

Q3 & 9M FY2015 Results Presentation

Kolte-Patil Developers Limited



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CEO's Message

Commenting on the performance for Q3 & 9M FY2015, Mr. Sujay Kalele, CEO, Kolte-Patil Developers Ltd. said,



"We continue to sustain our sales momentum recording an 46% YoY increase in our pre-sales to 0.64 msf. We sold 439 units during the quarter – almost five units a day. This takes our pre-sales to 1.9 msf. in the 9M FY15, higher by 38% in volume terms and 48% in value terms to Rs. 1,077 crore. We have also seen a healthy ~30% sequential uptick in our collections this quarter to Rs. 260 crore which is highly encouraging.

Projects launched earlier this year in Pune continue to perform well, especially Three Jewels at Kondhwa where sales have been strong and we have been able to achieve significant price appreciation within a short time period, testimony to the success of our pan-Maharashtra marketing strategy. In Bengaluru, the sales momentum has been stable and we have been able to effect the sale of our Alyssa project (~40,000 sft.) on Richmond road during the quarter which was a big positive.

In Mumbai, we commenced the execution of our Link Palace project on Khar-Linking road in December, in line with our guidance. Further, we are happy to announce three more wins in the Western suburbs of Mumbai in Khar (W), Malad (W) and Goregaon (W), taking the total tally to six redevelopment projects in Mumbai with a saleable area of ~0.6 million sft. and establishing ourselves as one of the largest listed real estate developers in the society redevelopment space. We will continue to expand in Mumbai through suitable redevelopment projects.

We are excited as we enter into 2015 with a new, revamped way of engaging our customers and channel partners with the launch of our mobile application – initiatives like these will help us improve the level of transparency and engagement and take our connect with the customers and channel partners to a new level. Going forward, one should expect to see more such consumer-friendly initiatives from our end.

The RBI's recent rate cut signals turn of the economic cycle and bodes well for the sector going forward. We expect to see a significant uptick in our revenue and profit trajectory going forward as we continue to execute to the strategic vision we have laid out."

Business updates in Q3 FY2015

New Sales Bookings / Collections

- Recorded 0.64 msf. of new sales bookings aggregating to 439 units
- New sales value of Rs. 389.6 crore
- Average price realization (APR) at Rs. 6,090/sft.
 - APR for Pune at Rs. 6,034/sft.
 - APR for Mumbai at Rs. 21,671/sft.
- Healthy pick up in collections which stood at Rs. 260 crore
- 9M FY15 pre-sales at 1.9 msf., higher by 38% in volume terms and 48% in value terms to Rs. 1,077 crore; collections strong at Rs. 652 cr

Pune Update

- Strong sales momentum at Three Jewels, Katraj-Kondhwa, continues with significant price appreciation since initial launch
- Launch of 24K project, Atria (0.2 msf.), in Aundh in Q3 FY15
- Collaborated with Talwalkars Club for a leisure club, at par with global benchmarks, for our residential project at Wakad in Pune
- Introduced a new, revamped way of engaging customers and channel partners in a more efficient, transparent manner through the launch of our mobile app

Bengaluru Update

- Sold commercial project, Alyssa, on Richmond road for a consideration of Rs. 36 crore during the quarter

Mumbai Update

- Tenants have been vacated at Link Palace and execution has commenced
- In early January 2015, added three further projects in western suburbs taking total tally in Mumbai to six projects encompassing ~0.6 msf. saleable area (KPDL share)

NCD Issue

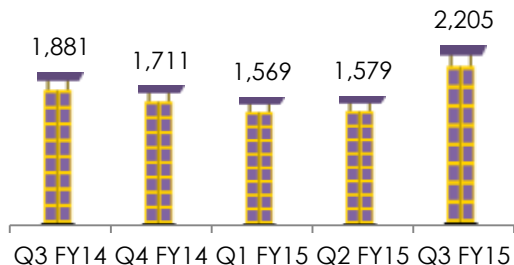
- Completed maiden NCD issue during the quarter – amounting to Rs. 70 crore - to bring down cost of borrowing going forward
- First tranche of Rs. 40 crore closed on 11 Dec 2014 and second tranche of Rs. 30 crore closed on 16 Jan 2015

