

Q4 FY2016 Results Presentation

Kolte-Patil Developers Limited



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Disclaimer

Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

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CMD's Message

Commenting on the performance for Q4 FY2016, Mr. Rajesh Patil, CMD, Kolte-Patil Developers Limited said:

"During FY16, we offered over 1,500 units for possession to customers and have been seeing improved growth momentum in terms of sales value, realizations and collections in existing projects.

Mumbai is starting to deliver a more sizeable contribution to the business, contributing Rs. 50 crore in pre-sales during Q4. The Jai Vijay project saw sales acceleration with consistent improvement in APR. Our co-development agreement with JPMorgan has given stronger visibility from a cash flow perspective and we expect this to help us generate better realizations from sales in the current year. Link Palace, our first project in Mumbai, has sold 90% of inventory and possessions are planned by Q1FY18. This is a key milestone for our successful expansion into the city. In Bangalore, our pipeline is expected to expand with some launches slated for Q2FY'17, effectively improving project diversification.

Q4 financial performance also saw higher revenue recognition, margin expansion compared to recent trends and 33% yoy growth in net profit. We have used the cash generated during the quarter to bring down our debt levels, elevated following Corolla buyout, by Rs. 32 crore. Debt-equity has reduced from 0.49:1 in December to 0.46:1 in March, in line with management's prudent stance on leverage.

Recently, we have launched R1 sector at Life Republic township. Contribution from Wakad is expected to remain strong. Mumbai should also add to sales momentum across multiple projects, all of which are well-located in high-demand localities. Currently, we have over 4.5 million sq ft under execution and expect to offer over 2,500 units for possession in FY17. Our focus is fully on execution which will support cash flows, further reduce leverage and help drive stronger stakeholder value."

Business updates in Q4 FY2016

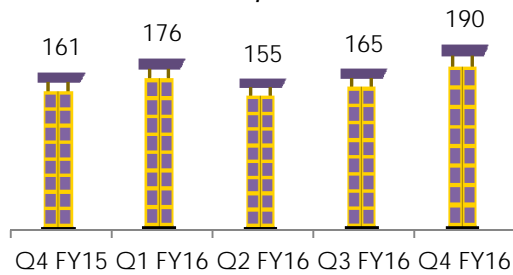
| New area sales | Q4 FY16 | Q3 FY16 | Q4 FY15 | QoQ | YoY |
|---------------------------|---------|---------|---------|-----|------|
| Value (Rs. million) | 3,757 | 3,044 | 5,998 | 23% | -37% |
| Volume (million sq. ft.) | 0.57 | 0.52 | 1.0 | 9% | -43% |
| Realization (Rs./Sq. ft.) | 6,649 | 5,863 | 5,976 | 13% | 11% |
| Collections (Rs. million) | 2,609 | 1,872 | 2,437 | 39% | 7% |

Key Highlights

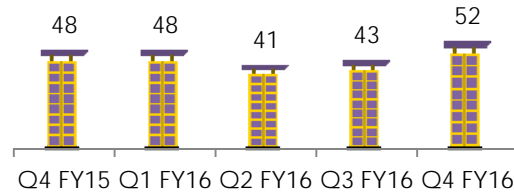
- ✦ Growth in both volume and realizations in new sales bookings
- ✦ Q4 collections are the highest in the last four quarters
- ✦ Recorded sales of 0.52 msf at an APR of Rs. 5,986/sq ft in Pune, both volume and realizations are higher than recent trends
- ✦ Wakad launched successfully as per plan, 129,000 sq ft sold with strong APR in Q4, constituting 25% of Pune sales by volume
- ✦ Signed DA/PA for two Mumbai projects
 - Hari Ratan CHSL, near Inorbit Mall in Goregaon (West)
 - Sagar Vaibhav CHSL in Dahisar (West)

