

November 7th, 2022

Puravankara reports highest ever sales for Q2 and for H1 of any financial year since inception

- **Highest-ever sales for the second quarter and the first half of any financial year**
- **H1FY23 saw sales value grow to INR 1,300+ Cr**
- **Recorded quarterly sales of INR 791 crores, area sold stood at 1.07 msft during Q2FY23**
- **Robust launch pipeline of upcoming projects of 15 msft**

Commenting on the company's performance, Ashish R Puravankara, Managing Director, Puravankara Limited, said, *"We have achieved the highest-ever sales for the second quarter and the first half of any financial year. Construction milestones are being achieved every quarter. H1FY23 saw sales value grow to INR 1,300+ Cr, compared to INR 900+ Cr. for a similar period last year. Similarly, collections grew to INR 925 Cr. vs INR 620 Cr. for a similar period last year, implying an increase of almost 50%.*

In Q2, our collections from residential sales grew by 52% or INR 518 Cr., compared to the same period last year at INR 341 Cr. Sales have also increased by 33% at INR 791 Cr. compared to the same quarter one year ago at INR 597 Cr.

Both sales and collections have shown robust growth, and we are excited and happy with the performance. New launches in the next two quarters will strengthen the sales and the cash flow momentum. We are expecting to deliver over 1,500 units in the next 2 quarters."

Operational Highlights for Q2FY23

- Area sold stood at **1.07 msft** up by 18%, compared to **0.91 msft** in the quarter ended Sept 30, 2022
- Sales value stood at **INR 791 crore up by 33%**, compared to INR 597 crore in the quarter ended Sept 30, 2022
- Sale realization stood at **INR 7,396 up by 13%**, compared to INR 6,556 in the quarter ended Sept 30, 2022

Operational Highlights for H1FY23

- Area sold stood at **1.75 msft** up by 32%, compared to **1.33 msft** in the quarter ended Sept 30, 2022
- Sales value stood at **INR 1,304 crore**, up by 43% compared to INR 910 crore in the quarter ended Sept 30, 2022
- Sale realization stood at **INR 7,454 up by 9%**, compared to INR 6,845 in the half year ended Sept 30, 2022

Consolidated Financial Performance (As per IND-AS 115) for the quarter ended 30th Sept 2022

- Consolidated Revenues stood at **INR 252.85 crores**
- Profit (Loss) before Tax stood at **INR (22.10) Crore**

- Profit (Loss) After Tax stood at **INR (20.95) crores**

Consolidated Financial Performance (As per IND-AS 115) for the half-year ended 30th Sept 2022

- Consolidated Revenues stood at **INR 550.20 crores**
- Profit before Tax stood at **INR 25.43 crores**
- Profit After Tax stood at **INR 13.72 crores**

Cash Flows

Collections grew to INR 925 crores vs INR 620 crores for a similar period last year, implying an increase of almost 50%. As on 30th September 2022, the balance collections from sold units in all launched projects stood at **INR 2,640 crores**. The balance cost to be incurred stood at **INR 2,933 crores**. Combined with the unsold receivables from launched projects of **INR 4,684 crores**, the projected operating surplus of **INR 4,391 crores** on the launched portfolio compares very favourably against the current outstanding net debt of INR 2,144 crores. Besides this, we have not opened for sale inventory in existing projects with an estimated surplus of INR 1,653 crores.

Debt

Our net debt stood at INR 2,144 crores last Quarter and Net debt to equity ratio stood at 1.10 The weighted average cost of debt is 11.02% as of 30th September 2022.

Credit Rating

ICRA has reaffirmed rating to "A-" with stable Outlook

Outlook

Although the outlook for the world economy has grown gloomier, India's economic development is still expected to grow, albeit with some deceleration. We believe India's real estate market is likely to maintain its current upward trend backed by the solid structural foundation and gain in demand. We are confident in continuing to add value for all our stakeholders by delivering growth and margin expansion through optimal utilization of capital.

Upon transition to Indian Accounting Standards (Ind AS) including Ind AS 115, the Company had moved from the erstwhile percentage of completion method of revenue recognition to a completed contract method of revenue recognition. The aforesaid change in the timing of revenue recognition has brought a significant variation in the periodical financial results as the revenue is no longer recognised rateably over the project execution period but recognised upon completion of the project and handover of flats to the customers. Consequently, the financial results do not truly depict the Company's project execution and sales efforts on a periodical basis. The above accounting impact is very evident in our current period's financial results.

DISCLAIMER:

Some of the statements in this communication may be 'forward-looking statements within the meaning of applicable laws and regulations. Actual results might differ substantially from those expressed or implied. Important developments that could affect the company's operations include changes in the industry structure, significant changes in the political and economic environment in India and overseas, tax laws, duties, litigation and labour relations.