



To,
The Assistant Manager,
National Stock Exchange of India Limited
Listing Department, 'Exchange Plaza', Bandra
Kurla Complex,
Bandra (East),
Mumbai – 400051

To,
The General Manager,
BSE Limited,
Corporate Relationship Department,
1st floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

Date: 2 June 2023

Sub: Transcript of Q4 FY23 Earnings Conference Call held on 26 May 2023

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BSE Security Code and Security Name – Debt: 974771 and 0KPDL33**

Dear Sir/Madam,

Pursuant to Regulation 30 read with Regulation 47(oa) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith transcript of “**Q4 FY23 Earnings Conference Call**” held on 26 May 2023 at 12.00 PM (IST).

This is for your information and record.

Thanking you,

For Kolte-Patil Developers Limited

**Vinod Patil
Company Secretary and Compliance Officer
Membership No. A13258**

KOLTE-PATIL DEVELOPERS LTD.

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Kolte-Patil Developers Limited

Q4&FY23 Earnings Conference Call

May 26, 2023

Moderator: Ladies and gentlemen, Good Day and welcome to Kolte-Patil Developers Limited Q4 FY23 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Shiv Muttoo from Adfactors. Thank you and over to you, Sir.

Shiv Muttoo: Thank you Lizann. Good afternoon everyone and thank you for joining us on the Q4 FY23 Results Conference Call of Kolte-Patil Developers Limited. We have with us today Rahul Talele – Group CEO and Dipti Rajput – Vice President, Investor Relations. Before we begin, I would like to state that some of the statements in today's discussion may be forward-looking in nature and may involve certain risks and uncertainties. A detailed statement in this regard is available in the Q4 results presentation which has been sent to you earlier. I would now like to invite Mr. Rahul Talele to begin the proceedings of this call. Over to you, Rahul.

Rahul Talele: Good afternoon. A very warm welcome to everyone present on this call and thank you for joining us today to discuss the operating and financial performance of Kolte-Patil Developers Limited for the fourth quarter and financial year ended 31st March 2023.

I would like to begin by sharing with you our views and takeaways on the real estate environment, followed by an overview of the highlights of the quarter. Following which, Dipti will take you through the key financial highlights. We then look forward to taking your questions and suggestions during today's call.

Let me begin by sharing a few thoughts on the Indian economy and the real estate market, the core ecosystem that has a bearing on our operations and prospects. The Indian economy has remained stable in the midst of growing uncertainty and volatility in the rest of the world, driven by our government that prioritizes development and a responsible central bank that has created a conducive policy framework. Inflation has also been moderating.

According to the World Bank April 2024 projections, India's GDP is projected to expand by 6.3% in FY24, supported by domestic demand. Public investment commitments are visibly expanding and the outlook for private investment remains positive.

The real estate sector is a key component of the economic progress and we have witnessed positive momentum in the last year. We anticipate this to continue. The affordability of residential real estate in India is still attractive, in spite of increase in housing prices and the rise in interest rates which now seem to be stabilizing.

At Kolte Patil, we have effectively capitalized on this favorable demand that provides us with an incredible opportunity to fulfill the dreams and aspirations of our customers by delivering projects that offer not just comfortable homes, but an enhanced living experience. As a result, we have witnessed a surge in the demand for our projects, with customers recognizing and appreciating the value we bring to them.

From the operating standpoint, I am delighted to announce that we have achieved remarkable success this year. We delivered our highest ever pre-sales numbers of Rs. 2,232 crore for FY23, meeting our projected outlook on the back of increasing volumes and improved realizations. In-fact, the Company has undergone orbital change over the last two years where sales have nearly doubled from Rs. 1,201 crore in FY21 to Rs. 2,232 crore in FY23. This outstanding performance is the result of relentless efforts to expand our product offerings, catering to the diverse needs of our esteemed customers across key markets.

Our new project launches have made a significant impact, contributing to approximately 51% of our pre-sales figures for the financial year. Furthermore, Life Republic, our flagship project, has reached new heights of success. At LR, we closed the year with record sales of 1.76 million square feet.

Now covering some key corporate developments – which prime us to carry the strong momentum forward into FY24 as well. Most recently in April, we received Rs. 206.5 crore from Marubeni Corporation Ltd. (Japan). With this amount received in a single tranche, we have additional liquidity to accelerate our business development goals.

Last month we also expanded our MMR presence by signing two new society redevelopment projects. These projects in Mulund and Vashi are our first ventures outside the western suburbs and significantly diversify our presence in Mumbai. Also, with total saleable area of 7.3 lac square feet and top-line potential of Rs. 1,200 crore, we now have considerable visibility for improved contribution from our Mumbai portfolio.

Along with this, earlier this month, we have added two new residential projects in Pune that have an estimated saleable area of 1.9 million square feet and topline potential of Rs. 1,300 crore. Leveraging our strong brand equity built over the last 30 years, we have structured these transactions with a low upfront investment. This aligns with our objective of driving growth across markets while maintaining low capital intensity and driving optimal return on capital.