Performance Highlights

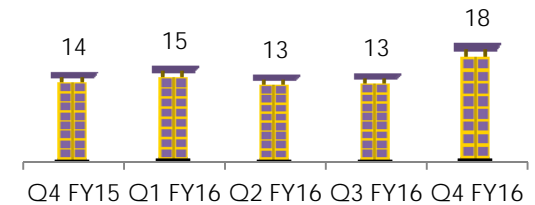
Revenue, Rs. Crore



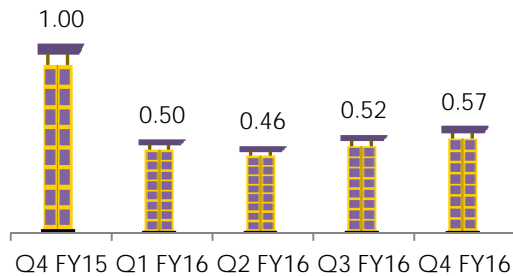
EBITDA, Rs. Crore



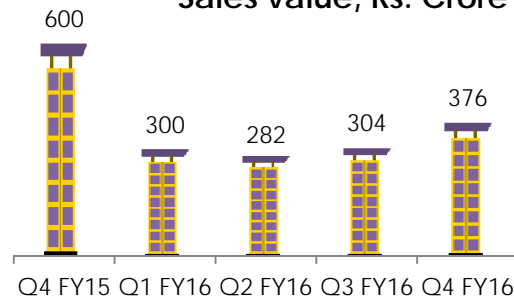
PAT, Rs. Crore



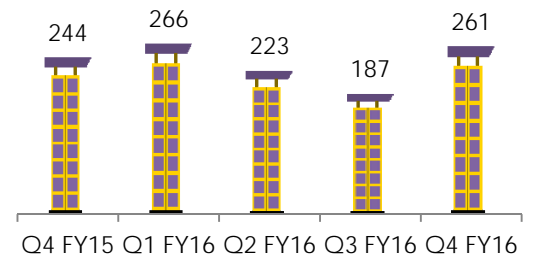
Sales Volume, million sq. ft



Sales value, Rs. Crore



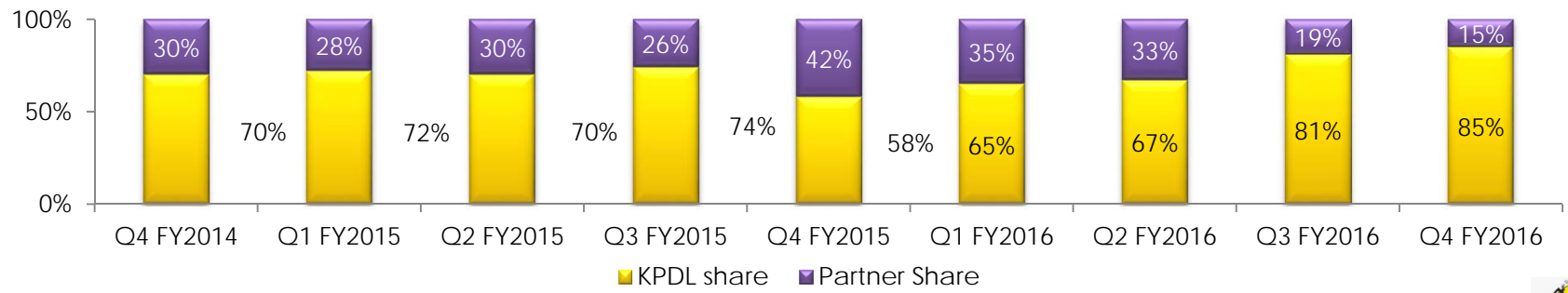
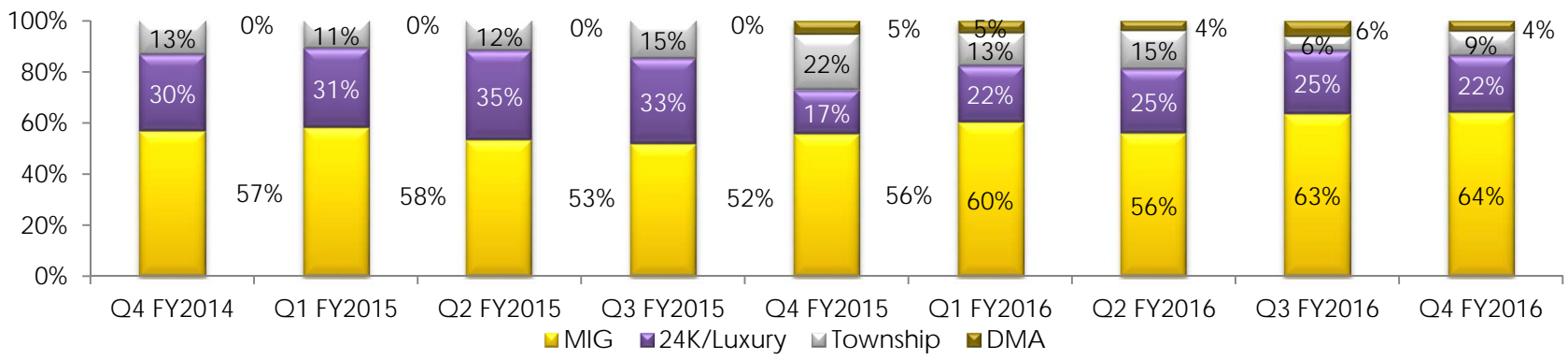
Total Collections, Rs. Crore