Financial Performance – Q3 FY15

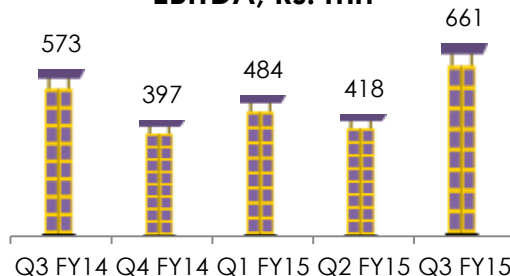
- Gradual uptick in revenues to Rs. 220 crore, up 17% YoY and 40% QoQ
- To see gradual recovery going forward driven by contribution from recently launched projects (Jazz, Kondhwa, Bavdhan, Giga Residency)
- EBITDA up 15% YoY (up 54% QoQ) to Rs. 67 crore
- PAT down 3% YoY (up 55% QoQ) to Rs. 20 crore

Performance Highlights

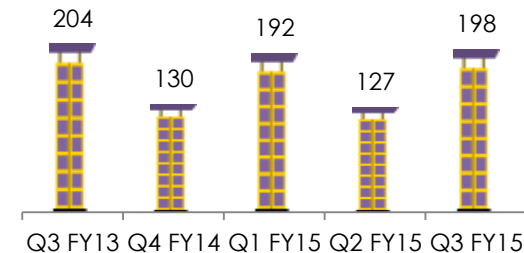
Revenue, Rs. mn



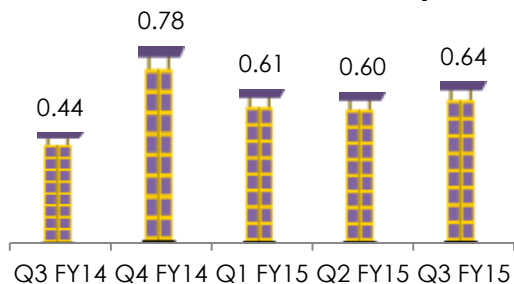
EBITDA, Rs. mn



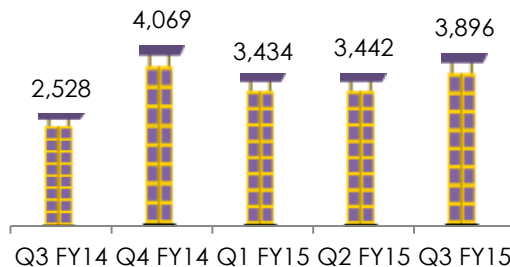
PAT, Rs. mn



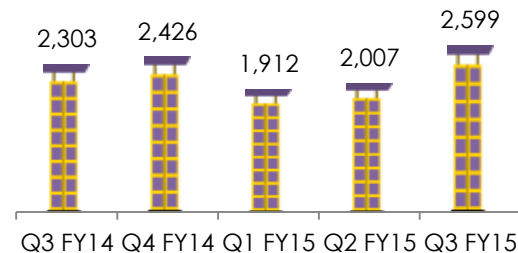
Sales Volume, million sq. ft



Sales value, Rs. mn

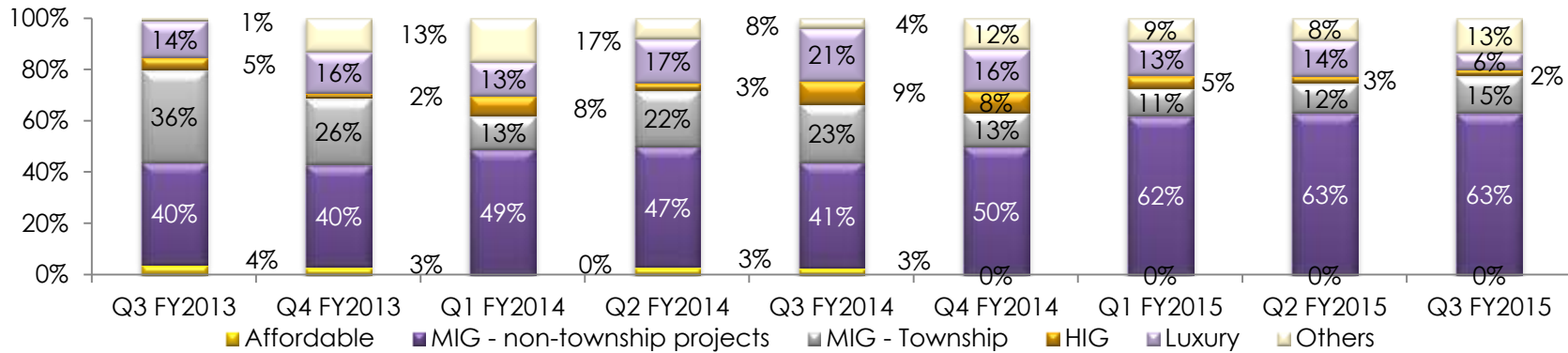


Total Collections, Rs. mn

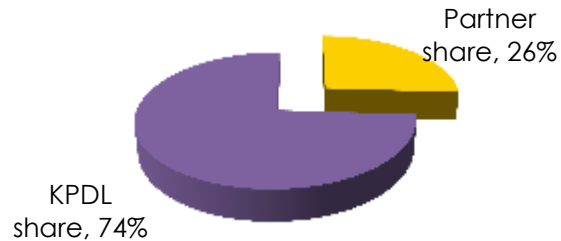


New Sales Analysis – Q3 FY15

msf. 0.50 0.48 0.44 0.45 0.44 0.79 0.61 0.60 0.64



Split by share – Q3 FY15 (%)



Profit and Loss Snapshot – Q3 FY15 vs Q3 FY14

P&L Snapshot (Rs. crore)	Q3 FY2015	Q3 FY2014	YoY (%)
Total operating income	220.5	188.1	17.2%
Total Expenses	157.1	132.2	18.9%
EBITDA	66.1	57.3	15.4%
EBITDA Margin (%)	30.0%	30.4%	
EBIT	63.4	56.0	13.3%