As we set our sights on expanding our presence in key markets such as Pune, Mumbai and Bangalore, we have devised a comprehensive business development plan that encompasses outright land acquisitions, redevelopment, and joint developments (JDs) / joint ventures (JVs). Our objective is to leverage these strategic avenues to drive growth and unlock the potential from real estate demand in these regions.

Building on the performance of FY23, we would like to outline our objectives for FY24. We are hopeful of launching close to 3 million square feet in the first half of this financial year. Our goal is to achieve robust sales value of Rs. 2,800 crore, further strengthening our position in key markets. In FY24, we are confident of our ability to secure deals with a cumulative top line of Rs. 8,000 crore. Our proactive approach to business development ensures that we capitalize on emerging market trends and customer preferences.

With regard to financing our business development initiatives, we have maintained focus on operating cash flows while also establishing strong lines of funding visibility across financial institutions and funding partners.

With a strong financial framework, strong momentum of new launches, robust business development pipeline, and excellent customer satisfaction as the point of convergence for all the business efforts, we look forward to continuing our secular growth in the coming years.

With that I now hand over the proceedings of this call to Dipti Rajput to provide a financial overview.

Dipti Rajput:

Thank you, Rahul. Good afternoon everybody. I will now briefly take you through our financial performance for Q4 & FY23. Based on CCM accounting in Q4 we clocked revenues of Rs. 797 crore up 112% on YoY whereas for FY23 we reported revenues of Rs. 1,488.4 crore, EBITDA for Q4 FY23 stood at 173.4 crore and for FY23 stood at Rs. 189.3 crore. Now we would like to remind you that recognition of revenue and profits are dependent on the timing of project completion based on statutory accounting guidelines. Our net debt-to-equity stood strong at 0.11 as on March 31st, 2023, and the operating cash flow for the quarter stood at Rs. 215 crore and for the full year FY23 the cash flow stood at Rs. 529 crore.

As indicated by Rahul earlier we have reported our highest ever quarterly pre-sales numbers and look forward to maintaining the momentum going ahead as well and we also are confident of meeting all our strategic objectives. With the effort put in by the entire team we look to end the year on a strong note and deliver on our guidance.

On that note, I conclude my opening remarks and request the moderator to open the line for Q&A.

Moderator:

Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Pritesh Sheth from Motilal Oswal. Please go ahead.

Pritesh Sheth:

Firstly, on launches, a very strong pipeline and you indicated 3 million square feet would be launched in first half, how is the clarity on this pipeline, any chances that some of them might spill over to next year and Baner project, is it happening in first half or second half?

Rahul Talele:

So, in regard to Baner project we have received all sets of approval and we have already applied to RERA authority and we are expecting a RERA approval in next couple of weeks. So, certainly Baner project is getting launched in the Q1 itself. In regard to your first half of the question, we are

confident of achieving at least 3 million square feet of launches in the first half of this financial year itself. At the same time let me accept the fact attached to the approval, so there is a certain uncertainty that always remains while taking the approvals but keeping cognizance of that we are still confident of launching at least 3 million square feet in H1 itself considering our strong launch pipeline and the advancement in various projects with our approvals.

Pritesh Sheth: And what about the rest four and a half I mean that should also like largely and confidently sail through or there might be certain spillover as well?

Rahul Talele: See all these projects, in most of the projects we have already received the environmental clearances which is one of the most time-consuming approvals. So, we are confident of launching most of these projects in this financial year itself. There can be spillover of couple of projects out of this maybe in the Q1 of next financial year, but we are confident of launching this inventory and you should also understand Pritesh that there is a possibility of launching the further phases from this launch pipeline. So, we are currently talking about only a Phase-1 of this launches. So, there is an underutilized or untapped potential of the further phases from these launches also. So, if we are getting a good response certainly we can add that to our launch pipeline immediately.

Pritesh Sheth: Secondly I think P&L wise also we did well particularly well this quarter, I would like to know which were the projects which contributed to P&L revenue this quarter and over 20% kind of EBITDA margin should that be the base that we should look at going forward or there is an upside potential even at the 20% kind of margin as well?

Rahul Talele: See in these projects we got the contribution largely from our Pune project Life Republic sectors and Ivy Project. So, these are the major contributors for the revenue recognition and going forward we are confident of achieving good margins at the project level, but because of the CCM methodology whatever that we are selling three, four years back and whatever the cost we are incurring three, four years back is getting recognized now, but my overhead for the current pre-sales numbers are also getting recognized in the same quarter. So, this is the industry-wide problem for the real estate sector from an accounting perspective. But since we are talking about the exponential growth in the coming years, there can be certain deviations in the margin, but we are still confident of maintaining our margins at the project level and since we are now talking about a larger base so that my corporate overheads will be

distributed at the larger base and certainly there can be a positive uptick in the margins as well for the future delivery which we are currently selling.

Pritesh Sheth: And project level margin expectation would be roughly like 25%-odd?