New Sales Analysis – Q4 FY16

msf.

0.79 0.61 0.60 0.64 1.00 0.50 0.46 0.52 0.57



7 Note: Corolla stake has increased from 46.25% in Q2 FY16 to 100% in Q3 FY16



Profit and Loss Snapshot – Q4 FY16 vs Q4 FY15

| P&L Snapshot (Rs. crore) | Q4 FY2016 | Q3 FY2016 | Q4 FY2015 | QoQ (%) | YoY (%) |
|---|-----------|-----------|-----------|---------|---------|
| Total operating income | 190.1 | 164.6 | 161.4 | 16% | 18% |
| Total Expenses | 141.8 | 124.5 | 115.9 | 14% | 22% |
| EBITDA | 52.4 | 42.9 | 48.1 | 22% | 9% |
| EBITDA Margin (%) | 27.5% | 26.1% | 29.8% | | |
| EBIT | 48.4 | 40.1 | 45.5 | 20% | 6% |
| EBIT Margin (%) | 25.4% | 24.4% | 28.2% | | |
| Profit before tax | 34.5 | 28.6 | 38.2 | 20% | -10% |
| Profit after tax | 19.7 | 16.2 | 21.9 | 22% | -10% |
| Minority Interest | 1.7 | 2.9 | 8.3 | -41% | -80% |
| Adjusted PAT after minority interest | 18.1 | 13.4 | 13.6 | 35% | 33% |
| PAT margin (%) | 9.5% | 8.1% | 8.4% | | |
| Basic EPS | 2.38 | 1.76 | 1.80 | | |

Profit and Loss Snapshot – FY16 vs FY15

| P&L Snapshot (Rs. crore) | 12M FY16 | 12M FY15 | YoY (%) |
|---|----------|----------|---------|
| Total operating income | 685.4 | 696.6 | -2% |
| Total Expenses | 512.8 | 502.3 | 2% |
| EBITDA | 184.2 | 204.4 | -10% |
| EBITDA Margin (%) | 27% | 29% | |
| EBIT | 172.6 | 194.3 | -11% |
| EBIT Margin (%) | 25% | 28% | |
| Profit before tax | 128.1 | 162.1 | -21% |
| Profit after tax | 75.3 | 101.8 | -26% |
| Minority Interest | 16.2 | 36.5 | -56% |
| Adjusted PAT after minority interest | 59.1 | 65.3 | -10% |
| PAT margin (%) | 9% | 9% | |
| Basic EPS | 7.80 | 8.62 | |

