



KOLTE-PATIL DEVELOPERS LIMITED

Q2 FY2019 Results
Presentation

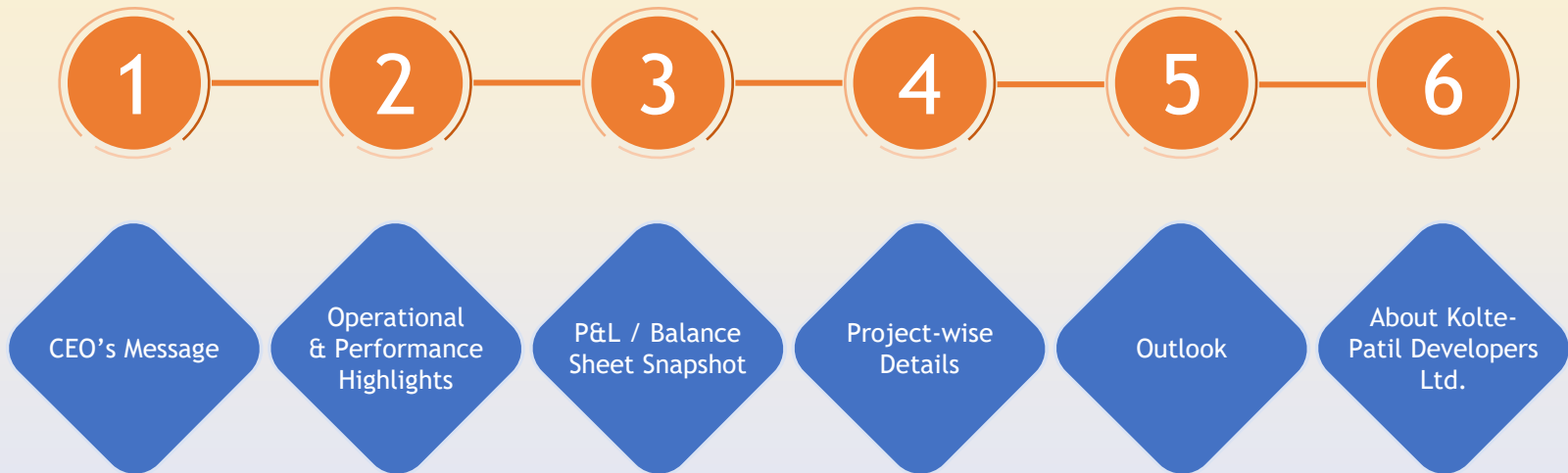
Disclaimer

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.

Kolte-Patil Developers Limited (KPDL) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances



Table of Contents



Kolte-Patil Developers: At a Glance

#1

Residential real estate player in Pune

(Awarded as Most Reputed Brand in Pune)

>15_{MSF}

of units delivered across Pune, Bengaluru and Mumbai

2+

Decades of presence being incorporated in 1991

18.4%

ROCE - one of the highest in the industry

Pipeline

30 million square feet of projects under execution and approval

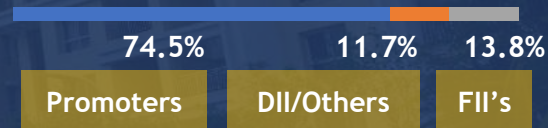
A+/Stable

Highest rated residential player By CRISIL

NSE/BSE Listed

IPO in Dec 2007

Shareholding



Diversifying Presence

Mumbai and Bengaluru expected to grow to ~25% of sales by 2020

Key Investors

1. Pabrai Funds - 7.6%
2. Goldman Sachs - 4.3%



Impact of Application of IND AS-115

- ≈ MCA (Ministry of Corporate Affairs, Government of India) notified IND-AS 115 (Revenue from Contracts with Customers) on 28th March 2018, applicable for the sector beginning on or after 1st April 2018
- ≈ In the erstwhile accounting standards coupled with the guidance note of ICAI (Institute of Chartered Accounts of India), revenue used to be recognized based on Percentage of completion method (POCM)
- ≈ As per AS-115, Revenue shall be recognised when the entity transfers the control of goods or services to the customer. In other words, entity shall “satisfy its performance obligation” to the customer to recognise the revenue. “Satisfying the performance obligation” in the context of real estate industry means, completion of all obligations by a developer and intimating the customers our readiness for handing over the unit
- ≈ The Group has applied the modified retrospective approach to contracts that were not completed as of April 1, 2018. The transitional adjustment of Rs. 217 crore [net of deferred tax] has been adjusted against opening balance of retained earnings in accordance with the requirements of IND AS 115 based on performance obligation satisfied at a point in time.
- ≈ There is no impact on agreements with our customers and the consequent cash flows which continue to be robust



Commenting on the performance for Q2 FY2019, Mr. Gopal Sarda, Group CEO, Kolte-Patil Developers Limited said:

"We are delighted to announce that in line with our stated guidance, we have seen an acceleration in our sales trajectory this quarter, reporting a strong uptick of 31% YoY and 65% QoQ in sales volumes to 0.77 million square feet in Q2 FY19. With the shift to the new accounting standard based on completion of contracts, revenue and profit numbers are not directly comparable with previous periods, our focus has remained on key operational metrics that govern our business - sales, cash flows and collections - and we have delivered strong performance on these parameters during Q2 & H1 FY19.

