FY10E	4.6	2.6	2.6
ROE (%)	FY09E	16.1	10.5	30.9
	FY10E	19.7	23.9	30.2
EV/Sales (x)	FY09E	1.6	2.3	2.1
	FY10E	1.2	0.9	1.2
EV/EBITDA (x)	FY09E	4.0	5.2	3.0
	FY10E	2.7	2.0	2.0

#### SHAREHOLDING PATTERN (%)

	SEP-08	JUN-08	SEP-07
Promoter	90.0	90.0	90.0
Domestic Inst	0.9	1.1	1.8
Foreign	8.3	8.0	7.2
Others	0.9	0.9	1.1

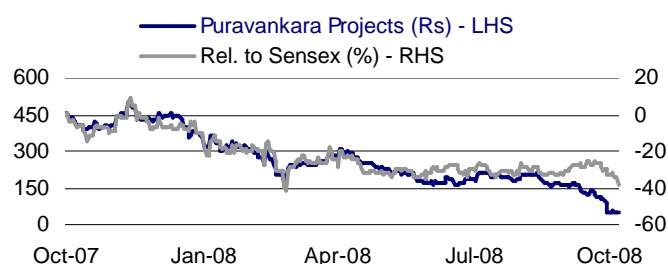
#### EPS: MOST FORECAST VS CONSENSUS (RS)

	MOST FORECAST	CONSENSUS FORECAST	VARIATION (%)
FY09	8.8	13.4	-34.5
FY10	10.5	18.7	-43.7

#### TARGET PRICE AND RECOMMENDATION

CURRENT PRICE (RS)	TARGET PRICE (RS)	UPSIDE (%)	RECO.
48	91	88.5	Buy

#### STOCK PERFORMANCE (1 YEAR)



INCOME STATEMENT		(Rs Million)				
Y/E MARCH	2006	2007	2008	2009E	2010E	
<b>Net Sales</b>	<b>2,797</b>	<b>4,169</b>	<b>5,658</b>	<b>6,459</b>	<b>7,700</b>	
Change (%)	111	86.3	35.7	14.2	19.2	
Construction Expenses	1,650	2,833	3,583	3,056	3,281	
Staff Cost	56	110	212	121	154	
Office & Site Establis. Exps	0	0	0	508	616	
<b>EBITDA</b>	<b>891</b>	<b>1,336</b>	<b>2,075</b>	<b>2,640</b>	<b>3,402</b>	
% of Net Sales	319	32.0	36.7	40.9	44.2	
Depreciation	5	0	0	34	38	
Interest	72	12	-98	343	390	
Other Income	7	0	0	19	21	
<b>PBT</b>	<b>821</b>	<b>1,323</b>	<b>2,173</b>	<b>2,282</b>	<b>2,995</b>	
Tax	71	172	67	411	749	
Rate (%)	8.6	13.0	3.1	16.0	25.0	
Share of Associate Profits	110	140.1	294.6	0.0	0.0	
<b>Reported PAT</b>	<b>761</b>	<b>1,291</b>	<b>2,400</b>	<b>1,872</b>	<b>2,246</b>	
Extra-ordinary Income (Net of tax)	5	0	0	0	0	
<b>Adjusted PAT</b>	<b>756</b>	<b>1,291</b>	<b>2,400</b>	<b>1,872</b>	<b>2,246</b>	
Change (%)	28.2	116.5	85.9	-22.0	20.0	