9 Note: Revenue for FY15 includes Rs. 36 cr from sale of ready, commercial project (Alyssa) in Bengaluru



Balance Sheet Perspective

| Balance Sheet Snapshot (Rs. crore) | 31 st March, 2016 | 30 th September, 2015 |
|---------------------------------------|------------------------------|----------------------------------|
| Net Worth | 877 | 874 |
| Goodwill* | 113 | 35 |
| Gross debt | 593 | 405 |
| Cash & cash equivalents | 82 | 52 |
| Current Investments | 3 | 8 |
| Net debt** | 405 | 240 |
| Inventories | 1,738 | 1,486 |
| Net debt/Equity (x)** | 0.46 | 0.28 |

**Goodwill increased during Q3 on account of Corolla buy-out*

***Net debt figure given in the above table excludes convertible debentures in Tuscan and Kondhwa projects*

Growth Outlook

- ✦ Consolidate leadership position in a stable Pune market, which has strong employment/economic drivers and largely end user demand
 - ✦ Increase sales momentum on existing projects
 - ✦ To see higher profitability on launch of subsequent phases of established projects
- ✦ Focus will remain on execution, revenue trajectory to improve in FY17 as greater proportion of 100% owned projects come up for revenue recognition
- ✦ Seeing margin improvement on account of higher average realizations and tight operational cost controls
- ✦ Debt levels to remain within guided range as focus on collections will be maintained
- ✦ Increased contribution from asset-light Mumbai projects – to lead to ROCE expansion
- ✦ Continued focus on reducing finance cost utilizing credit rating (CRISIL A+/Stable)
- ✦ Focus on strengthening corporate governance practices and increasing organizational competencies