Customer collections have remained robust at Rs. 294 crore, up 48% YoY and expect further acceleration towards the end of the year with several upcoming handovers. Mumbai and Bengaluru accounted for 18% of overall collections. On a trailing twelve month basis, collections are up 32% YoY to Rs. 1,261 crore. As a result, net debt has remained stable QoQ while seeing a ~Rs. 150 crore reduction since last September. Focus on driving operational efficiencies and refinancing our borrowings has resulted in reduction in our average cost of funds by over 300 bps since FY16 to 10.4% now.

We have seen a revival in demand at our flagship township project 'Life Republic' on the back of the success we have had at ORO Avenue, where we sold 500 units since the launch in Aug '18. ORO Avenue has sold maximum inventory in a short span amongst all competing projects in Pune. We generated interest from customers not only from Pune but also from Mumbai, rest of Maharashtra as well as NRIs. We look forward to building on this momentum in the months ahead as subsequent sectors get launched during the course of the year. We are further enthused by the response to the teaser campaign for the last phase of our Ivy Estate project in Wagholi - 'Ivy Nia' project wherein we have recorded sales of 200 units, providing a value-for-money offering at an all inclusive price of Rs. 27.75 L (for 1 BHK) and Rs. 37.10 L (for 2 BHK). We are confident of delivering further momentum at this location with the full-fledged launch in Nov'18.

Other projects that contributed to the sales volumes this quarter were Stargaze, Downtown, Western Avenue and Opula. We expect Mumbai projects, Om Shree Gokul and Sagar Vaibhav to pick up in the second half of FY19 where we have secured most of the requisite approvals. Bengaluru also will witness the launch of 24K Grazzio at Kormangala in H2 FY19.

We are confident of sustaining our strong growth momentum on the back of the robust pipeline of new launches to the tune of ~2.5 msf in H2, and reiterate our sales guidance of achieving between 2.5 to 3 msf volumes in FY19. We maintain our focus on customer-centricity and execution with healthy deliveries of 1.02 msf. in H1 FY19 and expect further completion of ~3 msf ready for deliveries over the next 6-9 months across key micro-markets within Pune, Mumbai and Bengaluru. To conclude, we are driving operational excellence with 360 degree progress across sales, collections, success of new launches, approvals, pipeline and upcoming deliveries. We are well-positioned to deliver another year of record performance across key operational parameters and provide us the momentum to achieve further milestones in the medium to long term."

Robust Momentum in Customer Collections

7

- ≈ Sustained collection momentum in Q2 FY19, up 48% YoY to Rs. 294 crore
- ≈ Trailing twelve month collections at Rs. 1,261 crore, up 32% YoY
- ≈ Mumbai and Bengaluru contributed to 18% of the overall collections in Q2 FY19
- ≈ Collections trajectory to remain strong on the back of healthy launch pipeline and planned deliveries in H2 FY19

Collections (Rs. Crore)



Operational Highlights

New area sales	Q2 FY19	Q2 FY18	YoY	H1 FY19	H1 FY18	YoY
Volume (million sq. ft.)	0.77	0.59	30.8%	1.23	0.99	23.6%
Value (Rs. million)	3,998	3,337	19.8%	6,588	5,911	11.4%
Realization (Rs./Sq. ft.)	5,223	5,703	-8.4%	5,356	5,944	-9.9%
Collections (Rs. million)	2,940	1,988	47.9%	6,033	4,519	33.5%

≈ Strong uptick in quarterly sales run-rate of 25% YoY and 67% QoQ to 0.77 million square feet

- Driven by success of newly launched project 'ORO Avenue' at Life Republic which received a massive response since launch in August '18
- Ivy Estate, Stargaze, Bengaluru, Downtown, Western Avenue and Opula projects were other key contributors to sales volumes

≈ Significant uptick expected in H2 FY19 on the back of a slew of launches to the tune of ~2.5 msf

- Ivy Estate - 0.82 msf, Stargaze - 0.60 msf, Western Avenue - 0.35 msf, Tuscan - 0.2 msf, Life Republic - 0.75 msf
- Teaser campaign at Ivy Nia in Wagholi witnessed good response with sale of 200 units

- Om Shree Gokul and Sagar Vaibhav in Mumbai expected to see an uptick in H2 FY19 under the asset-light society redevelopment route - projects are at advanced stage of approvals
- Bengaluru also to witness launch of 24K Grazzio at Kormangala (0.2 msf)

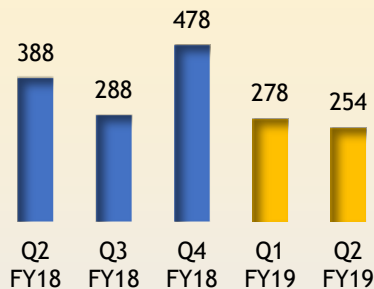
≈ Average realization is down on account of change in product with greater contribution from township project (MIG+Township contribution at 87% in Q2 FY19 as compared to 75% in Q2 FY18 and 69% in Q1 FY19)