BALANCE SHEET		(Rs Million)				
Y/E MARCH	2006	2007	2008E	2009E	2010E	
Share Capital	80	960	1,067	1,067	1,067	
Reserves	1,048	1,258	11,060	10,541	10,345	
<b>Net Worth</b>	<b>1,128</b>	<b>2,218</b>	<b>12,127</b>	<b>11,608</b>	<b>11,412</b>	
Loans	1,622	6,761	6,524	7,200	5,800	
<b>Capital Employed</b>	<b>2,750</b>	<b>8,979</b>	<b>18,651</b>	<b>18,808</b>	<b>17,212</b>	
Gross Fixed Assets	211	443	611	676	753	
Less: Depreciation	36	61	115	148	186	
<b>Net Fixed Assets</b>	<b>175</b>	<b>382</b>	<b>497</b>	<b>528</b>	<b>567</b>	
Investments	245	371	887	900	900	
Properties held for development	0	7,008	12,920	0	0	
<b>Curr. Assets</b>	<b>7,026</b>	<b>6,294</b>	<b>9,090</b>	<b>24,311</b>	<b>26,170</b>	
Inventory	4,740	675	1,080	19,802	21,634	
Debtors	446	459	824	796	791	
Cash & Bank Balance	439	374	350	426	611	
Loans & Advances	1,400	2,316	2,878	3,286	3,133	
<b>Current Liab. &amp; Prov.</b>	<b>4,695</b>	<b>5,084</b>	<b>4,732</b>	<b>6,930</b>	<b>10,424</b>	
Provisions	141	217	510	256	307	
<b>Net Current Assets</b>	<b>2,331</b>	<b>1,210</b>	<b>4,358</b>	<b>17,381</b>	<b>15,746</b>	
<b>Application of Funds</b>	<b>2,751</b>	<b>8,978</b>	<b>18,661</b>	<b>18,808</b>	<b>17,212</b>	

E: MOST Estimates

RATIOS		(Rs Million)				
Y/E MARCH	2006	2007	2008E	2009E	2010E	
<b>Basic (Rs)</b>						
<b>Adjusted EPS</b>	<b>7.5</b>	<b>6.0</b>	<b>11.2</b>	<b>8.8</b>	<b>10.5</b>	
Growth (%)	28.2	-18.9	85.9	-22.0	20.0	
Cash EPS	16.4	11.6	19.6	21.0	26.3	
Book Value	70.5	11.5	56.8	54.4	53.5	
DPS	15	10	2.0	1.1	1.3	
Payout (incl. Div. Tax.)	18.2	18.5	20.3	12.0	12.0	
<b>Valuation (x)</b>						
P/E (standalone)		7.9	4.3	5.5	4.6	
Cash P/E		4.1	2.5	2.3	1.8	
EV/EBITDA		7.7	4.8	4.0	2.7	
EV/Sales		2.5	1.8	1.6	1.2	
Price/Book Value		4.2	0.8	0.9	0.9	
Dividend Yield (%)		2.1	4.2	2.2	2.6	
<b>Profitability Ratios (%)</b>						
RoE	52.9	58.2	19.8	16.1	19.7	
RoCE	33.2	22.8	15.0	14.0	18.8	
<b>Leverage Ratio</b>						
Debt/Equity (x)	14	3.0	0.5	0.6	0.5	

CASH FLOW STATEMENT		(Rs Million)				
Y/E MARCH	2006	2007	2008E	2009E	2010E	
<b>PBT before EO Items</b>	<b>821</b>	<b>1,472</b>	<b>2,162</b>	<b>2,282</b>	<b>2,995</b>	
Add : Depreciation	5	0	0	34	38	
Interest	72	12	-98	343	390	
Less : Direct Taxes Paid	71	172	67	411	749	
(Inc)/Dec in WC	-863	1,044	-3,160	-12,946	1,820	
<b>CF from Operations</b>	<b>-35</b>	<b>-4,651</b>	<b>-6,771</b>	<b>2,212</b>	<b>4,494</b>	
(Inc)/Dec in FA	-101	-214	-108	-65	-77	
(Pur)/Sale of Investments	-220	-127	-516	-13	0	
<b>CF from Investments</b>	<b>-320</b>	<b>-340</b>	<b>-624</b>	<b>-77</b>	<b>-77</b>	
(Inc)/Dec in Networth	-21	42	7,996	-2,135	-2,135	
(Inc)/Dec in Debt	615	5,139	-237	676	-1,400	
Less : Interest Paid	72	12	-98	343	390	
Dividend Paid	137	243	487	256	307	
<b>CF from Fin. Activity</b>	<b>385</b>	<b>4,926</b>	<b>7,370</b>	<b>-2,058</b>	<b>-4,232</b>	
<b>Inc/Dec of Cash</b>	<b>24</b>	<b>-66</b>	<b>-24</b>	<b>77</b>	<b>185</b>	
Add: Beginning Balance	415	439	374	350	426	
<b>Closing Balance</b>	<b>439</b>	<b>374</b>	<b>350</b>	<b>426</b>	<b>611</b>	



**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 |
| 4. Investment Banking relationship with company covered | No |

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