Details of Ongoing Projects – Q4 FY2016

| Projects | Saleable Area (msf.) | | | Location | Gross Details (including partner's share) | | | |
|---|----------------------|------------|-------------|-------------------------|---|-----------------------|--------------------------------|-----------------------|
| | Gross | KPDL | KPDL | | Area Sold (msf.) | Sales value (Rs. mn.) | Average Realization (Rs./sft.) | Collections (Rs. mn.) |
| Life Republic - Phase I | 4.0 | 45% | 1.8 | Hinjewadi, Pune | 0.05 | 297 | 5,533 | 329 |
| Life Republic - Phase I - R3 Avenue | | | | | | | | |
| Corolla - Phase I & II | 3.6 | 100% | 3.6 | Wagholi, Pune | 0.11 | 483 | 4,395 | 453 |
| Tuscan - Phase I & II | 0.8 | 51% | 0.4 | Kharadi, Pune | 0.02 | 134 | 6,696 | 132 |
| Allura - Phase I | | | | | | | | |
| Allura - Phase II (24K Glamore) | 0.6 | 75% | 0.4 | Undri - NIBM, Pune | 0.02 | 87 | 4,829 | 136 |
| Margosa Heights I, II & III | 1.0 | 50% | 0.5 | Mohamad Wadi, Pune | 0.01 | 42 | 4,163 | 142 |
| Downtown - Phase I & II | 1.32 | 51% | 0.7 | Kharadi, Pune | 0.03 | 241 | 7,743 | 342 |
| Glitterati 24K | 0.5 | 100% | 0.5 | Aundh Annexe, Pune | - | - | - | 2 |
| Green Olive Venture | | | | | | | | |
| City Centre | 0.2 | 60% | 0.1 | Hinjewadi, Pune | - | - | - | 10 |
| Cilantro | 0.04 | 50% | 0.0 | Wagholi, Pune | 0.01 | 27 | 4,079 | 8 |
| City Bay | 0.1 | 100% | 0.1 | Boat Club Road, Pune | 0.002 | 31 | 12,957 | 39 |
| Giga Residency | 0.4 | 100% | 0.4 | Viman Nagar, Pune | 0.015 | 202 | 13,702 | 105 |
| Wakad | 1.3 | 100% | 1.3 | Wakad, Pune | 0.13 | 818 | 6,324 | 143 |
| Jazz I (Glitterati II) & Jazz II (Opula) | 0.9 | 100% | 0.9 | Aundh, Pune | 0.03 | 165 | 6,185 | 196 |
| Atria | 0.2 | 100% | 0.2 | Aundh, Pune | - | - | - | - |
| Kondhwa | 1.0 | 100% | 1.0 | Kondhwa, Pune | 0.04 | 229 | 5,277 | 267 |
| Rutu Bavdhan (codename: Stargaze) | 0.5 | 62% | 0.3 | Bavdhan, Pune | 0.03 | 195 | 6,353 | 118 |
| 24k Sereno (DMA) | 0.6 | 100% | 0.6 | Baner, Pune | 0.02 | 149 | 6,904 | NA |
| KP Towers - Phase I (DMA) | 0.5 | 100% | 0.5 | Kothrud, Pune | 0.002 | 17 | 6,766 | NA |
| Total (Pune Projects) | 17.6 | | 13.4 | | 0.52 | 3,117 | 5,986 | 2,421 |
| Ragga | 0.65 | 100% | 0.7 | Hennur Road, Bengaluru | 0.003 | 14 | 4,528 | 11 |
| Mirabilis | 0.80 | 70% | 0.6 | Horamavu, Bengaluru | 0.03 | 120 | 4,625 | 29 |
| Exente | 0.59 | 100% | 0.6 | Hosur Road, Bengaluru | - | - | - | - |
| Total (Bengaluru Projects) | 2.0 | | 1.8 | | 0.03 | 133 | 4,615 | 40 |
| Link Palace Society | 0.02 | 100% | 0.0 | Khar (W), Mumbai | 0.005 | 250 | 52,474 | 92 |
| Jai-Vijay Society | 0.2 | 100% | 0.2 | Ville Parle (E), Mumbai | 0.011 | 255 | 24,034 | 56 |
| Total Mumbai Projects) | 0.2 | | 0.2 | | 0.015 | 506 | 32,843 | 148 |
| Goa | 0.1 | 73% | 0.1 | | - | - | - | - |
| Total (Pune + Bengaluru + Mumbai + Goa Projects) | 19.9 | 78% | 15.5 | | 0.57 | 3,756 | 6,648 | 2,609 |

12 Note: Collections do not include contribution from DMA projects

Details of Ongoing Projects - Till 31st March 2016

Gross Details (including partner's share)