≈ Delivered 1.02 msf (1,074 units) for possession in H1 FY19 at Ivy Estate, Stargaze, Life Republic, Tuscan and Raaga-I

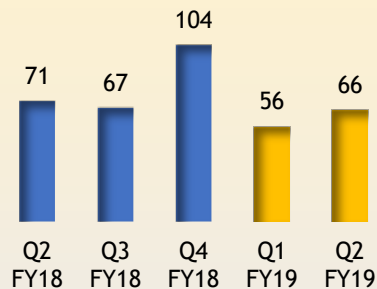
- Expecting further completion of ~3 msf ready for deliveries over the next 6-9 months, which includes completion of another 1 msf in Bengaluru

Performance Highlights - Q2 FY19

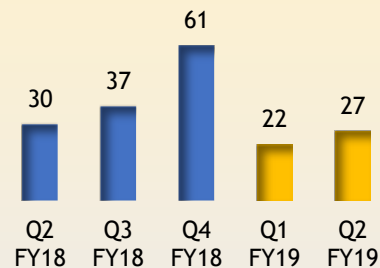
Revenue, Rs. Crore



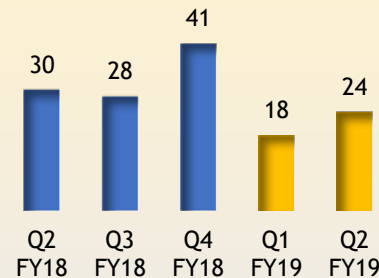
EBITDA, Rs. Crore



PAT (Pre-MI), Rs. Crore



PAT, Rs. Crore



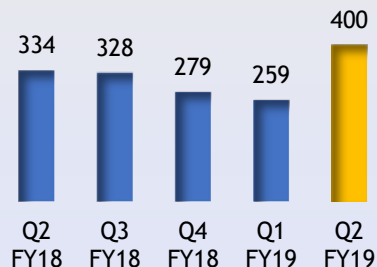
Note 1: Q2 FY18 and Q3 FY18 numbers include the strategic divestment of land parcel in Wakad for a consideration of Rs. 161.0 crore and Rs. 21.3 crore respectively.

Note 2: Since there is a change in accounting standard for revenue recognition, the reported numbers for Q1/Q2 FY19 numbers as per AS-115 can not be compared with previous year figures (refer slide 5). Hence for comparative purposes POCM numbers have been included above.

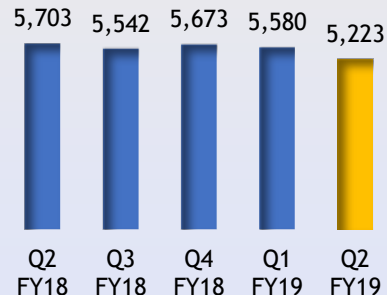
Sales Volume, mn sq. ft



Sales value, Rs. Crore



APR, Rs./sft



Note: Volume in million square feet is based on saleable area

New Sales Analysis - Q2 FY19

msf.

0.57

0.32

0.55

0.41

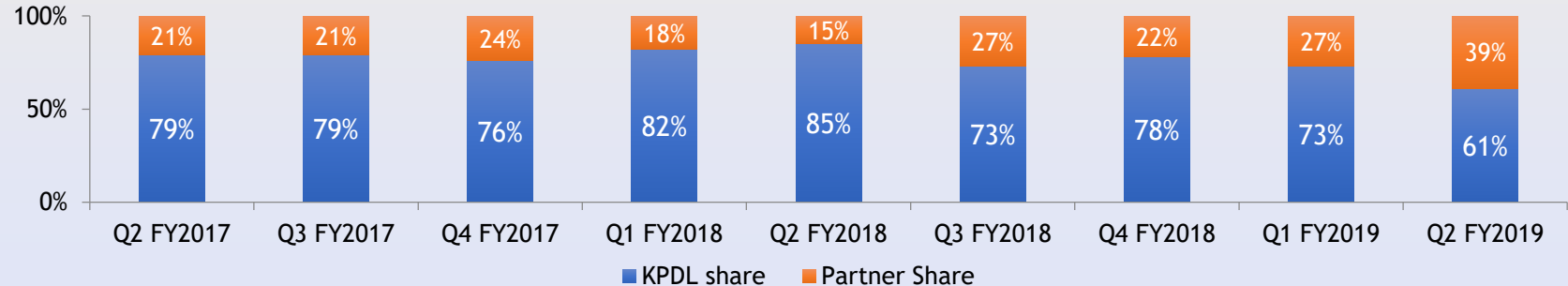
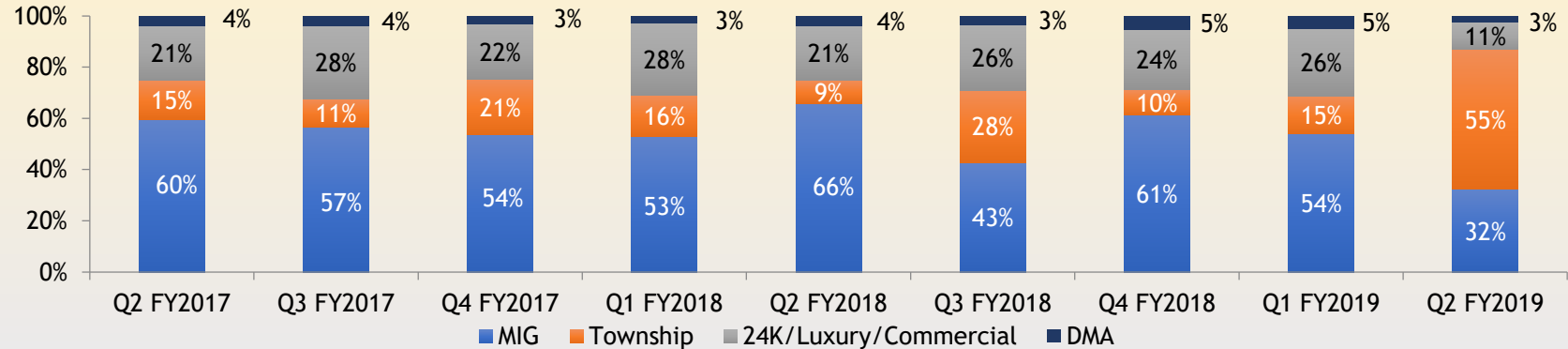
0.59