EBIT Margin (%)	28.7%	29.8%	
Profit before tax	51.4	45.9	12.1%
Profit after tax	33.0	30.1	9.8%
Minority Interest	13.3	9.7	36.8%
Adjusted PAT after minority interest	19.8	20.4	-3.0%
PAT margin (%)	9.0%	10.8%	
Basic EPS	2.61	2.69	

Profit and Loss Snapshot – 9M FY15 vs 9M FY14

P&L Snapshot (Rs. crore)	9M FY2015	9M FY2014	YoY (%)
Total operating income	535.3	593.1	-9.7%
Total Expenses	386.4	417.0	-7.3%
EBITDA	156.3	181.2	-13.7%
EBITDA Margin (%)	29.2%	30.5%	
EBIT	148.8	176.1	-15.5%
EBIT Margin (%)	27.8%	29.7%	
Profit before tax	123.8	152.6	-18.8%
Profit after tax	80.0	101.8	-21.4%
Minority Interest	28.3	22.8	24.1%
Adjusted PAT after minority interest	51.7	79.0	-34.6%
PAT margin (%)	9.7%	13.3%	
Basic EPS	6.58	10.42	

Balance Sheet Perspective

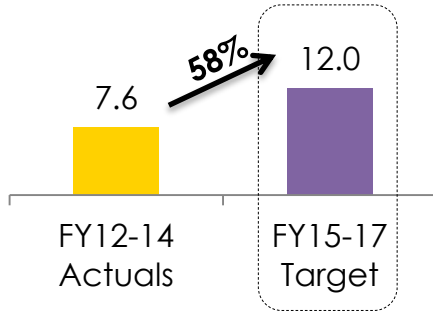
Balance Sheet Snapshot (Rs. crore)	31 st December, 2014	30 th September, 2014	31 st March, 2014
Net Worth	849	832	806
Gross debt	343	338	337
Cash & cash equivalents	27	57	70
Current Investments	40	32	15
Net debt**	159	133	136
Inventories	1,326	1,306	1,269
Net debt/Equity (x)**	0.19	0.16	0.17
ROE (%)	7.6%	7.9%	11.4%
ROCE (%)	15.6%	15.3%	18.7%