Rahul Talele: See it also depends on which structure that you are opting for. So, for the outright transactions the GP's are in the range of 30% to 40% EBITDA are in the range of around 20% to 25% and so for the JV projects and for the society redevelopment projects, apart from the absolute margin we try to gauge the performance on the basis of return on capital IRR. So, from IRR perspective we are confident of achieving the IRR upwards of 30% across new BD acquisition.

Pritesh Sheth: One last before I jump into the queue again - I think good guidelines on business development as well and so Rs. 8,000 crore this year of course that will exclude whatever we have added in month of May, right?

Rahul Talele: That is correct Pritesh. So, in the last six months we have added around Rs. 4,000 crore of business development pipeline, so what guidance that we are giving is in addition to that Rs. 4,000 crore.

Pritesh Sheth: In addition to whatever we have added up till May, right?

Rahul Talele: Yes.

Pritesh Sheth: What is the visibility looking because these are big numbers and what kind of visibility that you see and what is giving you confidence of adding that many projects into the pipeline?

Rahul Talele: Pritesh at this moment of time so there is a very strong pipeline of advancement of BD proposal. So, currently due diligence is going on in multiple projects. I mean I have always kept sharing this fact that we at Kolte-Patil are very diligent in our due diligence process and hence we take a significant good amount of time, but on the other side if you see when we are launching a project we are getting a good success. So, we will continue to announce the BD deal once we are completely satisfied with our due diligence requirement and once we achieve the entire closure for our respective projects. So, we are confident about achieving these targets.

Moderator: Thank you. The next question is from the line of Prithvi Raj from Unifi Capital. Please go ahead.

Prithvi Raj: So, I do have couple of questions. The first one on your Life Republic project, if I see this year sales, almost half of the sales came only in this one project and even in the new launches almost half of the new launches are going to happen here. I mean we are aware that this is your flagship project, but what is that you are doing differently here that we are seeing significant sales traction in this project?

Rahul Talele: So, regarding Life Republic as we have discussed in earlier calls so we are currently at the inflection point. So, rather we were at the inflection point in the last financial year. So, earlier that we used to sell with our top line pre-sales of around Rs. 400 to Rs. 600 crore since last four years barring the last year and in last year we have more than doubled our numbers to Rs. 1,070 crore of pre-sales number in this township. Not only we have doubled our numbers, but the per square feet price realization there is a significant jump in the price realization as well. So, there are multiple factors. So, we have seen this kind of performances across our launches. Based on the fact that now we have established, we are taking care of the customer requirements more diligently, there is a strong market intelligence team working before we launch the product. On top of that see big offerings wherein the customers are getting all sets of amenities. So, if we club all this together there is a strong momentum which is going to be continued for the Life Republic project and I am confident to deliver numbers of at least 1.5 million square feet henceforth in the township. Our endeavor will be to not only to achieve a pre-sales number but also to better our price realization as well so that we can utilize the unutilized FSI in the township going forward. So, that is from a township perspective. In terms of your question regarding the launches, township we call it a supermarket of products. Hence, I need to have the entire array of bouquet available for the customer and because of that even my sales and marketing cost is lowest across our portfolio for the township project. So, at any moment of time we have our inventory from Rs. 30 lac to Rs. 2 crore available in the township hence we are launching multiple projects in the township. At the same time from non-township projects we are launching mid-size projects wherein the launch traction in terms of percentage will be higher as compared to township and that is how the dependency on township going forward will be on the lower side and we are confident on that.

Prithvi Raj: My second question - you mentioned that you will launch almost 3 million square feet in H1, sir for how many projects we currently have approvals in place?

Rahul Talele: So, currently we have approvals in place for almost 7-8 projects. So, environment clearance is already in place and local level approvals are going on. So, to be a precise, for Baner and Pimple Nilakh project we have received all sets of approval and we have already applied for the RERA for Baner and we are applying for RERA in Pimple Nilakh project which is a non-township project and for four projects at township we already have the environmental clearances.

Prithvi Raj: And one final question again on the margins, the margins for this year has been on a very lower side, so do we expect the 20% EBITDA margin to be continued?

Rahul Talele: See Prithvi it is a good problem to have when we are confident about the exponential growth. I am confident of achieving these sets of margin or better margins at the project level, but when I am talking about a group level margin - currently my average realization is close to Rs. 7,000 per square feet, but if you see our OC's or our deliveries or our revenue recognition over there my per square foot realization is hardly Rs. 5,300 and Rs. 5,400 while the marketing spend on larger base as well as on per square feet on the higher side I am spending I am recognizing on the same quarter in which I am recognizing a revenue of past few years. So, there can be some kind of deviations in the margin in the short term, but it will be in a high teen, but we are confident to maintain our margins at the project level.

Moderator: Thank you. The next question is from the line of Biplab Debbarma from Antique Broking. Please go ahead.

Biplab Debbarma: Sir, on the redevelopment projects in Mumbai in Mulund and Vashi, could you give us some color because redevelopment is a new product for us, like what you would be giving to the existing tenants or unit holders and how much deposit, basically we are trying to understand in lieu of what would be the outflow for acquiring these project and then by when do you think this project should be launched in. Some color on redevelopment projects in these two redevelopment projects?