0.59

0.49

0.46

0.77



Note: Volume in million square feet is based on saleable area



Abridged Cash Flows

Abridged Cashflows - Unaudited (Rs. crore)	Q2 FY19 (Un-Audited)	H1 FY19 (Un-Audited)
Opening Balance	94	117
<u>Operating Cashflow</u>		
Collections	288	598
Construction Cost	164	317
Other Expenses and Taxes	69	130
<u>Financing Activities</u>		
Interest	15	27
OD/CC Movement	-9	9
OCD/CCD Redemption	0	10
<u>Investing Activities</u>		
Land/TDR/Premium Costs	29	70
Payment to JV Partner	25	63
Closing Balance	89	89

Consolidated Debt Profile

Consolidated Debt Profile (Rs. crore)	30 th Sep, 2018 (Audited)	30 th Sep, 2018 (Un-Audited)	31 st Mar, 2018 (Audited)
	CCM	POCM	POCM
Networth	802	1,006	984
Gross debt	671	671	689
Less: OCD / CCD / OCRPS / Zero Coupon NCD*	279	279	289
Debt	392	392	400
Less: Cash & cash equivalents & Current Investments	89	89	117
Net debt	302	302	283
Net debt to equity	0.38	0.30	0.29

**Issued to KKR in Life Republic Township*

Notes:

- The Ministry of Corporate Affairs ("MCA") in March 2018 notified Ind AS 115, Revenue from Contract with Customers w.e.f. 1st April 2018. The Group has applied the modified retrospective approach under Ind AS 115 to contracts that were not completed as at 1st April 2018 and the cumulative effect of applying this standard is recognised at the date of initial application i.e. 1st April 2018 in accordance with Ind AS 115 as an adjustment to opening balance of retained earnings.
- The transitional adjustment of Rs. 217 crore [net of deferred tax] has been adjusted against opening balance of retained earnings in accordance with the requirements of Ind AS 115 based on performance obligation satisfied at a point in time and resulted in the notional increase in net debt to equity.

Profit and Loss Snapshot - Q2 FY19 vs Q2 FY18

P&L Snapshot (Rs. crore)	Q2 FY19*	Q2 FY19^	Q2 FY18	YoY
Revenue Recognition Method →	Reported CCM	POCM	POCM	POCM
Revenue from Operations	211.0	254.2	387.6	-34.4%
Cost of materials consumed	128.3	148.1	292.1	-49.3%
Employee benefits expense	13.7	13.7	9.9	39.1%
Depreciation	3.8	3.8	3.7	3.3%
Other expenses	26.6	26.6	14.8	80.1%
Total Expenses	172.4	192.2	320.4	-40.0%
EBITDA	42.5	65.8	70.9	-7.2%
EBITDA Margin (%)	20.1%	25.9%	18.3%	7.6%
Finance cost	19.3	19.3	24.9	-12.5%
Other income	2.4	2.3	1.2	-8.4%
Profit before tax	21.8	45.0	43.6	3.3%
Total tax expenses	10.6	17.7	13.5	31.4%
Net profit after tax (pre-MI)	11.2	27.3	30.1	-9.2%
PAT margin (pre-MI)	5.3%	10.8%	7.8%	3.0%
Non-controlling interests	0.99	3.10	0.49	532.7%
Net Profit (post minority interest)	10.2	24.2	29.6	-18.2%
PAT margin (%)	4.8%	9.5%	7.6%	1.9%
EPS	1.34	3.20	3.91	

REASONS FOR VARIANCE

- Q2 FY18 POCM numbers include the strategic divestment of land parcel in Wakad for a consideration of Rs. 161.0
- Revenue in Q2 FY19 on POCM basis driven by Opula, Western Avenue, Life Republic, Bengaluru
- EBITDA margin in Q2 FY19 on POCM basis at 25.9%

*Note: The Company has adopted IND AS 115 (Completion Contract Method - CCM) during Q1 FY19, effective from 1st April 2018 and has opted for modified retrospective method; ^In order to facilitate like-to-like comparison, financials based on the previously applicable Percentage of Completion Method (POCM) of accounting for revenue recognition have also been included.