| Projects | Saleable Area (msf.) | | | Location | Area Sold (msf.) | Sales value (Rs. mn.) | Average Realization (Rs./sft.) | Collections (Rs. mn.) |
|--|----------------------|------------|-------------|--------------------------|------------------|-----------------------|--------------------------------|-----------------------|
| | Gross | KPDL Share | KPDL Share | | | | | |
| Life Republic - Phase I | 4.0 | 45% | 1.8 | Hinjewadi, Pune | 3.48 | 15,392 | 4,426 | 12,748 |
| Life Republic - Phase I - R3 Avenue | | | | | | | | |
| Corolla - Phase I & II | 3.6 | 100% | 3.6 | Wagholi, Pune | 2.80 | 10,114 | 3,608 | 7,762 |
| Tuscan - Phase I & II | 0.8 | 51% | 0.4 | Kharadi, Pune | 0.60 | 3,304 | 5,468 | 2,785 |
| Allura - Phase I | 0.6 | 75% | 0.4 | Undri - NIBM, Pune | 0.60 | 2,743 | 4,560 | 2,448 |
| Allura - Phase II (24K Glamore) | | | | Undri - NIBM, Pune | | | | |
| Margosa Heights I, II & III | 1.0 | 50% | 0.5 | Mohamad Wadi, Pune | 1.02 | 3,883 | 3,804 | 3,447 |
| Downtown - Phase I & II | 1.32 | 51% | 0.7 | Kharadi, Pune | 1.12 | 6,508 | 5,815 | 4,677 |
| Glitterati 24K | 0.5 | 100% | 0.5 | Aundh Annexe, Pune | 0.48 | 2,418 | 5,078 | 2,300 |
| Green Olive Venture | | | | Hinjewadi, Pune | | | | |
| City Centre | 0.2 | 60% | 0.1 | Hinjewadi, Pune | 0.18 | 843 | 4,742 | 785 |
| Cilantro | 0.04 | 50% | 0.0 | Wagholi, Pune | 0.06 | 242 | 3,732 | 186 |
| City Bay | 0.1 | 100% | 0.1 | Boat Club Road, Pune | 0.06 | 556 | 9,671 | 477 |
| Giga Residency | 0.4 | 100% | 0.4 | Viman Nagar, Pune | 0.15 | 1,724 | 11,858 | 1,759 |
| Wakad | 1.3 | 100% | 1.3 | Wakad, Pune | 0.37 | 2,373 | 6,439 | 538 |
| Jazz I (Glitterati II) & Jazz II (Opula) | 0.9 | 100% | 0.9 | Aundh, Pune | 0.36 | 2,372 | 6,616 | 1,024 |
| Atria | 0.2 | 100% | 0.2 | Aundh, Pune | 0.03 | 200 | 6,330 | 120 |
| Kondhwa | 1.0 | 100% | 1.0 | Kondhwa, Pune | 0.76 | 3,861 | 5,110 | 1,947 |
| Rutu Bavdhan (codename: Stargaze) | 0.5 | 62% | 0.3 | Bavdhan, Pune | 0.32 | 2,063 | 6,537 | 570 |
| Alyssa | 0.04 | 100% | 0.0 | Richmond Road, Bengaluru | 0.04 | 360 | 8,281 | 360 |
| Ragga | 0.65 | 100% | 0.7 | Hennur Road, Bengaluru | 0.36 | 1,226 | 3,394 | 819 |
| Mirabilis | 0.80 | 70% | 0.6 | Horamavu, Bengaluru | 0.35 | 1,607 | 4,576 | 379 |
| Exente | 0.59 | 100% | 0.6 | Hosur Road, Bengaluru | 0.01 | 68 | 4,800 | 2 |
| Link Palace | 0.02 | 100% | 0.0 | Khar (W), Mumbai | 0.01 | 708 | 47,261 | 332 |
| Jay Vijay Society | 0.2 | 100% | 0.2 | Ville Parle (E), Mumbai | 0.03 | 573 | 22,673 | 178 |
| Goa | 0.1 | 73% | 0.1 | Vasco, Goa | 0.01 | 43 | 4,049 | 17 |
| 24k Sereno (DMA) | 0.6 | 100% | 0.6 | Baner, Pune | 0.12 | 755 | 6,514 | |
| KP Towers (DMA) | 0.5 | 100% | 0.5 | Kothrud, Pune | 0.05 | 587 | 10,785 | |
| Total | 20.0 | 78% | 15.5 | | 13.37 | 64,523 | 4,826 | 45,660 |