****Net debt figure given here excludes debentures of Rs. 116 crore (Rs. 34 crore in Tuscan and Rs. 82 crore in Kondhwa)**

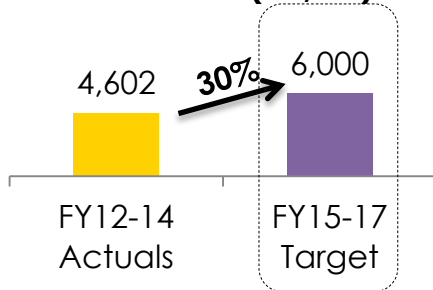
Note - ROE = PAT/Networth; ROCE = EBIT/Capital Employed; ROE, ROCE are calculated on a TTM basis

3 Year Growth Outlook – FY2015-17

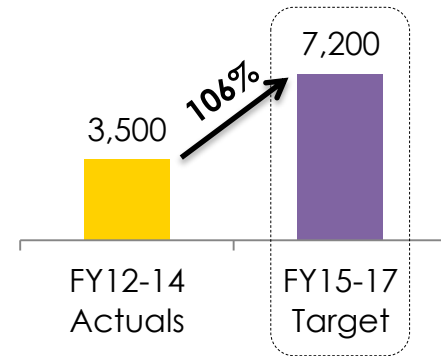
Sales volumes (msf.)



Average Price Realization (Rs./sff.)



Sales Value (Rs. crore)



3 Year Growth Outlook – FY2015-17

- ✚ Consolidate stronghold in a stable Pune market driven by strong employment and economic drivers
- ✚ Building brand presence in Bengaluru – increased contribution through activation of all projects in pipeline
- ✚ In Mumbai, add new projects in the redevelopment space while launching projects won last year
- ✚ To support significant volume growth owing to large number of project launches, Board has sanctioned a net debt to equity between 0.2-0.5x – approach to remain conservative based on future cash flow visibility
- ✚ Focus on reducing finance cost utilizing maiden credit rating (CRISIL A+/Stable)
- ✚ Leverage strong brand and execution capabilities to enter into Development Management Agreements (DMAs) in Pune and other regions
- ✚ Focus on strengthening corporate governance practices and increasing organizational competences through technology enablement and people training

Details of Ongoing Projects – Q3 FY2015

Gross Details (including partner's share)