Profit and Loss Snapshot - H1 FY19 vs H1 FY18

P&L Snapshot (Rs. crore)	H1 FY19*	H1 FY19^	H1 FY18	YoY
Revenue Recognition Method →	Reported CCM	POCM	POCM	POCM
Revenue from Operations	601.6	532.2	634.1	-16.1%
Cost of materials consumed	347.5	334.5	449.2	-25.5%
Employee benefits expense	27.2	27.2	18.8	45.0%
Depreciation	7.5	7.5	7.2	3.5%
Other expenses	48.9	48.9	36.2	35.1%
Total Expenses	431.0	418.0	511.4	-18.3%
EBITDA	178.0	121.7	129.9	-6.3%
EBITDA Margin (%)	29.6%	22.9%	20.5%	2.4%
Finance cost	39.5	39.5	48.0	-17.6%
Other income	4.2	4.2	3.3	27.8%
Profit before tax	135.2	78.8	78.0	1.1%
Total tax expenses	47.8	29.5	22.5	31.1%
Net profit after tax (pre-MI)	87.4	49.4	55.5	-11.0%
PAT margin (pre-MI)	14.5%	9.3%	8.8%	0.5%
Non-controlling interests	39.31	6.65	2.68	148.1%
Net Profit (post minority interest)	48.1	42.7	52.8	-19.1%
PAT margin (%)	8.0%	8.0%	8.3%	-0.3%
EPS	6.35	5.64	6.97	

REASONS FOR VARIANCE

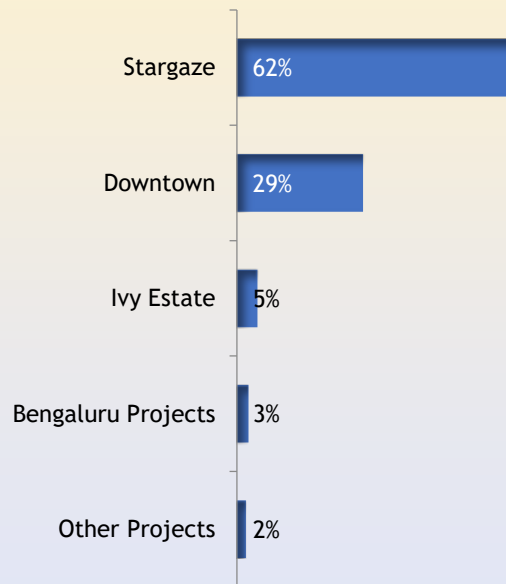
- Key revenue drivers as per POCM accounting were Western Avenue, Life Republic, Opula, Ivy Estate, Bengaluru projects and Downtown
- EBITDA margins in H1 FY19 as per POCM stood at 22.9%

*Note: The Company has adopted IND AS 115 (Completion Contract Method - CCM) during Q1 FY19, effective from 1st April 2018 and has opted for modified retrospective method; ^In order to facilitate like-to-like comparison, financials based on the previously applicable Percentage of Completion Method (POCM) of accounting for revenue recognition have also been included.

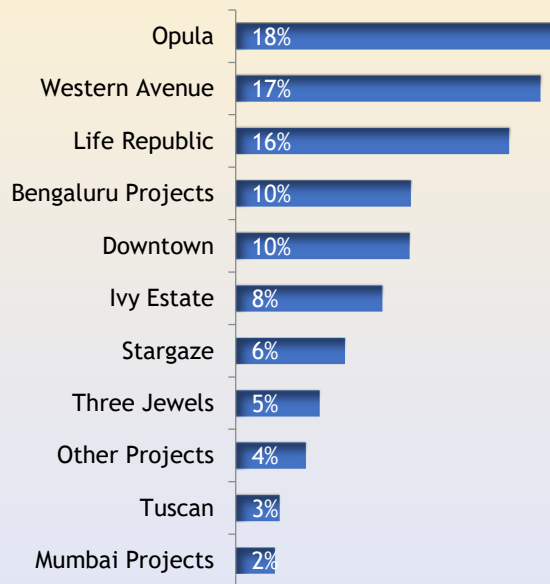


Revenue Recognition - Q2 FY19 vs Q2 FY18

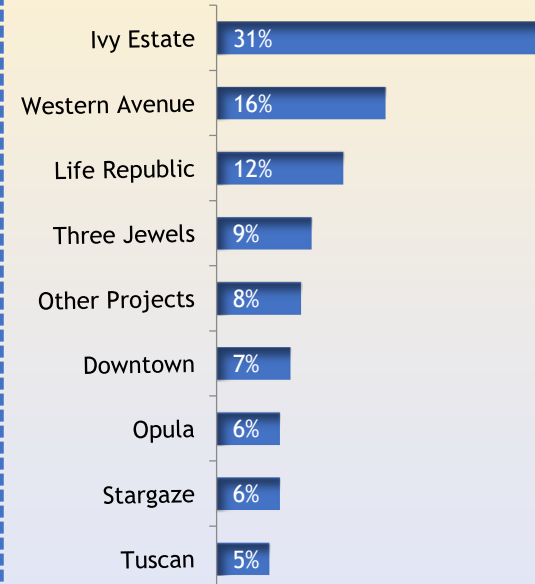
Q2 FY19 - Rs. 211 crore (CCM)