Rahul Talele: If you see our Mumbai portfolio it was concentrated into Western region of Mumbai and through these acquisitions we have entered Central Mumbai and Navi Mumbai. So, that was the strategic decision to enter this two new growth corridors of Mumbai and regarding the B3 Project, so, we have already received the partial approvals for this project. So, if you remember in our earlier

discussions I always kept on harping that while closing on the BD opportunity, we are simultaneously working on the various tedious approval process as well. So, we are confident of launching this B3 project in the next 6 to 9 months I mean in this financial year itself. Even in case of the Mulund projects, so, we are in a very advanced stage in terms of the drawing closures because for the redevelopment project there are certain sets of approvals required from a general body. So, we have already closed on that tedious process in case of this Mulund project as well and we are confident to launch this project with an aggressive target in Q4 and the conservative target in Q1 next year, maybe 9 to 12 months from now. In terms of offerings to the customers, it is a combination of what is the current FSI consumption in the society. So, the offer is based on that and most of our outflows are linked to approval at the time of vacation and during the course of project execution. So, for us redevelopment is a good opportunity wherein your investments are very limited and it is at the time of vacation of the society and in couple of months we are launching the project and in terms of the payback which is one of the criteria we generally follow for the redevelopment project it is hardly 4 to 6 quarters of payback of our investment. Returns in terms of IRR are good for the redevelopment projects. So, over here most important is how you are dealing with the society. Based on our strong record of delivery in certain parts of Mumbai we are getting multiple opportunities which are not available in the market at a better term because our strike rate is 100% whatever the redevelopment projects we have acquired in Mumbai we are progressing in all redevelopment projects. That was the biggest worry for societies in Mumbai wherein multiple redevelopment projects were stalled or were pending since decades and more and hence there is a good confidence with the Kolte-Patil in redevelopment space.

Biplab Debbarma: My second question is on the Life Republic. So this was a great year, 1.76 million square feet and in terms of FY24, how much do you think in terms of value Life Republic could be contributing and what kind of per square feet price escalation have we envisaged in FY24?

Rahul Talele: So, in fact to answer your question, in last two months the recent launch is R13 sector wherein we have underwritten a price of around Rs. 5,400 per square foot for that project. Currently within a launch of four months we are sitting with the average realization of more than Rs. 5,700 per square feet in that project. So, there is a price uptick of around 4% - 5% is visible in this quarter itself, but it varies from project-to-project. So, it varies from the kind of amenities that we are offering in the project. Going forward our aim is to better our margins which are underwritten at the time of business plan finalization and going forward we

are confident of at least crossing 1.5 million square feet benchmark. So, if you multiply that by Rs. 5,700 per square feet, it is close to Rs. 700 to Rs. 800 crore of pre-sales number from township.

Biplab Debbarma: And my final question is on this township. Currently how many families should be living here in this township and also sir if I recall correctly the township was earlier kind of positioned as affordable then mid income then you are now trying to position it as a premium destination, so in terms of ticket size I know the per square foot rate, but in terms of ticket size how has this township moved - earlier you are offering maybe Rs. 35 to Rs. 60 lac, now the offering maybe Rs. 60 lac to Rs. 2 crore I am just trying to understand how this ticket size have moved over the years?

Rahul Talele: So, currently around 4,000 families are residing in township. So, population is anywhere in the range of 13,000 to 15,000 already residing in township. At the same time around 5,000 to 6,000 homes are under construction at this moment in township wherein the possessions are lined up in next few quarters. So, every year we are expecting to add at least 2,000 more families in this township going forward. Having said that, so now we have a two sets of business strategies for this township. One is the affordable category wherein the price realization will be in the range of Rs. 5,500 per square foot and it will be a regular size units of 800 square feet to, 1,000 square feet of 2 BHK and around 600 square feet of 1 BHK. So, we will continue to achieve the good amount of traction in this cash cow segment of township, but if you compare our recent launches we have had a good success in our luxury offerings in township. So, we are exploring our 24K district in township. So, going forward, wherein we are planning to launch an inventory upwards of Rs. 6,000 per square feet in this township. So, this will be a right combination of volume-based strategy and value-based strategy going forward in this township.

Moderator: Thank you. The next question is from the line of Viraj Mehta from Equirus PMS. Please go ahead.

Viraj Mehta: My question is on one of the resolutions that we passed in terms of raising capital you had mentioned in the board meeting notes that we will raise Rs. 800 crore of equity. Now just wanted to understand with the cash flows that of Rs. 530 crore operating cash flow last year and Rs. 200 crore that we got from our partner in this quarter in April, why are we still looking to raise Rs. 800 crore worth of equity and especially when you know that probably our stock price is also significantly undervalued?

Rahul Talele: So, Viraj this is just enabling resolution in routine course of business. If you see our track record we are heavily relying on our internal accruals and we are confident of achieving our BD growth through our internal accruals itself and there is a scope of leveraging further as we are currently sitting with a 0.11 net debt-to-equity ratio. This is just an enabling resolution in the routine course of business.

Viraj Mehta: So, is it fair to say that it seems very little plans of raising equity at least at the company level in near term and even if it does in at least not be at the valuation that we are trading today?