Projects	Saleable Area (msf.)			Location	Area Sold (msf.)	Sales value (Rs. mn.)	Average Realization (Rs./sq.ft.)	Collections (Rs. mn.)
	Gross	KPDL	KPDL					
Life Republic - Phase I	2.6	45%	1.2	Hinjewadi, Pune	0.09	543	5,756	472
Life Republic - Phase I - R3 Avenue	0.4	45%	0.2					
Corolla - Phase I & II	3.6	37%	1.3	Wagholi, Pune	0.04	234	5,256	180
Tuscan - Phase I & II	0.8	51%	0.4	Kharadi, Pune	0.02	113	7,042	70
Allura - Phase I	0.3	75%	0.2		0.00	0	-	49
Allura - Phase II (24K Glamore)	0.3	75%	0.2	Undri - NIBM, Pune	0.02	101	5,520	111
Margosa Heights I, II & III	0.9	50%	0.5	Mohamad Wadi, Pune	0.04	177	4,653	119
Downtown - Phase I & II	1.8	51%	0.9	Kharadi, Pune	0.04	249	6,406	466
Glitterati 24K	0.5	100%	0.5	Aundh Annexe, Pune	0.01	37	7,325	14
Green Olive Venture	0.1	60%	0.1	Hinjewadi, Pune	0.00	23	6,228	81
City Centre	0.1	60%	0.1	Hinjewadi, Pune	0.01	38	7,527	1
Cilantro	0.04	50%	0.0	Wagholi, Pune	0.01	23	4,169	17
City Bay	0.1	100%	0.1	Boat Club Road, Pune	0.01	96	12,629	77
Giga Residency	0.4	100%	0.4	Viman Nagar, Pune	0.004	38	10,494	0
Wakad	2.3	100%	2.3	Wakad, Pune	0.10	630	6,351	139
Jazz I & II	0.9	100%	0.9	Aundh, Pune	0.02	146	6,954	62
Atria	0.2	100%	0.2	Aundh, Pune	0.02	147	6,531	108
Kondhwa	1.4	100%	1.4	Kondhwa, Pune	0.06	310	5,105	156
Rutu Bavdhan (codename: Stargaze)	1.1	62%	0.7	Bavdhan, Pune	0.03	168	6,668	32
Total (Pune Projects)	17.6		11.4		0.51	3,071	6,034	2,152
Ragga	0.7	100%	0.7	Hennur Road, Bengaluru	0.02	56	3,604	53
Alyssa	0.04	100%	0.0	Richmond Road, Bengaluru	0.04	360	8,281	360
Mirabilis	0.9	70%	0.6	Horamavu, Bengaluru	0.07	337	4,728	9
Total (Bengaluru Projects)	1.6		1.3		0.13	753	5,780	422
Link Palace Society	0.02	100%	0.0	Khar (W), Mumbai	0.00	0	-	7
Jai-Vijay Society	0.2	100%	0.2	Ville Parle (E), Mumbai	0.003	71	21,671	18
Total Mumbai Projects	0.2		0.2		0.00	71	21,671	24
Total (Pune + Bengaluru + Mumbai Projects)	19.6	66%	13.0		0.64	3,896	6,063	2,599

Details of Ongoing Projects - till 31st December 2014

Gross Details (including partner's share)