Q2 FY19 - Rs. 254 crore (POCM)



Q2 FY18* - Rs. 227 crore (POCM)



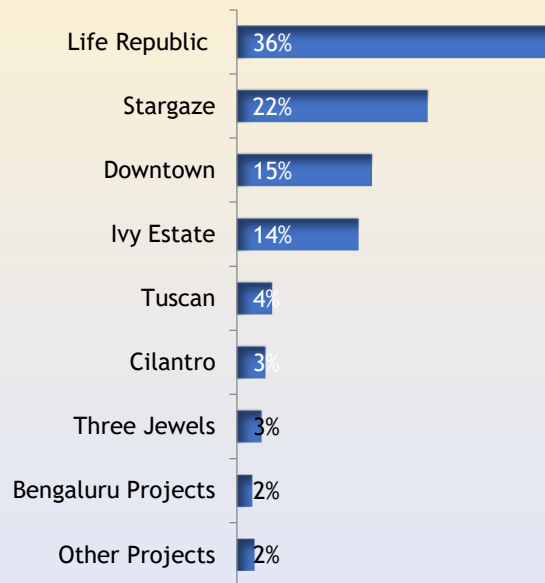
*adjusted for Wakad land sale

Note: The Company has adopted IND AS 115 during Q1 FY19, effective from 1st April 2018 and has opted for modified retrospective method. In order to facilitate like-to-like comparison, financials based on the erstwhile applicable Percentage of Completion Method (POCM) of accounting for revenue recognition have also been included.

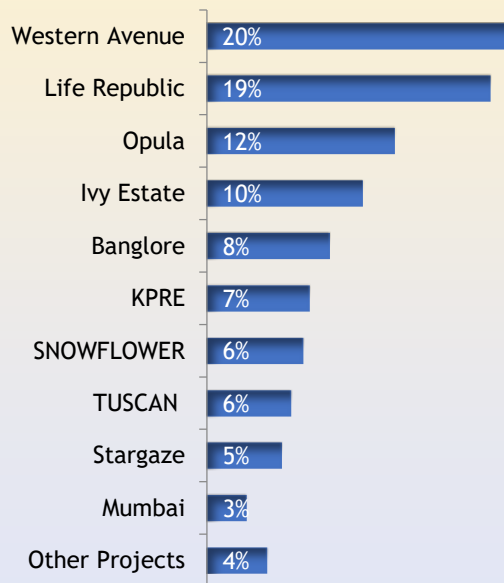


Revenue Recognition - H1 FY19 vs H1 FY18

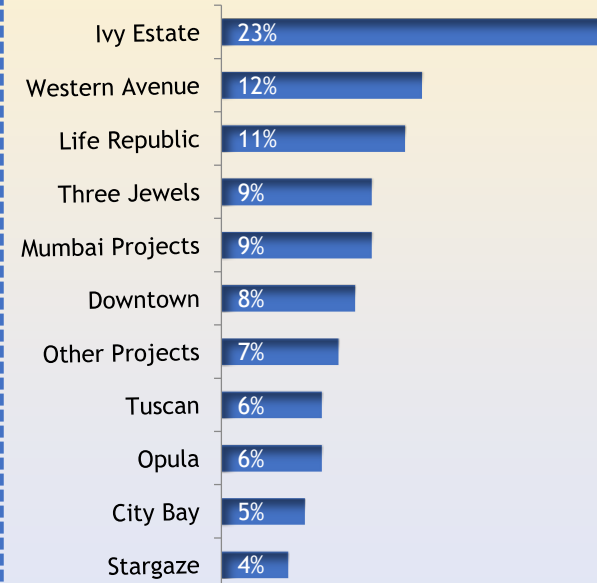
H1 FY19 - Rs. 602 crore (CCM)



H1 FY19 - Rs. 532 crore (POCM)



H1 FY18* - Rs. 473 crore (POCM)



*adjusted for Wakad land sale

Note: The Company has adopted IND AS 115 during Q1 FY19, effective from 1st April 2018 and has opted for modified retrospective method. In order to facilitate like-to-like comparison, financials based on the erstwhile applicable Percentage of Completion Method (POCM) of accounting for revenue recognition have also been included.