Rahul Talele: That is correct.

Viraj Mehta: Second in terms of BD I just wanted to reconfirm. You said that you are planning to launch Rs. 8,000 crore or you will complete Rs. 8,000 crore worth of BD this year that is on top of Rs. 2,500 crore that you announced earlier this quarter?

Rahul Talele: That is correct Viraj.

Viraj Mehta: And out of Rs. 8,000 crore Rahul how much will be LR and how much will be non LR?

Rahul Talele: So, this is the business development new land acquisition that we are planning.

Viraj Mehta: Not launch of project in LR.

Rahul Talele: Not launches and particularly for launches we have already mentioned that in our investor presentation. So, there are priority launches of around Rs. 5,200 crore.

Moderator: Thank you. The next question is from the line of Rohit Balakrishnan from ithought PMS. Please go ahead.

Rohit Balakrishnan: So, my question is in the year, that just went by, we had about 51% sales from new launches, so from a sustenance sales point of view I mean assuming that from a sustenance sales point of view what are the kind of run rate that we are now looking at assuming I am just keeping the inventory aside for a minute. I will come to that as a follow up, but from a sustenance sales of point is there a number that you are looking at in terms of this is the baseline we have to keep

given the kind of overall projects that we have, given LR, given the other projects that we have, so if you have any thoughts on that?

Rahul Talele: So, Rohit if I understood your question properly. So, from a sustenance sale so which is a sustenance project we are confident of achieving more than 50% to 60% of sales from our sustenance inventory and from a new launches though we have achieved around 50%, 55% even the 60% I mean one of the project 100% sales in the 6 months of launch itself but going forward considering the uncertainty attached to launches, so, we will have to time our launch as per the festive season and there cannot be launches concentrated in one quarter itself. Hence, we are not heavily relying on the launch number itself. Our endeavor will be to push our sustenance sales which is certainly definitive at the same time and where the better per square foot collections visibility is there. At the same time we will explore the maximum opportunity to launch maximum during the first half itself so that we can get the entire year to push our launch projects.

Rohit Balakrishnan: So, essentially for us to reach our Rs. 2,800 crore kind of number for this year in terms of pre-sales you are saying that 50% to 60% will be from projects which are already launched in the last year or year before that. Is that understanding correct?

Rahul Talele: Let me clarify Rohit over here. So, in terms of my total sales around 30% to 40% sales will come from sustenance and 60% sales will come from a new launches, but in terms of my sustenance inventory as I am currently sitting with some Rs. 1,700 crore - Rs. 1,800 crore of sustenance inventory, from that we are confident of achieving at least Rs. 1,000 crore of sales?

Rohit Balakrishnan: And from LR point of view so you mentioned that it is 1.76 last year and you were saying that you are confident of doing 1.5 this year. However, I think we are slated to launch about close to 4 million square feet in LR itself in FY24, so just wanted to understand is that number conservative or is there something that these launches will be more back ended and hence you do not think that a lot of sales will happen in this year - just wanted your perspective.

Rahul Talele: So, Rohit I have always discussed about the Life Republic the strategy that for last year it was to go with the volume-based strategy and now we have already crossed certain benchmark internally from volume-based strategy and this year our endeavor particularly for township will be to better our price realization and there is a multimillion square feet of unutilized FSI lying in the township. So,

there is a cascading benefit attached to better price realization. Hence, I am not harping too much on achieving better value numbers in a township, but we are giving importance to better price realization as well.

Moderator: Thank you so much. We will move on to the next question that is from the line of Dhwanil Desai from Turtle Capital. Please go ahead.

Dhwanil Desai: So, my question is that with this kind of cash flow and room in our balance sheet to leverage would you think that we would prefer our own projects rather than JV, how do you guys think about it and also if you can talk a bit about how the land prices are moving because we have observed that land prices have sharply moved up so does it have any impact on the project IRR and margins that we will make on the future launches?

Rahul Talele: Dhwanil to answer your second part of question. So, in regard to land prices, yes there is a movement in land prices in last couple of years. So, there are multiple reasons behind it. One is the good industry mindset at this moment of time hence demand is high to acquire new land parcels and on the other side particularly barring Mumbai, there is a good amount of additional FSI potential since last couple of years because of the application of unified DCR across Maharashtra and though on a per square foot basis the price is going up, but on a saleable FSI basis price is still constant or in fact it is lowering because with the same set of projects we have to go with the high-rise development with the higher spend on the construction cost. So, these are the facts about the land prices and in terms to answer your first part of question, we are exploring a multiple structured outright transaction itself to base on the fact that we are sitting with a good amount of internal accruals but having said that in some micro markets as an entry strategy it is better to have a JV-JDA as well and it gives an additional comfort to achieve a better numbers for you in terms of the IRR perspective. So, it is a combination of multiple things. So, we are working on a structured outright, the pure upfront outright as well and the JV/JDA also.