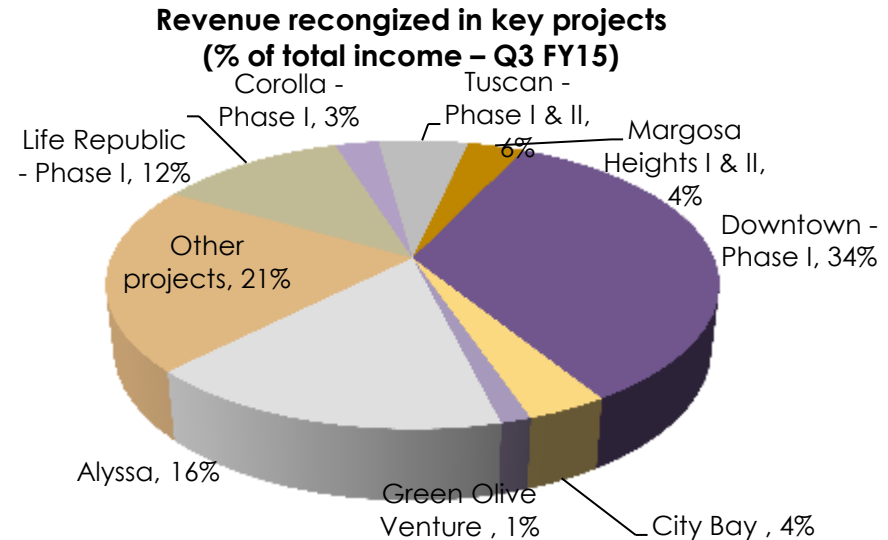
Projects	Saleable Area (msf.)			Location	Area Sold (msf.)	Sales value (Rs. mn.)	Average Realization (Rs./sft.)	Collections (Rs. mn.)
	Gross	KPDL Share	KPDL Share					
Life Republic - Phase I	2.6	45%	1.2	Hinjewadi, Pune				
Life Republic - Phase I - R3 Avenue	0.4	45%	0.2	Hinjewadi, Pune	3.03	12,801	4,221	10,851
Corolla - Phase I	3.6	37%	1.3	Wagholi, Pune	2.07	6,738	3,253	6,058
Tuscan - Phase I & II	0.8	51%	0.4	Kharadi, Pune	0.51	2,674	5,223	2,233
Allura - Phase I	0.3	75%	0.2	Undri - NIBM, Pune	0.27	1,179	4,336	1,401
Allura - Phase II (24K Glamore)	0.3	75%	0.2	Undri - NIBM, Pune	0.23	1,091	4,686	532
Margosa Heights I, II & III	0.9	51%	0.5	Mohamad Wadi, Pune	0.92	3,396	3,711	2,938
Downtown - Phase I & II	1.8	51%	0.9	Kharadi, Pune	0.86	4,744	5,522	3,102
Glitterati 24K	0.5	100%	0.5	Aundh Annexe, Pune	0.47	2,364	5,009	2,227
Green Olive Venture	0.1	60%	0.1	Hinjewadi, Pune	0.12	485	4,057	525
City Centre	0.1	60%	0.1	Hinjewadi, Pune	0.05	284	5,998	198
Cilantro	0.0	50%	0.0	Wagholi, Pune	0.05	166	3,603	143
City Bay	0.1	100%	0.1	Boat Club Road, Pune	0.06	525	9,527	387
Giga Residency	0.4	100%	0.4	Viman Nagar, Pune	0.08	640	8,256	196
Wakad	2.3	100%	2.3	Wakad, Pune	0.20	1,297	6,526	360
Jazz I & II	0.9	100%	0.9	Aundh, Pune	0.18	1,168	6,457	356
Atria	0.2	100%	0.2	Aundh, Pune	0.02	147	6,531	108
Kondhwa	1.4	100%	1.4	Kondhwa, Pune	0.45	2,197	4,912	410
Stargaze (renamed Rutu Bavdhan)	1.1	62%	0.7	Bavdhan, Pune	0.14	904	6,420	131
Ragga	0.7	100%	0.7	Hennur Road, Bengaluru	0.33	1,088	3,324	627
Alyssa	0.04	100%	0.0	Richmond Road, Bengaluru	0.04	360	8,281	360
Mirabilis	0.9	70%	0.6	Horamavu, Bengaluru	0.17	752	4,406	39
Link Palace	0.02	100%	0.02	Khar (W), Mumbai	0.00	152	34,574	74
Jay Vijay Society	0.2	100%	0.2	Ville Parle (E), Mumbai	0.01	191	21,102	56
Goa	0.1	73%	0.1		0.01	28	4,067	1
Total	19.6	66%	13.0		10.26	45,370	4,420	33,315