Sales & Collections - Ongoing Projects - Q2 FY2019

Gross Details (including partner's share)

Projects	Location	Area Sold (msf.)	Sales value (Rs. mn.)	Avg. Realization (Rs./sft.)	Collections (Rs. mn.)
Life Republic	Hinjewadi, Pune	0.42	2,103	5,036	480
Ivy Estate	Wagholi, Pune	0.08	331	4,032	329
Tuscan	Kharadi, Pune	0.00	17	6,450	80
Downtown	Kharadi, Pune	0.02	169	7,237	216
Western Avenue	Wakad, Pune	0.02	167	7,405	481
Jazz II (Opula)	Aundh, Pune	0.02	103	6,835	207
Three Jewels	Kondhwa, Pune	0.03	120	4,767	154
Rutu Bavdhan (Stargaze)	Bavdhan, Pune	0.04	264	6,093	304
Other Projects (including DMA)		0.07	375	5,692	167
Total (Pune Projects)		0.70	3,648	5,230	2,419
Raaga	Hennur Road, Bengaluru	0.02	72	4,641	83
Mirabilis	Horamavu, Bengaluru	0.03	153	5,129	271
Exente	Hosur Road, Bengaluru	0.02	111	5,058	14
Total (Bengaluru Projects)		0.07	336	4,993	371
Link Palace Society	Khar (W), Mumbai				
Jai-Vijay Society	Ville Parle (E), Mumbai	0.001	14	22,803	149
Sagar Vaibhav Society	Dahisar (W), Mumbai				
Total (Mumbai Projects)		0.001	14	22,803	149
Total (Pune + Bengaluru + Mumbai Projects)		0.77	3,998	5,223	2,940

Note: Collections do not include contribution from DMA projects; volume in million square feet is based on saleable area



KPDL Project Portfolio - 30.09.2018

18

Gross Details
(including partner's share)

Pune Projects	KPDL Share	Ongoing & Unsold	Upcoming *	Land Bank
Jazz II (Opula)	100%	0.29	-	-
Atria	100%	0.08	-	-
Giga Residency	100%	0.32	-	-
Stargaze	62%	0.04	0.60	-
Western Avenue	100%	0.13	0.35	-
Ivy Estate	100%	0.41	0.82	-
Downtown	51%	0.05	0.60	-
Life Republic^	45%	2.19	1.94	12.00
Tuscan	51%	0.00	0.20	-
Three Jewels	70%	0.70	-	-
Cilantro	50%	0.05	-	-
Green Olive Venture	60%	0.10	-	-
Centria	100%	0.38	-	-
Pimple Nilakh	100%	-	-	0.6
Ghotawade	50%	-	-	3.20
Aundh	100%	-	-	1.00
Kalyani Nagar	100%	-	-	0.60
Boat Club Road	100%	-	-	0.30
Pune Total:		4.74	4.51	17.70

Gross Details
(including partner's share)

Mumbai Projects	KPDL Share	Ongoing & Unsold	Under Approval*	Land Bank
Jai Vijay	100%	0.05	-	-
Other Mumbai projects	100%	-	-	1.20
Mumbai Total:		0.05	0.00	1.20

Bengaluru Projects	KPDL Share	Ongoing & Unsold	Under Approval*	Land Bank
Raaga	100%	0.27	-	-
Mirabilis	70%	0.05	-	-
Exente	100%	0.48	-	-
24K Grazzio	100%	0.20	-	-
Bangalore Total:		1.00	0.00	0.00

Overall Projects	KPDL Share	Ongoing & Unsold	Under Approval*	Land Bank
Total: ~29.2 MSF		5.80	4.51	18.90

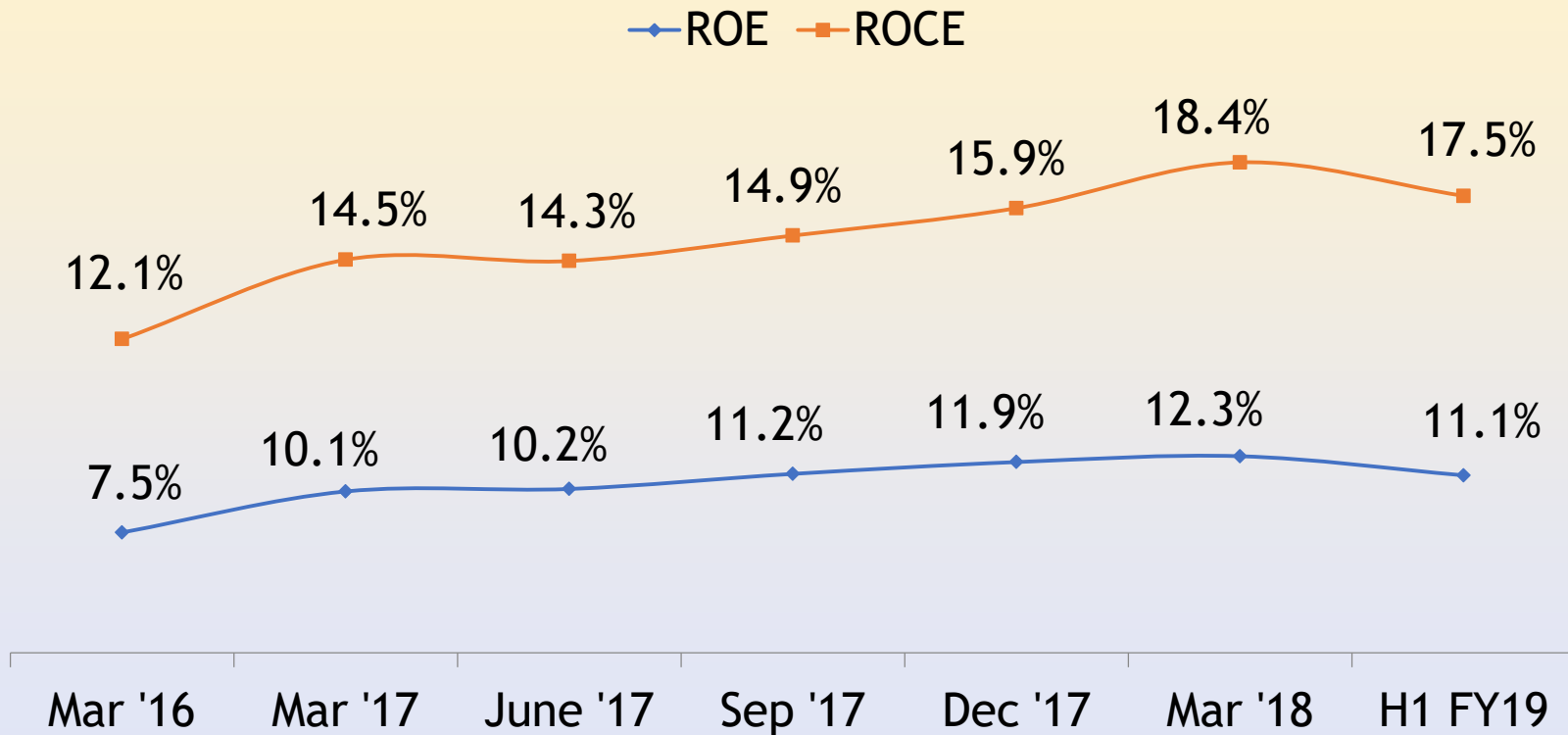
*Upcoming projects in the next 12 months