Dhwanil Desai: And my second question is on the Mumbai project so I think we went into the central suburb then also in the Navi Mumbai, so do we think that the incremental projects will be from the existing 3 suburbs, Western, Central and Navi Mumbai, that is where we want to capitalize or are we thinking of exploring newer micro markets also in Mumbai?

Rahul Talele: See, this will be our priority area in Mumbai at least for next two to three years I mean there is a tremendous opportunity in Western suburbs where we have multiple projects further as well as in Central and Navi Mumbai and if you see our Mumbai BD strategy, acquisition strategy is quite simple. So, we want to have a project acquisition in the range of Rs. 300 crore upwards till thousand crore of top line. So that project can be executed quickly, sales can happen in 4 to 6 quarters and likewise in terms of the unit pricing anywhere in the range of Rs. 1.5 crore to Rs. 3.5 crore is what the unit tag we are looking for from a business development perspective.

Moderator: Thank you. The next question is from the line of Himanshu Upadhyay from O3 PMS. Please go ahead.

Himanshu Upadhyay: My question is what we are hearing and even at the site visits what we did in for Kolte also, so what we understood was that premium luxury projects are doing much better than what they were historically doing and again even better in some cases in mid premium projects or mid-price projects. Can you give you an idea of launches we are going to do with 7.39 million square feet, how much will be 24K and are we focusing more in terms of business development on 24K product which seems to be now much more matured and the demand also seems to be strong and are margin also better in 24K or what is some of the thoughts on the 24K project. And the market how are you doing?

Rahul Talele: So, Himanshu in regard to 24K projects we are planning I mean in priority launches there are multiple 24K projects. So, Baner, Pimple Nilakh likewise NIBM and projects at LR which is R5 and RA11. So, these are the 24K projects that we are planning to launch and apart from that in terms of the margin realization certainly there is a good amount of jump in the margin. So, incremental cost at least if my incremental cost is going by x at least my margin is getting improved by 2x. So, that is the best part of the premium project and we want to encash on this opportunities considering the fact that we have got a good response in our spacious MIG and HIG projects in the past.

Himanshu Upadhyay: And on business development also can you give some light on premium luxury are we focusing more on so let us say Rs. 8,000 crore of business development which we are planning to do and Rs. 3,900 crore which we did, how much of that or Rs. 12,000 crore how much would be on 24K and how much would be the let us say the mid-price projects?

Rahul Talele: Himanshu it will be too early to comment on this at this moment of time, but yes there is a strong push from us to acquire our projects for a 24K, but from a long-range perspective our dependency on 24K projects will be in the range of 25% to 40% and so we want to capitalize in the price bracket of Rs. 6,000 to Rs. 8,000 per square feet particularly for Pune projects and in Mumbai like what I mentioned earlier Rs. 1.5 crore to Rs. 3.5 crore.

Himanshu Upadhyay: And one last thing - In Life Republic it is now 1.76 million square feet and you told that now the focus would be pricing or get better realization, so can we see that what are you doing or internally that we can get more 24K type of projects in terms of revenue contribution in Life Republic in future or let us say premium projects, what are you doing with that?

Rahul Talele: Himanshu, if you see the progress of township earlier two years back we used to sell in a price category of Rs. 30 lacs to Rs. 75 lacs. So, in the last six months we have introduced a category in the range of Rs. 85 lacs to Rs. 1.1 crore. So, we got a fantastic response in that specific project which is R13. So, two third of our inventories already sold out in four, five months of the launch and likewise our 100% inventory got sold out of the row house sector in township which was upwards of Rs. 2 crore. So, 100 units all units were sold out. So, considering taking this clue ahead we are planning to launch couple of more premium projects in the township and like I mentioned earlier so there is a premium land big land parcel available in the township wherein we are planning to have a 24K or luxury district. So, one will be a regular township projects and one will be this premium luxury district which has a potential of beyond 5 million square feet.

Moderator: Thank you. The next question is from the line of Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta: Rahul if you can talk about how do you see the realization moving for us given the two factors, given the strong demand that we have in our home markets of Pune as well as the increasing proportion of Mumbai and Bangalore in our overall sales to 30% in FY25 that we are projecting, so if you can talk about both these factors how do you see the realization moving in our home market of Pune and the impact of Bangalore and Mumbai contributing 30% to our pre-sales by FY25?

Rahul Talele: Ankit our realization has gone up from Rs. 6,400 to Rs. 6,800 in this concluded financial year and going forward realization is again a very tricky point. It is a

combination of, in which project you are selling a maximum inventory, but we are confident as per our projections realizations will be close to Rs. 6,800 to Rs. 7,000 for FY24, but if you talk about betterment in price realization at a project level certainly our endeavor will be to better price realization across our offering.

Ankit Gupta: Because we were noticing that the Life Republic realizations have also moved up over the past few quarters to almost Rs. 6,000 per feet?

Rahul Talele: Correct. So, it is a combination of retail shops and a residential inventory. So, residential price realization is currently around Rs. 5,500 to Rs. 5,600 per square feet and because of the retail component it is close to Rs. 6,000 per square feet.

Ankit Gupta: But are you seeing given the launches that we have in LR, do you think this realization can move to Rs. 6,000 to Rs. 6,500 per square feet over the next two years?