13 Note: Collections do not include contribution from DMA projects



Revenue Recognized in Key Projects – Q4 FY16

| Projects (Rs. Crore) | KPDL Revenue Recognized | | | | |
|-------------------------|-------------------------|------------|------------|------------|------------|
| | Q4 FY15 | Q1 FY16 | Q2 FY16 | Q3 FY16 | Q4 FY16 |
| Life Republic - Phase I | 0 | 6 | 11 | 12 | 15 |
| Corolla | 5 | 6 | 11 | 31 | 36 |
| Tuscan - Phase I & II | 11 | 7 | 7 | 7 | 8 |
| Margosa Heights I & II | 11 | 6 | 5 | 13 | 14 |
| Downtown - Phase I | 66 | 31 | 31 | 17 | 21 |
| Three Jewels | 23 | 57 | 36 | 33 | 24 |
| Allura | 11 | 22 | 6 | 6 | 18 |
| Glitterati 24K | 0 | 3 | 0 | 1 | 0 |
| City Bay | 0 | 0 | 0 | 4 | 0 |
| Green Olive | 5 | 1 | 0 | 0 | 0 |
| Giga Residency | 22 | 7 | 13 | 13 | 14 |
| Stargaze | 0 | 5 | 7 | 6 | 5 |
| Jazz I (Glitterati II) | 9 | 12 | 14 | 13 | 10 |
| Jazz II (Opula) | - | - | - | - | 15 |
| Other projects | 0 | 15 | 13 | 8 | 10 |
| Total | 161 | 176 | 155 | 165 | 190 |

Forthcoming Projects / Future Development Potential

| Forthcoming Projects | Saleable Area (msf.) | | |
|----------------------|----------------------|------------|------------|
| | Gross | KPDL Share | KPDL Share |
| Life Republic Ph II | 2.0 | 45% | 0.9 |
| 24K Province | 0.4 | 100% | 0.4 |
| Wakad | 1.3 | 100% | 1.3 |
| Kondhwa Phase 3 | 0.4 | 100% | 0.4 |
| Stargaze Phase 2 | 0.6 | 62% | 0.4 |
| Downtown | 0.5 | 51% | 0.2 |
| Corolla Phase 3 | 1.3 | 100% | 1.3 |
| Total | 6.4 | 78% | 4.8 |

| Forthcoming Projects | Saleable Area (msf.) | | |
|--------------------------------|----------------------|------------|-------------|
| | Gross | KPDL Share | KPDL Share |
| Sanjivani Township, Urse, Pune | 15.0 | 50.50% | 7.6 |
| Life Republic - Phase III | 2.9 | 45.00% | 1.3 |
| Ghotawade, Pune | 3.2 | 50% | 1.6 |
| Sadapur, Lonavala | 4.0 | 33.30% | 1.3 |
| Lohgad, Lonavala | 0.2 | 33.30% | 0.1 |
| Aundh, Pune | 1.0 | 100% | 1.0 |
| Kalyani Nagar | 0.6 | 100% | 0.6 |
| Boat Club Road, Pune | 0.3 | 100% | 0.3 |
| Mumbai Projects | 0.5 | 100% | 0.5 |
| Total | 27.7 | 50% | 13.8 |

Note: Saleable area based on current FSI norms and subject to change

About Kolte-Patil Developers Ltd.

Kolte-Patil Developers Ltd. (BSE: 532924, NSE: KOLTEPATIL), incorporated in 1991, is a leading real estate company with dominant presence in the Pune residential market. Kolte-Patil is a trusted name with a reputation for high quality standards, design uniqueness, transparency and the delivery of projects in a timely manner. The company has developed and constructed over 50 projects including residential complexes, commercial complexes and IT Parks covering a saleable area of ~12 million square feet across Pune and Bengaluru.

Kolte-Patil markets its projects under two brands: 'Kolte-Patil' (addressing the mid-income segment) and '24K' (addressing the premium luxury segment). The Company has executed projects in multiple segments – standalone residential buildings and integrated townships. Several of the company's projects have been certified by the Indian Green Building Council (IGBC).

Consolidating its leadership position in Pune, the company forayed into the Mumbai market in 2013 focusing on low capital intensive society re-development projects. The company has already signed six projects till date at prime locations across the city.

The Company's long-term bank debt and non-convertible debentures have been rated 'A+ / Stable' by CRISIL, the highest rating accorded by CRISIL to any publicly listed residential real estate player in India.

For more details on Kolte-Patil Developers Ltd., visit www.koltepatil.com.

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