Note:

Saleable area based on current FSI norms and subject to change

^Total FSI potential is 1.7 in Life Republic; Current potential has been considered based on a FSI of 1.0

Improving Return Ratios



Note: Numbers on POCM basis

Business Outlook

20

SECTOR CONSOLIDATION

- Implementation of RERA and GST has consolidated demand to organized, execution-focused developers like KPDL

IMPROVING CONSUMER CONFIDENCE

- Based on RERA-compliant business environment and increased transparency, resulting in uptick in sales and collections

CONSOLIDATING DOMINANT POSITION IN PUNE

- KPDL is leveraging its strong brand name/market position to accelerate development and launch subsequent phases of ongoing projects

DIVERSIFYING GEOGRAPHICAL PRESENCE

- 1.4 msf across 14 asset-light society redevelopment projects in Mumbai
- To launch upscale Koramangala project in Bengaluru in FY19
- Mumbai and Bengaluru expected to grow to ~25% of sales by 2020

AFFORDABLE HOUSING OPPORTUNITIES IN EXISTING PROJECTS

- ~3 msf in subsequent phases of existing projects Life Republic and Ivy Estate likely to get classified under Section 80 IB Affordable Housing Scheme wherein there will be zero tax outgo

NEW PROJECT ACQUISITION

- Potential acquisition of 10-12 msf additional land bank through outright purchases/JDA with land owners - ~1.5 msf for luxury projects, ~3.5 -4 msf for affordable housing, remaining for MIG housing

EFFICIENT CAPITAL DEPLOYMENT

- Continue to evaluate strategic and financial partnerships that enable us to scale our operations while limiting capital commitment

ROCE EXPANSION

- Successful implementation of strategy driving industry leading ROCE of 18.4% in FY18
- Looking at further scale benefits in Pune and greater Bengaluru/Mumbai contribution

FUND RAISING PLANS

- Board has passed an enabling resolution/s for fund raising up to Rs. 500 crore by various modes

Awards & Recognition

Times Business Awards - 2018

I-TOWERS EXENTE



“BEST HIGH RISE PROJECT OF THE YEAR”



RAAGA



“MID RANGE APARTMENT PROJECT OF THE YEAR 2018”



MIRABILIS

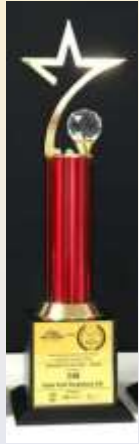


“BEST DESIGN APARTMENT PROJECT OF THE YEAR 2018”



Awards & Recognition

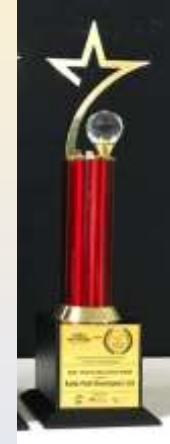
Times Business Awards - 2018



24K by Kolte Patil - Luxury
Developer of the Year -Times
Network Marketing Excellence
Awards, 2018



24K Opula - Luxury Project of
the Year- Times Network
Marketing Excellence Awards,
2018



Kolte-Patil Developers Ltd-
Most Trusted Real Estate Brand
- Times Network Marketing
Excellence Awards, 2018

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 ~15 million square feet across Pune, Mumbai 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 14 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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