Rahul Talele: So, certainly price realization so our endeavor will be to reach as close as possible to Rs. 6,000 per square feet first through our residential inventory.

Moderator: Thank you. The next question is from the line for Amit Mehendale from Robo Capital. Please go ahead.

Amit Mehendale: I have question on from accounting perspective based on you know how we expect OCs to be received during the year, do you expect FY23 revenue to be in the ballpark range of Rs. 2,000 crore or thereabout?

Rahul Talele: See Amit revenue recognition is the function of your delivery plan for that specific financial year. So, we are confident of delivering close to Rs. 1,500 crore to Rs. 1,700 crore of top line projects in the ongoing financial year.

Amit Mehendale: And my second question is on the margins the PAT margin earlier we used to report I think maybe about 12% to 14% of PAT margin, so broadly are you in sync with that I mean I am asking from an accounting perspective I understand that we talk about EBITDA at project level, but how the accounting cost are booked for new launches etc, from that perspective are we still on track for these numbers broadly?

Rahul Talele: See for us the operating margins are more important and we are confident of achieving our operating margins like I discussed earlier. So, in terms of the

accounting margins there can be deviations in the margins. So, it is a function of how quickly we are achieving growth because my marketing, my overheads I mean there is disconnect between the revenue recognition and your costs are getting recognized. So, there can be a deviation, but we are confident of our EBITDA margins at a project level.

Moderator: Thank you. The next question is from the line of Anuj Sharma from M3 Investments. Please go ahead.

Anuj Sharma: I just wanted to ask can you give some sense as to how the demand segments are doing between Pune markets, consumer segments break up, some insights into that.

Rahul Talele: We are getting the demand particularly from a MIG and HIG segment and specifically for a spacious units in both these segments. So, our MIG product which are less than Rs. 1 crore that is the end user base of first time home buyers demand particularly from IT companies and for a product which are beyond Rs. 1 crore so there is a significant demand for a product upgrades also. So, people are already having properties they want to upgrade with their aspirations and they are looking for a betterment in their living standards. So, these people are sitting with a good amount of accumulated savings. There is lesser dependency on a mortgage and for them affordability is good. So, we are getting demand from this sector as well and which is pumping our MIG and HIG and 24K products.

Anuj Sharma: Between the three segments auto, IT and investment demand what could be the rough breakup that will be helpful?

Rahul Talele: I mean largely it is IT driven for an entry level segment and for beyond Rs. 1 crore segment it is across the industry. So, there are startup people, there are small boutique business-persons who want to upgrade their houses, but largely from an end user perspective and auto demand or auto convergence will be of single digit for us.

Anuj Sharma: I am saying do you see investors piling on to buy or do you think that is a very negligible part of the market?

Rahul Talele: So, for us it is a very negligible part. I mean as a company we largely rely on the end user base sales and we are achieving as per our expectations. So, the investor base is very minimal.

Moderator: Thank you. The next question is from the line at Dhananjay Kumar Mishra from Sunidhi Securities. Please go ahead.

Dhananjay Mishra: Just wanted to know in terms of BD in Bangalore market which we have mentioned that we are targeting some BD which will be having top line potential of Rs. 1,000, so when do you expect these BD to be closed and as industry where all three market like Bangalore, Pune and Mumbai are doing very good, so we have been aggressive in terms of BD for Pune and Mumbai market while we have been very soft in Bangalore market, so any specific reason you can give, some color in terms of how the Bangalore market you see going forward?

Rahul Talele: We want to strengthen our position in Pune market. So, if you see our project portfolio we have a presence in a few micro markets which are doing good, but we do not have a presence at all in multiple micro markets of Pune. So, since we have a legacy of 30 years, there is a good brand recall in Pune market. So, we want to capitalize on this opportunity by entering new micro markets of Pune that will give us additional value and volume. So, that is our Pune strategy. In terms of Mumbai we have done seen successful completion, we are getting a good amount of traction in our multiple launches or in fact all launches and hence we are concentrating on Mumbai market as well and in terms of a Bengaluru market we want to be associated as a niche player in the Bangalore market wherein I mean less than 1 million square feet or approximately 1 million square feet of projects that we want to acquire and there are couple of opportunities that currently we are evaluating. So, we will get clarity maybe in a second half of this financial year.

Dhananjay Mishra: And secondly in terms of delivery you said that this year P&L revenue will be about Rs. 1,700 crore while in last meeting you said that for both FY23 and FY24 put together we will be doing Rs. 3000 crore, so FY24 number will be slightly lower, so now we are expecting more projects to be delivered so you have increased the target for FY24?

Rahul Talele: See FY23 and FY24 collectively it was a Rs. 3,200 crore. So, we have delivered around Rs. 1,600 crore in this FY23 and we are confident about rs. 1,600 to Rs. 1,700 crore the balance deliveries in this financial year. See we have to understand the fact that the project cannot be delivered in a one-year time. So, whatever we are talking about the aggressive numbers in the last few quarters, going forward these projects will get recognized or will get delivered in FY25, FY26 and FY27.