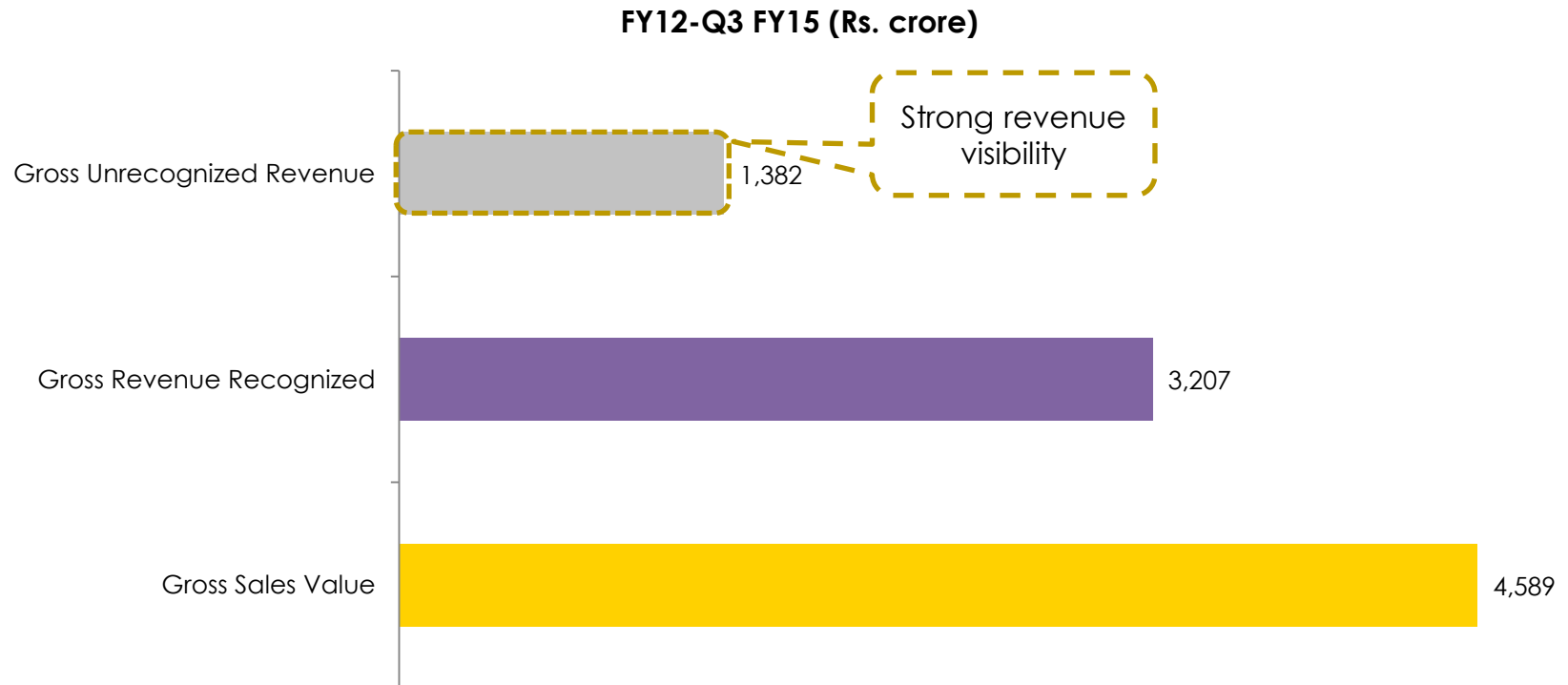
Revenue Recognized in Key Projects – Q3 FY15

Projects	KPDL Revenue Recognized (Q1 FY15)	KPDL Revenue Recognized (Q2 FY15)	KPDL Revenue Recognized (Q3 FY15)
Life Republic - Phase I	27	34	26
Corolla - Phase I	8	8	6
Tuscan - Phase I & II	31	15	13
Margosa Heights I & II	12	15	8
Downtown - Phase I	18	33	75
Glitterati 24K	7	3	0
City Bay	6	0	8
Green Olive Venture	1	0	3
Alyssa	0	0	36
Other projects	47	50	46
Total	157	158	220

Revenue in Rs. crore



Strong Revenue Visibility



Note – These are gross numbers including partner's share - ~80-85% will be recognized in KPD L books



Strong Revenue Visibility

Projects	Cumulative Revenues Recognized (FY12 - Q3 FY15)	Cumulative Sales Value (FY12 - Q3 FY15)	Gross Revenue to be Recognized
Life Republic - Phase I	1,050	1,280	231
Corolla - Phase I	534	673	139
Tuscan - Phase I & II	218	267	50
Margosa Heights I & II	254	340	86
Downtown - Phase I	329	474	145
Glitterati 24K	214	237	23
City Bay	46	53	7
Green Olive Venture	43	48	5
Kondhwa	0	220	220
Jazz I & II	0	117	117
Other projects	601	880	279
Total	3,207	4,589	1,382

Rs. crore

Note – These are gross numbers including partner's share - ~80-85% will be recognized in KPDL books