Dhananjay Mishra: In terms of square feet what was the delivery in FY23?

Rahul Talele: Again, it will be upwards of 3 million square feet.

Dhananjay Mishra: And similar delivery you can expect in FY24?

Rahul Talele: Yes. So, FY24 it will be too early to comment at this moment because if you are going with some kind of low-rise development that will add to my delivery.

Moderator: Thank you. The next question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

Parikshit Kandpal: I have just one question on this business development pipeline of Rs. 8,000 odd crore, so how do you need to fund it I mean if you can give the breakup of outright, JD, JV in this and also in terms of like in what stage or how advance are you in terms of this Rs. 8,000 crore how much is an advance stages that we are in?

Rahul Talele: So, out of this Rs. 8,000 crore so around Rs. 3,500 to 4,000 crore of projects we are in very advanced stages and other projects are also quite in advanced stages. Having said that, this is the combination of all sets of offering. So, there are three projects structured outright and there are projects with our JV/JDAs as well. So, in total our fund requirement will be in the range of Rs. 500 to Rs. 600 crore and we are confident of achieving this funding requirements through our internal accruals and if required leveraging is the additional option.

Parikshit Kandpal: And this funding requirement which you are talking about in terms of outright, sir this outright is in which location?

Rahul Talele: I mean it is too early to comment on the locations.

Parikshit Kandpal: In location I mean which geography Mumbai, Pune or in Bengaluru?

Rahul Talele: So, currently this outright transactions are in Pune.

Parikshit Kandpal: And out of this Rs. 3,500 and Rs. 4,000 crore of advance stages largely in which geographies?

Rahul Talele: So, 70% is in Pune and 30% is in Mumbai.

Parikshit Kandpal: I am sorry I just missed one what is the total guidance for FY24 pre-sales?

Rahul Talele: So, pre-sales guidance is Rs. 2,800 crore.

Moderator: Thank you. The next question is from the line of Ankit Agrawal from Yellowstone Equity. Please go ahead.

Ankit Agrawal: My first question is Q4 FY23 we were expecting reported revenue is around Rs. 900 crore I think that is what you had probably guided versus Rs. 800 crore, so just want to know were there any OC that were delayed?

Rahul Talele: See we have received the OC in the month of March which will get recognized in Q1 of FY24. So, there are no delays in the OC. So, there is a concept called deemed possession so with that accounting practice so this revenue will get recognized in Q1?

Ankit Agrawal: For FY24 you have guided Rs. 2,800 crore pre-sales value, what kind of volume can we expect?

Rahul Talele: So, if I consider the price realization of around Rs. 6,800 to Rs. 7,000 per square feet so volume will be around 4 million square feet.

Moderator: Thank you. The next question is from the line of Amit from Robo Capital. Please go ahead.

Amit: Just a follow up on margins again you have talked about Rs. 1,600, Rs. 1,700 crore type of a revenue for FY24. My question is again on the margins because if you then take a certain EBITDA let us say 22% odd effectively the reported numbers ideally should be significantly North of what you have reported for FY23 because you will get an EBITDA of say Rs. 400 crore odd and there is hardly any significant amount of interest or depreciation and so on, sir I would like you to comment broadly not specifically on numbers, but do you expect a very significant jump in the reported profit after tax?

Rahul Talele: So, to answer your question it will be in line with what we are delivering in last few quarters, but we are confident so I will harp on that again. We are confident of achieving a project level margin.

Moderator: Thank you. Ladies and gentlemen we will be taking the last question that is from the line of Rohit from ithought PMS. Please go ahead.

Rohit Balakrishnan: So, Rahul my question was for FY24 in terms of pre-sales this would be largely driven by Pune or I mean from a share perspective Pune share will go up or

because we mentioned that the ASP will continue to remain the same, so just wanted to understand that part and then I have one follow up question on the one of the questions that I already asked?

Rahul Talele: See in FY23 we have achieved around 80% sales from Pune from value perspective and 20% from Mumbai and Bengaluru together. So, we will continue to achieve a similar set of numbers from diversification perspective in this financial year itself there can be a marginal improvement in diversification of couple of percentage.

Rohit Balakrishnan: So, basically Bombay and Bangalore would be more FY25 that it is moving towards 30%. I am sorry Rahul I think I am not able to get the question that I had asked earlier, so you said just to clarify sustenance sales you said around 30% to 35% going forward I mean at least for about FY24 and so last year we did 51% of the sales as launches this year it will be more like 65%. I mean so it will be more driven by the launches whenever they happen, is that understanding a fair understanding?

Rahul Talele: That is correct.

Moderator: Thank you. Ladies and gentlemen that was the last question. I now hand the conference over to the management for the closing comments.

Rahul Talele: Thank you once again for your interest and support. We will continue to stay engaged and if you have any further questions, please feel free to reach Dipti Rajput at Kolte-Patil Developers.

Moderator: Thank you members of the management team. Ladies and gentlemen, on behalf of Kolte-Patil Developers Limited, this concludes the conference call. We thank you for joining us and you may now disconnect your lines. Thank you.

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