Details of Forthcoming Projects

Projects	Saleable Area (msf.)	Location	KPDL Share (%)	KPDL Share (msf.)	Land cost (Rs. mn.)	Approval Status/Expected date of launch
Life Republic - Phase II	6.9	Hinjewadi, Pune	45%	3.1	3,400	<ul style="list-style-type: none"> •Received LC in Mar-14 •Launch expected in H2 FY15
Sanjivani Township Phase I	6.0	Urse, Pune	50.5%	3.0	500	<ul style="list-style-type: none"> •Launch targeted by Q1 FY16
Corolla - Phase III	1.8	Wagholi, Pune	37%	0.7	946	<ul style="list-style-type: none"> •SEAC approved
Glitterati II	0.3	Aundh, Pune	100%	0.3	375	<ul style="list-style-type: none"> •Launch expected in FY16
Green Olive - Phase II	0.1	Hinjewadi, Pune	60%	0.1	25	<ul style="list-style-type: none"> •Launch expected in FY16
The Classique	0.2	Kormanagala, Bengaluru	100%	0.2	130	<ul style="list-style-type: none"> •Launch expected in FY16
Hosur Road	0.6	Bengaluru	100%	0.6	600	<ul style="list-style-type: none"> •Launch expected in FY16
Jay-Vijay Society	0.2	Ville Parle (E), Mumbai	100%	0.2	NA	<ul style="list-style-type: none"> •Launch expected by Q4 FY15
Jumbo Darshan	0.1	Anderi (E), Mumbai	100%	0.1	NA	<ul style="list-style-type: none"> •Launch expected by Q4 FY15
Total (msf.)	16.2			8.2	5,976	

**This is the land cost for all phases of a particular project
 Note: Pre-sales at Jay-Vijay Society have already commenced*

Future Development Potential

Project	Title/MOU/DAPA /Saledeed/JV	Area (msf.)	KPDL Share (%)	KPDL Share (msf.)	Comment
Sanjivani Township, Urse, Pune Phase II	JV	9.0	50.5%	4.5	<ul style="list-style-type: none"> •50.5% profit sharing JV with Sanjivani Remedies, a Pune based Pharma firm
Ghotawade, Pune	JV	3.2	50%	1.6	<ul style="list-style-type: none"> •JV with a petroleum company •Awaiting zone clearance from the Department of Urban Development
Sadapur, Lonavala	JDA	4.0	33.30%	1.3	<ul style="list-style-type: none"> •Target launch of residential project in 2015
Lohgad, Lonavala	JDA	0.2	33.30%	0.1	<ul style="list-style-type: none"> •At the design drawing level
Aundh, Pune	JV	1.0	100%	1.0	<ul style="list-style-type: none"> •Not under approval stage for next one year
Kalyani Nagar	Owned	0.6	100%	0.6	<ul style="list-style-type: none"> •Not under approval stage for next one year
Boat Club Road, Pune	Sale deed	0.3	100%	0.3	<ul style="list-style-type: none"> •Not under approval stage for next one year
Total		18.3		9.4	

About Kolte-Patil Developers Ltd.

Kolte-Patil Developers Ltd. (BSE:532924, NSE: KOLTEPATIL) is a leading Pune-based real estate company incorporated in 1991. Kolte-Patil is a well-reputed, 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 48 projects including 35 residential complexes, 9 commercial complexes, and 4 information technology parks covering a saleable area (KPD share) of over 10 million square feet across Pune and Bengaluru.

The company has been accredited in the real estate and construction industry with an ISO 9001 (2008 series) certification since May 2002. The company has also fostered several long-term relationships with major financial institutions like ICICI Ventures and Yatra Capital, development and strategic partners like Portman Holdings, construction partners like ANC Holdings (Dubai), real estate funds like ASK and individual investors as joint venture partners and co-investors in future projects. These partnerships are in line with the core strategy of equity led expansion, improve levels of corporate governance, increase sourcing and execution capabilities, help de-risk large scale project execution and facilitate expansion in newer markets.

Consolidating its leadership position in the Pune real estate market, the Company is expanding in the high demand Bengaluru market, leveraging 19 years of presence in this market. The company has also recently forayed into the Mumbai market where the initial market entry focus will be on low risk society re-development projects. The Mumbai foray is a long term strategy for the Company which will facilitate margin expansion going forward and reduce its working capital cycle.

The Company also believes in following best-in-class practices across every corporate decision. These include fairness in corporate practices, strong internal controls, managerial remuneration closely linked with earnings, maintaining conservative accounting practices and upholding minority shareholder interest across every decision. The Company has appointed Deloitte and KPMG as statutory and internal auditors respectively.

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